

Our Road to Net-Zero

Sabre Insurance Group plc

March 2022

Objectives

Objective 1: Achieve **carbon-neutral** operations by 31 December 2030

Objective 2: Become fully **net-zero** by 31 December 2050

Background

Sabre Insurance Group plc ('Sabre', 'we') recognises the need for a significant change in the way in which all organisations consider their impact on the environment. We fully support the UK Government's objective to achieve net-zero by 2050, and that in order to do this a collective effort is required from all businesses, large and small, within the UK.

We have set our targets within the context of this wider goal, considering our own views as to the level of influence we can exert in certain areas, particularly when considering indirect emissions.

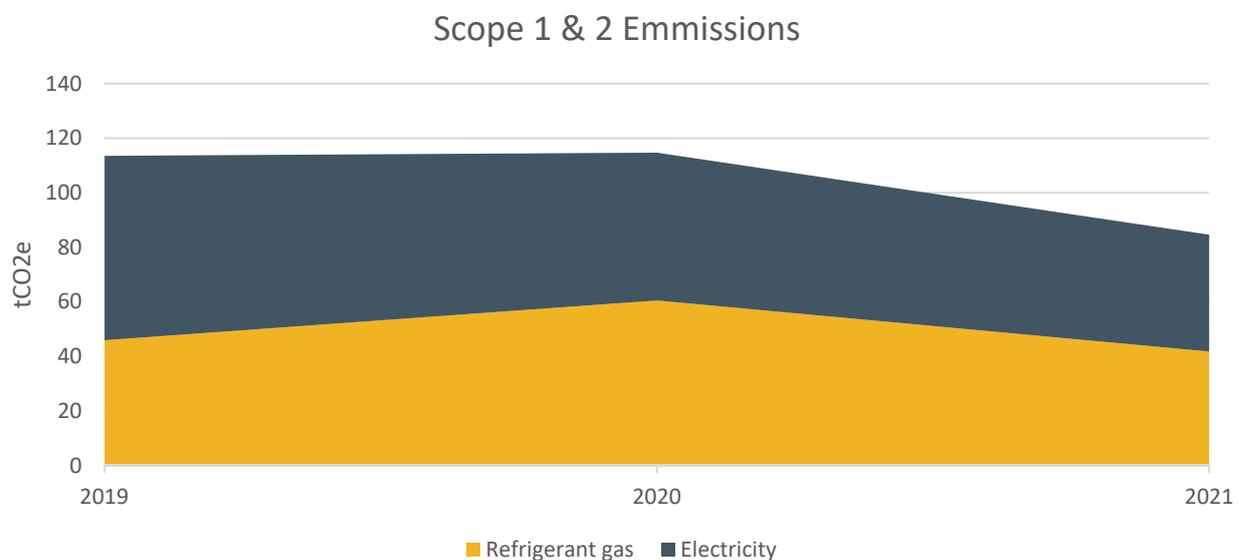
This roadmap is a starting point – we will continually review our progress against it and move targets forward should that become possible. In building this roadmap we have set our 'baseline' as our 2019 carbon footprint.

Objective 1: Carbon neutral operations by 31 December 2030

In order to achieve this objective, we aim to become carbon neutral with respect to Scope 1 and 2 emissions by 31 December 2030. Scope 1 emissions cover the direct emissions from owned or controlled sources, with Scope 2 consisting of indirect emissions from the generation of purchased electricity, steam, heating and cooling.

Appendix 1 shows our projected Scope 1 and 2 emissions up to 31 December 2030.

The evolution of Scope 1 and 2 Emissions between 2019 and 2021 is shown below.



The reduction in Scope 1 and 2 emissions over this initial period have largely been a result of lower office usage during COVID-19, but have also been influenced by energy-saving initiatives such as automated lighting.

The key elements in working towards this objective are:

1a. Refrigerant gas loss and other fugitive emissions

Key considerations in reducing these emissions are as follows:

- Engage service provider to review effectiveness of office air conditioning system
- New air conditioning to be fitted by 2023, provided that a viable energy saving and environmentally friendly alternative is available
- These actions and the target set are partly responsible for the sharp decline in emissions from 2022 to 2023 shown in Appendix 1. With the data showing emissions eventually reaching zero by 2025

1b. Electricity

Key considerations in reducing emissions related to electricity are as follows:

- Continuation of an energy saving culture through the Sustainability Forum. This is an employee-led group tasked with assisting the management team in developing innovation in sustainability and bringing about a ‘climate-conscious’ culture. The target is a 5% year-on-year emission reduction from year 1
- Green energy Tariff 2027 – target is to decrease emissions by a further 10% year on year
- New solar energy generation to be implemented in 2025.
- A continuation of the 5% target will see electricity emissions at zero by 2030

