

Key performance indicators

Change in DBVS



20.9%



The Group's strong profit after tax was \$293.4 million, which contributed to a return on equity of 20.9%. The excellent result we have achieved over each of the past three years shows that our strategy since 2018 to refocus the business and become more diversified was the right one. Our capital usage is more efficient and the volatility of our earnings has been significantly reduced.

Combined ratio (undiscounted)



93.1%



Through strong and disciplined underwriting, the Group has managed to deliver a combined ratio (undiscounted) of 93.1%. This includes the impact of the California wildfire loss early in 2025, which was the largest wildfire loss ever for the insurance industry. The business we are today delivers franchise value by playing to our underwriting strengths.

Total investment return



7.0%

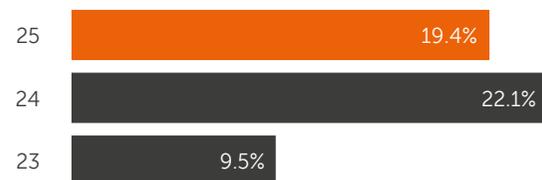


The Group's investment portfolio, including realised and unrealised gains and losses, generated \$218.0 million, representing a positive return of 7.0%. The healthy return was driven by \$164.7 million of interest and dividend income, gains arising from the lower long-term US Treasury rates and a strong contribution from our alternative assets.

Total shareholder return



19.4%



The Group's TSR exceeded the FTSE 250 index during 2025. The total shareholder return of 19.4% was supported by special dividends of \$1 per share and ordinary dividends of \$0.225 per share, during the year. This continues to demonstrate Lancashire's proven track record of returning excess capital to shareholders over time, having returned \$3.7 billion to shareholders since inception.

Insurance service result



\$381.1m



The Group's insurance service result of \$381.1 million represents an excellent underwriting result for a year of heavy natural catastrophe and large loss activity. Insurance revenue grew 5.4% to \$1,860.4 million. We manage the market cycle, matching exposures to opportunity. At this point of near peak pricing we seek to deliver strong, profitable growth leading to more sustainable returns through the cycle.

GPW managed



\$2,340.3m



Lancashire has evolved over the past 20 years as shown by the growth in managed GPW. We are more diversified across products and geographies having built a business to deliver more sustainable returns through market cycles. 2026 will see a more competitive environment, but it is important to recognise that we are still in a great place when it comes to rate going into 2026. The sector remains closer to the peak than to the trough.

Key



KPI linked to Executive Directors' remuneration. For more information, see pages 105 to 130.



Alternative Performance Measures (APMs). Refer to page 201.

We are Lancashire



It's in our DNA

For 20 years our focus has never changed: underwriting has always come first. The business we are today delivers franchise value by playing to our strengths.

Creating value across two decades

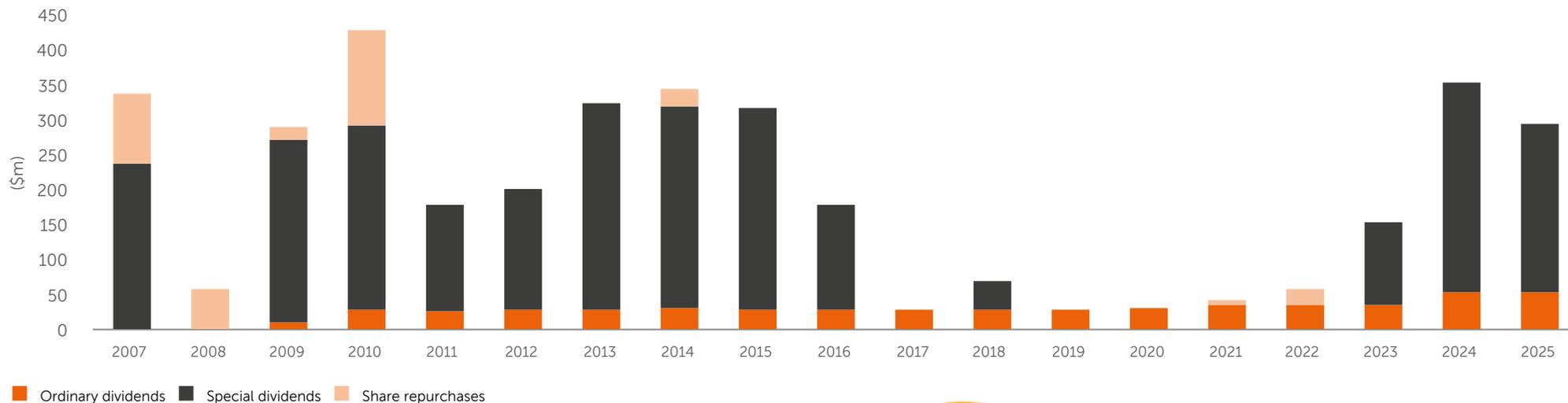
Proactive and consistent capital returns when excess builds

Since inception we have returned \$3.7 billion to our shareholders

Proven track record of active capital management across the cycle

Disciplined capital management, with flexibility to optimise capital levels as market conditions evolve

Capital returns to shareholders



PROUD OF OUR PAST



2005

Incorporated in Bermuda on 12 October; Launches on AIM in December, raising approximately \$979 million of initial capital

2006

Gross premiums written of \$626 million; London office established; 57 employees across the Group

2007

Lancashire Foundation established

2008

Not losing money is more important than blowing the lights out
Strong underwriting discipline in softening market

2009

Consistently Lancashire
LHL listed on FTSE250



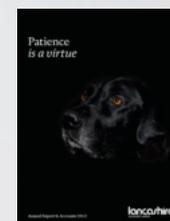
2010

Five years of Lancashire
110 in the FTSE250 rankings



2011

Striking a balance
\$1.3 billion of capital returned since inception



2012

Patience is a virtue
\$7.5 million donated through the Lancashire Foundation since 2007



2013

The power of three
Acquisition of Lloyd's platform



2014

Adapting to advance
Alex Maloney appointed Group CEO; Paul Gregory appointed Group CUO



2015

Sticking to our game plan

\$15.5 million donated by the Lancashire Foundation since inception



2016

Balance is our focus

Lancashire navigates a turbulent year of volatility and softening conditions



2017

Responsive in every environment

First full-year loss since inception with hurricanes Harvey, Irma and Maria, two Mexican earthquakes plus Californian wildfires



2018

This is who we are

Strategic diversification begins



2019

Understanding risk, seeing the opportunity

Cathedral Underwriting Limited rebranded as Lancashire Syndicates Limited (LSL)



2020

Building our future

Natalie Kershaw appointed Group CFO
\$340 million equity raise to take advantage of hardening market conditions



2021

The Lancashire Way

Lancashire Australia established



2022

Strong forward momentum

Gross premiums written of \$1.7 billion, highest at that point since inception



2023

Delivering together

Philip Bradley appointed as a Non-Executive Director and Chair designate



2024

People, Purpose & Performance

Lancashire US established gross premiums written of more than £2 billion



2025

Proud of our past; passionate about our future

100% underwriting capacity acquired for Syndicate 2010

PASSIONATE

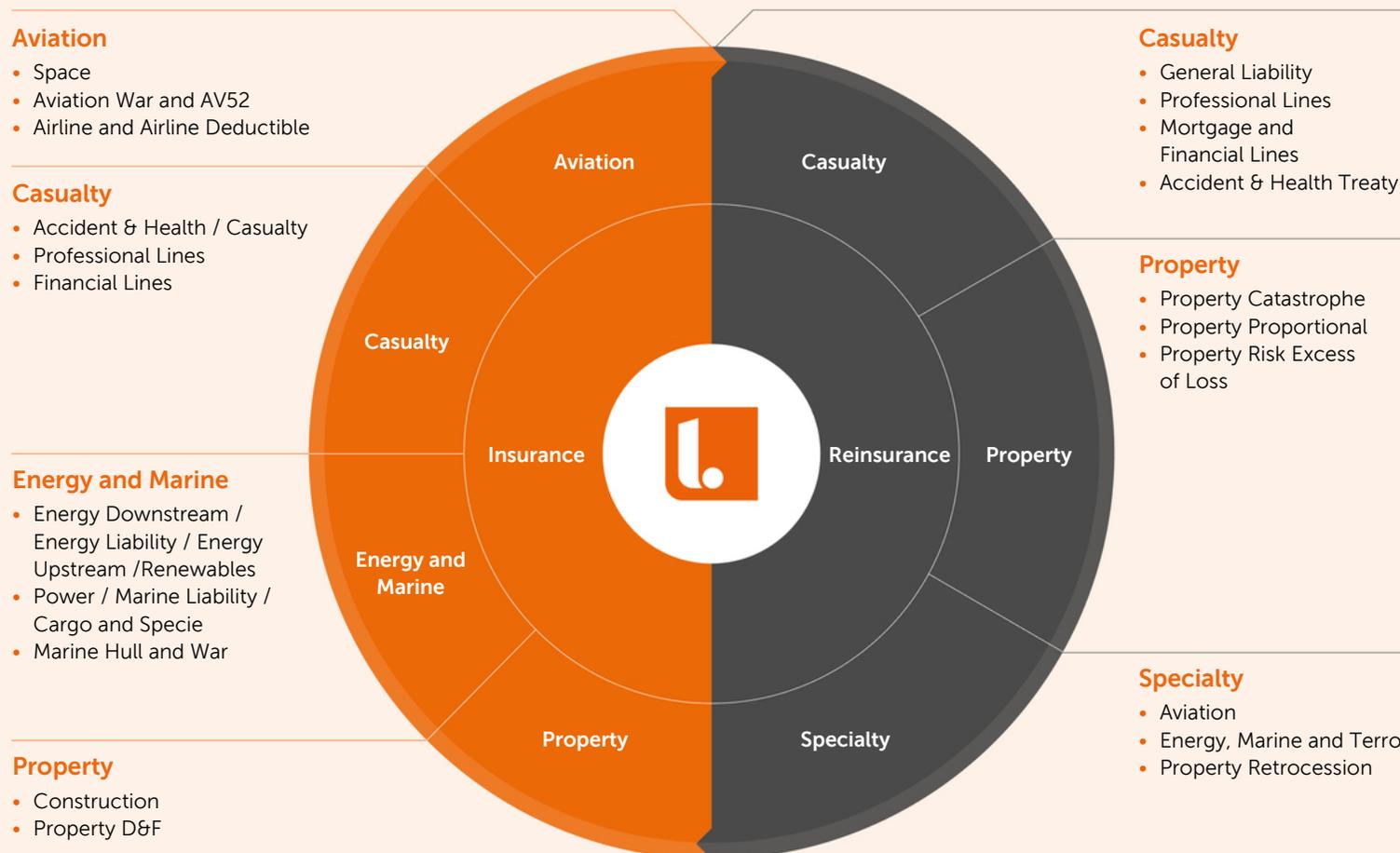
ABOUT OUR FUTURE



We are Lancashire

We provide global specialty insurance and reinsurance products, operating in Bermuda, London, the US, and Australia, across three delivery platforms.

Our focus is on short-tail, specialty (re)insurance risks with a diversified portfolio underwritten by market-leading experts.



Our claims focus:

- Pay valid claims quickly
- Transparent and expeditious determination of coverage
- Triage standard / complex claims

Our business model

Our business model focuses on our core strengths

For 20 years we have delivered risk solutions that offer protection, manage risk and have a positive impact.

Our ambition is to be the leading mid-sized underwriter of specialty insurance and reinsurance products.

We focus on our core strengths and our talented people thrive in our strong culture and inclusive and supportive work environment.



Expert people

- Our team has the experience, expertise and skills to deliver our strategy.
- We value loyalty and many of our senior leaders have had long careers within the business.
- At heart we are an entrepreneurial company, and our teams are empowered to make decisions quickly and effectively.

Customer focus and specialised products

- The products we offer are highly specialised with market barriers to entry.
- During the past two decades, we have built strong relationships with our clients and brokers.
- Our claims service helps clients recover quickly from the impacts of loss events.

A diverse offering

- We provide clients with bespoke risk solutions and maximise underwriting opportunities through access to multiple markets.
- Our ability to write business across our differing platforms is a key strategic benefit.

Disciplined risk and capital management

- We have the ability to be flexible and deploy capital aligned to the opportunity dependent on the underwriting cycle.
- We maintain our emphasis on underwriting discipline and maximising risk-adjusted returns through product diversification.

Delivering value for

Our people

85%

feel proud to work at Lancashire

Our shareholders

20.9%

change in DBVS per share

Our policyholders

\$973.3m

gross losses paid in 2025

The environment

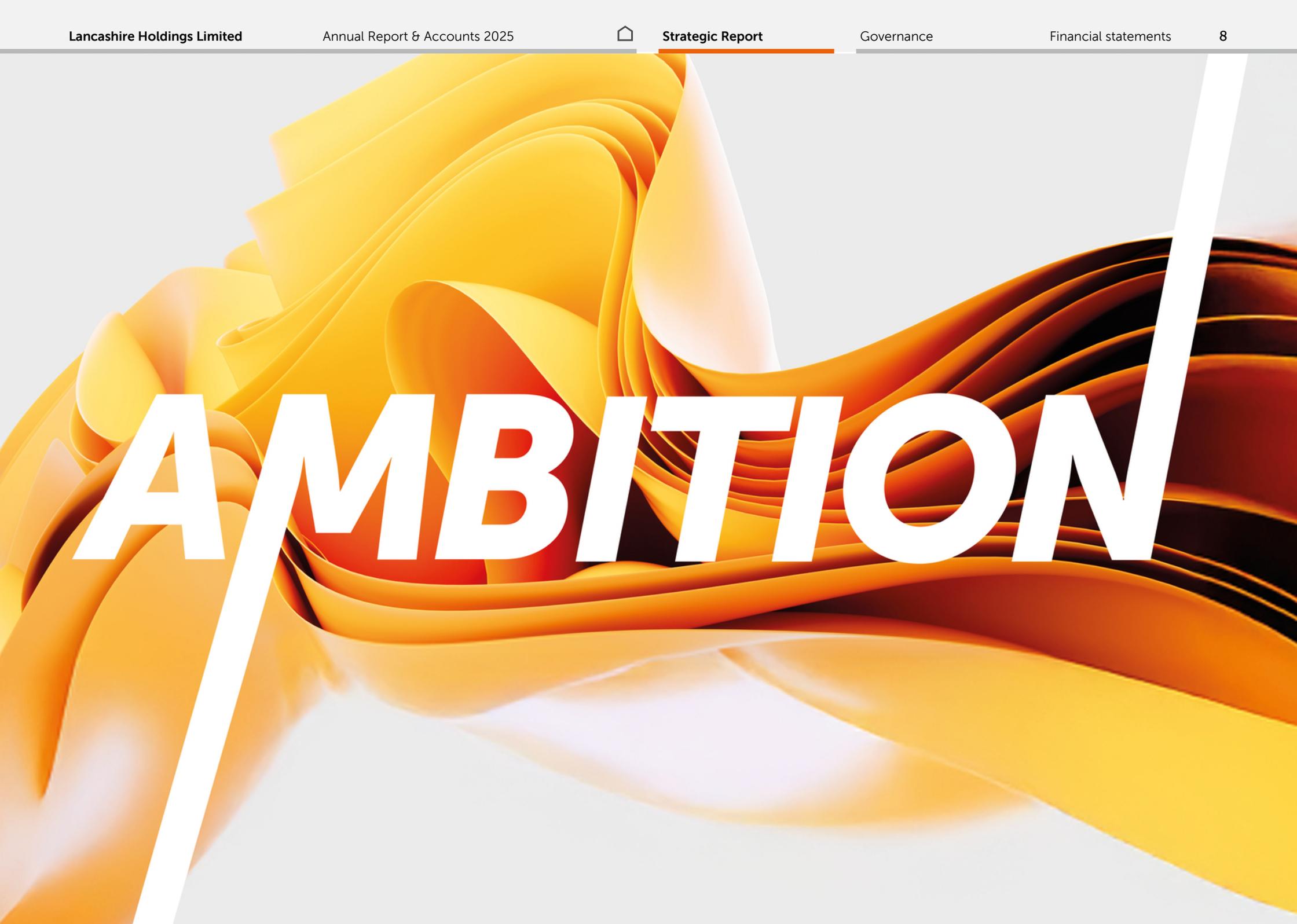
3,689

carbon credits purchased

Society

\$24.8m

donated through Lancashire Foundation since 2007



AMBITION

Chair's statement

A high-value franchise

Q&A



Philip Broadley
Non-Executive
Chair

How has the Board viewed Lancashire's performance in 2025?

The Board is very pleased with the resilient performance of the Group in a year that began with the devastating California wildfires.

This event was the largest wildfire loss ever for the industry, at an estimated \$40 billion.

Given the quantum of this loss, Lancashire's full-year results show the success of the diversification that has been a developing feature of the Group since 2018.

Over the last eight years, the management team has added new product lines, including a well-established casualty reinsurance portfolio, and new geographies, such as the Australian and US operations.

During 2025, we have undoubtedly seen the benefit of that hard work.

Our strong returns during the year were down to a combination of the solid underwriting performance, and an excellent investment performance from our growing portfolio.

So, overall, the Group remains in an extremely strong position as we enter 2026.

What have been some of the key highlights and priorities for the Board this year?

The priorities for the Board were somewhat set by the California wildfires so early on. We focused initially on ensuring the business was well protected and we reviewed our outwards reinsurance programme, which we found to have the appropriate resilience.

The Board also actively considered shareholder returns and the Group's capital requirements to deliver Lancashire's underwriting strategy.

The Board supported the acquisition of the remaining third-party Names' capacity in Syndicate 2010, which was completed in September. The Group now has full ownership of the underwriting capacity in Syndicates 2010 and 3010, and we anticipate that this will create even greater synergies and efficiencies for the Group in the years ahead (see further details on page 85).

The Board was also very pleased to see the Company's initiatives to mark its 20th anniversary, including an event for all staff to hear from management about the business's strategic priorities, celebrate the past and look to the future, and continue to build on a strong culture. For some employees this was the first time they had met colleagues from other locations face-to-face and the Board recognises the value in building relationships across the Company for the long term.

What are the Board's priorities for 2026?

Lancashire has always believed in the insurance market cycle, and we have seen the start of some rate softening and increased competition in some classes during 2025, although pricing in the current market remains at a relatively strong point in the cycle.

As you would expect, we have discussed the Group's business plans for 2026 with that in mind. We believe the business can continue to grow its underwriting portfolio and there is very much a sense that there will be opportunities to do that in 2026.

The Board will also be focused on ensuring the Group can take advantage of market conditions to optimise its reinsurance protection, aiming to achieve even greater consistency in the Group's returns.

2025 has seen significant industry consolidation and the Board will be supportive of opportunities that management identifies to recruit experienced underwriting teams who are looking for a new home and who would thrive by operating in the Lancashire way.

Chair's statement *continued*

Can you give some colour on the Company's dividend policy and capital management decisions?

Lancashire rightly has a strong reputation for disciplined capital management.

The Company has the flexibility to optimise capital levels as market conditions evolve to fund our underwriting plans, and to be proactive in capital returns when there is excess.

In 2024, the Board committed to increasing the Company's usual ordinary interim and final dividend by 50%, and interim and final dividends of 7.5 cents and 15 cents were paid to our shareholders during 2025.

Additionally, in March 2025 we were able to declare a special dividend of 25 cents per common share, and in November 2025 we declared a special dividend of 75 cents, reflecting the Group's robust capital position and excellent operating performance. This brought our aggregate special and ordinary dividends paid to shareholders in 2025 to \$1.225 per share or \$296.5 million.

Since inception Lancashire has returned more than \$3.7 billion to shareholders, so, I see the declaration of special dividends, when market conditions permit, to be a continuing part of our capital management policy.

How do you ensure alignment and constructive challenge between the executive team and the Board?

The Board meets at least four times a year and our schedule of meetings means we are together for two or three days on each of those occasions. This allows for in-depth discussion between non-executive and executive directors on business performance, risk, and ways to develop the business, and so on. These meetings also give Board members the opportunity to meet regularly with other members of Lancashire's management team, both to understand more about the business and to talk about opportunities and priorities.

Some of the Group Board members also sit on a number of the subsidiary Boards, which again provides further opportunities for strong engagement and detailed challenge and debate.

I have been pleased to see how the experience of some of our Board members in underwriting on both sides of the Atlantic has been valuable in both supporting and promoting healthy and constructive discussions on opportunities for Lancashire's US operation.

How important is culture to Lancashire's success and how does the Board engage with employees and other stakeholders?

Lancashire is a relatively small and lean organisation. It is also a truly "high-value" organisation, where each employee is important, and company culture is something that the Board takes a keen interest in. Each employee adds a lot to the business and the Lancashire way of operating means that everyone contributes to its success and understands the role that they play.

The Board is fortunate that, in a company with less than 500 employees, our pattern of meetings, and other visits, enables Directors to see a large number of people during the course of a year.

The Underwriting Committee is a great example of this, where the Board meets upwards of 20 people and can hear directly from underwriters about their class of business. But we also take the opportunity to meet people at lunches and other social occasions. It means we can get to know our people and what they do beyond the business.

That is not something that you could say about a lot of larger businesses.

Lancashire was founded 20 years ago, how do you see the Company developing over the coming years?

I think there are lots of opportunities to build on the demonstrable strength of our balance sheet and the benefits of diversification to grow the business further. Those opportunities will always be shaped by disciplined underwriting and actively managing capital and risk exposures.

Lancashire has also created a distinctive and important business in the markets in which it operates. Lancashire's products are valued by clients and their brokers, which will remain key to our success.

Our culture makes Lancashire an attractive place that people want to come and join. We have an individual style which generates real loyalty and enthusiasm among employees. Keeping that strong culture will certainly be a focus for the Board going forward as the business develops further.



Our strong returns during the year were down to a combination of the solid underwriting performance, and an excellent investment performance from our growing portfolio."

Our purpose

1

Deliver bespoke risk solutions that protect our clients and support economies, businesses and communities in the face of uncertain loss events.

2

Manage our risk exposures and capital resources to generate returns for our investors.

3

Support our people and work with our stakeholders, fostering a positive, sustainable and open business culture to the benefit of society.

The Lancashire Way

A performance-driven culture

Honesty and integrity in all we do is a given and The Lancashire Way reflects our true character and spirit.



US
33
Employees
We have one employee based in Canada

UK
347
Employees

Bermuda
59
Employees

Australia
7
Employees

The Lancashire Way

The way we behave and approach our work day-to-day is what makes us unique and creates a positive experience for our people, business partners and other stakeholders.



Hard-working
We all have a stake in the Group's success and are proactive in contributing to our goals and vision.



Straight-talking
We feel empowered to share thoughts and ideas, because everyone's voice matters.



Positive
We engage with brokers, clients, communities, stakeholders and colleagues professionally and passionately as proud ambassadors of Lancashire.



