



Living our Values

Impact with integrity

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SECTION 1

Welcome

About this report

At Liberty Mutual, we exist to help people embrace today and confidently pursue tomorrow.

As one of the largest global property and casualty insurers, we hold ourselves to the highest standards of governance and behavior. Underpinned by our conviction that insurance is a force for social good, we are committed to addressing environmental and social challenges while delivering security for our customers, employees and communities.

This report is Liberty Mutual's annual Sustainability Review, published in April 2023. It documents Liberty Mutual's progress and impact in calendar year 2022, unless otherwise noted. This report is accompanied by separate reports prepared with reference to the 2021 Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) framework for the insurance industry. In April 2023 we also published our annual Task Force on Climate-related Financial Disclosures (TCFD) report. We welcome your thoughts, questions and feedback. Share them at Sustainability@LibertyMutual.com.



A message from Timothy M. Sweeney

At Liberty Mutual, we are in a unique position to help drive meaningful change for our customers, our people and society as a whole.

As we continue to experience geopolitical unrest, a disrupted global economy and intensifying climate events, we are using our voice and influence to respond to the most pressing challenges of our time. I am pleased to share this year's Sustainability Review, which highlights the actions we're taking to support a more sustainable and just future.

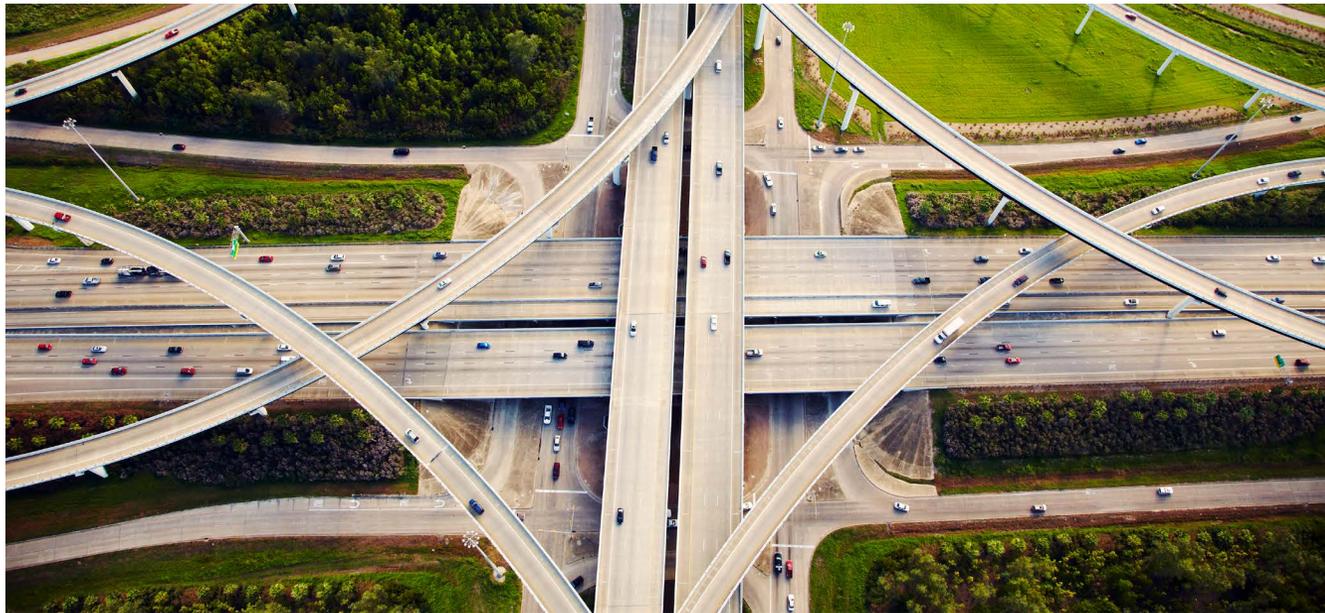
Over the past several years, we've made great strides in advancing our sustainability agenda, helping our customers adapt to and mitigate the risks affecting their lives and businesses — including the increasingly devastating impacts of natural disasters. Yet, our efforts go beyond climate-related risks. Through our philanthropic efforts, we remain steadfast in our commitment to making things better in the communities where we work and live, and we continue to embed Diversity, Equity & Inclusion (DEI) into every facet of our business.

