

2024 Roadmap to Net Zero

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Our Road to Net-Zero

Sabre Insurance Group plc

September 2024

Objectives

Objective 1: Achieve **carbon-neutral** operations (Scope 1 and 2) by 31 December 2030

Objective 2: Become **net-zero** (Scope 1, 2, and 3) 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 recognise that to do this requires a collective effort 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.

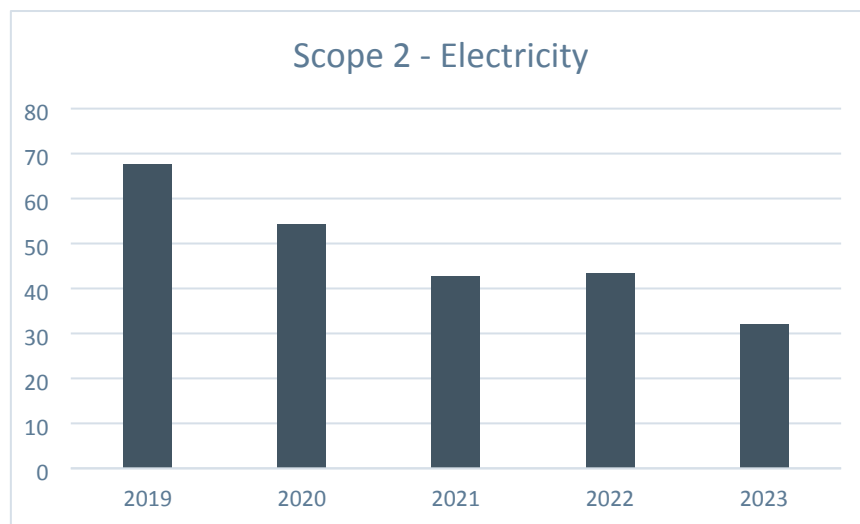
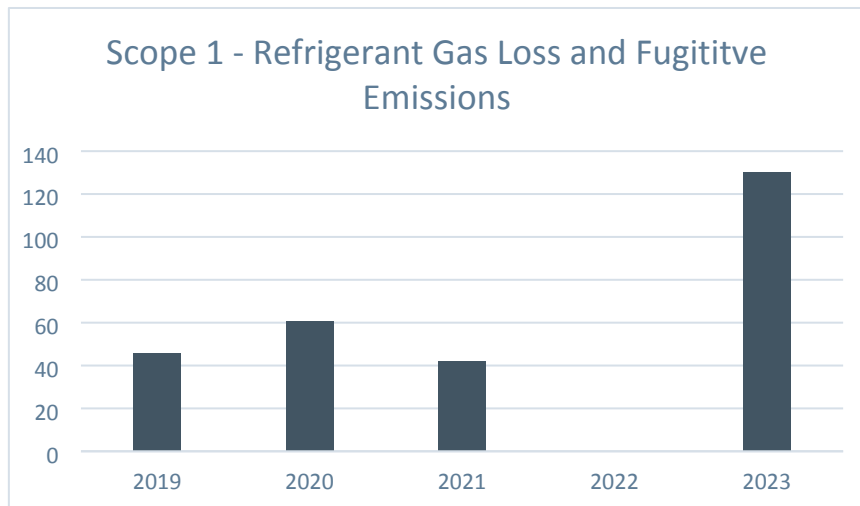
This roadmap is a starting point – we will continually review our progress against it and move targets forward should that become possible. In building this roadmap we have set our 'baseline' as our 2019 carbon footprint.

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 2023 is shown below in the two graphs.



The key elements in working towards this objective are:

1a. Refrigerant gas loss and other fugitive emissions

- Target: Reach zero emissions by 31 December 2025
- The Group has seen an increase in 2023 due to the new air-conditioning unit being fitted
- Despite the increase in 2023 the Group expects to meet its target as the new air-conditioning system is expected to be considerably more efficient

1b. Electricity

- Target: 5% annual emissions reduction from 2022, with emissions reaching zero by 2030
- Sabre has procured renewable electricity for both of its sites in 2023
- 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
- Sabre investigated the feasibility of increasing the current solar infrastructure in 2023 and will determine if it is to proceed with installation of new solar panels in 2024

- The Group has achieved a 26% reduction from the previous year, greater than its target of 5% annually

Objective 2: 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 2050.