Responsible
We focus on achieving tangible results with consistent standards across the Group.



Collaborative
We work together towards common goals, share knowledge and support each other.

Total number of employees
447
in 2025

Group Chief Executive Officer's review

Driving the business forwards

Q&A



Alex Maloney
Group Chief
Executive Officer

How would you sum up Lancashire's performance in 2025?

Lancashire's performance in 2025 has been extremely strong.

We have continued to grow in line with the underwriting opportunity with gross premiums written increasing \$109.7 million to \$2,259.3 million and we delivered a very healthy profit of \$293.4 million.

Obviously, the year began with the devastating California wildfires so our combined ratio (undiscounted) of 93.1% is a good result in that context.

What we have achieved in 2025 shows that the work that we began in 2018 to refocus the business and become more diversified was the right strategy at the right time.

We are now able to use our capital more efficiently across a range of product lines and we have significantly reduced volatility in our earnings.

The performance this year resulted in a growth in DBVS of 20.9%.

Our strong underwriting and investment performance also meant we were able to return capital to our shareholders through both regular and special dividends.

This has always been part of our strategy and the business we have built in recent years has been focused on delivering strong long-term franchise value.

The capital position of the Group remains extremely robust as we go into 2026 and we will continue to take advantage of attractive underwriting opportunities.

During 2025, we also successfully completed our buy-out of underwriting capacity for Syndicate 2010, meaning we now have 100% capacity of both our syndicates, which offers us additional optionality within the Lloyd's platform.

I really want to thank everyone across the Group for their hard work and support in delivering these strong results this year and in helping drive the business forwards with such enthusiasm and commitment.

What are the challenges and opportunities for Lancashire in 2026?

Lancashire has evolved to be a very different business over the past 20 years. We are more diversified across products and geographies and that means we are more relevant to clients.

2026 will be a more competitive environment, but we have built a business to deliver more sustainable returns through market cycles. It is important to recognise that we are still in a great place when it comes to rate and going into 2026 the sector remains closer to the peak than to the trough.

Prior to 2018, it was important to be disciplined, but we believe in the underwriting cycle and knew that the market would harden and we would be able to build the next phase of the business, which is what we have done.

When we look to 2026 and beyond we see lots of opportunities.

In order to maximise these you will need a strong balance sheet and to be able to move quickly, which we have and we have shown we can do.



What we have achieved in 2025 shows that the work that we began in 2018 to refocus the business and become more diversified was the right strategy at the right time."

Group Chief Executive Officer's Review *continued*

Lancashire is now 20 years old, how has the business developed during that time?

Back in 2005, following hurricane Katrina, the (re)insurance market was very dislocated and quite chaotic, so it was a great time to set up a company.

Lancashire's strategy in the early days was the same as it is today. If you start with underwriting, if you manage your capital base, if you focus on the best returns for your business, those really are the foundations of a great underwriting company.

That is what we have built on over the last 20 years.

Today we have more balance in our portfolio and that means we can make better use of our capital.

If you go back just a few years we had four core products and today we have close to 10, with around 50 sub-classes. That's a big change and it's brought enormous benefits.

We've also expanded across geographies and have grown our footprint the 'Lancashire Way' by understanding the specific underwriting opportunity and getting the right people.

Lancashire US is still relatively new. But it has had a fantastic start. We have employed some great people and, in 2025, we added an additional casualty product.

As I have said, we are always led by the underwriting opportunity and the US operation, and the launch of our Australian platform before that, are great examples of this.

We don't follow the trend and, while Lancashire looks and feels very different to when we started, our DNA remains the same. We couldn't have developed in the way we have without the support of our people, and we have never had such a breadth of talent across the whole Company in every location as we do now.

Lancashire received strong feedback from the 2025 employee survey. How do you define the core values of Lancashire's culture, and how do you maintain them?

Everything we do is grounded in the Lancashire Way (see page 12) and those values hold up a mirror to how we run the business.

There is something unique about Lancashire and that comes from our culture.

We have a deep level of trust with our employees. Of course, we expect high standards and hard work, but in return we offer people a fantastic environment in which to grow their careers.

As a management team we knew that as we grew the business, brought in new teams and opened new offices, it was crucial that we kept the Lancashire culture. That meant always employing people who share our values and who want to contribute to the success of the business.

During 2025, we held an event for all staff to celebrate our 20th anniversary. Bringing all our people together at one time is something we haven't done before. But what struck me most about that event were the strong relationships that people had with each other, whether they had actually met in person before or not.

The Lancashire culture is such an important part of who we are and we cannot be successful as a business without it being at the very core. Our all-staff surveys are an important tool for assessing our culture (see page 38 for more information).



Group Chief Executive Officer's Review *continued*

What initiatives are in place to develop people within Lancashire and ensure you have a strong bench of talent?

Our size is a real benefit when it comes to talent development. It means we can identify people early; whether that's at the beginning of their careers or people that have joined us from other companies and we see something special in them.

I'm always very pleased when we are able to promote people from within Lancashire to bigger and more important roles. We like to challenge people and to give them opportunities to develop but also to learn from others.

During 2025, 13 people took part in our mentoring programme, benefitting from the experience of others and that's something that we really value. A second cohort is planned for 2026.

What we have done is to create an environment where people want to come to work and we see talent development as being owned by senior leaders not just the HR team.

Our retention rate is very high and that says something about how we run the business, but we always need to maintain that momentum.

Obviously, there is a lot of talk about AI at the moment, but while AI has its benefits, it will not replace people's expertise.

You have been with Lancashire since the start. How would you describe your leadership style, and has it evolved during your tenure as CEO?

I don't try to be any particular 'type' of leader. You have to be authentic and we don't try to be something that we're not.

My background is in underwriting and so I understand the importance of managing the underwriting cycle which is crucial.

My role is to lead Lancashire through the different parts of that cycle and to seek to ensure we have the right people in the right roles to rise to challenges and maximise opportunities.

There are lots of people at Lancashire that have been here for many years; they like what we do and they like how we do it.

We are a relatively small business and that means in my role you do get to know people from across the Group very well. Hopefully you understand what motivates them and can create an environment that matches their ambitions.

I see communication and managing relationships as an increasingly important part of my role. As we have opened new offices and moved into new geographies it's been crucial that all our people feel part of one group and that they maintain the same standards and have the same priorities.

As you end this anniversary year, what is your message to stakeholders?

The message is quite simple and it's thank you.

Thank you particularly to our employees who work so hard and are so committed and have created the positive culture we have across the Group.

Lancashire is about everyone doing their job, having pride, and contributing to that culture.

I also want to thank everybody outside Lancashire who has worked with us and made the last 20 years so successful.

We've achieved so much from day one; to go from an office with a handful of people to where we are today is incredible and I look forward to many more successful years ahead.



Our strategy



Underwriting comes first

Profitable growth

- Continue to grow in classes where favourable and improving market conditions exist, and explore new distribution opportunities
- Continue to reduce earnings volatility from natural catastrophe risk
- Focus on maintaining a diversified portfolio structure and our core clients

Gross premiums written of
\$2,259.3m
in 2025

Insurance revenue of
\$1,860.4m
in 2025

Introduced new product lines in the US

Balance risk and return through the cycle

Maximise risk-adjusted returns

- Actively manage capital to support underwriting opportunities
- Deploy capital quickly when it is needed and have the discipline to return it when it is not
- Encourage a culture of risk challenge, questioning and understanding

Total capital available of
\$1,956.8m
in 2025

Total dividends to shareholders in 2025 of
\$296.5m
including special dividends of
\$242.1m

Insurance market employer of choice

Positive culture enables sustainability

- Foster entrepreneurial, collaborative culture via The Lancashire Way
- Further develop the Group's ESG principles to help ensure we operate responsibly as a business
- Continuously strive for operational efficiency alongside development of data capabilities

All-staff anniversary celebration event including strategy update

2025 employee engagement survey with
84%
participation

Top 3
employer in Bermuda in 2025

Drivers

Delivery

Group Chief Financial Officer's review

Increased resilience and sustainable returns

Q&A

Natalie Kershaw
Group Chief
Financial Officer

Lancashire delivered a strong result in 2025. What does this say about the Group's financial resilience?

I am very pleased with how the Group performed during the year. The overall result is the product of another excellent 12 months, with strong and disciplined underwriting supported by healthy investment returns.

We have reported a profit after tax of \$293.4 million. This outcome demonstrates the Group's increased resilience, achieved by diversifying across product lines and geographies.

Even in a year which began with the California wildfires, diluted book value per share increased by 20.9%, evidencing the success of our growth and diversification strategy.

Insurance revenue increased by 5.4% compared to 2024 to \$1,860.4 million. The main component of insurance revenue is premium earnings, and we are benefiting from the growth in gross premiums written over the last few years.

For 2025, the undiscounted combined ratio was 93.1% or 83.7% on a discounted basis. This elevated combined ratio reflects the impact of the California wildfire loss early in 2025, but despite that we still produced an insurance service result (underwriting profit) of \$381.1 million.

Lancashire is a very different business now to just a few years ago and that's clear in the results for 2025, and the confidence we have in delivering sustainable returns in the coming years.

The upgrade of Lancashire's long-term issuer credit and financial strength ratings, to 'A' from 'A-', by S&P in December, was external validation of the improved financial resilience of the business.

How do you balance returning capital to shareholders with the ability to respond to future underwriting opportunities?

Our approach to capital allocation and returns is simple.

First, we assess the capital requirements of our current underwriting plans, in conjunction with designing the outwards reinsurance programme to protect our earnings and to manage risk levels.

We then consider how much headroom we want for strategic flexibility. Once this is determined we know the amount of capital we have available to return to shareholders.

We always match our capital to the underwriting opportunity, and the diversification of our product portfolio has made us more capital efficient, with a number of our newer products being less capital intensive.

In order to be able to rapidly respond to underwriting opportunities, we have significantly enhanced our data and our analytics capabilities over the past few years. This further strengthens our forward business planning and how we consider future capital requirements on a real-time basis.

During 2025, we returned \$296.5 million to shareholders in ordinary and special dividends, which aligns with our commitment to return capital not needed for underwriting growth.

As you can see from the chart on page 3, Lancashire has returned over \$3.7 billion to shareholders since inception 20 years ago and, in the last two years, we have returned over 100% of our profits, which is a great result.

Therefore, we will continue to return excess capital to shareholders whenever possible, while still retaining underwriting momentum into 2026 and beyond.



We have improved our capital efficiency, continued to build a good margin in our reserves and increased investment leverage, so we are in a strong position as we begin to go into the next part of the underwriting cycle."

Group Chief Financial Officer's review *continued*

Lancashire has seen strong investment returns in 2025. How important is this to the Group?

Lancashire's investment portfolio has grown considerably over the past couple of years in line with the growth of our business.

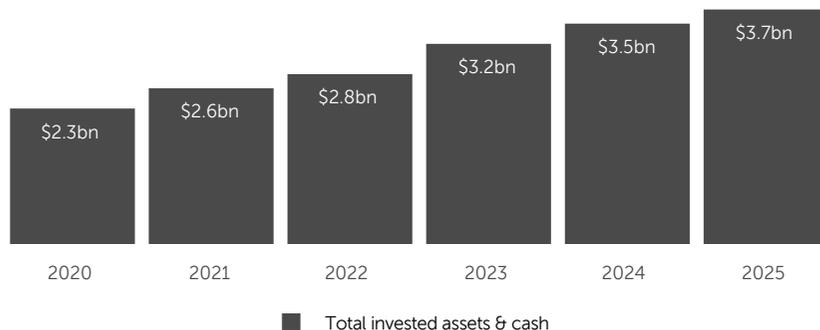
The diversification in our underwriting into longer tail classes, such as casualty, means we are also retaining elements of our premium income for longer before any claims emerge and are paid out. This increases the balance sheet leverage of our investment portfolio resulting in more meaningful investment returns, even at low risk levels.

In 2025, the portfolio returned 7.0%, or \$218.0 million. These stronger and more consistent returns, combined with our underwriting performance, have put the Group in a very good position.

We have always maintained a relatively conservative and short-duration portfolio with an average credit quality of A+.

We don't see that approach changing and believe our investments can continue to make a valuable contribution to our overall profitability. Even if yields decrease in the future, our larger asset base should continue to generate a steady stream of investment income in the coming years.

Investment portfolio growth



The Group's total net investment return has increased from \$69.1 million to \$218.0 million over the same period.

What is Lancashire's capital position going into 2026?

As I have said, we are a much more capital efficient business since we delivered our diversification strategy.

We have a simple capital approach, offering transparency and clarity for investors, which internally also allows us to focus time on capital allocation and returns rather than navigating complex balance sheet structures.

Our capital strength is noted by all our rating agencies and our BSCR ratio is very healthy. Our growth in size and product breadth also provide more options for outwards reinsurance, which we will continue to use to our best advantage.

We have improved our capital efficiency, continued to build a good margin in our reserves and increased investment leverage, resulting in a strong position as we begin to go into the next part of the underwriting cycle.

As a senior leader of an important function within Lancashire, how do you approach developing talent?

Across the finance team, developing our people is something we take very seriously.

The work we do is technical and can be complex, so we need the right people in the right roles and there is a big benefit in having people who have experience over many years at Lancashire.

But, we've also brought in some great new people to the team who bring an outside perspective and can challenge the way we do things.

In all our locations, we have talented and committed people within finance and we want them to develop and grow at Lancashire.

During 2025, Jennifer Wilson, our Group Financial Planning and Analysis Director, was appointed to succeed Hayley Johnston as the CEO of our Bermuda business.

Jenn has done a fantastic job in a number of roles at Lancashire so it's great to see her move into this important leadership position.

We have also promoted Rael Coen, currently the Group Financial Controller, to the new position of Group Finance Director from 1 January 2026.

There are many other examples of where we have developed people across the finance team and it's something that we will continue to focus on.

Group Chief Underwriting Officer's review

Rising to the challenge

Q&A



Paul Gregory
Group Chief Underwriting Officer

How would you assess the Lancashire underwriting team's performance in 2025?

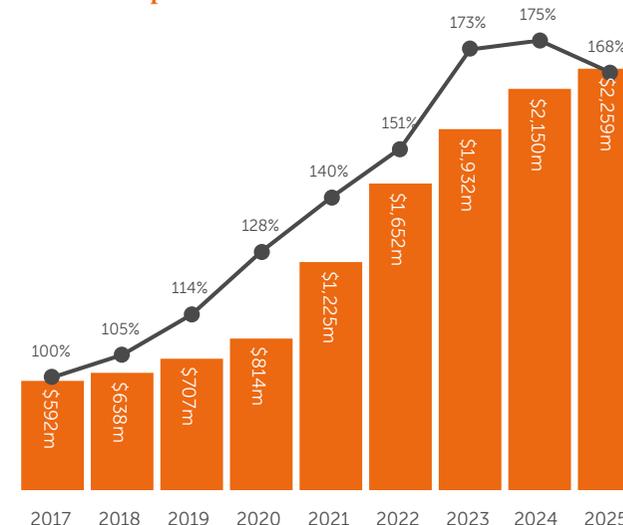
2025 is a proof point year. Our strategy since the (re)insurance market first started to harden a number of years ago was to build a more diversified underwriting portfolio. Delivery on this strategy means that we can absorb the large losses that our customers buy our products to protect themselves against and still deliver profitable underwriting results. It also gives us more levers to manage our business when the inevitable soft market appears, and continue to produce adequate and sustainable returns through the cycle. We have done this by expanding our product offering considerably, predominantly in capital efficient classes, and investing heavily in underwriting talent.

2025 saw both large losses and a softening rate environment. We started the year with a very significant loss event with the devastating Californian wildfires whilst also experiencing some rate softening for the first time since 2017. It has been the first true test of our strategy and all the hard work that has been put in over the past few years to build the underwriting platform we have today.

Pleasingly, we have come through these challenges and delivered a profitable underwriting return, with an undiscounted combined ratio of 93.1%, which provides an insurance service result of \$381.1 million. This underwriting profit has contributed to another year of exceptional returns with a positive change in DBVS of 20.9%.

We have also continued to grow our business. Whilst rates have marginally softened, the vast majority of product lines have healthy rate adequacy given the compounded rate increases over the past seven years.

Gross premiums written and cumulative RPI



Rates remain close to peak levels, as demonstrated by the 2025 RPI of 96%. We always want to grow our underwriting footprint in this environment. Insurance revenue grew 5.4% to \$1,860.4 million with gross premiums written increasing 5.1% to \$2,259.3 million. For the eighth successive year we have achieved our aim of growing premium ahead of rate whilst conditions remain favourable.

2025 has delivered yet another year of premium and revenue growth alongside a healthy underwriting profit, delivering strong returns for our shareholders whilst continuing to strengthen our underwriting talent pool. The underwriting team should be very proud of their efforts and what has been achieved in the year.

Segment	Gross premiums written \$m			Insurance revenue \$m			RPI	
	2025	2024	Variance	2025	2024	Variance	2025	2024
Reinsurance	1,187.2	1,097.8	89.4	904.4	855.1	49.3	97%	101%
Insurance	1,072.1	1,051.8	20.3	956.0	910.0	46.0	95%	101%
Total	2,259.3	2,149.6	109.7	1,860.4	1,765.1	95.3	96%	101%



Group Chief Underwriting Officer's review *continued*

What have been the challenges for the Lancashire underwriting team during 2025?

The two principal challenges we faced during the year were a more competitive trading environment and a number of large loss events.

Whilst rates have remained very healthy, they did soften for the first time in eight years. Following a number of strong years of profitability for the industry, retained earnings have produced more capital deployed, which is very simply increased supply. Meanwhile, demand for many of our products continued to increase, albeit outpaced by the levels of capital supply in most areas, leading to rates beginning to soften. Inevitably, growing premiums in a more competitive market is more challenging than when the rates are increasing and demand outstrips supply.

Despite this more competitive environment, we have been able to continue to build out areas of strategic importance during 2025. We signalled we would grow our specialty reinsurance offering in aviation, energy and marine as well as continuing the build out of Lancashire US. We were successful in both these objectives. Our specialty reinsurance portfolio has grown meaningfully year-on-year. Lancashire US has also now expanded to three insurance product lines, property, energy liability and general casualty, and will remain an area of growth in the coming years as we continue to develop existing products and add new products to our suite of offerings.

Having a broader and more diversified underwriting portfolio provides us with more options for growth and, more importantly, sustainable returns through the cycle. Not all product lines experience the same market conditions, and they move at different speeds. Some product lines were still seeing rate increases during 2025.

With a broader product suite, we strengthen our relevance with clients and, during 2025, we were able to grow our positions on a number of core clients by offering a broader range of products. See page 6.

Being more relevant to core clients will help us better navigate the market cycle and produce more stable and sustainable returns.

The second challenge was an active 2025 loss environment for both natural catastrophes and large man-made risk events.

The year couldn't have started in a more challenging way from a loss perspective. In the early weeks of January, California experienced the most devastating and costly wildfires in its history. Sadly, this led to loss of life and significant property damage creating both economic and insured losses. Industry estimates place the insured loss at around \$40 billion which is, by a large margin, the largest loss event of 2025. This is exactly the type of loss that our products are designed to respond to and why our clients buy (re)insurance protection. It is also the type of loss that prior to the portfolio diversification would have made underwriting profitability for the year very unlikely. However, as has been demonstrated, the portfolio is far more robust and can withstand losses such as this and still deliver strong returns.

The California wildfires were not the only natural catastrophe loss events of the year. There were a number of severe convective storms in the US, category 5 hurricane Melissa had a devastating impact on Jamaica, a severe earthquake in Myanmar that was a terrible humanitarian tragedy with around 4,500 fatalities, and a number of cyclones impacting South East Asian countries such as Thailand, Vietnam, Indonesia, the Philippines and China. All of these events had devastating human consequences and caused major economic disruption but, given relatively low insured values, were not significant loss events to the industry. Overall, 2025 will be remembered as a year when insured losses from natural catastrophes exceeded \$100 billion despite a very benign US hurricane season.

Alongside these well publicised natural catastrophe events were a number of large man-made losses. These were primarily within the aviation and energy industries.

In the aviation sector there were a number of high-profile loss events such as the American Airlines and Air India tragedies.

The energy sector witnessed a high number of mid-sized loss events particularly in the downstream energy class across different territories and asset types. Given the nature of these complex risks it is not uncommon for there to be periods of higher loss frequency, and the benefit of a diversified underwriting portfolio is that we can absorb this volatility whilst continuing to deliver healthy underwriting returns.

What has changed in the underwriting portfolio in 2025?

Our portfolio remains evenly split between insurance (47.5% of gross premiums written) and reinsurance (52.5% of gross premiums written). There is very little change versus last year.

Our decisions on portfolio make up are driven purely by market conditions rather than any pre-determined split. Due to market conditions being relatively stable across product lines, there has been very little change in our portfolio mix.

In a changing market how did you approach managing the reinsurance and insurance segments in 2025 and how did they perform?

Our **reinsurance segment** contains three core pillars; casualty reinsurance, property reinsurance and specialty reinsurance.

The rating environment softened marginally with a reinsurance segment RPI of 97%. In the context of rating adequacy remaining very healthy, we took the opportunity to grow and build out our relationships and franchise value with core clients. Premium across the reinsurance segment grew 8.1% year-on-year with each pillar contributing to growth.

Property reinsurance comprises our catastrophe-exposed reinsurance classes as well as our excess of loss risk and other property proportional treaty portfolios.

After the pricing and structure dislocation we saw in recent years, 2025 was a year when we started to see the very first signs of softening. However, this was measured, coming from a very strong position in terms of pricing adequacy. Whilst we still saw increased demand it was far less steep than in prior years as inflationary trends stabilised. Increased supply from existing and new entrants was more than enough to absorb this additional demand.

Group Chief Underwriting Officer's review *continued*

Importantly discipline remained on risk attachment points which meant that the catastrophe reinsurance product remained what it should be, a balance sheet protector, not a protection of quarterly earnings. This helps the reinsurance industry avoid smaller loss events but remain there for large loss events. The California wildfires are a good example of this, where many cedants recovered on reinsurance programmes designed to cater for exactly those types of catastrophic events.

The Group's overall appetite for catastrophe risk was broadly stable year-on-year as we are satisfied with the overall balance of the Group's underwriting portfolio. There was a small amount of organic premium growth with core clients through the year, this increased exposure being offset with broader reinsurance protection to maintain risk levels broadly flat year-on-year.

Casualty reinsurance comprises casualty, professional and financial lines, and accident and health reinsurance. The rating environment for all these sub-classes has been broadly stable over the year following the trend of recent years.

There were opportunities to grow with core clients, which is where we were able to deliver modest growth in this portfolio. Within the US casualty area, there continues to be deterioration on older casualty years in the industry, alongside continued discussion of more recent underwriting years being less profitable than some had expected and accounted for.