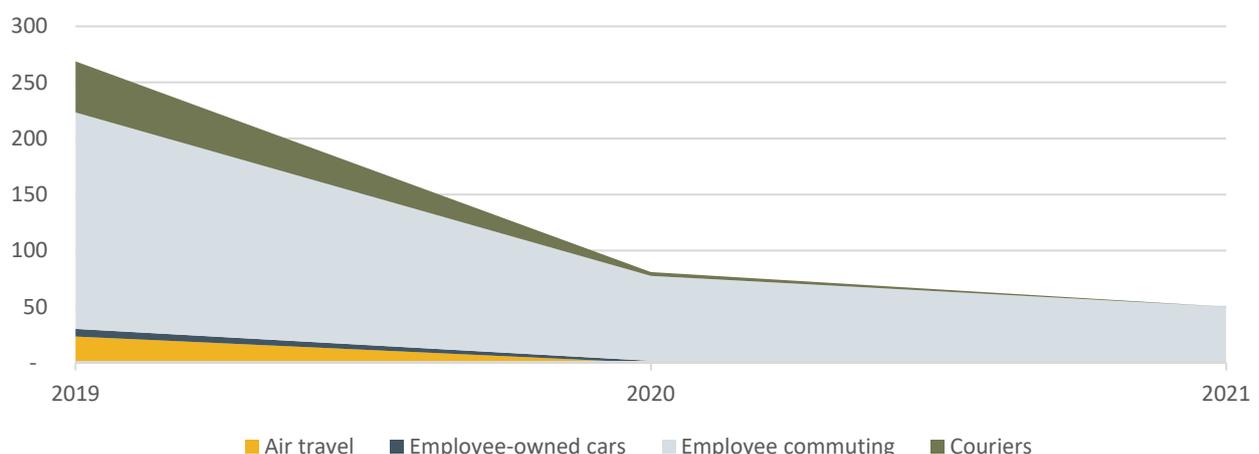
Objective 2: Fully net-zero by 31 December 2050

This extends our objective to include all Scope 3 emissions. Scope 3 emissions include all other indirect emissions, not included within 1 and 2, that occur across the value chain.

Appendix 2 shows our projected Scope 3 emissions up to 31 December 2030.

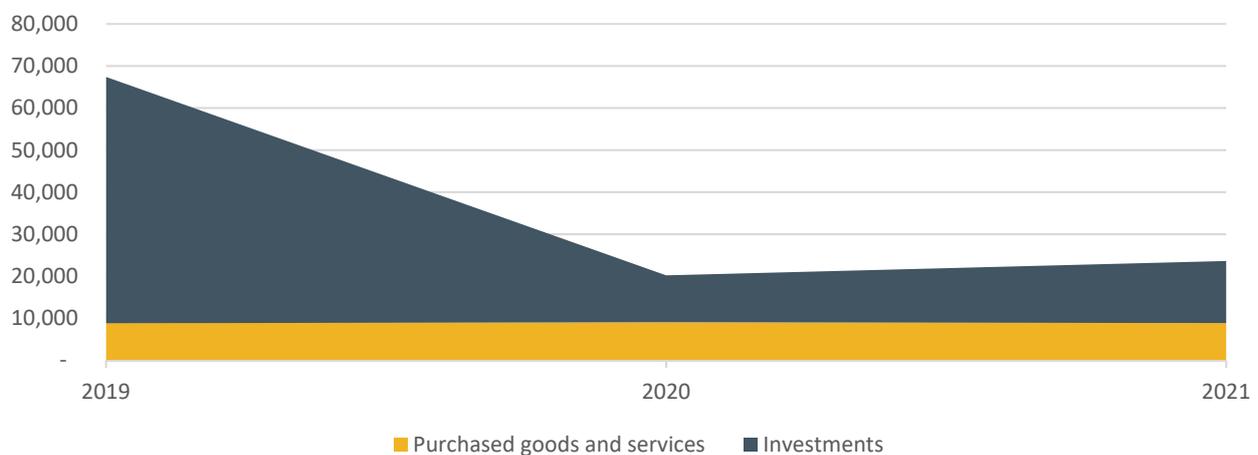
The actual development of Scope 3 emissions from 2019 to 2021 is shown below. Investments and purchased goods and services are shown separately due to their relative size.

Scope 3 Emissions - Excluding Investments and Purchased Goods and Services



The significant reduction across the period has largely been driven by a reduction in travel, both to and from the office and business travel to insurance broker sites and investor meetings.

Scope 3 Emissions - Investments And Purchased Goods and Services



The reduction between 2019 and 2020 is primarily a result of a move from UK Government bonds into a more diversified portfolio of corporate bonds.

The key elements in working towards this objective are:

2a. Business Travel

Business travel is required to visit investors, insurance brokers and other key business partners.

