



The UK energy transition under pressure

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Our AXA XL transition experts

Underwriters



X^L Insurance Climate

Environmental

Risk

Consultant

Education

Green Tech

Expert

Lead

Thought

leadership

Client Relationship







Consultant





AXA's decarbonization targets

Emission assessments







the transition

Build back better

Supporting transition

Climate change tops **AXA Future Risks Report**

Experts confirm recent years are the warmest on record1

Adaptation, resilience and risk reduction 1. WMO confirms 2024 as warmest year on record at about 1.55°C above pre-industrial level

2. Half of World's GDP Moderately or Highly Dependent on Nature

3. World Energy Transitions Outlook

Water risk

<u>Climate</u> adaptation

We partner with companies to unlock

the transition to a

low-carbon, sustainable

and prosperous tomorrow

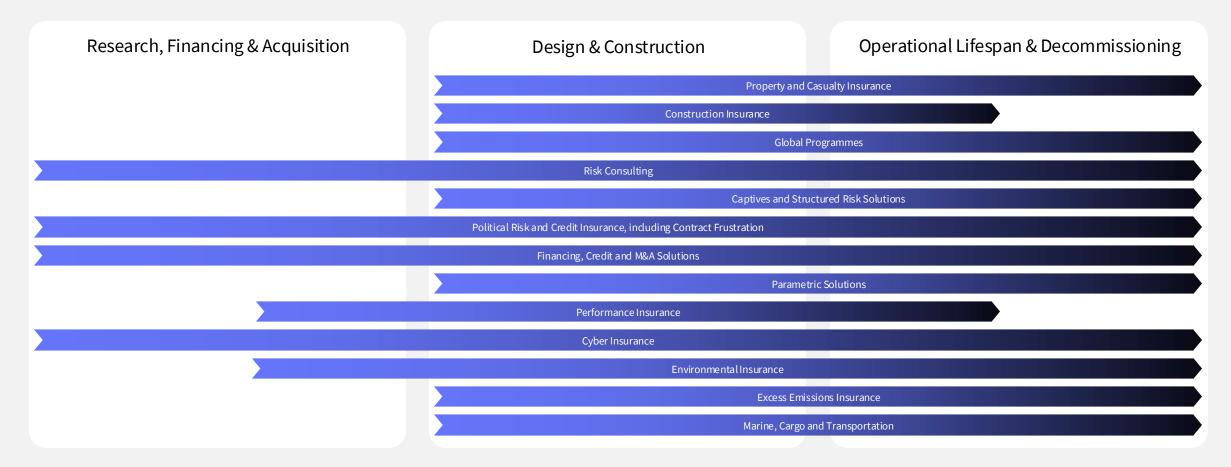
> Fair transition research and partnership

50% of global GDP moderately or highly dependent on nature²

Energy transition needs investment of \$130 trillion by 2050³

Energy Transition

AXA XL and AXA Group can deliver underwriting expertise, products and services, assisting our clients throughout the transition



The material role of insurance in transition finance

The UK and London Market is uniquely positioned to leverage the insurance sector

2%

London Insurance
Market contribution
to UK GDP

32%

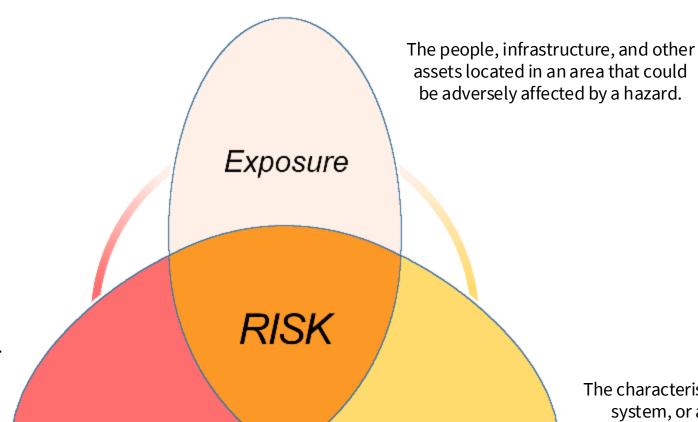
London Insurance
Market contribution
to the City's GDP

- **Transition Finance is a rapidly growing space**, encompassing a broad range of financial institutions, portfolios and instruments directed at supporting an economywide transition to net zero.
- There is a **lack of understanding by many of the role that insurance plays** in the transition finance ecosystem and its materiality, but this is starting to change.
- The UK's financial sector and world-leading insurance market means it is positioning itself as the home for risk-aligned transition finance globally.
- As transition finance scales, insurance capacity will need to scale in step to meet debt and equity financing needs, and support credit quality and ROI calculations for investors and lenders

Why should we care? Insurance is a material part of the financial ecosystem that enables transition finance to flow and critical to delivering a low carbon economy.

Risk is a function of Hazard, Vulnerability and Exposure

Hazard



Vulnerability

A potentially damaging physical event or phenomenon. A hazard is a source of potential harm that exists independently of human interaction.

The characteristics of a community, system, or asset that make it susceptible to the damaging effects of a hazard. Vulnerability is influenced by physical, social, economic, and environmental factors.





Know You Can