The key elements in working towards this objective are:

2. Scope 3 - Operational

2a. Business Travel

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

2a.1 Air travel for Business

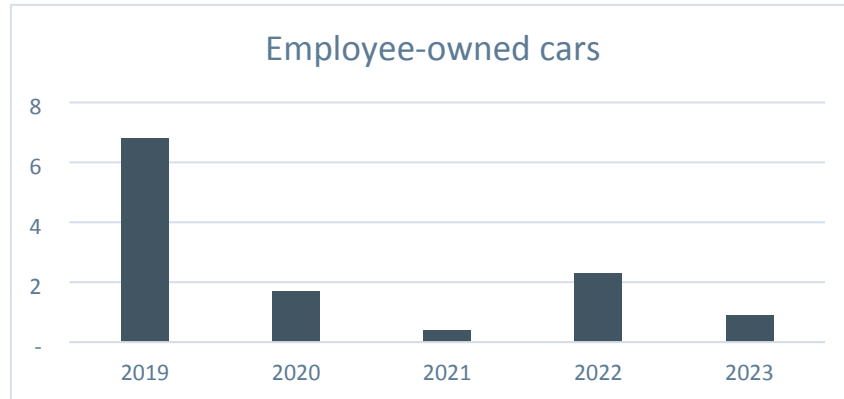
- Target: Maintain emissions at 50% of the 2019 baseline
- The Group is currently on track as its air travel emissions are 4.2% of its 2019 baseline emissions
- We expect a slight uptick in emissions predicted after 2023 as we reintroduce limited international travel as part of our Investor Roadshows
- Business travel policy to be put in place that limits travel to only when necessary and includes mode of travel parameters
- Further emission reductions are expected due to the decarbonisation of the aviation sector



2a.2 Employee-Owned Cars for Business

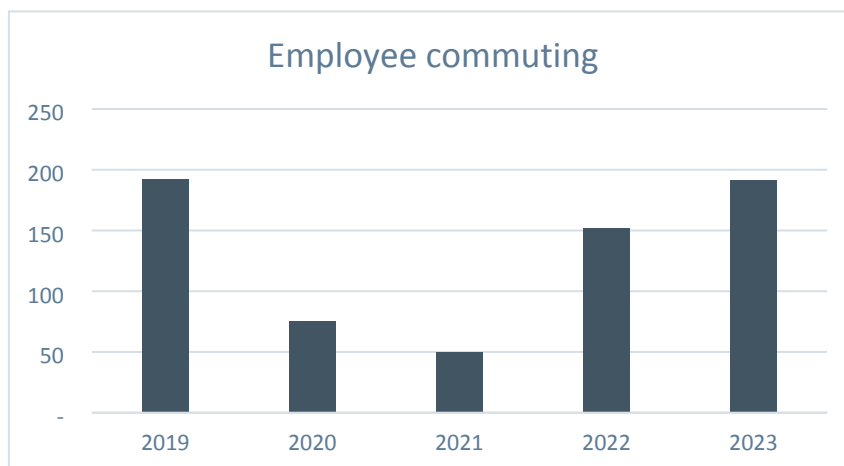
- Target: Reduce emissions by 4.2% year on year, to reach zero by 2050
- Electric vehicle (EV) scheme currently in place
- As the company grows new employees could lead to more cars, but the company car EV policy aims to limit environmentally damaging modes of transport
- Cultural shift towards business travel only where essential expected to reduce use of employee-owned cars for business
- The Group is currently on track as it has reduced its emissions from employee-owned cars 60.9% since 2022

- The significant reduction from 2019 to 2021 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. The increase in 2022 and 2023 follows a return to office work for most employees.