We have no exposure to older years given our entry into the class midway through 2021. Our prudent approach to reserving since the outset puts us in a strong position, and we remain confident that there is profitable margin in the years we have underwritten, which will be realised over time and help maintain stable and sustainable underwriting returns through the cycle.

The benefit of this continued focus on the adequacy of industry reserving for casualty is that it keeps discipline in the market. We continue to see primary casualty insurance rate increases implemented by our cedants and, as a reinsurer, we get the benefit of this.

Specialty reinsurance comprises our reinsurance offering for classes such as aviation, marine and energy, as well as our property retrocession portfolio.

The rating environment across these sub-classes varied during the year as each sector has its own unique dynamics. Overall, we grew premiums within specialty reinsurance year-on-year however not in every sub-class.

We had the stated aim to grow our footprint in aviation, marine and energy and were able to do this. Loss events in the aviation sector, both in 2025 and prior years, meant that aviation reinsurance was one of the few sub-classes that was positive from a rating perspective. These improved market conditions gave us the opportunity to expand our portfolio, and we grew premiums in line with our strategy. The rating environment for marine and energy reinsurance was slightly more competitive, but rates remained healthy, and we were able to grow our position with core clients as well as onboarding new clients and further enhancing our franchise value in the specialty reinsurance sector.

The property retrocession sub-class is closely aligned to the dynamics of the property reinsurance market and, as a result, this sub-class also saw rate softening. The year-on-year rate change for property retrocession, however, was more pronounced and the market environment more competitive. Accordingly, retrocession experienced the steepest year-on-year rate change of any of our sub-classes. Due to this, we took the decision to reduce our risk levels and shrunk our portfolio accordingly.

Our **insurance segment** includes aviation, casualty, energy and marine, property and specialty insurance.

Much like within reinsurance, insurance market conditions softened slightly for the first year since 2017, however, given seven years of rate increases, the majority of product lines remain very well priced with embedded underwriting margin. Given favourable rate adequacy we have continued to grow our footprint and increased premiums year-on-year.

The insurance segment RPI was 95% and we have increased our premiums by 1.9% year-on-year.

Despite major loss activity in the **aviation** industry, and in contrast to the aviation reinsurance sub-class, parts of the aviation insurance market, primarily the war exposed sub-classes, did soften during the year. Other sub-classes of aviation remained stable and some small elements such as space were positive but overall, rating in the aviation insurance class as a whole weakened. Aviation was our only class within the insurance segment that we shrunk during 2025. This was primarily a result of highly selective underwriting within our war-exposed sub-classes, given the combination of rating environment and heightened risk levels due to ongoing conflict across the globe.

We will continue to be selective in the sub-classes of the aviation market that we underwrite. We are happy to grow where we believe rating levels to be adequate for this risk but equally happy to retract if we do not. In those sub-classes where we do not underwrite in a meaningful way, we will remain patient until market conditions improve to the level required but have the team and platforms ready to maximise any future opportunity.

Casualty insurance is a small segment of the business and comprises our accident and health insurance sub-class, a small amount of professional lines insurance that we support via consortium relationships with market leaders within Lloyd's, and our new general casualty product underwritten at Lancashire US. Market conditions remain broadly stable with healthy rate adequacy. There were a few niche opportunities to grow existing relationship as well as build out our casualty insurance franchise with the new offering at Lancashire US. This all contributed to year-on-year growth for casualty insurance.

Energy and marine insurance provides products across the marine and energy industries. We underwrite marine hull, marine war, marine liabilities, upstream, renewables, and downstream energy, power and utilities, and energy liability.

Group Chief Underwriting Officer's review *continued*

The rating environment has marginally softened for all sub-classes other than the casualty exposed sub-classes of energy and marine liability that still had rating momentum and positive RPIs. Rating adequacy for most of the sub-classes remains healthy and we achieved modest growth across marine and energy, notably within energy liability given the continued build out of the offering from Lancashire US.

The risks in the marine and energy industries are constantly evolving. The challenges of inflation, volatile commodity prices and political unrest are just some of the underwriting considerations in these product lines. Whilst these classes can be extremely profitable, they require careful and considered underwriting and can have significant loss events. This was demonstrated in 2025 with a number of large loss events in the downstream energy sector. Having a broad marine and energy offering not only gives us relevance with clients and brokers but provides a more robust portfolio to absorb loss volatility within one specific sub-class.

Property insurance comprises property direct and facultative insurance and construction insurance. Trading conditions over the past few years have been exceptional so it was no surprise that 2025 has been more competitive given the outstanding underwriting results of prior years. Despite rate pressure, rating adequacy held and the book grew year-on-year.

Property insurance is one of our three product lines underwritten from Lancashire US and was a founding class of business for this office. Despite more competitive market conditions, we continued to grow property insurance premiums in Lancashire US which helped overall growth in 2025.

Our construction portfolio remained broadly stable year-on-year despite the market conditions, given the relationships and franchise we have built in that sub-class since we entered in 2021.

Specialty insurance comprises our terrorism, political violence, and political and sovereign risks sub-classes.

Given the continued global unrest, the terrorism and political violence classes have remained marginally positive from a rate perspective in 2025.

Despite the heightened risk environment due to the various global conflicts, the class remains profitable. A more volatile world does positively influence demand for the product, which has helped us grow the specialty insurance class year-on-year with premium growth comfortably ahead of rate increases.

Underwriting discipline in this class remains paramount, especially in the turbulent and unpredictable world that we live in.

The political and sovereign risk portfolio is generally non-renewable business and therefore premiums are difficult to forecast, however, we have been successful in producing strong premium growth in 2025 with a number of new opportunities and expanded relationships with existing partners. Market discipline has remained in this class, with adequate rating levels and underlying terms and conditions remaining healthy and profitable.

Where does 2025 rank in the 20 years of Lancashire's underwriting history?

2025 is right up there in terms of underwriting performance.

When you assess underwriting performance, you should always look at the context of the loss environment and also the trading conditions.

We had our second-largest natural catastrophe loss in our 20-year history within the first month of the year, combined with the first year of rate softening since 2017 with more intense competition for business.

We have built a portfolio that can absorb large loss volatility and still produce strong underwriting returns. An insurance service result of \$381.1 million is excellent in the context of the loss events in 2025.

We have also built underwriting platforms and a team of highly talented underwriters that will allow us to manage more competitive market environments as we move through the inevitable (re)insurance cycle. 2025 has been a real demonstration of this as we continued to grow our premiums ahead of rate and further strengthened our underwriting franchise.



2025 has delivered yet another year of premium and revenue growth alongside a healthy underwriting profit, delivering strong returns for our shareholders whilst continuing to strengthen our underwriting talent pool."

Business review

Underwriting results

For the year ended 31 December	2025			2024		
	Reinsurance \$m	Insurance \$m	Total \$m	Reinsurance \$m	Insurance \$m	Total \$m
Gross premiums written	1,187.2	1,072.1	2,259.3	1,097.8	1,051.8	2,149.6
RPI	97%	95%	96%	101%	101%	101%
Insurance revenue	904.4	956.0	1,860.4	855.1	910.0	1,765.1
Insurance service expenses	(511.9)	(939.3)	(1,451.2)	(420.0)	(766.1)	(1,186.1)
Insurance service result before reinsurance contracts held	392.5	16.7	409.2	435.1	143.9	579.0
Allocation of reinsurance premium	(163.7)	(259.8)	(423.5)	(168.2)	(271.2)	(439.4)
Amounts recoverable from reinsurers	63.6	331.8	395.4	(2.8)	243.1	240.3
Net (expense) income from reinsurance contracts held	(100.1)	72.0	(28.1)	(171.0)	(28.1)	(199.1)
Insurance service result	292.4	88.7	381.1	264.1	115.8	379.9
Net insurance ratio	60.5%	87.3%	73.5%	61.6%	81.9%	71.3%
Other operating expenses			10.2%			8.7%
Combined ratio (discounted) ¹			83.7%			80.0%
Combined ratio (undiscounted) ¹			93.1%			89.1%

1. The combined ratio (discounted and undiscounted) is the ratio, in per cent, of the sum of net insurance expense plus all other operating expenses to net insurance revenue.

Gross premiums written

Gross premiums written increased by \$109.7 million, or 5.1%, during 2025 compared to 2024. Excluding the impact of reinstatement premiums, underlying growth in gross premiums written was 3.3%, in line with the low single digit guidance we have previously given.

In the reinsurance segment, the rating environment softened marginally with a reinsurance segment RPI of 97%. In the context of rating adequacy remaining very healthy, we took the opportunity to grow and build out our relationships and franchise value with core clients. Premiums across the reinsurance segment grew 8.1% year-on-year, with each pillar contributing to growth.

In the insurance segment, market conditions softened slightly for the first year since 2017, however, given seven years of rate increases, the majority of product lines remain very well priced with embedded underwriting margin. Given favourable rate adequacy we continued to selectively grow our footprint and increased premiums year-on-year. The insurance segment RPI was 95% and we have increased our premiums by 1.9% year-on-year.

Insurance revenue

Insurance revenue increased by \$95.3 million, or 5.4%, for 2025 compared to 2024. Gross premiums earned, the key driver of insurance revenue, as a percentage of gross premiums written was 97.5% for 2025 compared to 95.1% for 2024. The increased percentage reflects premium earnings from prior underwriting years where the business saw substantial growth.

Allocation of reinsurance premiums

Allocation of reinsurance premiums decreased by \$15.9 million, or 3.6%, during 2025 compared to 2024. The allocation of reinsurance premiums as a percentage of insurance revenue for the Group was 22.8%, compared to 24.9% in the prior period, reflecting more efficient reinsurance purchasing as the Group seeks to achieve efficiencies and to benefit from its increasingly diversified underwriting portfolio.

Business review *continued*

Net loss environment

During 2025, the Group experienced net losses (undiscounted, excluding reinstatement premiums) from catastrophe, weather and large loss events totalling \$277.0 million. Catastrophe and weather losses were \$184.7 million. The net loss impact of the California wildfires of \$163.4 million, which is within the original range disclosed, represents the majority of this figure. The Group also experienced net losses (undiscounted, excluding reinstatement premiums) from large risk events totalling \$92.3 million. None of the large risk event losses were individually material for the Group.

In comparison, during 2024, the Group experienced net losses (undiscounted, excluding reinstatement premiums) from catastrophe, weather and large loss events totalling \$215.2 million.

Favourable prior accident year loss development for the undiscounted net movement in loss reserves was \$122.8 million during 2025. This was primarily due to general IBNR, catastrophe and large loss reserve releases on the 2024 and 2023 accident years and a further strengthening in reserves of \$32.9 million relating to direct and indirect losses from the Ukraine conflict.

In comparison, the favourable prior accident year undiscounted net movement in loss reserves during 2024 was \$93.3 million.

This continues our track record of favourable reserve releases and the Group remains conservatively reserved at an 85% confidence interval.

Net discounting benefit

The table below shows the total net impact of discounting by financial statement line item.

For the year ended 31 December	2025 \$m	2024 \$m
Initial discount included in insurance service result	135.4	120.3
Unwind of discount	(77.5)	(68.6)
Impact of change in assumptions	(25.4)	14.7
Finance (expense) income	(102.9)	(53.9)
Total net discounting income	32.5	66.4

The total impact of discounting for 2025 was a net benefit of \$32.5 million, compared to a net benefit of \$66.4 million for 2024. The higher net initial discount in 2025 compared to 2024 is primarily due to the continued growth in the Group's underwriting portfolio and the impact of catastrophe and large losses events contributing to a higher quantum of initial loss reserves being established.

The discount rates for US dollar and pounds sterling have decreased in 2025. This has driven an adverse impact from the change in discount rate assumptions. The unwind of discount has increased and reflects the growth in the discount provision over recent years in what has been a relatively high discount rate environment.

In 2024, the discount rates increased across all major currencies creating a positive impact from the change in discount rate assumptions and a higher overall net benefit from discounting.

Business review *continued*

Other financial information

Other operating expenses

For the year ended 31 December	2025 \$m	2024 \$m
Operating expenses – fixed	217.8	184.8
Operating expenses – variable	47.7	36.4
Total operating expenses	265.5	221.2
Directly attributable expenses allocated to insurance service expenses	(119.3)	(105.3)
Other operating expenses	146.2	115.9

The most significant driver of the increase in operating expenses for 2025, compared to 2024, was an increase in fixed and variable employment expenses. Our increased headcount, and the underlying growth in the underwriting portfolio, drove increases in IT, operational processing and office costs, as expected. In 2025, operating expenses also included some one-off project-related consultancy fees and an impairment charge recognised on internally generated intangible assets.

In 2025, \$119.3 million of operating expenses were considered directly attributable to the fulfillment of insurance contracts issued, and have therefore been re-allocated to insurance service expenses and form part of the insurance service result. This compares to \$105.3 million for 2024, and is reflective of the increase within the Group's operating expense base.

Capital

As at 31 December 2025, total capital available to Lancashire was approximately \$2.0 billion, comprising shareholders' equity of \$1.5 billion and \$0.5 billion of long-term debt. Tangible capital was approximately \$1.7 billion. Leverage was 22.9% on total capital and 26.3% on tangible capital. Total capital and total tangible capital as at 31 December 2024 were \$1.9 billion and \$1.7 billion, respectively.

Dividends

On 4 March 2026, Lancashire's Board of Directors declared a final ordinary dividend of \$0.15 (approximately £0.12) per common share, subject to a shareholder vote of approval at the AGM to be held on 29 April 2026, which will result in an aggregate payment of approximately \$36.0 million. The dividend will be paid in pounds sterling on 12 June 2026 (the "Dividend Payment Date") to shareholders of record on 15 May 2026 (the "Record Date") using the £ / \$ spot market exchange rate at 12 noon London time on the Record Date.

Lancashire's Board of Directors has declared a special dividend of \$0.50 per common share (approximately £0.37 per common share at the current exchange rate), which will result in an aggregate payment of approximately \$121.0 million. The dividend will be paid in pounds sterling on 17 April 2026 (the "Dividend Payment Date") to shareholders of record on 20 March 2026 (the "Record Date") using the £ / \$ spot market exchange rate at 12 noon London time on the Record Date.

Business review *continued*

Investment results

Investments and liquidity

Since inception, the primary objectives for our investment portfolio have been capital preservation and liquidity, and we position our portfolio to limit downside risk in the event of market shocks. Those objectives remain unchanged and are more important than ever in today's volatile markets.

During 2025, the US yield curve gradually steepened, as long-term yields climbed and the front end was lowered with the Federal Reserve's 75bps (basis points) rate cuts in the second half of the year. 2025 continued to have strong carry, in all fixed income asset classes, and with a steeper yield curve, our fixed income managers were able to 'roll down the curve' which was beneficial. In addition, investment-grade corporate spreads continued to tighten, which benefited our portfolio.



Denise O'Donoghue
Group Chief Investment Officer

Private credit again contributed positively to the overall portfolio, generating excess return in the surplus portfolio. As we head into 2026, the fixed income portfolio maintains a strong market yield of 4.4%, which is a positive starting point going into the new year.

However, there remain plenty of risks; including geopolitical tensions, inflation risk, tariffs and Supreme Court rulings. We expect few US federal reserve rate cuts and a generally consistent US yield curve shape. Given the expected volatility we will continue to maintain a short, high credit quality portfolio with increased portfolio diversification to balance the overall risk-adjusted return.

Investment performance

Total investment return, including net investment income, net realised gains and losses and net change in unrealised gains and losses, was \$218.0 million for 2025 compared to \$162.2 million for 2024. Net investment income, excluding realised and unrealised gains and losses, was \$164.7 million in 2025, an increase of 13.7% compared to 2024.

The investment portfolio generated a total investment return of 7.0% during 2025. The returns were driven by investment income, benefiting from higher yields combined with rising prices due to falling Treasury rates and a modest tightening of investment-grade credit spreads. In addition, the non-US dollar portfolios and cash, held for hedging purposes, benefitted from a weakening US dollar which added 50bps or \$15.8 million of investment return. The private investment funds also contributed strong returns during the year.

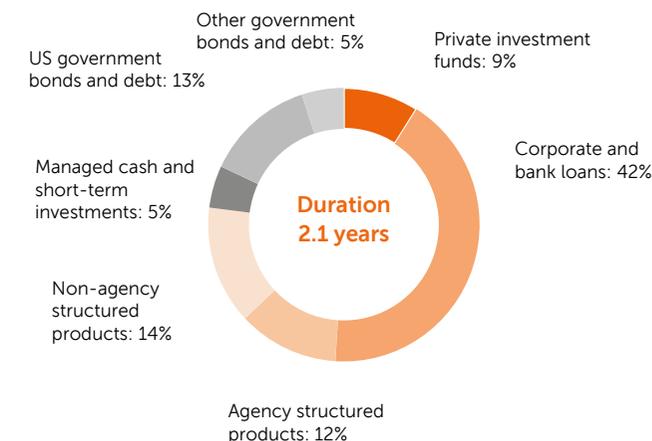
For 2024, the investment portfolio generated a positive return of 5.0%. The returns were driven primarily from investment income given the higher yields throughout most of the year. In addition to positive returns from the fixed income portfolio, the risk assets, notably the bank loans and the private credit funds, contributed positively to the overall investment return.

Our portfolio mix illustrates our conservative philosophy, as shown in the chart on the right.

Conservative portfolio structure – quality

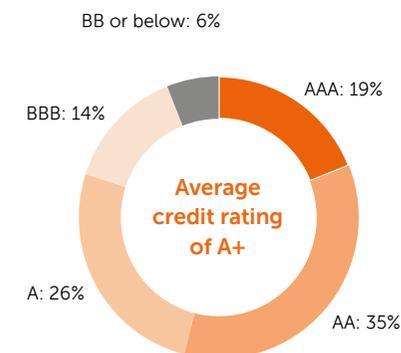
Asset allocation

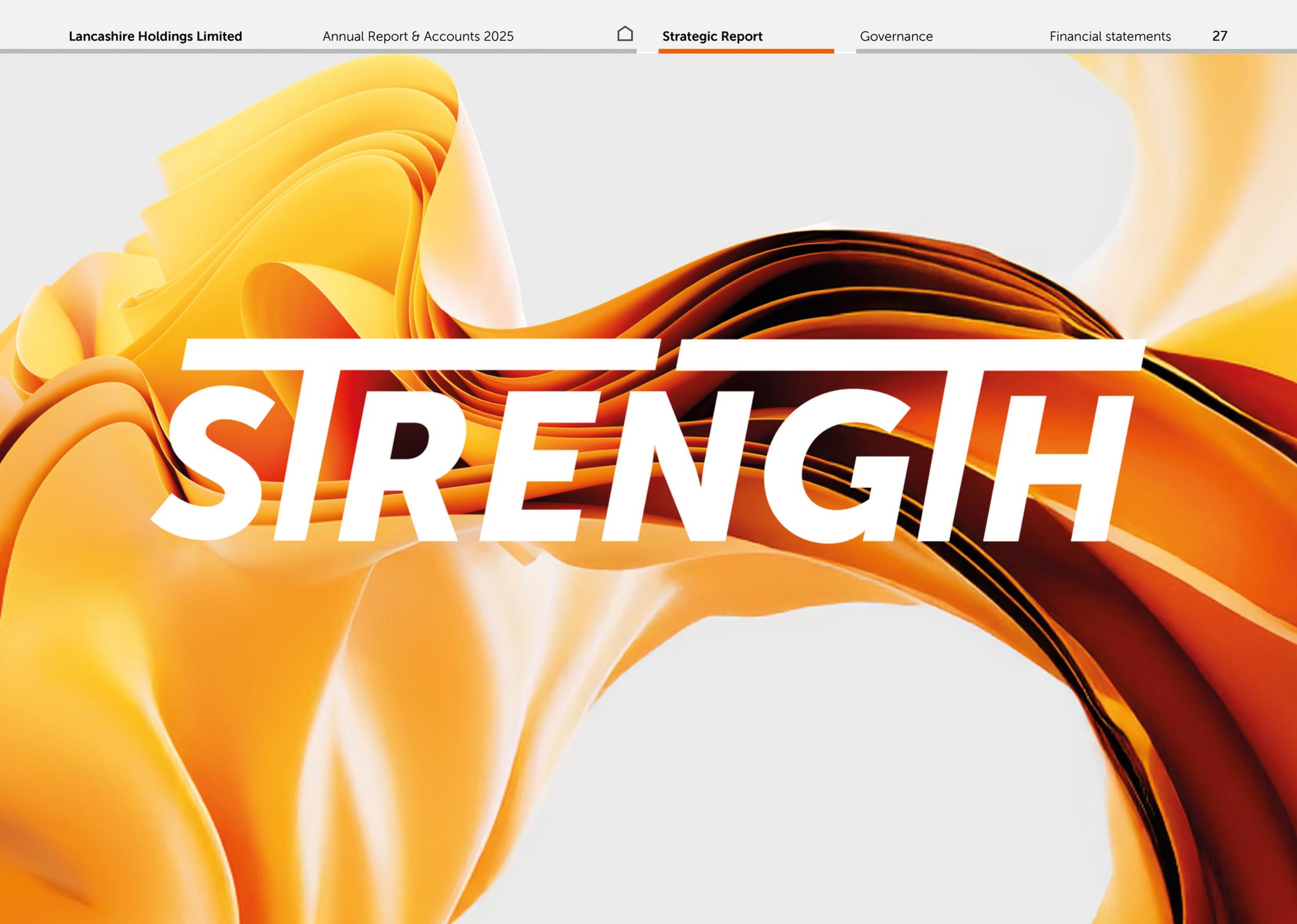
Total investment portfolio and managed cash



Credit quality

Fixed maturities and managed cash





STRENGTH

Enterprise Risk Management

Protecting Lancashire now and into the future

Q&A



Louise Wells
Group Chief
Risk Officer

What have been the key areas of focus in 2025?

During 2025, we have focused on three main areas: refining our approach to addressing the enhanced risk management and internal control requirements of Provision 29 of the UK Corporate Governance Code; operational resilience and cyber security; and evolving regulatory requirements.

Can you tell us more about Provision 29?

Provision 29, of the revised Code, requires the Board to confirm the effectiveness of their material internal controls. So, our focus has been on reassessing our material controls in line with the enhanced requirements of Provision 29, seeking to ensure our control validation procedures and outcomes are supported by appropriate evidence, and enhancing our reporting to provide the Audit Committee and Board with sufficient assurance to support their declaration on the controls' effectiveness.

How have you been addressing operational resilience and cyber security issues?

We have focused on continuing compliance with the regulatory requirements in this area and enhancing the associated scenario testing. With the advancement of artificial intelligence comes increased sophistication in phishing attacks. We continue to evolve our cyber risk and operational resilience frameworks to mitigate this risk. Both risks are included within the principal risk of operational risk, which is discussed on page 35. Further detail on our approach to AI is included within the risk disclosures on page 158.