2a.1 Air travel for Business

- We expect a slight uptick in emissions predicted after 2022 as we begin to approach business as usual
- Business travel policy to be put in place by mid-2022 that limits travel to only when necessary and includes mode of travel parameters. Target to reach 50% of 2019 emission levels by 2023

2a.2. Employee-Owned Cars for Business

- Electric vehicle (EV) scheme currently in place
- Uptick messaging on EV's and Sabre's Net Zero journey, to staff at the FYE results presentation in March 2022
- Targets in place to reduce these emissions to zero – as the company grows new employees could lead to more cars, but the company car EV policy will limit environmentally damaging modes of transport

2b. Employee Commuting

Key considerations in emissions related to commuting and employee-owned cars are as follows:

- Cycle to work scheme
- Working from home policy has been put in place, emission reduction in 2022/2023 is expected to be 20% of the 2019 benchmark
- 2021 emission data shows a 34.6% reduction from the 2020 data and a 74.3% reduction from the 2019 benchmark, displayed in Appendix 2
- Target reduction is a 5% decrease year-on-year following 2022
- If the company grows this may affect absolute emission numbers, although some of the actions taken should mitigate this

2c. Upstream and downstream transportation (couriers)

This has been reduced to zero emissions for 2021, target is to sustain at this level for the future.

2d. Purchased goods and services

Key considerations in emissions related to purchased goods and services are as follows:

- Engage with suppliers on Sabre’s ESG and Net Zero ambitions, build a supplier policy with ESG consideration and encourage suppliers to adopt their own Net Zero ambition
- Target is to reduce emissions by 4.2% year on year in line with the SBTi minimum standard until 2030 and then build this to 10% year on year until 2050
- Expected to plateau at first as suppliers begin to make changes, then make progress approaching 2050, then plateau again as implemented changes reduce emissions as far as they can
- The target emission reduction of 15% to 2040 and 30% from 2040 to 2047 is partly responsible for the larger downward trends in Appendix 2
- The expected plateau stated above shows a 10% emission reduction target to 2050, highlighted by the slight plateau on Appendix 2

2e. Investments

We hold a significant investment portfolio, providing assets to back our insurance liabilities. The portfolio is invested in a mixture of UK Government Bonds, other government-backed assets and corporate bonds. We can affect change in the emissions generated by portfolio investments through investing in assets with achievable sustainability goals.

Key considerations in emissions related to investments are as follows:

- Investments have a chance of reaching zero but with a similar trend to purchased goods and services
- Sabre will work together with Goldman Sachs to ascertain what a sensible reduction looks like for their investment portfolio
- The target emission reduction of 4.2% to 2030 is partly responsible for the gradual downward trend shown in Appendix 2
- The target emission reduction of 15% to 2040 and 30% from 2040 to 2047 is partly responsible for the larger downward trends in Appendix 2
- The expected plateau stated above shows a 10% emission reduction target to 2050, highlighted by the slight plateau on Appendix 2

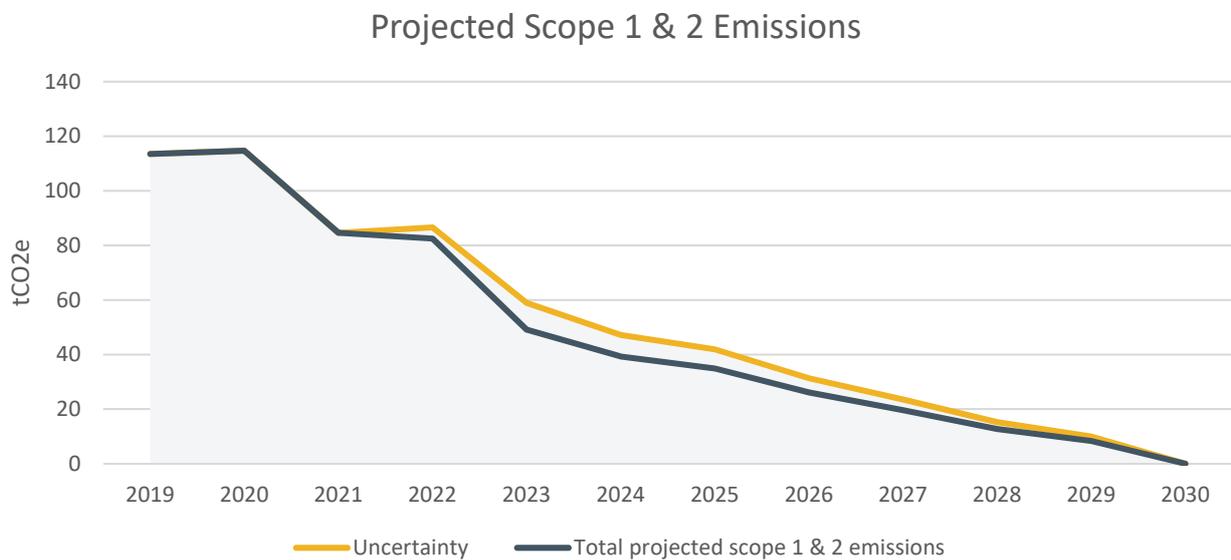
2f. Waste

- Zero waste culture introduced through the Sustainability Forum
- Policy in place to recycle all waste at Sabre Insurance

2g. Water

- The 2021 emission data shows a 49.5% reduction from the 2020 data
- Water saving best practice culture introduced through the Sustainability Forum – predicted reductions are 50% year on year

Appendix 1: Projected reduction in scope 1 and 2 emissions



Appendix 2: Projected reduction in scope 3 emissions