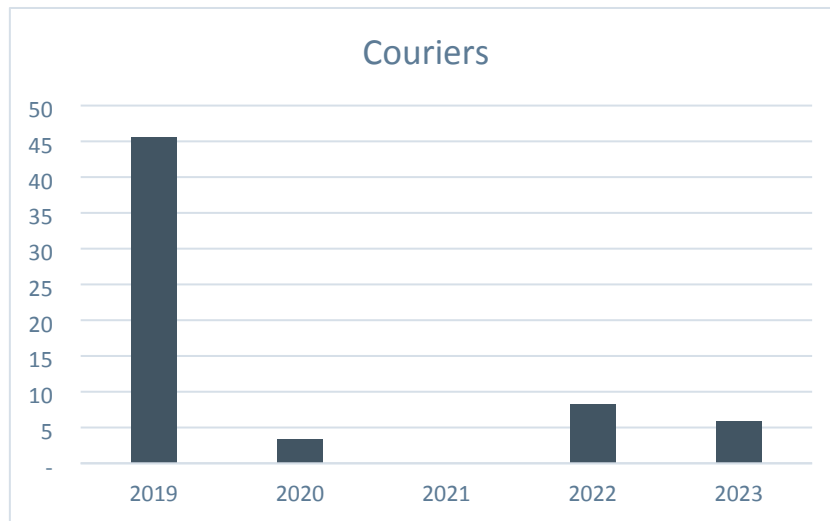
2b. Employee Commuting

- Target: Reduce emissions by 5% year on year
- Cycle to work scheme
- Electric Vehicle scheme
- The Group is currently off target as its emissions from employee commuting have increased by 26.5% since 2022
- As the company grows, this naturally increases absolute emission numbers, although some of the actions taken should mitigate this. Sabre will consider calculating the emissions intensity for employee commuting alongside the absolute emissions (e.g. emissions per employee)



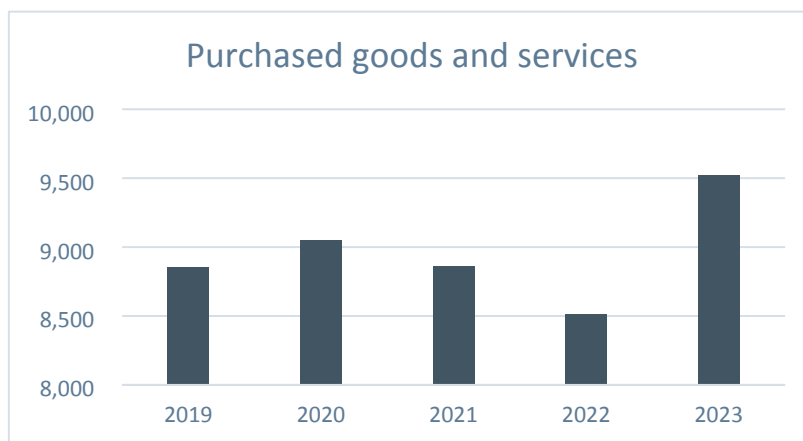
2c. Upstream and downstream transportation (couriers)

- Target: Reach zero emission by 2050 as achieved in 2021
- The Groups emissions from couriers has decreased by 28% since 2022. Sabre remains well placed to meet its 2050 target



2d. Purchased goods and services

- Target: Reduce emissions by 4.2% year on year in line with the SBTi minimum standard until 2030 and then build this to 15% year on year until 2040, increasing to 30% year on year between 2040 and 2050
- 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
- Expected to plateau at first as suppliers begin to make changes, with an uptick in progress as we approach 2050, and a final plateau as the implemented changes reduce emissions as much as possible



2e. Waste

- Target: Maintain emissions at their 2023 level
- A zero-waste culture was introduced through the Sustainability Forum and was discussed in the 2021 annual report. Sabre will use the Sustainability Forum to continuously identify specific waste improvements that can be made internally
- Sabre has already implemented a policy through the Sustainability Forum to ensure that all waste is recycled, but will investigate setting a zero waste to landfill target instead

2f. Water

- Target: Maintain emissions at their 2023 level
- The 2023 emission data shows a 64.1% reduction from the 2019 data
- Sabre has committed to implement awareness of responsible water usage, with significant signage posted around the office to ensure colleagues are mindful of reducing water usage where possible