What have been some of the key evolving regulatory requirements?

The Group and its operating subsidiaries are regulated by multiple regulators including the BMA, PRA and Lloyd's. Across the regulators, requirements around operational resilience, outsourcing and climate risk management have continued to evolve during 2025. The risk team has worked with the 1st line and other 2nd line functions to agree enhanced approaches to these requirements and to seek to ensure appropriate evidencing of related work.

What is your focus going into 2026?

Lancashire has grown significantly in recent years. Our operational and IT processes have developed considerably to support this. In addition there are ever increasing changes and challenges in the external environment. Accordingly the risk team is increasing its focus on operational risks, including information security and cyber risks, AI risks, operational resilience and outsourcing risks. We will also remain focused on geopolitical risks, climate change and risks to the delivery of our strategic objectives.

What are your strategic objectives?

The risk management function has three strategic objectives:

- Relevant and scalable RMF
- Balance the need to take risk with the need to manage it
- Positive risk culture

How does Lancashire approach balancing capital and risk?

The Group takes an enterprise-wide approach to managing risk. The primary objective being to ensure that the capital resources held are matched to the risk profile of the Group and that the balance between risk and return is considered as part of all key business decisions.

The RMF sets out our approach to identifying, assessing, mitigating, and monitoring the principal risks the Group faces. The diagram on page 30 illustrates how the various parts of the RMF come together to form Lancashire's overall ORSA process.

Our ORSA process is an ongoing analysis of the Group's risk profile and its capital adequacy to support the business strategy over the business plan horizon.

The key activities within this process consider how the financial and principal risks to which we are exposed may change over the planning cycle, what drives these changes, and how resilient the Group's resources are to a range of extreme but plausible events.

Enterprise Risk Management *continued*

As such it is an important business management tool which is used to inform key business decisions.

The ERM and ORSA activities are underpinned by our risk culture and governance.

Our collaborative risk culture is driven from the top down via the Board and the executive management team to the business.

The primary role of the Group CRO is to facilitate the effective operation of the ERM and ORSA processes throughout the Group and to provide day-to-day oversight and challenge on risk-related issues.

Why is good risk governance important?

Good risk governance builds trust, helps ensure compliance, and strengthens resilience by enabling informed decisions and protecting long-term value.

As such, it is a major component of the overall RMF, providing for clear roles and responsibilities in the oversight and management of risk. It also provides a framework for the reporting and escalation of risk and control issues across the Group. Lancashire operates a three lines of defence governance model and more information is on page 31.

The Board retains responsibility for all risk within the Group and is responsible for setting and monitoring the Group's risk appetite and tolerances, whereas the individual entity boards are responsible for setting and monitoring entity-level risk tolerances. Risk tolerance represents the maximum amount of capital, generally on a modelled basis, that the Group and its entities are prepared to expose to certain risks. The Group's appetite for risk will vary marginally from time to time to reflect the potential risks and returns that present themselves. However, protecting the Group's capital and maximising risk-adjusted returns for investors over the long term are constants.

All risk tolerances are subject to at least an annual review and consideration by management and the respective boards. The Board and individual entity boards review actual risk levels versus tolerances. Management assesses our PMLs against risk tolerances more frequently to seek to ensure that risk levels are managed in accordance with them.

The Group CRO provides regular reports to the management team outlining the status of the Group's ERM activities and strategy, as well as formal reports to the Board.

The Group CRO reports to the Chair of the Board and Group CEO but ultimately has the right to report directly to the Group and entity regulators if they feel that management is not appropriately addressing areas of concern regarding the Group as a whole or any of the individual operating entities.

We continue to perform a quarterly risk and control affirmation process whereby the operation of all key controls is affirmed by the control operators and then reviewed and approved by the risk owners. A sample of the primary controls supporting our material controls are validated on a quarterly basis with the results reported to the Audit Committee. Secondary controls are tested on a risk-based cyclical basis.

In addition, risk owners are required to affirm that their risks remain appropriately documented and scored. The risks are scored on both a gross basis (i.e. inherent risk pre-controls) and a net basis (i.e. residual risk post the application of controls).

The output from this process is reported to the RRC and the Group and operating subsidiary audit and risk committees or boards of directors as appropriate.

As at 31 December 2025, all Group entities were operating within their Board-approved risk tolerances.

The quarterly ORSA reports prepared by the Group CRO to the Group and subsidiary boards provide a timely analysis of current and potential or emerging risks, compared against risk tolerances, along with their associated capital requirements.

The 2026 annual ORSA report will be presented to the Board for review, challenge and approval at the Q1 2026 Board meeting. The equivalent reports for the operating subsidiaries will also be presented to their boards for review, challenge and approval during Q1 2026. As a Lloyd's managing agent, LSL falls within the Society of Lloyd's for Solvency II reporting, preparing ORSA reports for each syndicate. LSL has its own RMF to seek to ensure it operates in line with the principles for doing business at Lloyd's.



At Lancashire, risk management is at the heart of everything we do. By anticipating challenges and safeguarding opportunities, we protect our clients, our business and our future."

Enterprise Risk Management *continued*

ERM & ORSA

Key activities

Risk solvency & assessment

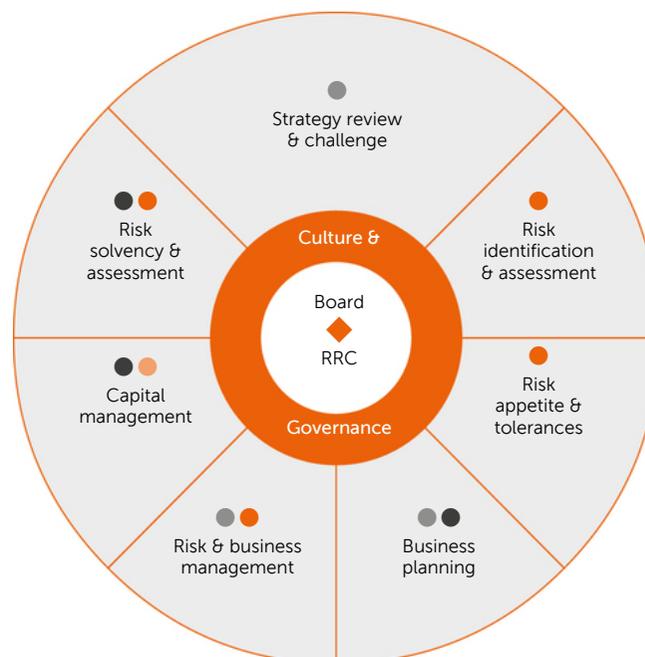
- Group CRO reports to Board and is a member of the Group Executive Committee
- Production of quarterly ORSA report for review and approval by the Board

Capital management

- Capital and liquidity management frameworks
- Review of internal model policies, capital and solvency appetites
- Full/proxy capital assessments
- Rating agency capital assessments
- Stress and scenario testing
- Board quarterly review of capital needs, headroom and actions

Strategy review & challenge

- Review of business strategy with challenge from the Board
- Annual approval of a business strategy paper by the Board
- Development of ESG strategy and framework



Risk & business management

- Review of risk management policies
- Assessment of risk management framework maturity
- Integrated assurance assessment
- Emerging risk assessment
- ESG framework and strategy
- Review and approval of business plan by the Board

Business planning

- Stress and scenario testing (business plan)
- Assessment of management actions
- Group CRO review of business plan
- Board business performance review
- Board consideration of stakeholder engagement

Key elements of ORSA

- ◆ Board sign-off and embedding
- Business strategy
- Risks
- Capital and solvency
- Stress and scenario testing

Risk identification & assessment

- Quarterly risk and control affirmations
- Emerging risk forum
- Quarterly internal audit reports to the Audit Committee providing an update on work performed and analysis of root cause of audit findings
- External audit reports to the Audit Committee
- Audit Committee annual review of the effectiveness of financial reporting internal controls
- Bi-annual ESG Committee

Risk appetite & tolerances

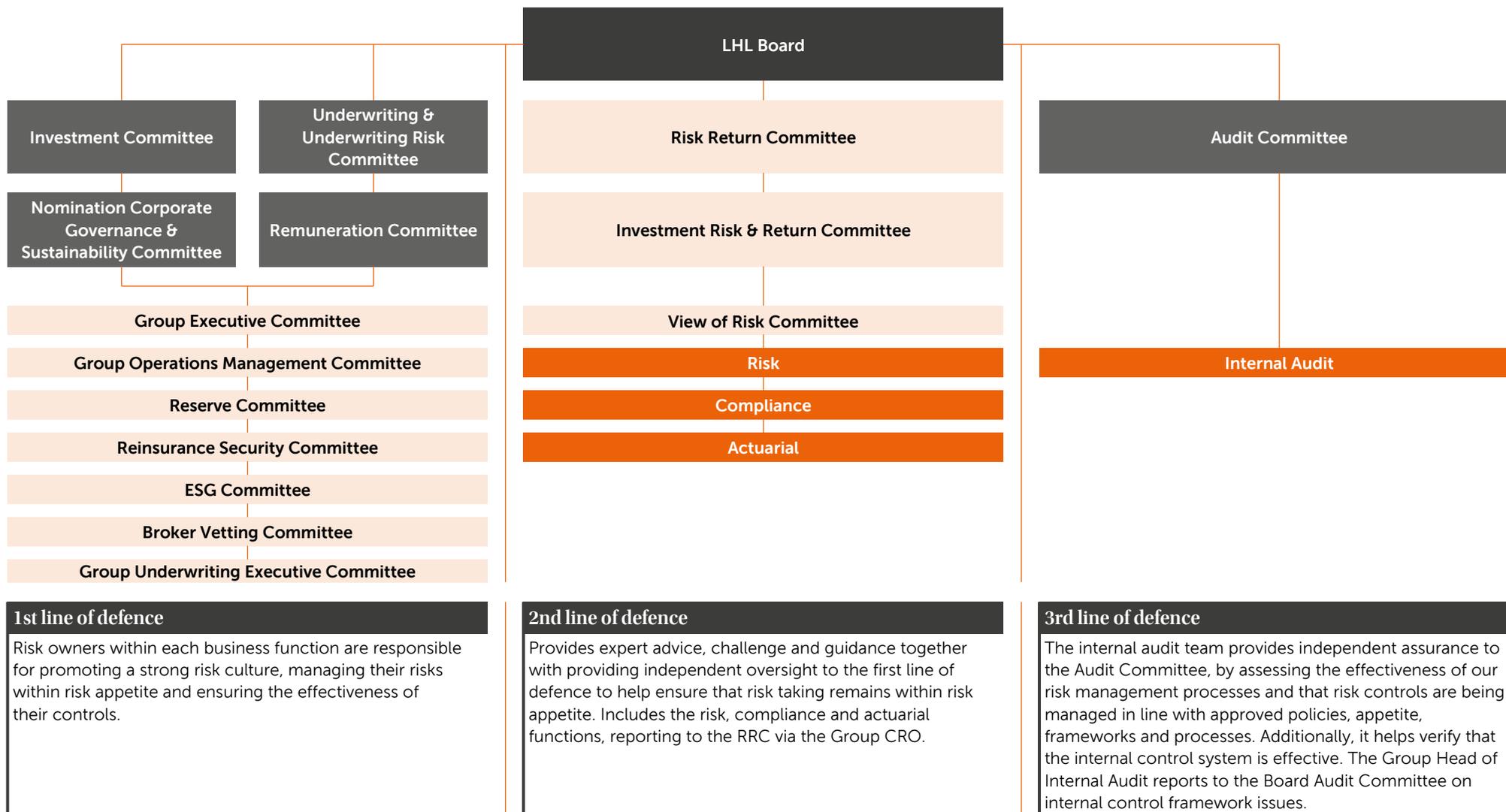
- Review of risk strategy and ‘attitude to risk’
- Review and measurement of risk appetite and limits
- Review of Group risk tolerances
- Management, Board and subsidiary board approval and monitoring of risk appetite and tolerances

The ORSA processes are ongoing and operate throughout the year, with the annual ORSA report, summarising their outcome for management and the Board on an annual basis. The quarterly ORSA update report provides the Board with a point-in-time update on the key activities listed above and the challenge provided by the Group CRO.

Risk governance is a major component of the overall RMF and provides for clear roles and responsibilities in the oversight and management of risk. It also provides a framework for the reporting and escalation of risk and control issues across the Group. Lancashire operates a three lines of defence governance model.

Enterprise Risk Management *continued*

Governance framework



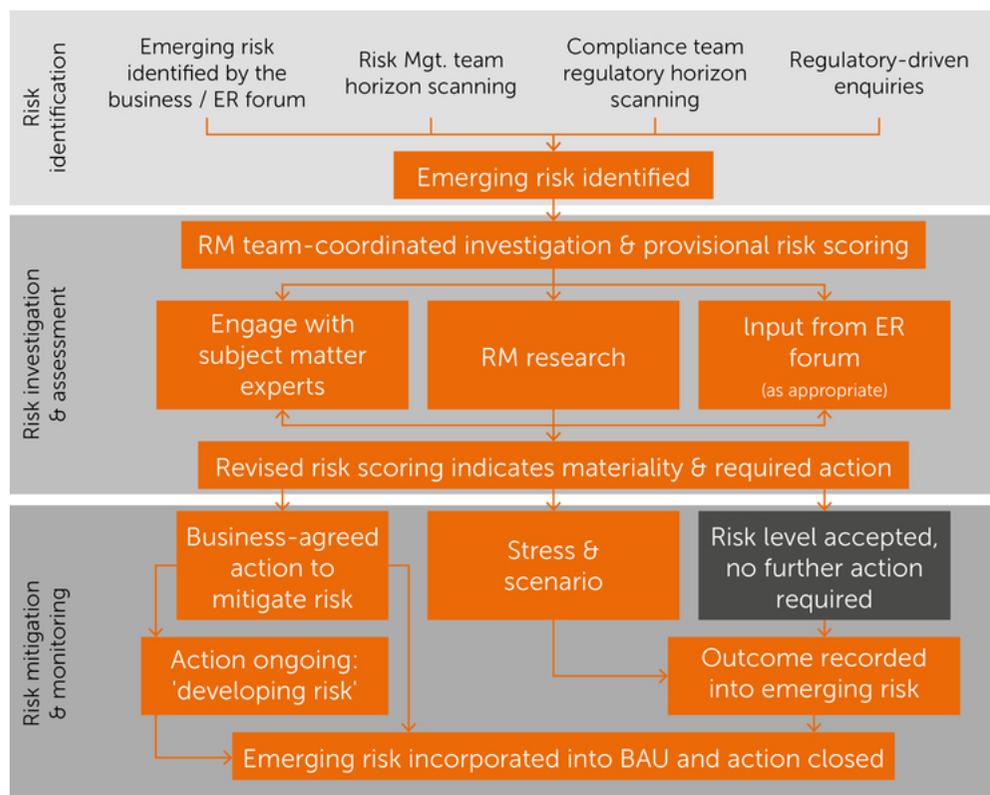
Enterprise Risk Management *continued*

Emerging risks

Emerging risks are identified by both the risk management function and the business, and are considered at the emerging risk forum, a Group-wide forum with cross-functional membership. A detailed log of all emerging risks identified is maintained including the anticipated impact, likelihood, time horizon, velocity, longevity, risk sector, risk type and any actions required.

The top emerging risks for the Group are discussed with risk owners, executive committees, the Board and entity boards of directors on a periodic basis. Artificial intelligence was the top emerging risk monitored during 2025.

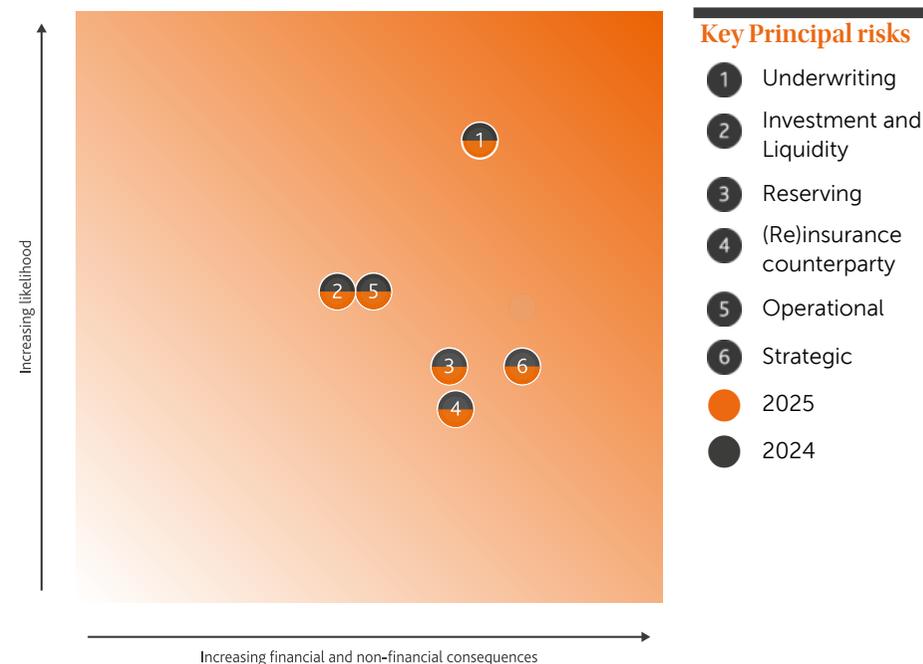
Emerging risk process



Principal risks

The Board evaluated the risks disclosed alongside other factors in the assessment of the Group's viability and prospects as set out in the going concern and viability statement in the Directors' report on page 134.

Given the broad reach of climate change and the risks associated with it, we concluded that these risks are most appropriately managed by including their impact through existing principal risks, rather than a separate climate change principal risk. The impact of climate change is therefore covered in the following principal risks: underwriting, investment, operational and strategic.



Enterprise Risk Management *continued*

Principal Risks

Principal risk category/risk owner	Key mitigating actions	How the Board reviews this risk
<p>Underwriting UURC</p>     <p>Risk description and performance</p> <p>Inadequate pricing of risk, resulting in insufficient premium to cover any losses arising.</p> <p>Failure to monitor exposure accurately such that losses exceed expectation.</p> <p>Our underwriting performance is discussed on page 23.</p> <p>Our RPI for the insurance segment was 95% and for the reinsurance segment it was 97%.</p> <p>We remained within tolerance for all PMLs and RDSs during 2025.</p>	<p>We define our underwriting risk appetite and set risk tolerances as a percentage of capital we are prepared to risk for both natural catastrophe events and man-made disasters.</p> <p>PMLs for natural catastrophe perils are modelled at least twice quarterly, and RDSs for non-elemental perils are updated quarterly. Both are provided to the RRC for review.</p> <p>We model our portfolio against Lloyd’s RDSs to assess potential losses.</p> <p>We apply loads to and stress test stochastic models and develop alternative views of losses using exposure damage ratios. We review assumptions periodically to seek to ensure they remain appropriate.</p> <p>Risk exposures impacted by geopolitical risks can be managed through the level of capital deployed. In addition, we make use of a suite of tools, including the use of third-party intelligence services, to monitor and manage the Group’s live transient risks.</p> <p>We use our RPI measure to track trends in premium rates for our renewed business.</p> <p>The RRC considers accumulations, clashes and parameratisation of losses and models.</p> <p>Underwriters have individual underwriting authorities they must comply with.</p> <p>We perform pre- and post-bind peer review of a sample of risks written.</p> <p>Reinsurance is purchased to manage exposure and protect our balance sheet.</p>	<p>The Board delegates oversight of underwriting risk to the UURC. See page 100 for how the Committee discharged its responsibilities in this area. Management reports to the UURC on underwriting performance, strategy and risk tolerances.</p> <p>The Board is engaged in the development and implementation of the Group’s underwriting strategy, including the potential risks to this such as geopolitical risks and climate-related physical, transition and litigation risks. The Board reviews and approves the underwriting risk appetite, the risk tolerances and the structure of the outwards reinsurance programme on an annual basis.</p> <p>The UURC receives topical presentations from management and underwriters to provide additional detail on exposures and risk mitigation where necessary.</p>

Strategic objectives	Risk trends	Impact trend	Appetite trend
 Underwriting comes first	 Stable risk	 High	 Acceptable
 Balance risk and return through the cycle	 Decreased risk	 Moderate	 Reassess
 Insurance market employer of choice	 Increased risk	 Low	 Unacceptable

Enterprise Risk Management *continued*

Principal Risks

Principal risk category/risk owner	Key mitigating actions	How the Board reviews this risk
<p>Reserving Reserve Committee</p> <p>Risk description and performance</p> <p>The risk that established reserves are inadequate and claims exceed them.</p> <p>The confidence level of 85% is within our desired range.</p>	<p>Lancashire adopts a conservative reserving approach for all new classes of business until they are established.</p> <p>Actuarial and statistical data is used to set estimates of future losses. These are reviewed by underwriters, claims staff and actuaries to seek to ensure they reflect the actual experience of the business.</p> <p>Reserves are reviewed and approved by the Reserve Committee whose members include representation from finance, actuarial and claims; there are additional attendees from underwriting, legal and risk.</p> <p>An independent review by external actuaries of reserve adequacy is performed twice a year.</p>	<p>The Board delegates oversight of reserving risk to the Audit Committee. See page 88 for how the Committee discharged its responsibilities in this area.</p> <p>Management reports to the Audit Committee quarterly on reserves for material new claims, developments on established reserves, the reserve margin and confidence levels.</p> <p>The Audit Committee receives and considers the report from the external actuary on reserve adequacy. The Committee’s review is also informed by the work performed by the external auditors.</p>
<p>Investment and liquidity Investment Committee</p> <p>Risk description and performance</p> <p>The risk of insufficient liquid assets to pay claims when due.</p> <p>The Group continues to have excess liquidity compared to tolerance and remains within investment guidelines.</p>	<p>We stress test our portfolio to understand the impact of a range of realistic loss scenarios, including risk-on, risk-off and interest rate hike scenarios.</p> <p>A biannual strategic asset allocation study is performed, the recommendations from which are discussed at the Investment Committee and presented to the Board for approval.</p> <p>The IRRC meets quarterly and reports to the RRC and to the Investment Committee.</p> <p>External investment managers are used to manage the portfolios.</p> <p>The Group’s principal investment managers are signatories to the UN PRI.</p>	<p>The Board delegates oversight of investment risk to the Investment Committee. See page 97 for how the Committee discharged its responsibilities in this area.</p> <p>Management reports to the Investment Committee on investment performance, strategy, including asset allocation, and risk tolerances.</p> <p>The Investment Committee receives and reviews the investment strategy, guidelines and policies, risk appetite, and associated risk tolerances and makes recommendations to the Board in this regard.</p> <p>It also monitors performance against risk tolerances, investment guidelines, carbon intensity scores and a climate value at risk measure quarterly.</p>

