



LIBERTY SPECIALTY
MARKETS LIMITED
UK OPERATIONS
CARBON REDUCTION PLAN

PUBLISHED
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Commitment to achieving net zero

Liberty Specialty Markets (LSM) is committed to achieving net zero emissions by 2050 in our UK operations.

In 2021, Liberty Mutual committed to a 50% reduction by 2030 goal for global emissions from a 2019 baseline. LSM supports achievement of this interim target.



Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2019

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	126
Scope 2	486
Scope 3 Included sources	3,847 (air, rail and car travel, and hotel stays for UK employees*)
Total Emissions	4,459

Current Emissions Footprint

Reporting Year: 2021

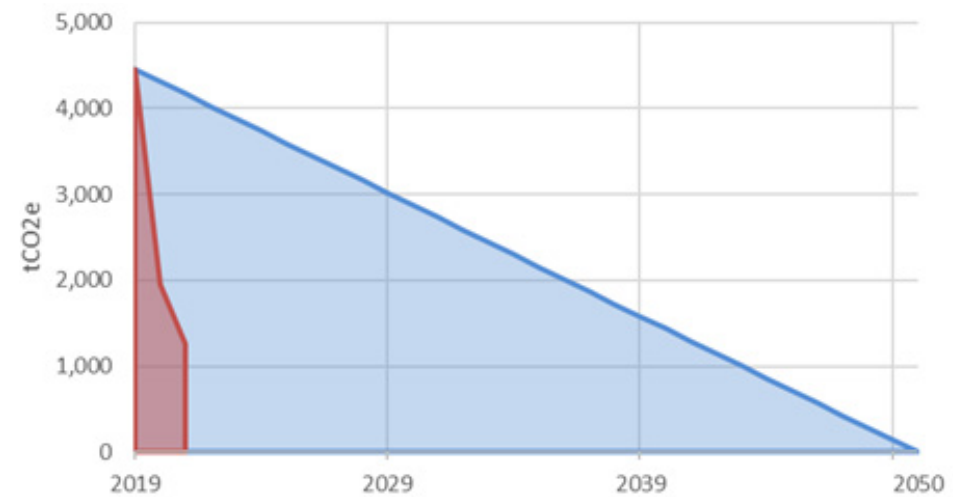
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	383
Scope 2	160 (market based) 544 (location based)
Scope 3 (included sources)	170 (air, rail and car travel, and hotel stays for UK employees*)
Total Emissions	1,257

* We expect scope 3 emissions to rise in subsequent years as we complete data collection and analysis for categories in scope and not yet reported as well as return to some business practices, e.g. business travel, from currently hybrid working environments.



Initiatives towards net zero

We expect to make steady progress to achieving net zero, including refining and expanding our data collection, and updating our plan year-on-year. Below is an illustrative view of this decarbonisation curve.





The following environmental management measures and projects have been implemented since the baseline data was collected in 2019:

- We have raised the current set point temperature from 21 degrees Celsius to 23 degrees Celsius as a maximum in our IT rooms, which saves energy without affecting our IT equipment.
- Travel – We are encouraging our colleagues to travel less by:
 - ▶ Making lower carbon alternative(s) available for their requested journey. These may be a different mode of transport, a different class of travel, or a different flight. We ask colleagues to do their best to choose these.
 - ▶ Requesting additional information as to why the lower carbon travel option is chosen (or not), in order to better understand behaviours we need to consider in our policies.
 - ▶ We are also offsetting the carbon footprint of our travel with high-quality offsets provided through Climate Impact Partners. We started this retrospectively from 1 January 2021 onward.

Since 2014, we have benefited from:

- Our headquarters, at 20 Fenchurch Street, which accounts for the majority of our UK staff and facilities footprint, has been awarded BREEAM Excellent and sources renewable energy.
- Lighting and cooling – The installation of LED lighting and sensor-controlled lighting and cooling.
- Adjustment of heating, ventilation and cooling – Adjusting to evening, weekend and public holiday office use, which was particularly crucial during mandated homeworking.
- Waste – Created recycling and waste sorting stations and removed the majority of desk bins.
- Paper – Reduced our paper usage with Follow-me-printing devices.

In the future we are exploring the implementation of further measures, which may include:

- Through our energy efficiency initiatives program for our facilities, we have looked to identify opportunities for improved efficiency and to leverage energy reduction projects. Some examples identified from recent audits include:
 - ▶ Asset IQ power usage reporting - Monthly energy reports are provided from Asset IQ which highlight potential out of hour plant operation which can then be investigated.
 - ▶ Water – Water efficiency measures can reduce energy use where heated water is concerned. Sensor taps have been installed. Automated water reading technology has been installed on water meters with WIFI connection to be installed; once installed half hourly consumption data can be provided.
 - ▶ System operation and energy use – Specialist maintenance service providers are currently looking at the cooling system, chillers, pumps and cooling towers. Teams are reviewing the system setpoint and operations, any change to the system energy use is monitored and recorded.
 - ▶ Detail our description of operation to ensure optimal settings in all locations through review of our Business Management Systems.
 - ▶ Further optimisation of our lighting efficiency.
 - ▶ Water – We are also considering remote temperature sensors and controllers within our water systems that would be more efficient. We are also looking at timers on water tanks to improve efficiency in kitchens and showers in our facilities.
 - ▶ IT – We are evaluating IT room set points on temperature.
- Travel
 - ▶ We are monitoring the effectiveness of the measures applied from this year.
 - ▶ We are integrating travel emissions data in management information on a quarterly basis with regular reports made available to managers, and including the costs of offsetting emissions in our annual business planning for the first time this year (for 2023).
- Improved scope 3 emission data collection and analysis: We have focused on data collection and analysis relating to scope 1 and 2 emissions and the material operational categories of scope 3. Now we are embarking on a multi-year programme to better monitor and enable data collection and analysis of additional categories of scope 3 (noting that category 9 relating to downstream transportation/distribution of products sold is not applicable due to the services nature of our business):
 - ▶ Category 4 – upstream transportation/distribution of products purchased: we are seeking data, though the impact is expected to be minimal as a services business.
 - ▶ Category 5 – waste generated in our operations: we currently hold insufficient data to estimate emissions so will improve waste monitoring.
 - ▶ Category 7 – employee commuting: we are developing a plan to collect more data on our employees to estimate the transportation between their homes and our sites.



Declaration and Sign Off

This Carbon Reduction Plan has been prepared, including emissions reported and recorded, in accordance with the published reporting standard for Carbon Reduction Plans (PPN 06/21 and associated guidance) and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with Streamlined Energy and Carbon Reporting requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard. Business air and rail emissions were calculated using 2021 DEFRA Factors for the UK. Haul lengths are defined as domestic for those within the UK, short-haul for those within Europe and long-haul for those outside of Europe.

This Carbon Reduction Plan has been reviewed and signed off by the boards of directors for Liberty Managing Agency Limited and Liberty Mutual Insurance Europe SE.

Philip Hobbs

President and Managing Director, Liberty Specialty Markets

Dirk Billemon

Europe General Manager, Liberty Specialty Markets

Date: 10/06/2022