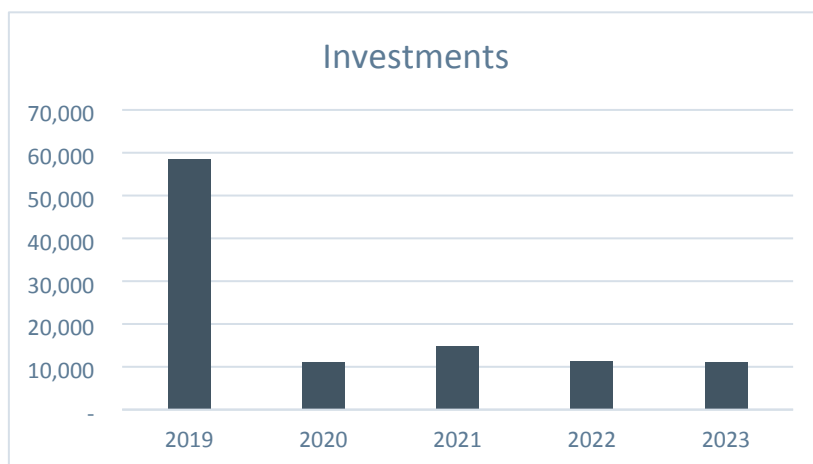
There are no graphs for waste and water as the relevant figures are so small.

3. Scope 3 – Investments

Investments and Insured emissions are separated from the other Scope 3 sources in order to show a split between operational scope 3 and portfolio-based scope 3 emissions. 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.

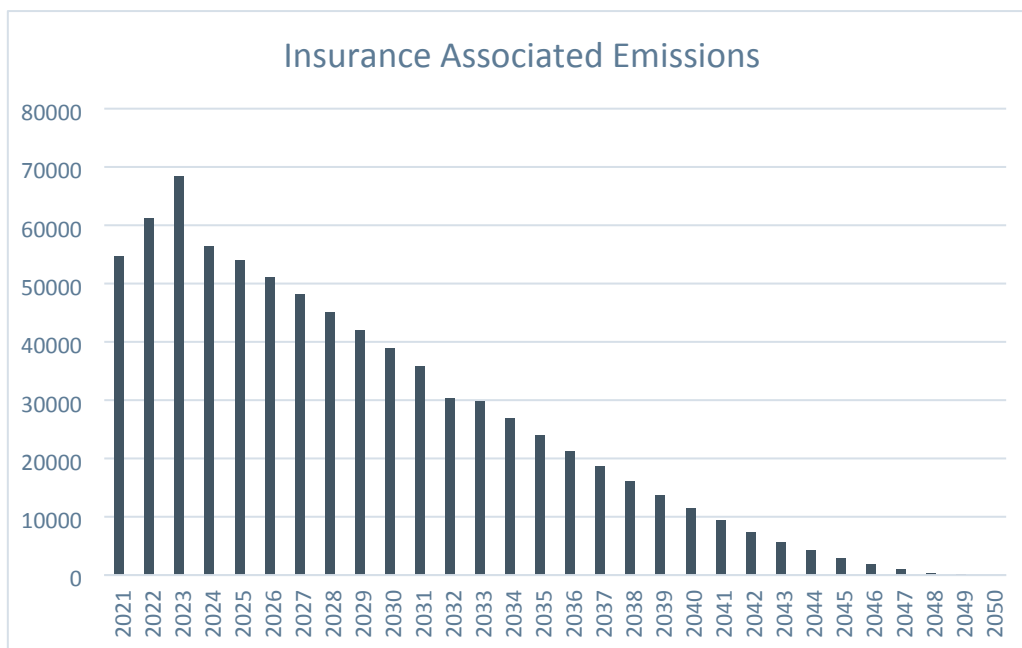
Key considerations in emissions related to investments are as follows:

- Sabre amended its guidelines for investments, limiting investment in sectors which have a potentially high negative environmental impact
- The Group has committed to reporting the weighted average carbon intensity of the investment portfolio, which was calculated to be 34.0 tCO₂e/\$MM as of 31 December 2023. This was lower than the 2022 figure of 39.6 tCO₂e/\$MM
- Sabre will work together with Goldman Sachs to ascertain what a reasonable and achievable reduction looks like for its investment portfolio
- 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.