Strategic objectives	Risk trends	Impact trend	Appetite trend
Underwriting comes first	Stable risk	High	Acceptable
Balance risk and return through the cycle	Decreased risk	Moderate	Reassess
Insurance market employer of choice	Increased risk	Low	Unacceptable

Enterprise Risk Management *continued*

Principal Risks

Principal risk category/risk owner	Key mitigating actions	How the Board reviews this risk
<p>Operational</p> <p>Audit Committee & Board</p> <p>Risk description and performance</p> <p>The risk of inadequate or failed internal processes, personnel, systems or (non-insurance) external events.</p> <p>The Group did not have any material impact from any operational loss events during the year.</p>	<p>The Group has a robust quarterly risk and control affirmation process in place, which is supported by control validation. A description of certain of the Group’s operational risks and controls can be found on pages 171 to 172.</p> <p>The Operational Resilience Committee met regularly throughout 2025 to continue enhancing our compliance with the PRA and FCA’s requirements.</p> <p>We continue to work with a third-party provider to strengthen our operational resilience and enhance our approach to scenario testing. Key outsource arrangements are monitored via SLAs, KPIs and regular meetings with the vendor.</p> <p>A key part of our operational resilience concerns cyber security. The Group integrates information security into its risk management framework, regularly updating policies to meet new threats. It uses layered security controls, ongoing staff training, and continuous monitoring to safeguard data and systems, while incident protocols and awareness campaigns help prevent and address security risks.</p> <p>We have a cyber incident response plan which is tested and refreshed annually. The annual test of this is facilitated by a third-party specialist.</p> <p>IT availability risk is mitigated through disaster recovery and business continuity plans, which are tested periodically.</p> <p>IT integrity risk is mitigated through independent penetration tests, adherence to the principle of least privilege, implementation of role-based access control, and regular user recertification reviews.</p> <p>KRIs and KPIs are used to monitor performance against our cyber risk appetite.</p> <p>We have matured and strengthened governance across AI evaluation, implementation, and monitoring, seeking to ensure alignment with regulatory and ethical standards. We prioritise safe and controlled deployment to protect client data, uphold compliance, and manage emerging risks.</p> <p>See pages 63 to 66 for information on our policies relating to employees and other matters.</p>	<p>The Board delegates oversight of internal controls and risk management systems to the Audit Committee. See page 91 for how the Committee discharged its responsibilities this year. The Board retains the responsibility for risk oversight of IT and cyber risk.</p> <p>The Group CEO and management team manage the operation of the business and report to the Board and its committees.</p> <p>The Audit Committee receives a quarterly report from the Group CRO, summarising the results from the quarterly risk and control affirmation process and control validation work, along with the Group CRO’s opinion on the overall control environment.</p> <p>The Audit Committee reviews this alongside the quarterly update from the Head of Internal Audit.</p> <p>The Board receives a quarterly update from the CRO, which includes, by exception, details of loss events, performance against operational risk KRIs, and changes in the risk and control environment. The Group COO reports to the Board on operational matters, including the programme of change, IT and cyber security.</p>

Strategic objectives	Risk trends	Impact trend	Appetite trend
Underwriting comes first	Stable risk	High	Acceptable
Balance risk and return through the cycle	Decreased risk	Moderate	Reassess
Insurance market employer of choice	Increased risk	Low	Unacceptable

Enterprise Risk Management *continued*

Principal Risks

Credit

UURC



Risk description and performance

The risk our reinsurance counterparties are unable or unwilling to pay us in the event of a loss.

The risk of mishandling by, or failure of, our intermediaries.

The Group was within our stated risk appetite and tolerance during the year.

Our Broker Vetting Committee is responsible for the broker vetting approval process and monitoring credit risk in relation to brokers.

Most business is conducted using non-risk transfer TOBAs. Monies are held by brokers in segregated client money accounts.

Board-approved counterparty credit limits are used, reinsurers must meet minimum rating standards, and collateral agreements are used where appropriate.

The RSC approves counterparties within the framework set and monitors first loss and aggregate limits against the approved tolerances.

The UURC receives quarterly information from management regarding broker distribution.

The Group CRO reports to the Board on performance against Board-approved risk tolerances.

Strategic

Board



Risk description and performance

The risk of failing to devise and/or implement an effective business strategy that is aligned with risk appetite and/or not adapting the strategy/business plan for the prevailing market conditions. This includes the potential impacts of climate change and impacts of transition.

Strategic and operational risks, and capital planning are discussed at a dedicated session attended by all Directors and members of the management team.

The Group has a clear vision and strategic objectives that are well communicated internally, thereby enabling all employees to understand their role and their contribution to these objectives.

Regular town hall meetings are held with all employees to communicate performance against the strategic objectives.

Succession planning helps ensure awareness of the strength in depth, or lack of, and the necessary action in the event a key role becomes vacant.

Regular review of our performance against our business plan, from an underwriting and financial perspective, enables informed decision-making in delivery against our strategic objectives.

The Board retains responsibility for the oversight of strategic risk. The Group CEO and management team lead in the delivery of strategy.

The Directors are involved in setting the strategy and approve the annual business plan. As part of this approval process, the Board receives business plan scenarios that illustrate the potential impact on the business plan of certain events happening, which includes climate-related events.

The Board receives quarterly updates on the Group's performance against the plan in its execution of the strategy.

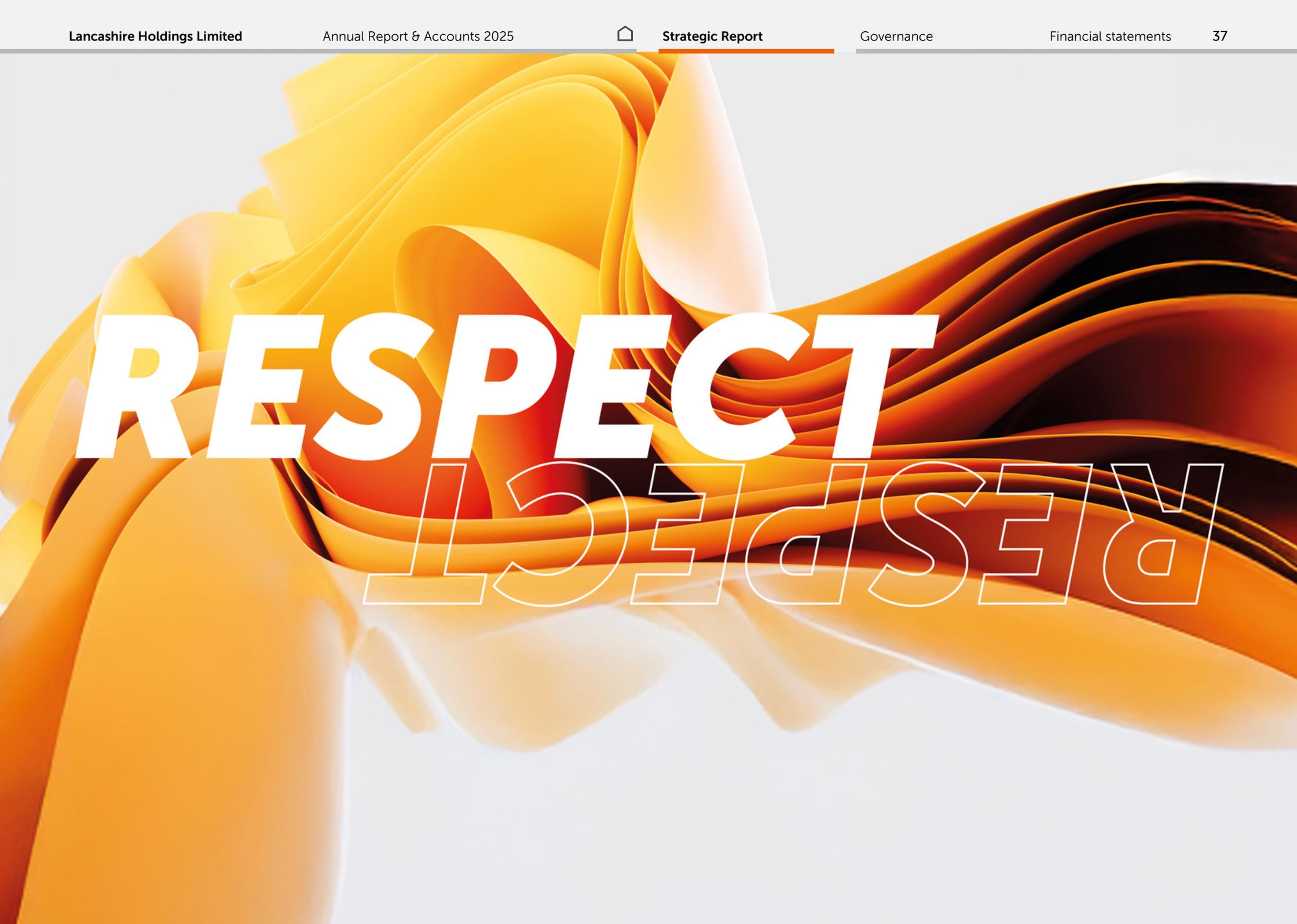
Strategic objectives

Risk trends

Impact trend

Appetite trend

Underwriting comes first	Stable risk	High	Acceptable
Balance risk and return through the cycle	Decreased risk	Moderate	Reassess
Insurance market employer of choice	Increased risk	Low	Unacceptable



RESPECT

LEDISEV

People and culture

Listening to our people

Words used to describe aspects of Lancashire's culture that employees see as strengths cited in the 2025 engagement survey



84%

of employees took part

77

overall engagement score considered 'excellent'

85%

of employees feel proud to work at Lancashire

85%

of employees understand how their work contributes to our objectives

During 2025, we carried out an engagement survey for which all employees across the Group were invited to take part.

More than 84% of our people took the opportunity to give feedback on their experiences of working at Lancashire.

Our employee engagement surveys are crucial to our focus on straight talking and giving people an opportunity to say what we are doing well and where we can do better.

Colleagues can give feedback at any time, but these more formal surveys are a valuable way of taking the temperature of the business and finding common themes.

The questions that scored most strongly were:

- I can get the help I need from my teammates and colleagues at 86%.
- I understand how the work I do contributes to achieving Lancashire's objectives with 85% agreeing.
- I feel proud to work at Lancashire also with 85%.

High-level Group results were communicated to employees and the Board.

Our HR team has also worked with senior managers to review individual team and location-specific results and put in place any changes where appropriate.

People and culture *continued*

An open and collaborative culture

“We always look to find the right people for the right role and then encourage and support them to be the best that they can be.”

Nicola Nairn
Group Head of HR

We are only as good as our people and focusing on career development and giving employees the tools, support and positive environment in which to flourish have been key to our success over 20 years.

From a total of 57 employees in our first full year of operations we now have more than 440 talented people across our global operations. This includes our 33 US colleagues who have joined us more recently.

Attracting and retaining talent

We always look for people who share our values and want to succeed in our fast-paced and collaborative environment.

We recruit new employees in a range of ways, including via direct outreach and digital channels. During 2025, we launched a new careers website, which allows prospective candidates to find out more about our Company and apply for relevant roles online.

We aim to give candidates an opportunity to show their best during the selection process and training on unconscious bias and other themes is given to all employees.

Whatever people’s experience or background, we value initiative and a positive attitude and when it comes to developing talent we look for opportunities to reward hard work when suitable opportunities arise.

During 2025, 45 colleagues were promoted internally across the Group, showing the breadth of talent we have at Lancashire.

Lancashire is proud of attracting talented people from all backgrounds and we are committed to being an inclusive employer. Our internal policies help ensure people do not face any discrimination as an employee or during our recruitment process.

Training and development

Our training programmes are focused on encouraging our people to fulfil their career ambitions with us.

Having skilled and expert employees is good for our business and for our long-term talent base.

Our learning and development opportunities continue to be well subscribed across the Group. Initiatives include coaching and mentoring, together with a number of targeted initiatives to develop people identified as particularly high-potential and high-performing.

Alongside our more experienced employees, we also have a number of direct-entry colleagues who receive training and support as they begin their career journey with us in their chosen field.

Where appropriate, financial support and incentives for professional qualifications are also available to encourage employees to gain industry-specific credentials.

Externally-facilitated coaching is offered to all employees across the business periodically during the year and we offer employees a range of support through our online e-learning platform.

Ensuring people understand their role in our success is important and our approach to employee performance reviews and development focuses on ongoing communication and feedback, including regular meetings with managers to discuss work, performance, and potential training.

All new permanent employees, including people working part time, and those on fixed-term contracts, must complete mandatory training, within three months, on areas such as tax/regulatory operating guidelines, disclosures, inspections,

financial crime, ERM, cyber security, GDPR, anti-bullying and harassment and general conduct rules.

The Board receives quarterly updates regarding completion of these sessions.

A top three employer

Lancashire was awarded third place in the annual ‘Top Ten employers in Bermuda’ awards run by the island newspaper *The Royal Gazette* and sponsored by PwC.

This achievement further builds on our recent success in the awards when we came sixth in 2024, seventh in 2023 and eighth in 2021. Once again, our employees in Bermuda were instrumental in our nomination, showing continued high levels of satisfaction and engagement.

A positive culture

For a company with the reach of Lancashire, we retain a relatively small employee base.

We believe this allows us to keep our positive culture and create opportunities for development.

At the core of our values is being open and collaborative. Our ‘open door’ policy means everyone is able to raise any issues and suggest possible solutions. Alongside more formal routes, employees can do this by talking to their manager, a member of the Group Executive Committee, or the local HR teams. Our Whistleblowing Policy aims to ensure that matters of genuine concern can be raised confidentially and without fear of reprisals. An external independent whistleblower service is also available to staff at all times.

Lancashire’s Syndicates also participate in the Lloyd’s Culture Survey and the outcomes are shared with our Syndicate and LHL Boards. The response rate at Lancashire was 74%, versus 48% across the Lloyd’s Market. Lancashire’s overall result was in the top 18% of participants rated excellent at 85%. Additionally, 91% of those taking part from Lancashire said they would recommend the Company as a great place to work.

People and culture *continued*

Communicating with our people

It is important to us that our people are aware of activities across the Lancashire Group through good communications.

This allows the management team to reinforce strategic priorities and update employees on Company initiatives.

Group CEO Alex Maloney hosts quarterly town hall events for each of our locations, with the opportunity for staff to ask questions, and also communicates regularly with employees on Company issues during the year.

A Non-Executive Director attends the quarterly events to discuss recent Board activities and to respond directly to questions from employees.

Day-to-day communications channels include our Group-wide intranet, which is regularly updated with news and information from around the business, enabling all employees, wherever they are based, to receive important information in a timely manner.

The Lancashire Employee Network

The LEN is run by employees for employees and is focused on opportunities to share experiences and knowledge.

Internal and external experts are invited to host sessions during the year. During 2025, our Group CUO Paul Gregory discussed his role, career to date and gave advice to employees on progression through the industry. The LEN also hosted a session on the opportunities and challenges of AI.

Previous LEN events have included a talk by a sports psychiatrist on boosting performance, teamwork, wellbeing, and resilience, and a session led by an international public speaking expert giving insights into presentation skills and the value of networking.

Support and benefits

As a responsible employer, we recognise the value in offering a range of benefits to support our employees.

These are offered in line with local practices and, depending on location, include 'family-friendly' employment policies, such as enhanced maternity, paternity and adoption leave, and paid leave for IVF treatment and pregnancy loss.

As part of our commitment to providing a safe and inclusive environment we also have a support framework for employees experiencing menopause.

Our EAP is available 24 hours a day for those needing support or self-help programmes focusing on home life, work life and physical and emotional health.

Volunteer first aid and wellbeing officers are also available to assist employees, and Lancashire offers non-judgmental support for those suffering mental health difficulties and ill-health.

The Group also provides subsidised lunches on specific days for employees to encourage them to interact in the office during breaks.

Additionally, a range of advice and information on health, wellbeing and financial matters is available in partnership with external providers.

Sharing in our success

All permanent employees have an enhanced interest in the performance and success of the Company through our RSS to ultimately become a shareholder in LHL. Those in the scheme join other shareholders in benefitting from dividends paid.

Long service recognition

We are pleased that many employees have long service at Lancashire and we reward their loyalty and commitment through our sabbatical scheme.

The sabbatical benefit is available for those who have served for ten years or more.

Our responsibility to our people

We comply with all relevant requirements with respect to human rights, rights of freedom of association, collective bargaining, and working time regulations.

We believe every employee, and prospective employee, should be treated with dignity, respect and fairness. As an equal opportunity employer, we do not discriminate, or tolerate discrimination, on grounds of race, age, sex, sexual orientation, marital or civil partnership status, gender reassignment, pregnancy or maternity, disability, religion and/or beliefs.

All employees have a duty to treat colleagues, visitors, clients, customers, and suppliers with dignity at all times.

Benchmarking

We recognise that we are part of an important global industry.

That means we can play a positive role through our support for external initiatives which seek to build better businesses.

These include the FTSE Women Leaders Review, to improve the representation of women on boards and in leadership positions. The Group submits data annually to the review.

Lancashire is also a member of the Insurance Breakfast Club and offers selected employees the opportunity to participate in its events. The Insurance Breakfast Club programme involves ten months of structured development, and provides connections for people at a crucial time in their careers. Its overall aim is to assist companies in their development of female talent.

People and culture *continued*

Board and senior management

The Chair's statement on diversity, and on the representation of women on the Board and within executive and senior management, and in relation to ethnic diversity, is available on our website.

The tables below set out data about the sex and ethnicity of the Board and executive management as at 31 December 2025 in the format prescribed by the Listing Rules. Data concerning ethnic background and gender is collected directly from individuals.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management ¹
Men	6	55	2	5	56
Women	5	45	2	4	44
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	10	91	4	9	100
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	1	9	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1. Senior Management, excluding executive management: Male 58% and female 42%. Total overall employee gender split: Male 59% and female 41%.

The word 'COMMUNITY' is rendered in a large, white, outlined, sans-serif font. The letters are set against a background of vibrant, flowing, abstract shapes in shades of orange, yellow, and red, creating a sense of movement and energy. The overall composition is dynamic and modern.

Chair's introduction to the ESG report

A purpose-driven approach

Q&A



Philip Broadley
Non-Executive
Chair

How does the Board ensure Lancashire's ESG strategy is embedded into core business decisions, not just reporting?

Lancashire is committed to doing the right thing as a company.

The Board wants to make sure the approach to the environment, people, and how the business is run fits with what Lancashire stands for: protecting people, being focused on risk and reward, and supporting our staff and local communities.

We get regular updates during the year showing us how the Group is progressing with its ESG strategy (see page 46) and how these themes are being considered in decision-making.

The Board also approves key reports like the Group's ClimateWise submission and the 2025 TCFD Report, which explain how the business is managing climate-related issues.

As Chair, I am particularly pleased that helping employees develop is a big priority for the management team. The Board looks at plans for developing existing talent, training, and listening to what staff have to say.

When it comes to governance, the Board meeting agendas are well developed, meaning our decisions are taken with the right information, and are thought through carefully with appropriate discussion and challenge.

How does the Board ensure that Lancashire delivers on its purpose?

Lancashire is part of a (re)insurance market that genuinely helps people.

Our sector makes all kinds of important things possible, from flying planes, to putting food on the table. The risk transfer products Lancashire offers give people and businesses protection from tough situations when things go wrong and are essential in helping to rebuild damaged properties, businesses, and communities.

Our purpose statement (see page 11) is intentionally clear and concise, and it reflects the values of The Lancashire Way. We actively monitor its implementation so that we remain focused on delivering on these principles.

As a business we are working to support sustainability wherever we can, but we know we don't have all the answers. That is why we keep talking to our clients and other stakeholders to be able to play our part in a more sustainable future.

What role does the Lancashire Foundation play in supporting the Group's social impact goals?

The Lancashire Foundation is a distinctive part of the Group's culture and there is widespread participation in its activities.

Employees really demonstrate their personal commitment to the Foundation and its work, and the Board is always pleased to hear what people are doing.

The Board reviews the Group's charitable donations policy annually, which is based on business performance so everyone at Lancashire has a stake in its impact.

Importantly, employees actively put forward suggestions for organisations to be supported and contribute to their communities themselves through fundraising which is matched by the Foundation.

Chair's introduction *continued*

How does the Board ensure it maintains the right balance of oversight with the right skills and experience in a complex and evolving landscape?

During 2025, the Board did not make any new appointments, but we said farewell to two long-standing members, Michael Dawson and Robert Lusardi. I would like to thank Michael and Rob for their service to Lancashire over many years and for their valued contributions to the Board.

In 2024, we made three strong appointments ahead of Michael and Rob's planned departures. These new members have settled in very well, including with Nathalie Rachou taking over from Rob as Chair of the Investment Committee, and Irene McDermott Brown in her new role as the Board's Senior Independent Director.

As part of its role, the Nomination Corporate Governance and Sustainability Committee looks at the competences required on the Board, its composition, and is forward-looking. We are comfortable with the skills on the Board, and I'm not anticipating making any new appointments or changes in the next couple of years.

How does the Board think about governance?

Good governance is not about box ticking, but making sure that an organisation has the right people, resources, and structures in place to deliver its strategic priorities.