There is so much I'm proud of from the past year: our employees who volunteered almost 109,000 hours to support the causes they care about through Liberty Torchbearers, and the \$63.9 million we gave to our nonprofit partners together; the more than 14,000 employee resource group members who help us bring DEI to life; our company leaders ensuring a just and responsible energy transition; the launch of an impact investing initiative; the way we continue to hold ourselves to the highest governance and ethical standards; and so much more.

As we move forward, we recognize that ensuring a sustainable future for generations to come will call for constant innovation in how we do business and engage with our communities and employees. At Liberty, we are committed to answering this call. I'm more confident than ever that together, with our employees and partners, we will help lead the way in creating a more sustainable world.

Thank you for reading our 2022 Sustainability Review.

Timothy M. Sweeney
President & Chief Executive Officer





Our products and services

We offer a wide range of insurance products and services, including personal automobile, homeowners, specialty, reinsurance, commercial multiple-peril, workers compensation, commercial automobile, general liability, surety and commercial property.

Liberty Mutual substantially conducts its business through two business units:

- 1. Global Retail Markets (GRM):** combines Liberty Mutual's local expertise in growth markets outside the U.S. with strong and scalable U.S. capabilities to take advantage of opportunities to grow its business globally.
- 2. Global Risk Solutions (GRS):** offers a wide array of property, casualty, specialty and reinsurance products and services distributed through brokers and independent agents globally.

Internally, Liberty Mutual Investments is the group that oversees and manages our investment portfolio.



We exist to help people embrace today and confidently pursue tomorrow.



 **COMPANY PROFILE**

 **OUR IDENTITY & VALUES**

 **OUR HISTORY**



SECTION 2

Advancing
sustainability



A message from our Chief Sustainability Officer

Integrity is at the foundation of everything we do at Liberty Mutual. We believe insurance is a socially responsible product that delivers security to individuals and businesses, and it is our job to help our customers understand and manage the risks they face.

In 2021 we identified a set of four strategic pillars where we believe Liberty Mutual can make a significant difference given the role we play as an insurer, employer and global corporate citizen. This past year, a major focus was bringing these pillars to life by embedding practices and initiatives across the enterprise that raised our capacity to address some of society's

most difficult challenges. In 2022, we accomplished meaningful progress toward our goals (see chart to the right).

To improve oversight and coordination across these areas, we also rolled out a new sustainability governance structure in 2022. The Board approved the creation of a new Governance and Sustainability Committee to provide strategic oversight and performance evaluation of Liberty Mutual's sustainability practices and priorities. We also established an ESG Executive Committee, a small group of senior executives collectively responsible for overseeing the implementation of this strategy (see section 8 for more information on our sustainability governance structure).

We have come a long way since we first established the Office of Sustainability in late 2019. Through the many uncertainties over the past three years, we have made significant and meaningful progress in advancing our strategy and commitments. Above all, I am proud of our Values which guide how we approach this important work and the impact we've had for our customers, employees and communities.

Francis

Francis Hyatt
Chief Sustainability Officer

OUR PROGRESS IN 2022



Increase customer resilience [Section 3](#)

- We launched WeatherReady, a new feature that helps customers make their homes more sustainable and resilient to the impacts of climate change.
- Through a closed-door webinar, we educated Congressional leaders on the importance of resilience and the role that funding plays in supporting community resiliency.
- We published research in the Journal of Financial Transformation on challenges and opportunities for climate transition pathways.



Enable sustainable growth [Section 4](#)

- Liberty Mutual Investments developed an impact investing strategy to deliver meaningful societal impact while meeting our long-term investment objectives.
- We launched educational programs with our senior leaders on the many ways we are positioned to enable sustainable growth and help our customers and communities become more resilient.



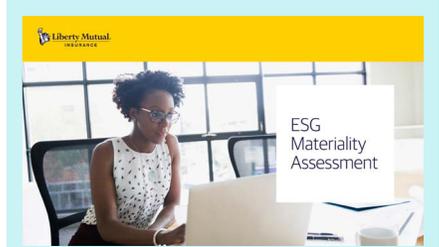
Improve lives and communities [Section 5](#)

- Collectively, we donated \$63.9 million and our employees volunteered 108,635 hours.
- We launched grants for initiatives focused on climate resilience.
- We gave \$5.2 million in inflation grants to address the challenges nonprofits faced in an inflationary environment, offering a 10% grant supplement to nearly 500 partners.