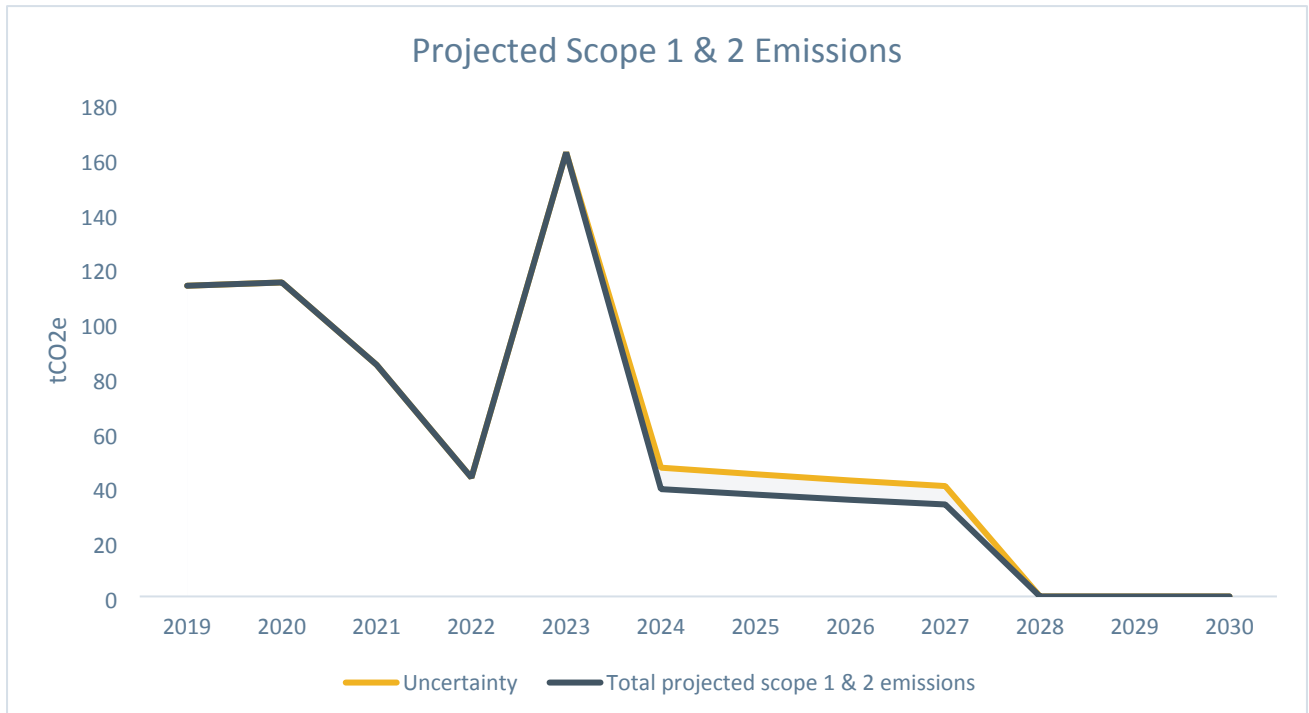


4. Scope 3 – Insured emissions

- The Group will continue to insure petrol and diesel cars for as long as they are on the roads, therefore the emissions reduction will closely match the market share of electric vehicles. Sabre’s targets for this emissions source will be intensity-based, in order to consider future growth
- Sabre has worked with a broker to develop insurance specifically for electric vehicles which offers battery recharge cover, battery cover, charging equipment cover and liability cover
- Sabre’s insurance-associated emissions will be largely driven by changes in the market and UK Government policy as petrol and diesel vehicles are phased out in favour of electric vehicles. However, Sabre is able to influence these emissions through policy-level decisions such as tailoring its pricing structure to incentivise the take up of electric vehicles, which may be a consideration in future years
- Sabre’s projected underwriting portfolio and its emissions reduction pathway can be calculated by finding and applying the inverse of the year-on-year expected increase in the share of EVs on UK roads to Sabre’s underwriting portfolio, as shown below. Note that this graph does not reflect any expected growth in Sabre’s total insured portfolio.
- The forecast projection for insured emissions is based on a scenario where the UK government meets its targets in relation to electric vehicles, and Sabre’s insured portfolio reflects the resultant change in the overall motor vehicle population



Appendix 1: Projected reduction in Scope 1 and 2 emissions



Appendix 2: Projected reduction in Scope 3 emissions