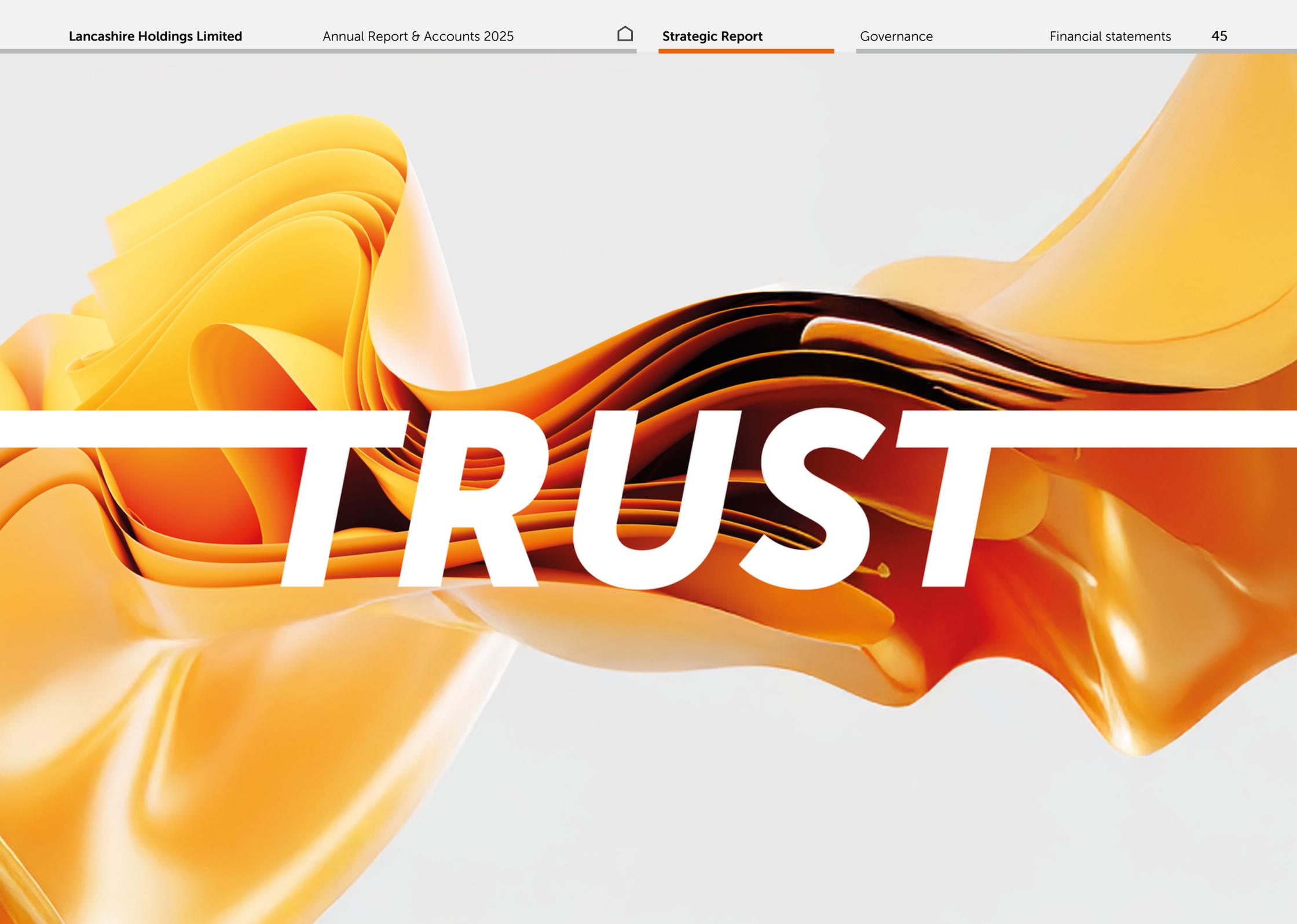
As a UK-listed business, Lancashire's Board remains committed to considering the requirements of the UK Corporate Governance Code. Our compliance is monitored quarterly, and we address the key reporting requirements in this report.

During the year, the Board commissioned an externally facilitated performance evaluation, which is always a useful exercise and more information can be found on page 79.

Although Lancashire is domiciled in Bermuda and exempt from Section 172 of the UK Companies Act 2006, the Board nevertheless maintains active engagement with our stakeholders in accordance with its principles. The Board Section 172 statement is set out on page 82.



The Board wants to make sure the approach to the environment, people, and how the business is run fits with what Lancashire stands for: protecting people, being focused on risk and reward, and supporting our staff and local communities."



TRUST

Our ESG strategy and delivery

Progress in 2025 and focus for 2026

	Progress in 2025	Focus in 2026
<p>1. People and culture</p> <p>Giving our people the environment, tools, skills and support they need to thrive in an open, honest and diverse culture.</p>	<ul style="list-style-type: none"> • Lancashire named Top Three employer in Bermuda. • In the top 18% of Lloyd's Culture Survey participants rated excellent at 85%. • Lancashire Employee Network events held including sessions with senior leaders. • Maintained high levels of engagement, including 20th anniversary all-staff celebratory event. • Carried out all-employee engagement survey with 84% participation. • UK Gender Pay Gap Report published and available on our website. • Reported diversity aligned to FCA disclosure requirements. • Mentoring and other training to support employees' development. 	<ul style="list-style-type: none"> • Further expand activities for Lancashire Employee Network. • Continue to monitor employee sentiment following positive 2025 engagement survey. • Publish UK Gender Pay Gap Report. • Continue to evolve the talent agenda with tailored solutions to deliver career pathways and manage succession. • Maintain awareness of emerging frameworks for future legislative requirements.
<p>2. Sustainable insurance</p> <p>Ensuring our business considers climate change and other ESG issues in our underwriting decision-making.</p>	<ul style="list-style-type: none"> • Premium related to environmental and social considerations evaluated and reported to the Board quarterly. • Maintained active dialogue on ESG issues with clients and brokers. • Published third public ClimateWise Report. • Engaged with market peers and stakeholders on improving consistency regarding accounting for carbon emissions and other ESG topics. 	<ul style="list-style-type: none"> • Maintain metrics for premium related to environmental and social considerations and report to Board quarterly. • Continue to engage with market peers and stakeholders on improving consistency regarding accounting for carbon emissions and other ESG topics.
<p>3. Responsible investment</p> <p>Demonstrating our commitment to ESG, including responsibility for our environment, through the management of our investments.</p>	<ul style="list-style-type: none"> • 96.7% of the Group's principal investment managers are signatories to the UNPRI. • Continued to review and monitor that our ESG investment guidelines are adopted in external investment managers' guidelines. 	<ul style="list-style-type: none"> • Continue to monitor principal investment managers as signatories to the UNPRI. • Monitor the climate change risk sensitivity, ESG profile and carbon intensity profile of the Group's investment portfolio with regard to developing expectations and methodologies and keeping within agreed guidelines.
<p>4. Operating responsibly</p> <p>Running our business as a good corporate citizen, being a responsible preserver of resources, and holding our supply chain to the high standards we apply to ourselves. Supporting wider society through our corporate and charitable activities, including the Lancashire Foundation. Meeting and complying with legal, regulatory and investor obligations on ESG.</p>	<ul style="list-style-type: none"> • Calculated 2025 GHG emissions for the Group's own operations and purchased carbon credits. • \$0.84 million donated to charitable organisations in 2025 through the Lancashire Foundation. • Continued to support and report against the aims of the TCFD. • Monitor and report annually the Group's carbon emissions for our own operations. 	<ul style="list-style-type: none"> • Continue to calculate GHG emissions for the Group's own operations and purchase carbon credits. • Maintain and support the work of the Lancashire Foundation through funding and volunteering. • Maintain awareness of emerging frameworks for future reporting requirements.

The Lancashire Foundation

A driving force for positive change

The Lancashire Foundation is a driving force for positive change, supporting a wide range of charitable causes across the UK, Bermuda, the US, Australia and beyond.

Since its inception in 2007, more than \$24.8 million has been donated to organisations across our communities and around the world.

Our aim is to have an impact, through financial donations and the skills and enthusiasm of our people, and help those less fortunate.

The Foundation's purpose is shaped by its core objectives:

- To advance the prevention and relief of poverty through the support of successful poverty prevention and relief strategies;
- To support the relief of those in need by reason of youth, age, ill-health, disability, gender, financial hardship or other disadvantage that excludes them from the benefits that so many of us enjoy;
- To support the advancement of health through the medium of medical and other research and humanitarian efforts;
- To encourage collaboration between charities with the goal of increasing the overall effectiveness of our funding and the impact of the work performed by the collaborating charities;
- To provide support for other charitable purposes where charities can demonstrate effective and positive impacts in the communities they serve; and
- To instil in our employees, through our community programmes, the value of service to others as a good in itself.

The Lancashire Foundation was established in 2007 and has been a UK-registered charity since September 2012.

The trustees are employees and non-executive Board members, with day-to-day operations led by the Foundation Donations Committee.

The Nomination Corporate Governance and Sustainability Committee monitors and makes recommendations to the Lancashire Board on charitable giving and the operation of the Foundation.

The Foundation's funding pool is aligned to our financial performance, meaning we all have a stake in the Foundation's impact on the wider community.

Funding range:

Minimum \$250,000

Maximum \$750,000

For 2025, we had the maximum funding pool.



Partnerships and charitable giving

Six charities each received a grant of £40,000 in 2025:

- UK: Cancer Research UK, St Giles Trust, UK Alzheimer's Society
- Bermuda: Tomorrow's Voices, Family Centre, HOME

Additionally, the Foundation donated £50,000 to California Community Foundation following the wildfires in January, £25,000 to UNICEF's emergency appeal to support the delivery of critical aid into Gaza and most recently, £25,000 to UNICEF's emergency appeal to support Jamaican children and families devastated by hurricane Melissa.

Employee-led donations

The Foundation actively supports employees who want to give back to their community. Colleagues can submit grant applications to the Donations Committee for consideration for a one-off £3,000 donation. Every quarter, charities vetted by the Donations Committee are submitted to the Trustees for final approval.

Matched-giving scheme

The Foundation matches employees' personal fundraising for various charities, up to £3,000. The aim is to encourage employee-led fundraising and support the work of charities in their local communities.

Action and Impact: UK Alzheimer's Society

The Lancashire Foundation began supporting the UK Alzheimer's Society in 2024 as part of the London market 'Insurance United Against Dementia' initiative.

During 2025, we held two events to raise awareness of dementia and the organisation's work to tackle the condition. The events included an opportunity for employees to hear more from the Foundation team on why we have chosen to support the charity, and guests from the Society outlined the difference our ongoing donations are making. One employee also gave her personal perspectives and experiences of caring for a loved one with Alzheimer's.

The Lancashire Foundation *continued*



Action and impact: Run Britannia

Group Head of Reserving & Reporting and LUK Chief Actuary, Jamie Grant, completed an incredible 1,000-mile run from Land's End to John O'Groats to raise funds for the Children with Cancer UK charity.

Jamie raised £14,955 for the cause – smashing his original target of £10,000. This included a £6,000 donation from the Foundation.

The charity funds medical research as well as supporting families going through the toughest of times.

The Lancashire Foundation supported Jamie's efforts, which he undertook while on a long-service sabbatical.

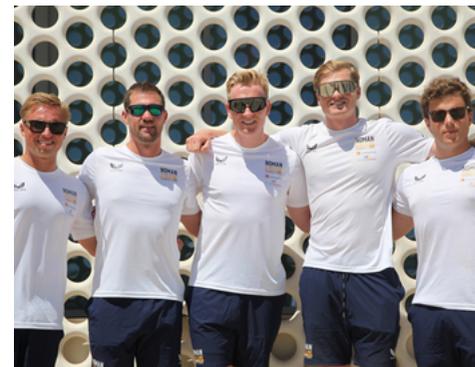


Action and impact: British Mountaineering Council

A group of 12 enthusiastic colleagues volunteered with the British Mountaineering Council (BMC).

The Lancashire team spent two days in Snowdonia National Park, supporting the BMC's environmental initiatives.

The Lancashire Foundation donated £10,000 to BMC to further support their work.



Action and impact: NOMAN Rowing Challenge

A team of Lancashire rowers took on the challenge of a lifetime – rowing the Balearic Sea from Barcelona to Ibiza to raise money for the charity NOMAN.

The crew – Nick Thompson, James Cook, Sam Vrhovec, Charlie Nowlan and Ronnie Rouse – competed in the race, covering more than 300 kilometres, over four days.

They raised almost £130,000 for the organisation, which funds awareness about the human papillomavirus (HPV)-related cancer epidemic in men and women, and campaigns for universal HPV vaccination.

The Lancashire Foundation supported the team with a £30,000 donation.



Action and Impact: Relay for Life

Lancashire Bermuda's Team Tango has been participating in the island's annual Relay for Life fundraiser since its inception 12 years ago.

Relay for Life raises awareness and funds to support access to cancer prevention, early detection, treatment, and help provided by the Bermuda Cancer and Health Centre.

Over 18 hours, teams take part in a relay walk with the aim of keeping a team member on the track at all times because 'cancer never sleeps'. The team raised more than \$32,000, and went into the event as the top fundraiser. Along with donations, Lancashire funds came from a silent auction, which raised over \$11,000, with staff contributing and bidding on items, and a bake sale.

The Lancashire Foundation *continued*

Donations

A selection of the organisations we have supported in 2025, showcasing the range of our grants and partnerships across health, education, environment and community services is below.

UK

London's Air Ambulance

Delivering an advanced trauma team via helicopter to London's most critically injured patients. Staff in our London office also hosted a quiz night in aid of the charity, with funds raised matched by the Foundation.

British Heart Foundation

Funding groundbreaking cardiovascular research that saves and improves lives, powering scientific breakthroughs from pacemakers and portable defibrillators to the lifesaving use of statins.

Together for Short Lives

Ensuring families can access high-quality children's palliative care when and where they need it, providing lifeline practical, emotional and financial support, and connecting families to a compassionate community of people who understand.

My Armagh

Promoting Gaelic Games and culture to foster lifelong participation, health and community inclusion across County Armagh.

Medical Detection Dogs

Providing trained detection dogs to people with life-threatening health conditions.

The Poppy Factory

Supporting veterans suffering health conditions and helping them to find employment.

Bermuda

Knowledge Quest

Offering scholarships for Bermudians who are academically capable but do not have sufficient resources to attend college/university.

Living Reefs Foundation

Protecting and restoring the island's reefs – which are essential to community resilience, tourism and marine biodiversity. The group is Bermuda's first dedicated coral reef conservation organisation.

Women's Resource Centre

Providing women with the support, resources and community they need to thrive, build joyful, healthy lives and succeed through periods of transition.

WindReach

A fully accessible four-acre facility with a multi-purpose activity centre, animal zone and therapeutic riding.

Vision Bermuda

Helping people with low or no vision maintain independence, learn new skills and stay socially and physically active to reduce loneliness and isolation.

Victor Scott Primary

Supporting a daily fruit snack programme for students.

US

Cradles to Crayons

Providing children with clothing free of charge, working to end clothing insecurity and ensure every child has adequate, appropriate clothes for a safe, healthy childhood.

Forerunner Mentoring

Mentoring programme in Lake Highlands, Texas, supporting young men growing up without fathers by offering one-to-one mentoring, group activities, and family support services to build resilience, life skills and positive relationships.

The Catherine J. Malatesta Foundation

Saving lives and inspiring hope for children and families affected by cancer through research funding, awareness-raising and targeted grants that improve detection, treatment and the patient and family experience.

Australia

SpinalCure

Focusing on finding a cure for spinal cord injury, SpinalCure Australia was founded 25 years ago with a mission to promote and fund medical research.

The World's Greatest Shave, organised by the Leukaemia Foundation

Raising money for people affected by blood cancer; funds support lifesaving research and provide practical, emotional and financial help to patients and their families.

Why our support matters. What our people say...

The Poppy Factory

"My twin sister and three of my cousins are in the forces so this charity, and its support of veterans, is close to my heart. I hope none of my family need to use it but I would like to support it and all those veterans who may have a need for it."

Victor Scott Primary

"Funds will be used to purchase fresh fruit for students. Students will receive a nutritional snack during the wellness break time, which is intended to help them stay focused on their learning."

Vision Bermuda

"I lost sight in my left eye as a teenager in a car accident. Given advances in eye treatments, I recently had extensive eye surgery in the UK. I was fortunate to have insurance that covered most of my expenses. I proposed a donation to Vision Bermuda to provide financial support to individuals in need."

2025 TCFD report

Our TCFD report provides a concise snapshot of the Group's response to the risks and opportunities presented by climate change. This is our sixth TCFD report, and since our inaugural disclosure, we have progressively expanded the scope and depth of our reporting. The document summarises recent progress and is structured around TCFD's four pillars, aligning our disclosures with its recommendations, to improve transparency and support informed decision-making.

Commitment to the UK's 2050 net-zero ambition

We publish our annual greenhouse gas emissions and use the results as a roadmap to uncover reduction opportunities and reinforce our commitment to the UK's net-zero by 2050 ambition.

About this report

This report, on pages 50 to 62, covers the 12 months, ending on 31 December 2025, except where indicated for our GHG data reporting (pages 67 to 69), and complements the disclosures made in our ClimateWise Report dated July 2025, and our signatory commitment to the UNEP FI Principles for Sustainable Insurance. Our ClimateWise Report is available on our website at www.lancashiregroup.com.

Compliance summary

In compliance with the FCA listing rules, the Group has reported on climate-related financial disclosures consistent with TCFD recommendations and recommended disclosures, with the exception of the following:

Strategy 2b: Lancashire has partially complied with this requirement. Lancashire considers and provides qualitative disclosures on the potential impact of climate-related risks and opportunities on its businesses, with respect to risks underwritten. However, Lancashire does not publish the detail of its climate scenario analysis due to commercial sensitivity and has no plans to do so.

Strategy 2c: The Group complies with the guidance for all sectors but does not fully comply with the supplemental guidance for insurance companies. Lancashire does not disclose the critical input parameters, assumptions and considerations due to the commercial sensitivity of such information and has no plans to do so.

Risk management 3b: Lancashire is partially compliant with the supplementary requirements for insurance companies. The Group has not disclosed the specifics of the tools used to manage climate-related risks in relation to pricing due to the commercial sensitivity of such information and has no plans to do so.

Metrics and targets 4a: Lancashire partially complies with the supplemental guidance for insurance companies. The Group discloses the metrics used to monitor and manage climate-related risks through our PMLs but has not provided annual aggregated expected losses due to the commercial sensitivity of such data and has no plans to do so.

Metrics and targets 4b: The Group complies with the guidance for all sectors but does not fully meet the supplementary requirements for insurers regarding weighted average carbon intensity or GHG emissions linked to specialty lines of business because the emissions data for underwriting portfolios is currently unavailable. Insurance-associated emissions remain a complex and evolving area of climate reporting, requiring insurers to attribute emissions from insured entities using consistent data and standardised frameworks. At present, there is no fully harmonised, industry-wide methodology mandated by regulators.

2025 TCFD report *continued*

1. Governance

1.a. Describe the Board’s oversight of climate-related risks and opportunities.

Board oversight

The Board retains responsibility for risk within the Group, including climate-related risks, and oversees the management and mitigation of these risks. The Board has ultimate responsibility and oversight for the Group’s ESG strategy and related sustainability targets. The Board oversees the Group’s ERM activities and receives quarterly updates on material ESG risks and governance and regulatory developments. The Board seeks to ensure that appropriate governance, systems, and oversight are in place to monitor such risks, meet regulatory requirements, and consider relevant guidance.

Group ESG governance structure



The Board is supported by its committees, which meet quarterly within their core mandates. ESG-related considerations are embedded across the committees and, where appropriate, within our Group strategy.

The **Nomination Corporate Governance and Sustainability Committee** receives management reports and monitors sustainability and climate-related risk reporting. The Committee reviews ClimateWise reporting, TCFD disclosures in the Annual Report and year-end ESG and carbon disclosures. It also agrees on the Group’s ESG strategy and framework for Board ratification.

The **Underwriting and Underwriting Risk Committee** receives management reports, sets and monitors the Group’s underwriting strategy risk appetites and tolerances, considers climate, transition and broader ESG impacts on the underwriting portfolio, and periodically approves underwriting guidelines.

The **Audit Committee** oversees the ESG disclosures through review of the Group ARA, including the ESG strategy, carbon footprint measurement and the TCFD report.

The **Investment Committee** reviews management reports and oversees investment performance and risks, including sustainability risk such as climate sensitivity, ESG profile, and portfolio carbon intensity.

The **Remuneration Committee** reviews the Group’s remuneration policy and structure to align incentives with the business and ESG strategy.

Further details on Board Committee activities are available in the Committee Reports section of this Annual Report and Accounts, beginning on page 86.

2025 TCFD report *continued*

1.b. Describe management's role in assessing and managing climate-related risks and opportunities.

Group CEO

The Group CEO has accountability to the Board for developing and executing the Group strategy, including managing climate-related risks and opportunities. The CEO chairs the Group Executive Committee, which provides regular executive oversight of all ESG matters, and is supported by advice from the Group's ESG Committee. The Group CEO also serves as an Executive Director on the LHL Board, seeking to achieve alignment between executive decision-making and Board oversight.

Group CUO

The Group CUO is responsible for delivering the underwriting strategy and managing the portfolio of (re)insurance business underwritten by the Group. He is a member of the Group Executive Committee and an Executive Director of the LHL Board. The Group CUO is supported by the Deputy Group CUO, subsidiary CUOs, and syndicate Active Underwriters.

Climate-related risks and opportunities related to the business underwritten are assessed as part of the underwriting process. Each underwriter operates within an underwriting authority that incorporates Group policies and within a framework that monitors the Group's exposures by reference to geographical distribution and potential natural catastrophe events, including those influenced by climate change factors. Management information is used to monitor the business written against these guidelines and exposures.

Group CRO

The Group CRO is responsible for managing the Group's risk management framework and ensuring it addresses ESG-related risks. The framework facilitates the identification, assessment, evaluation and management of existing and emerging risks by management and the Board, so that these risks are given due consideration and appropriately embedded in decision-making. The Group CRO is a member of the Group Executive Committee and attends the LHL Board meetings.

Group CIO

The Group CIO is responsible for the Group's investments, including developing and communicating the investment strategy and incorporating ESG issues into the investment processes. ESG considerations are also included in the strategic asset allocation process, which is performed every two years.

Group Executive Committee

The GEC approves the ESG Committee's composition and reviews and recommends the Group's ESG Strategy and Framework to the Board's Nomination, Corporate Governance and Sustainability Committee. The GEC has executive oversight of climate- and nature-related risk and opportunity management across the Group.

The GEC receives updates on the ESG Committee's activities, recommendations and proposals via the Group CRO who is a member of the ESG Committee.

Group Underwriting Executive Committee

The Committee's function includes overseeing the underwriting performance and activities of the operating entities. The Committee reviews and tracks market trends to guide overall objectives and meet the business plan. It also monitors and investigates any material changes from the business plan to determine appropriate responses as required.

ESG Committee

The Committee oversees, coordinates and manages the Group's ESG Strategy and Framework and the reporting of ESG issues, working to facilitate the provision of consistent management information, risk assessment, and internal and external messaging on ESG and climate-related matters across the Group. The Committee includes representation from across the Group; all members have operational roles, and the Group's business priorities drive key activities.

Risk Return Committee

The purpose of the Committee is to coordinate and maintain the Group and subsidiary risk appetite and associated tolerances, as approved by the appropriate boards, and is responsible for setting and communicating risk preferences for underwriting activities. The Committee maintains and keeps under review the bases upon which the Group articulates, sets, and monitors its capital and solvency appetite in response to developments in both the internal and external environment. In addition, with regards to risk monitoring the Committee continues to monitor, develop, and implement ESG principles in a manner that is appropriate and proportionate for the Group and aligned with regulatory requirements. The Committee's work is supported by several other committees, including the View of Risk Committee, whose position within the overall governance structure is outlined in the ERM section on page 31.