Advance Diversity, Equity & Inclusion [Section 6](#)

- We honored 88 employees through our first ever DEI award.
- Our Employee Resource Group (ERG) for Hispanic/Latino employees collaborated with our Global Retail Markets business unit to more effectively meet this population's needs and help Liberty become the carrier of choice for Hispanic/Latino customers.
- Valor@Liberty received an Honorable Mention ERG Impact Award from Seramount for making Liberty Mutual a better workplace for our veterans and current service members.



Liberty Mutual's materiality assessment

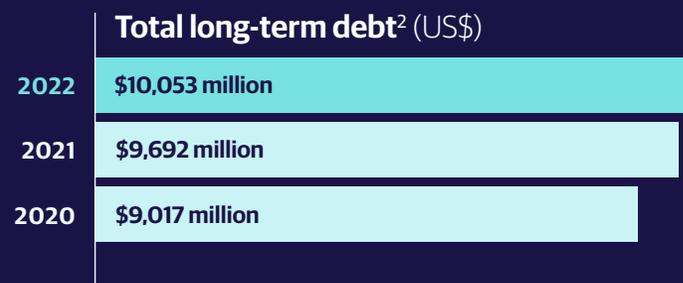
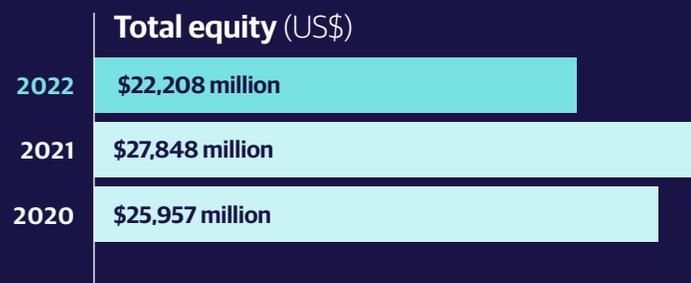
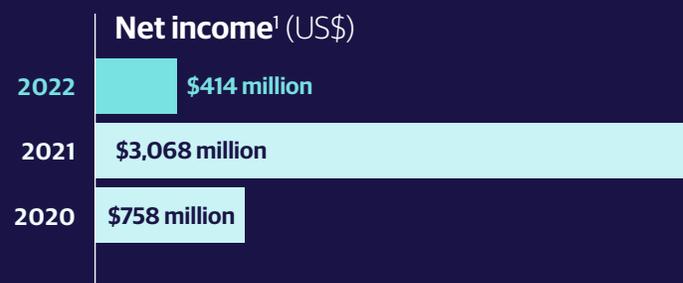
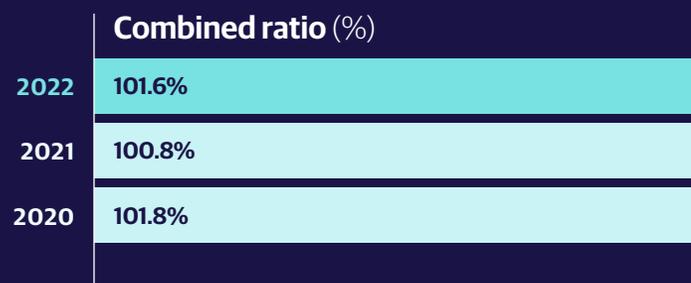
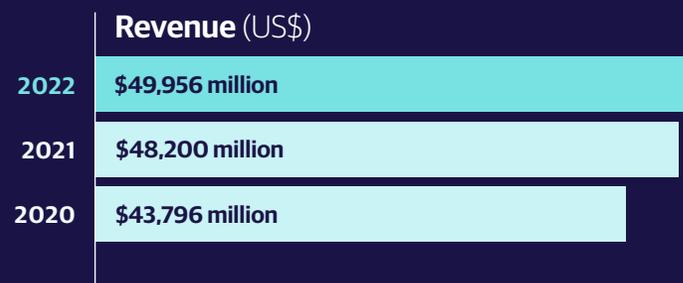
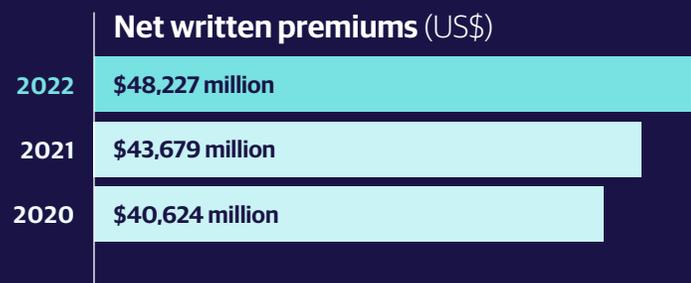
In 2020, we released our first materiality assessment identifying the material topics considered important to the property and casualty insurance industry and Liberty Mutual. As part of this process, we reviewed multiple reporting frameworks and guidelines such as the United Nations' Sustainable Development Goals, Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD) and CDP, an international nonprofit organization recognized for its environmental risk reporting. We identified 14 material ESG topics that can be found on our website, along with a description of our process for reaching the final assessment. We update our materiality assessment every three years and plan to complete our next assessment in 2023.