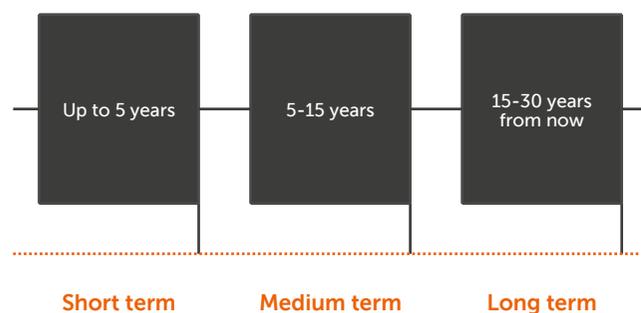
2025 TCFD report *continued*

2. Strategy

2.a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Climate change impact

When evaluating the actual and potential impacts of climate-related risks and opportunities on our strategy and financial planning, we consider three time frames: short term, medium term, and long term. Each horizon captures different risk drivers, informs different management actions, and feeds into separate elements of our planning and governance processes.



Short term

We predominantly underwrite short-tail business, so the principal impact of climate-related risks and opportunities is on short-term strategy. Potential impacts are mitigated by our ability to consider new data regarding the frequency and severity of elemental catastrophe events, re-evaluate the portfolio annually, re-price physical risks and reset exposure levels.

Medium term

Over the last several years, we have incorporated more climate-related information into the underwriting process. We recognise that climate change impacts the longer-term strategy regarding emerging risks. The Group's casualty risk exposures, which have a medium-term time frame, are not typically heavily influenced by catastrophic climate change-related loss events.

Long term

Management works with leading external catastrophe model providers to capture the latest science that underlies and informs short- and long-term climate-related assumptions in their stochastic models. These model developments are included in the Group's management and Board-approved business strategy with a view towards 2030, which is reviewed and updated annually.

The process by which management identifies emerging risks, including those arising from climate change, is described on page 32.

As part of this process, management assesses each risk's potential impact by evaluating magnitude, likelihood and time horizon. Using a risk-based approach, management then establishes proportionate mitigation and monitoring plans and prioritises those risks deemed most material and likely to impact the business. Material changes and high-priority actions are escalated through the risk governance framework for timely review and decision-making.

Identifying the impacts of climate-related risks

Significant work has been undertaken to identify and articulate the financial impacts of climate-related risks, including: physical, transitional, regulatory (current and emerging), technological, legal, market, and reputational risks.

For each identified physical risk, we assessed loss amplification factors, time frame and magnitude, and defined the metrics for monitoring and reporting these risks.

Examples of short- to medium-term risks identified include:

- increased severity of tropical cyclones and heightened storm surge driven by stronger, longer-lasting storms combined with sea level rise;
- increased intensity of extratropical cyclones;
- increased intense rainfall due to the warming atmosphere, leading to increased risk of flooding; and
- increased risk of wildfire due to warming temperatures, combined with shifting precipitation patterns.

An example of a longer-term risk being considered is the emergence of new natural catastrophe zones due to shifting weather patterns.

2025 TCFD report *continued***Climate-related opportunities**

Climate-related opportunities will arise from the investment in infrastructure required for a transition to a lower-carbon economy.

This infrastructure will require insurance, which is already within the Group's existing classes of business and risk appetite.

The demand for new environmental insurance products and services is also expected to increase. We will continue to assess opportunities to support existing clients and new clients, to facilitate changes in their existing portfolios as the transition takes place and to continually assess opportunities for profitable product offerings as the sector evolves.

A summary of these opportunities, together with their likelihood, time frame, and estimated impact on the Group's profitability, is included in the table.

Risk Description	Market Opportunity	Time frame	Likelihood	Magnitude
Political risk insurance	Currently, a strong uptick in ESG-related funding from our existing client base and this trend is expected to continue.	Short term to medium term	High	Low
Natural catastrophe (re)insurance	Additional limit purchased by insureds and reinsurers at adequate pricing levels as catastrophe risk increases with both earnings protection and capital protection being sought.	Medium term	High	High
Renewables	The trend for global renewable electricity generation is fully expected to continue. As our clients transition from fossil fuels to renewable energy, there will be sizeable opportunities in the market to grow this part of our portfolio.	Medium term	High	Low
Decommissioning insurance: oil and gas assets	Energy transition will accelerate the decommissioning of many offshore platforms and complexes. As these assets reach the end of their commercial life, there will be increased pressure to ensure that their decommissioning is done in an environmentally friendly way with appropriate risk management solutions.	Medium term	Medium	Low
Carbon capture: injection of CO ₂ into depleted gas fields	Offshore carbon capture and storage may play a major role in global efforts to reduce emissions with appropriate risk management solutions.	Medium term to long term	Medium	Low
Environmental insurance products	Environmental insurance provides coverage for loss or damages resulting from unexpected releases of pollutants typically excluded in general property and liability policies.	Medium term to long term	Low	Low
Parametric (weather) insurance products for food and agriculture industry	Industries will look at new ways of managing weather risk where parametric triggers are more likely to offer a form of indemnity.	Long term	Low/medium	Low
Global political instability	Additional demand for products covering marine war and terrorism due to heightened global instability.	Medium term	Medium	Low

2025 TCFD report *continued*

2.b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.

In line with our broader business objectives, we have a structured set of processes to identify, assess, and prioritise climate-related risks and opportunities. These processes operate at the Group level and, depending on the context, they may focus on risks, opportunities, or both. Further details on the methodologies used to identify and assess climate-related risks and opportunities are provided in the following section.



Transitional risks

Transitional risks the Group may face include a potential decline in premium volumes in the traditional oil and gas sector and transportation classes, and increased exposure to climate change-related litigation. As the economy transitions from carbon-based to a net-zero future, we will continue to assess how new technologies affect the renewable energy risks we currently underwrite and those we may underwrite. We will apply our underwriting expertise to evaluate these emerging risks, adapt product design and pricing, and underwrite them within the Group’s risk appetite.

For the subsidiary writing the business, the premium impact is assessed as low to medium; at the Group level, the financial impact is considered very low to low, reflecting the Group’s responsive underwriting strategy.

Strategy and business plan

The Group’s strategic objective is to maximise risk-adjusted returns for its shareholders over the long term, through disciplined underwriting that reflects prevailing market conditions and active capital management.

The Group has underwritten property catastrophe-exposed policies since inception, reflecting our purpose to deliver risk solutions that protect our clients and support economies, businesses, and communities in the face of uncertainty. Rising awareness of climate- and nature-related risks has presented the Group with opportunities to deliver further on that purpose to the benefit of our clients, investors, employees and other stakeholders.

As part of our annual business planning process, management runs various stress tests and scenario analyses, including climate-related scenarios, to assess the viability and resilience of the plan. A summary of these exercises is presented to the Board at its year-end meeting, highlighting the potential upside and downside to the best estimate plan assumptions for the loss scenario outcomes.

At the year-end meeting in March 2026, these tests demonstrated the resilience of the business to withstand significant losses and produce a good return for shareholders.

Sustainable underwriting

Sustainable underwriting, which embeds ESG considerations into our decision-making, is one of the pillars of our Group ESG strategy. Our property (re)insurance products insure clients against the risk of major weather events and other catastrophic losses, and we have long-standing expertise in this area. In our energy portfolio, we support our clients in addressing the challenges of the global transition to a lower-carbon economy, and continue to expand our knowledge and underwriting expertise to support the global carbon transition across the energy sector. This includes renewable energy and lower-carbon generation projects. Elsewhere within our business, we insure initiatives that support sustainable development, including infrastructure projects that are designed to improve access to clean water for communities in the developing world.

Board-approved risk tolerances

The business underwritten within the Group is monitored against the business plan and the Board-approved risk tolerances (including those linked to climate-related catastrophe loss events). The Group’s exposure compared to risk tolerance is reported to the Board quarterly through the Group CRO’s ORSA report as part of the Group’s risk management framework. The Group CUO and Group CRO regularly review current and emerging (re)insurance risks. Our climate risk culture has been set at the top, and accordingly, acceptable levels of risk are communicated throughout the business. Staying within these defined limits is achieved through a range of activities from risk avoidance to opportunity enablement. The Group’s natural catastrophe PMLs for certain peak zones are reported in the risk disclosures on page 159. Whilst potential climate-related risks and opportunities are considered as part of client, cedant and broker selection, they are one of many factors considered and do not unduly influence decision-making.

2025 TCFD report *continued*

Materiality assessment

The objective of this assessment was to identify key considerations material to our business and analyse them from two perspectives: the potential effects of the Group on climate-related factors and the effects climate-related factors may have on the Group.

Our double materiality assessment evaluated external drivers - such as impacts on people, the environment, and the financial impact on the Group - and their relevance to stakeholders (including insured clients, shareholders, regulators, rating agencies, executives, and employees). Stakeholder relevance was rated as low, medium, or high and the impact and financial materiality were graded on a scale from very low to very high. The impact analysis examined Lancashire's potential effects on the economy, environment, and society, considering both positive and negative aspects across our value chain.

Financial materiality focused on how climate and sustainability factors could affect Lancashire's performance and long-term viability.

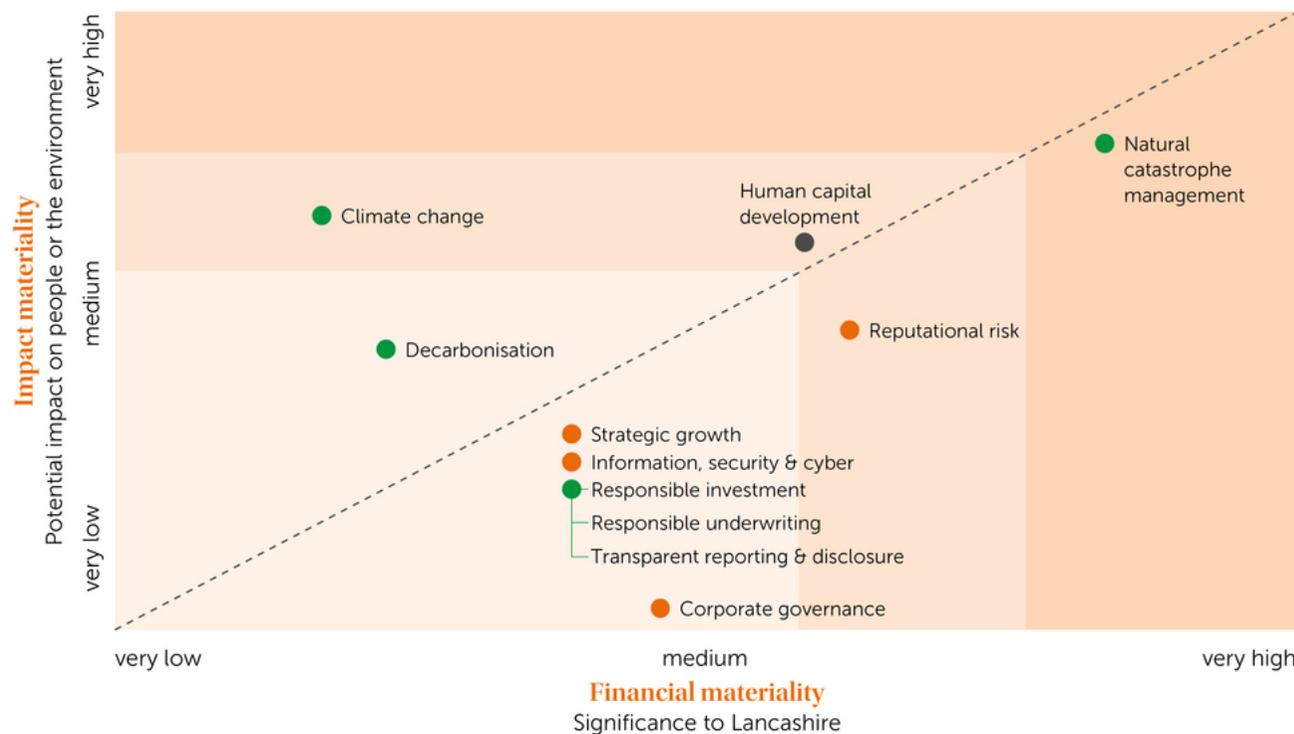
The heat map shows all considerations with a medium or greater impact from our double impact materiality assessment.

Climate change as a factor in business planning using the Group's ORSA

For more information please see page 30.

ESG strategy and framework

For more information please see page 46.



Governance

- Reputational risk
- Information security and cyber
- Corporate governance
- Strategic growth

Social

- Human capital development

Environment

- Natural catastrophe management
- Climate change
- Decarbonisation
- Responsible investment
- Responsible underwriting
- Transparent reporting & disclosure

2025 TCFD report *continued*

2.c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Stress and scenario testing

Stress and scenario tests, as well as reverse stress tests, are performed as part of the business planning cycle and the annual ORSA reporting process. The capital impacts from a range of scenarios, including climate-related risks and opportunities, are presented to the RRC and Board for review and discussion. Stress testing enables management and the Board to understand the effect of significant catastrophe loss experience within a single year. Testing includes prescribed underwriting loss event scenarios as outlined in the BSCR and the Lloyd's RDS.

Leading third-party catastrophe models

The Group uses a leading third-party catastrophe model vendor, additional portfolio modelling software, and a licensed climate-scenario tool to assess exposure to natural catastrophe risk and to model future emissions pathways for major atmospheric perils. We explicitly incorporate the effects of climate change into hazard selections and parameter choices, and supplement model outputs with regular reviews of peer-reviewed scientific literature to seek to ensure that scenarios reflect current scientific understanding. Material new models and significant model changes are validated through the View of Risk Committee, which reviews required adjustments, prioritises perils for deeper review and considers post-event validation outcomes.

Physical risk testing

We routinely measure potential business impacts from material physical risks, such as hurricanes and related storm surge, using modelled PMLs and scenario tests, and monitor these against Board-approved risk appetite tolerances set as defined percentages of capital at risk in a specific event. Periodic scenario testing using our licensed third-party models includes climate-adjusted pathways; our latest US hurricane test applied a 2°C warming pathway (assumed 4% increase in tropical cyclone severity and 15% reduction in frequency per the 2020 Knutson study)¹ and a 30 cm sea-level rise to assess increased storm surge. Results are reported on a gross basis across return periods. We periodically undertake additional research to confirm the continued relevance of our central scenario assumptions.

Peril review and hurricane stress test

We have commenced a review of Australian catastrophe perils, assessing the impact of climate trends and incorporating any significant findings into our overall view of risk, with any material outcomes reflected in underwriting guidance, exposure management and capital assumptions, subject to model governance and validation. At the same time, we are updating US hurricane stress-test outputs for the 2026 reporting cycle to reflect the latest portfolio exposures; interim reconciliations and parallel checks have been performed to assess potential impacts, and finalised stress-test outputs will be produced following completion of the standard model governance and validation process.

Climate change stress test - Occurrence PML change as at 31 December 2025



Our business planning process includes the modelling of anticipated new business for the forthcoming year, taking into account climate-related risks and opportunities for the relevant lines of business. The business plan is then stress tested for various scenarios, including climate-related scenarios. The results of these stress tests are considered during the review and approval process of the business plan at the management and board level.

Monitoring the investment portfolio

The Group's investment portfolio is continuously monitored using a variety of tools to measure the ESG profile, climate change risk exposure, and carbon intensity, including the MSCI ESG and carbon intensity rating tools. While it is acknowledged that most available tools and methodologies for ESG, carbon, and climate factors are imperfect, the Group is committed to further developing and refining its ability to analyse these factors in the future. This will be done in consultation with the Group's external advisers and portfolio managers, and in alignment with evolving market and regulatory standards and expectations for measuring and reporting in these areas. Despite these current perceived imperfections, the carbon intensity of the fixed maturities within the portfolio is tracked for those assets covered by the MSCI carbon intensity rating. It's important to note that US Treasuries and Agency Debt, which comprise 14.1% of the fixed maturity portfolio, are not covered by MSCI.

1. Knutson, T., Camargo, S.J., Chan, J.C.L., Emanuel, K., Ho, C.-H., Kossin, J., Mohapatra, M., Satoh, M., Sugi, M., Walsh, K. & Wu, L. "Tropical Cyclones and Climate Change Assessment. Part II: Projected Response to Anthropogenic Warming." *Bulletin of the American Meteorological Society* 101, no. 3 (March 1, 2020): E303–322. <https://doi.org/10.1175/BAMS-D-18-0194.1>

2025 TCFD report *continued*

3. Risk management

3.a. Describe the organisation’s processes for identifying and assessing climate-related risks.

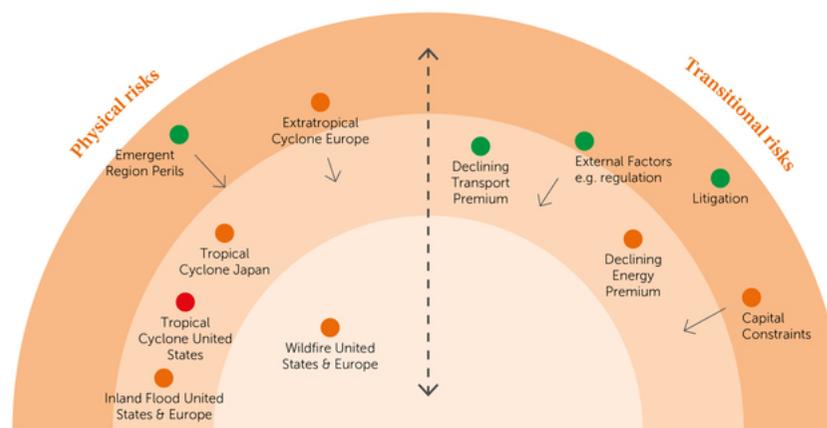
Risk strategy

Our risk management strategy is closely aligned with the Group’s strategy. It is focused on adding value to the business and providing assurance over the Group’s most material and emerging risks, including climate risk. The Board is responsible for managing risk and retains responsibility for the oversight of risk management activities. The risk management function, led by the Group CRO, seeks to ensure there is appropriate risk governance and a risk management framework to support the Board, Group CEO and Group Executive Committee in managing risk. The risk management framework must adapt to any change associated with delivering the Group’s strategy. The risk strategy is updated annually, and the Board approves the related work plan. Climate-related risks are identified and assessed using the same processes as applied to all other risks; see the ERM section starting on page 28 for details.

Internal view of risk

Our Climate Risk Radar is reviewed annually and refreshed as necessary. It illustrates Lancashire’s current internal view of the physical and transition risks from climate change, including the potential time horizon over which they may be faced, the potential magnitude of financial impact, and the geographical region (for physical risks).

Climate risk radar



The arrows pointing inward indicate shortening timeframes for these risks.

Key

Time horizon

- Long term: 15-30 years from now
- Medium term: 5-15 years
- Short term: up to 5 years

Impact on insurance service results

- High
- Medium
- Low

2025 TCFD report *continued*

Climate risk governance

Lancashire manages the risk of increased weather-related losses, including climate-driven changes in frequency and severity, through third-party modelling, internal adjustments and aggregate loss scenarios.

Individual risks that are likely to materially utilise the Group's capital are reviewed by senior and experienced underwriters. The modelling data and the capital deployment are closely monitored by the Group's Senior Management. Likewise, the Board monitors this on a quarterly basis as part of its strategic risk and capital management assessments, with the testing of the models leading to changes in risk levels, reinsurance purchasing and structuring strategy as required.

Underwriting assumptions covering rate adequacy, expected losses, claims inflation and capital utilisation by class are reviewed as part of financial planning, and the business mix is adjusted where new products or lines are attractive and accretive. More information on our catastrophe modelling is outlined in section 2.c. of this TCFD report.

3.b. Describe the organisation's processes for managing climate-related risks.

ESG insurance underwriting guidelines

The senior underwriting management approves the Group's ESG Insurance Underwriting Guidelines, which integrate ESG risk factors into underwriting decisions. Data relating to the guidelines is reported to the Group ESG Committee and the Board's Nomination, Corporate Governance and Sustainability Committee.

Integrating investment considerations

The Investment Committee conducts a biannual strategic asset allocation study to identify asset mixes that optimise risk-adjusted returns within agreed tolerances. The Committee and Board expect the scenario impact on the Group's MSCI-covered fixed maturity portfolio to be less adverse than the MSCI benchmark. Because MSCI coverage is limited, results are grossed up to covered assets. The Committee notes the fixed maturity portfolio continues to outperform the benchmark on Climate VaR. Section 2.c. of this TCFD report provides details of the investment portfolio, and page 98 outlines the Investment Committee's responsibilities.

Investment strategy and guidelines

We track and monitor the emission intensity of our investment portfolio every quarter. Our investment strategy guidelines incorporate ESG and climate-related targets and appetites as part of the overall strategy and guidelines, which align with our commitment to responsible investment. Data on the carbon intensity, climate risk sensitivity and ESG profile of the Group's investments is reported periodically to the Board's Investment Committee.

Details of our ESG and carbon management investment can be found on page 98.

Sustainable fund allocations and commitments

In 2023, a portion of the funds was dedicated to an ESG sweep facility product, an investment book that directs cash into a money market fund account daily. In 2024, we continued to evaluate other suitable sustainable funds and established a target allocation. While this allocation was not prioritised for funding in 2025, we plan to implement it in 2026. In addition, the majority of our private funds are UNPRI signatories. Separately, \$164.5 million has been committed to private funds classified as Article 8 under the Sustainable Finance Disclosure Regulation, of which \$97.1 million has been funded.

Enterprise risk management framework and ORSA process

As part of our overall risk mitigation strategy, we perform detailed stress and scenario testing to stress the financial stability of the Group. This process aligns with our business planning, ORSA processes, and strategic and business plan time horizons. The selected tests are aligned to our key risk areas of capital (rating agency and regulatory), underwriting and investment-related stress tests, at a minimum.

More information on this can be found in the Enterprise Risk Management section starting on page 28.

2025 TCFD report *continued*

3.c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Board risk assessment

The Board annually assesses the principal risks facing the Group, including those that could threaten our business model, future performance, solvency, or liquidity.

This assessment stresses the business plan for severe but plausible scenarios, including climate change, and evaluates the potential impact on capital and earning. Climate-related risks are considered as part of this process, with their impact being considered within each existing principal risk rather than a separate climate change principal risk. Business plans are evaluated on a one-year, three-year and 2030 time horizon.

To monitor and manage climate-related risks, management reports to the Board PMLs, which are calculated by reference to different notional return periods for a range of natural catastrophe events, including those relating to climate events. The Group calculates its theoretical exposure both in monetary terms and as a percentage of capital, and the Board establishes underwriting risk tolerances by reference to a range of PMLs. The Group publishes a summary of exposures to its most significant 1 in 100-year and 1 in 250-year PMLs in this report (see page 159). The Board also routinely monitors annual aggregated expected losses for business planning and capital management, but these are not published due to the commercial sensitivity of the data.

Three lines of defence governance framework

Lancashire operates a three lines of defence governance model which is depicted on page 31. The model outlines the responsibilities for the ownership and management of risk (1st line), risk oversight (2nd line), and independent risk assurance (3rd line). The interaction of responsibilities within this framework helps ensure the effectiveness of our risk management. The activities of the Board and its sub-committees in their oversight of the Principal Risks are discussed on pages 33 to 37. Whilst management has an obligation to oversee the delivery of strategic objectives, the 1st and 2nd lines of defence in the model are responsible for an additional layer of risk management, including consideration of climate-related factors. Each of the management committees shown in the graphic have specific risk-related responsibilities.

Risk identification and management discussions

Climate-related risks are identified and assessed through the Group's formal risk identification and management process, including regular engagement with risk owners and subject matter experts across the Group and review at the ERF and the ESG Committee.

Individual underwriters assess climate-related risks specific to their (re)insurance portfolios as part of routine underwriting, incorporating climate factors into the analysis of each risk. These reviews include the physical location of assets insured, weather-related perils that have impacted, or have the potential to impact, the location and their historical frequency, and their severity. The Group's post-bind underwriting controls provide additional insight into accepted risks, including climate-related exposures. As part of the control process, peer reviews, appropriate for each of the pre-bind levels of authority, are carried out using real-time data.

Monitoring and incorporating emerging climate regulations

The Group continuously monitors emerging climate-related regulations through dedicated horizon-scanning efforts. As emerging climate-related regulations are identified, we conduct gap analyses to understand what activities are required to meet the regulations when they become effective. We are committed to evolving our processes and practices where necessary to remain compliant and aligned with evolving standards.

Repositioning the portfolio

Since 2022, the Investment Committee has directed its external managers to reposition the portfolio to reduce the carbon intensity score, and the process is ongoing. As at year end 2025, 96.7% of the Group's externally managed investments are with UNPRI signatory managers. The Group operates a framework for measuring climate sensitivity for corporate bonds within the fixed maturity portfolio using a Climate VaR, which is aligned with the Paris Accord goal of limiting global temperature increases to a maximum of 1.5°C, for the Group's investment risk tolerance statements.

2025 TCFD report *continued*

4. Metrics and targets

4.a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

PML as a key metric

The PML is our key metric for assessing our exposure to climate-related physical risks. We monitor each of our PMLs both for their dollar impact and as a percentage of capital the PML equates to. As previously noted, our underwriting risk tolerance is expressed as the percentage of capital we may lose in a specific event. We track the elemental PMLs against our risk tolerance and report this position to the Board each quarter.

The table below sets out the possible financial impact of physical risk based on our portfolio as at 31 December 2025. If the exposure were to change materially, the financial impact could be more significant. However, the longer-term impact would likely be managed by our ability to reprice contracts upon renewal if needed, and the development of new products.

Physical: acute and chronic (100-year event)	Time frame	Magnitude of impact	Potential financial impact Group net PML / % of tangible capital
Tropical Cyclone			
US Windstorm – Gulf of Mexico	Medium	High	\$337.1 million / 19.8%
US Windstorm – Non-Gulf of Mexico	Medium	High	\$239.5 million / 14.1%
Japan Typhoon	Medium	Medium	\$78.8 million / 4.6%
Extratropical Cyclone			
European Windstorm	Medium – Long	Medium	\$109.6 million / 6.4%

Mitigation

- Positive feedback loop in pricing models that reflect heightened risks from climate change
- Gross risk appetite is adjusted wherever the risk is viewed as inappropriately priced for the exposure
- Outwards reinsurance is adapted to reflect the changing exposures
- Robust internal controls enabling PMLs to be monitored quarterly by the RRC
- Additional secondary perils now modelled
- Continue to develop views on other perils

PML as a percentage of GPW

The graph below illustrates the Gulf of Mexico 1-in-100-year PML event expressed as a percentage of GPW and how the proportionate risk to the Group has been managed over time.



Our PMLs are derived from third-party stochastic models covering windstorm, convective storm, wildfire and flood. The View of Risk Committee assesses model assumptions and applies adjustments where appropriate, with outputs challenged at both macro and account levels. The RRC reviews PMLs and actual in-force exposure versus tolerance quarterly. Post-event reviews compare actual and modelled losses to validate assumptions and determine any further adjustments. Section 2.c. of this TCFD report describes third-party catastrophe models and measurement, and our risk disclosures set out how the Group monitors risk levels and manages catastrophe events.

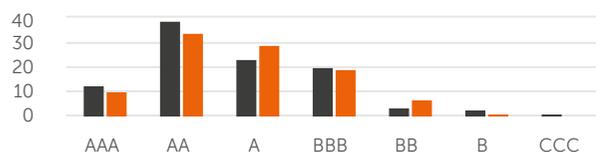
2025 TCFD report *continued*

Reviewing and monitoring the investment portfolio

As at 31 December 2025, fixed maturity securities made up 85.9% of the portfolio, nearly half of which were government-related securities, while corporate bonds represented 37.3% and carry limited climate exposure. The Group uses the approved MSCI Climate VaR metric to monitor ESG risk, expresses investment risk tolerance as VaR relative to shareholders' equity, and compares Climate VaR for Level (i) and Level (ii) securities against the MSCI benchmark on a quarterly basis.

Lancashire monitors the ESG profile of its fixed maturity portfolio for those securities covered by the MSCI ESG rating tool. Much of the portfolio for the year end of 2025 was designated within the 'average' ESG category.

MSCI overall rating (%)



■ Lancashire total ■ MSCI benchmark*

* Percentages for the MSCI benchmark data are up-scaled to compare with the Lancashire securities covered by MSCI.

Group investment guidelines

The Investment Committee continues to monitor the climate change risk sensitivity, ESG profile and carbon intensity of the Group's investment portfolio with due regard to developing expectations and methodologies. The Group's investment guidelines continue to restrict investments in companies that rely on thermal coal for power generation or derive revenues from oil sands or Arctic oil/gas, as well as investments in fixed maturity securities with high carbon intensity ratings. In 2024, the Committee agreed to further changes requiring, from 1 January 2025, divestment from companies that generate more than 2% of their power from thermal coal or

derive more than 2% of their revenues from oil sands or Arctic oil and gas. In line with this policy, in 2025, the Group held no investments in such companies.

ESG and carbon management investment guidelines are approved by the Investment Committee and the Board and are implemented by the Group's investment managers across the Group's fixed maturity investment portfolios. The Group's external investment managers must operate within the parameters set in our guidelines on permissible asset classes, duration ranges, credit quality, currency, maturity, sectors, geographical, sovereign and issuer exposures. Compliance is monitored monthly, and any adjustments are approved by the Board and the Investment Committee.

As of 31 December 2025, 96.7% of the external investment portfolio was managed by UNPRI signatories.

4.b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.

Reducing our energy use

The table on page 68 presents our environmental impact, with year-over-year GHG comparisons. Each year, we purchase carbon credits to contribute towards Global Net-Zero, reinforcing our commitment to sustainability. As the Group's geographic footprint has expanded our overall emissions have also increased, including those emissions related to energy use. We continue to explore ways of increasing energy efficiency in our office environments. We will continue to monitor and report on our emissions and energy consumption going forward to provide transparency and inform targeted reduction actions.

Scope 3 emissions disclosure

The Group provides a detailed Scope 3 breakdown on page 68. We measure and publish emissions from business travel, operational waste, some purchased goods and services, employee commuting and upstream fuel- and energy-related activities.

These categories materially contribute to our value chain footprint. We apply a standardised calculation approach to provide consistency and comparability over time.

4.c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Board-approved programme to purchase carbon credits

The Group has set a GHG reduction targets for the emissions from its own operations, measured by carbon emissions per full-time employee, and is committed to the UK Government's net-zero strategy by 2050. The Group maintains a Board-approved carbon credit programme and continues to purchase credits as a dedicated climate contribution. The Board monitors targets to help strategic and operational alignment. More information on the Group's pathway to meeting net-zero by 2050 is on page 67 of this report.

Sustainable in the office

Wherever possible, the Group operates out of sustainable offices. Our London office, 20 Fenchurch Street, is a BREEM 'Excellent' building and is powered by 100% renewable energy supplied under REGO-backed tariffs.

In 2025, the Facilities Team reduced energy use through targeted measures, including upgrading the office lighting with occupancy sensors and integrating these fully into the Building Management System (BMS) to enable sensor-driven control. The air conditioning system was fully refurbished with an upgraded pump and presence detection controls. Heating and cooling operate only when staff are present, and people counters at the main entrances and exits now supply real-time occupancy data to the BMS, optimising environmental controls, improving operational efficiency, and strengthening sustainability performance. Further details on our GHG reduction target is provided on pages 67 to 69.

A responsible business

Understanding our impact

Since Lancashire was founded, we have aimed to always act with integrity and be a responsible business.

We know that everyone at Lancashire has a role to play in delivering this goal and we are guided by our values and purpose.

We challenge ourselves to work sustainably and take responsibility for our actions and understand their impact on a range of stakeholders, and our policies and procedures, which are available to all employees, support our efforts to remain a good corporate citizen.

Our stakeholder responsibilities



Policy / area	Our approach	Stakeholder impact	Board oversight
Legal and regulatory frameworks	The Group complies with a wide range of legal and regulatory requirements. These include the environmental, social and governance regulations of the BMA, PRA, FRC, FCA, Lloyd’s, UNEP FI, TCFD, Mandatory Greenhouse Gas Emissions reporting/Streamlined Energy and Carbon Reporting (SECR), and Home Office (Modern Slavery Statement Registry).	Our policyholders Our people Society and the environment Brokers Regulators Vendors	Yes
Human rights	We respect, support and protect human and labour rights across our organisation. In this Lancashire is guided by the principles outlined in international standards such as the United Nations Universal Declaration of Human Rights. We expect compliance throughout our organisation with our employment policies, practices and procedures. Our Group Human Rights Policy Statement is available on our website.	Our policyholders Our people Society and the environment Brokers Regulators Vendors	Yes
Health and safety	Our operations are predominately office based and, as such, are less exposed to major incidents. However, we regularly consult with employees on health and safety issues to help ensure our people and visitors are supported and protected. Where potential danger in a task is identified, risk assessments are carried out. Additionally, business continuity, disaster recovery, and fire safety training, is mandatory for all employees. Our full Health and Safety Policy is communicated to employees on joining and is available on the intranet.	Our people Society and the environment Brokers Regulators Our shareholders and investors	Yes

A responsible business *continued*

Policy / area	Our approach	Stakeholder impact	Board oversight
Whistleblowing	Everyone working for Lancashire is expected to maintain high standards and report any wrongdoing or malpractice. Our Whistleblowing Policy aims to ensure that matters of genuine concern can be raised without fear of reprisals, in the knowledge that they will be taken seriously and that the matters will be investigated appropriately and confidentially. During 2025, to further support our employees, we introduced an external independent whistleblower service which is available to staff at all times. The policy is formally approved by the Board annually on recommendation from the Audit Committee. It is available to staff on our intranet and a summary is published on our website.	Our people Regulators Our shareholders and investors	Yes
Data protection and privacy	The Group is committed to upholding high standards of privacy and data protection, in alignment with UK legislation, the Privacy Acts of Bermuda and Australia and all applicable federal, sectoral and state laws across the United States. As part of our day-to-day operations, we responsibly process information relating to our employees, policyholders, shareholders and other stakeholders. All personal information collected, used or disclosed is handled with care in accordance with our internal data protection policies and procedures, which our employees are expected to be fully familiar with and consistently adhere to. Oversight of our data protection and privacy framework rests with the Audit Committee, which receives an update for review at each quarterly meeting.	Our policyholders Our people Brokers Regulators Vendors Our shareholders and investors	Yes
Information security	Lancashire's Information Security Strategy was reviewed in 2025 with a focus on risk oversight, support for business growth, and operational resilience, facilitating alignment with business and IT strategy. Additionally, emerging threats are addressed through regular risk assessments, continuous monitoring, and annual policy reviews. Information Security is integrated into all technology and business processes, supporting the safe adoption of new solutions. Employees also take part in enhanced awareness training.	Our people Regulators Vendors Our shareholders and investors	Yes
Cyber incident response	Lancashire continues to recognise the evolving cyber threat landscape and the risks posed by cyber security incidents and has integrated its response practices into the Information Security Strategy to support operational resilience. A range of technologies, processes, and procedures are in place to mitigate, respond to, and keep pace with new and emerging threats. The Cyber Incident Response Plan is regularly tested and updated, including cross-functional tabletop exercises and lessons learned sessions to seek to ensure preparedness across the Group.	Our policyholders Our people Brokers Regulators Vendors Our shareholders and investors	Yes
Anti-harassment and bullying	We operate a zero-tolerance approach to bullying and harassment, in compliance with the UK's Equality Act 2010 (and UK Worker Protection Act 2023). All employees are encouraged to speak up and our Anti-Harassment and Bullying Policy offers employees a mechanism through which they can raise issues of concern. We are committed to creating a safe working environment where people treat each other with respect, empathy and compassion.	Our people Society and the environment Brokers Vendors	
Dispute resolution	Our Dispute Resolution Policy, where issues cannot be initially resolved, can be used by employees, without fear that they will be penalised in any way.	Our people	

A responsible business *continued*

Policy / area	Our approach	Stakeholder impact	Board oversight
Grievance procedure	<p>Employees who believe they may have been discriminated against are encouraged to raise the matter through our Grievance Procedure.</p> <p>Abusive or discriminatory behaviour by an employee towards another will be seriously and confidentially investigated, and will be dealt with in accordance with the Group's disciplinary procedure.</p>	Our people	
Living Wage	We are an Accredited Living Wage Employer, for our business and our supply chain.	Our people Society and the environment Suppliers	Yes
Anti-slavery and human trafficking	We consider that there is minimal risk that, within either the Lancashire Group or the very limited supply chains which support our business activities, the Lancashire Group is involved in, supportive of, or complicit in slavery and human trafficking. The Group's Anti-Slavery and Human Trafficking Statement is available on our website.	Society and the environment Brokers Regulators Vendors Our shareholders and investors	Yes
Anti-money laundering, bribery and financial crime policy	<p>We have zero tolerance for money laundering or any other type of financial crime or dishonesty, including acts of bribery. A training programme seeks to ensure a widespread understanding of our policy. All Group employees are required to report to their local Money Laundering Reporting Officer any potentially suspicious activity.</p> <p>The policy is formally approved by the boards of relevant Lancashire Group entities annually, and any instances of breach are reported to the Group Board on a quarterly basis. A summary of the policy is available on our website.</p>	Our policyholders Our people Society and the environment	Yes
Procurement	Specific questions related to climate and ESG have been incorporated into vendor process-specific questionnaires. The questions are designed to provide insight into the vendors' level of familiarity and awareness of their operations, as well as any existing programmes they have in place to support sustainability.	Vendors (including outsourcing vendors) Society and the environment	Yes
Collaboration with third parties	<p>We use third-party suppliers to complement our in-house skills where appropriate.</p> <p>We strive to receive assurance that employers within the ancillary services and limited supply chains used by the Group pay a living wage.</p> <p>Payments to service providers are made in accordance with the individual payment terms agreed. The Group's UK subsidiary, LUK, complies with its statutory reporting duty for payment practices and performance in relation to qualifying contracts on a half-yearly basis.</p> <p>Lancashire has its own responsibilities to those within its limited supply chain. Any concerns arising over the ethical practices and human rights records of insureds and potential clients would be considered as part of the underwriting process.</p>	Our policyholders Society and the environment Brokers Regulators	Yes

A responsible business *continued*

Policy / area	Our approach	Stakeholder impact	Board oversight
Sanctions	Lancashire aims to ensure compliance with all applicable sanctions legislation in the jurisdictions in which the Group operates. The processes and systems are documented and approved annually by the LHL and relevant subsidiary boards. Quarterly reports are provided to confirm whether there have been any breaches, or not, during the period.	Our policyholders Society and the environment Brokers Regulators	Yes
Share dealing	Restrictions on the trading of LHL's securities for Directors and employee shareholders are in place through the Group's Share Dealing Code. The Group's Disclosure Policy restricts the disclosure of any confidential information.	Regulators Our shareholders and investors Our people	Yes
Engagement with regulators, rating agencies and lenders	<p>Changes in regulatory and supervisory requirements are monitored by the Board and management. The Group actively engages with relevant regulatory bodies which provide supervision and oversight. This includes meetings, regular reporting or engaging with routine regulatory reviews. We also engage with major rating agencies to discuss financial performance and when significant events occur, such as loss events.</p> <p>Reinsurance coverage is purchased as part of our capital management and regulatory compliance and we operate in compliance with our credit facilities, which support underwriting obligations. Additionally, the syndicates benefit from Lloyd's current ratings, resources, brand and network of global licences.</p>	Our policyholders Society and the environment Brokers Regulators	Yes
Relationships with tax authorities	We comply with all tax obligations and maintain proactive relationships with relevant tax authorities and monitor developments in tax legislation.	Our policyholders Society and the environment Brokers Regulators	Yes

GHG Reporting

Environmental impact and climate contribution

We remain committed to understanding and managing the environmental impact of our business operations. For the 2025 reporting year, we have once again engaged third-party consultants, ClimatePartner, to calculate the Group's Corporate Carbon Footprint (CCF).

The CCF reflects the CO₂e emissions released by the Group's own business operations, within defined boundaries and for a specified period, in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). We use the CCF as a tool to monitor our progress towards the Group's carbon reduction goal. It also enables us to better understand our energy consumption; identify opportunities to reduce our carbon footprint; analyse energy and emission trends and enhance our data collection processes.

Emissions data has been calculated using the Group's actual consumption data and a range of emission factors researched by ClimatePartner. Wherever possible, primary data was used; but where primary data was unavailable, secondary data from highly credible sources was applied, with emission factors taken from scientifically recognised databases and models.

Operational boundaries

We apply an operational control approach to determine the appropriate boundaries for our GHG reporting. In line with ISO 14064-1 guidance, an organisation is considered to have operational control when it has full authority to introduce and implement operating policies at the operational level. Accordingly, we disclose our Scope 1 and Scope 2 emissions in full, together with those Scope 3 categories for which we exercise a high degree of operational control.

Employee commuting

We continue to include emissions associated with employee commuting and home working within our Scope 3 emissions. For this reporting period, we conducted a survey of employees' commuting habits, which was completed by over 46% of employees globally.

International operation footprint

With principal commercial operations in four countries and clients and brokers worldwide, the Group's carbon footprint is predominantly driven by business travel as shown within our Scope 3 emissions.

We regularly consider ways in which our own offices can be more sustainable. Our London office is already well-optimised, being located in a building with a BREEAM 'Excellent' rating and supplied with 100% renewable energy on tariffs that are backed up by associated Renewable Energy Guarantees of Origin (REGOs). Representatives from the London office actively participate in the building management's 'Green Building' meetings and energy-saving initiatives. We also continue to engage with building management teams in Bermuda, Australia, and the US to participate in relevant sustainability initiatives.

Carbon equivalent per FTE as intensity metric

We use tCO₂e per FTE as the intensity metric in our GHG reporting.

Contributing to global net-zero

Following the completion of the CCF calculation, the Group has historically purchased verified carbon credits, primarily through carbon avoidance programmes. These initiatives support the development and maintenance of systems and technologies that replace carbon-intensive processes.

In 2021 and 2022, we made a contribution equivalent to 15% of our calculated emissions via a carbon sequestration project, designed to actively remove carbon from the atmosphere, with the remaining credits sourced from carbon avoidance projects. In 2023, we increased the share of sequestration projects to 20% and in 2024 we further increased this to 25%, with the remaining 75% in a carbon avoidance programme. We have applied the same approach to our climate contribution this year. Additionally, we have again applied a safety margin of 10% to our total carbon footprint to account for uncertainties inherent in using database values, assumptions, and estimates. As a result, the Group has purchased a total of 3,689 carbon credits as a climate contribution in this reporting period. We report the emissions data for the Group in the table on the following page.

Encouraging and supporting employees

The Board monitors emissions from the Group's operations whilst remaining mindful of strategic and business requirements. We encourage the use of public transport, walking and cycling to commute to our offices.

Since 2022, employee commuting surveys have shown that the majority of our London-based employees commute via public transport. To support this, we continue to offer incentives, including a season ticket loan scheme and assistance with bicycle purchases.

GHG reporting *continued*

Streamlined energy and carbon reporting disclosure – 1 July 2024 to 30 June 2025

	Current 2025 reporting year (market-based) 1 July 2024 to 30 June 2025		Previous 2024 reporting year (market-based) 1 July 2023 to 30 June 2024	
	UK & Offshore	UK Only	UK & Offshore	UK Only
Emissions from the combustion of fuel or the operation of any facility including fugitive emissions from refrigerants use / tCO ₂ e ¹	33.8	22.5	148.3	138.2
Emissions resulting from the purchase of electricity, heat, steam or cooling by the Company for its own use / tCO ₂ e	228.1	—	223.7	—
Gross emissions (Scope 1,2) / tCO ₂ e	262.0	22.5	372.0	138.2
Energy consumption used to calculate above emissions /kWh	1,153,698	519,091	2,036,764	1,416,405
Total gross emissions (Scope 1, 2, 3) / tCO ₂ e	3,358.6		3,363.3	
tCO ₂ e per FTE	7.5		8.3	

1. The reduction in emissions year-on-year reflects the application of 'green gas' certification for the 2025 reporting period.

Carbon credit breakdown

75% carbon avoidance	Improved cook stoves (Ivory Coast)
25% carbon sequestration	Improved forest management (Mexico)

Corporate carbon footprint

Types of emissions	Activity	1 July 2024 to 30 June 2025	1 July 2023 to 30 June 2024
Scope 1			
Direct emissions from Company facilities	Heat (self-generated)	0.1	115.8
	Refrigerant leakage	33.8	32.5
Scope 2			
Purchased electricity for own use	Electricity (stationary) (market-based)	228.1	223.7
Scope 3			
Gross emissions (tCO ₂ e) (market-based)	Business travel (flights, hotel nights, vehicles, and rail)	2,764.4	2,677.9
	Employee commuting and home office	215.5	208.8
	Fuel- and energy-related activities (upstream emissions for electricity and heat)	78.5	99.2
	Purchased good and services (water)	31.2	1.4
	Waste generated in operations	7.0	4.0
Gross emissions (tCO ₂ e) (market-based)		3,358.6	3,363.3
Gross emissions per FTE (tCO ₂ e/FTE)		7.5	8.3
Carbon credits		3,689.0	3,700.0

All numbers quoted have been rounded to one decimal place. Upstream fuel and energy-related activities include Well-to-Tank and Transmission and Distribution emissions. These are emissions associated with the upstream processes of extracting, refining and transporting raw fuel and the emissions associated with the electrical energy lost during transmission to our business.

GHG reporting *continued*

Progress against our 2030 target

The following diagram shows the change in the Group's emissions per FTE against our current target of a 30% reduction in emissions per FTE from the 2015 baseline level.