[LEARN MORE](#)

2022 by the numbers

FINANCIAL HIGHLIGHTS

WORKFORCE HIGHLIGHTS



51,486

2022 headcount



87%

of employees are extremely satisfied with Liberty Mutual as a place to work



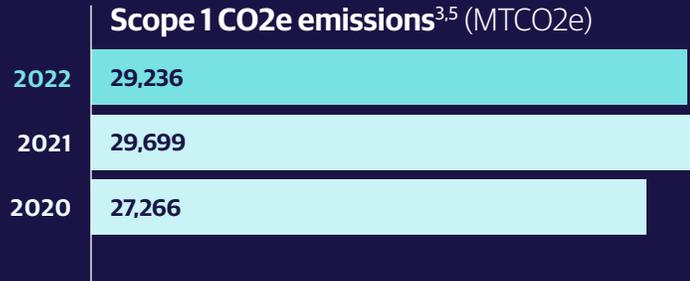
54%

of employees at Liberty Mutual are women

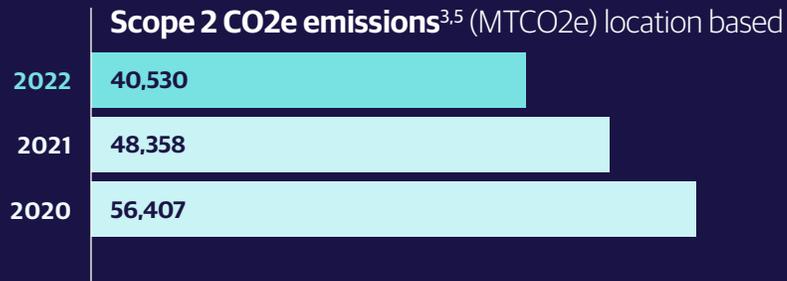
2022 by the numbers

ENVIRONMENT HIGHLIGHTS

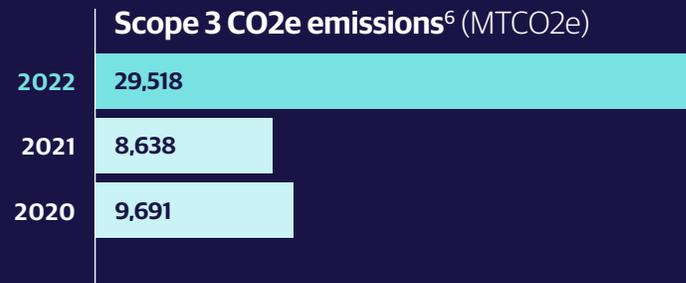
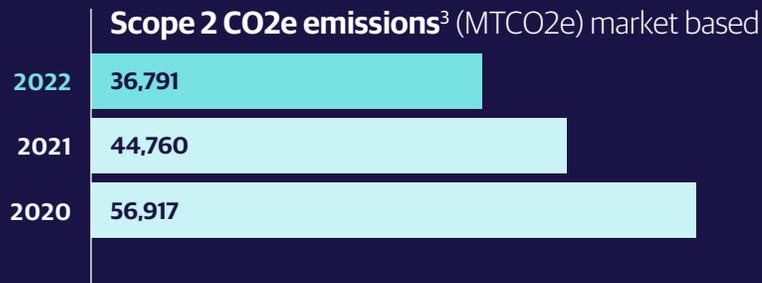
COMMUNITY HIGHLIGHTS



69,766
Total Scope 1 & 2 CO2e emissions³ (MTCO2e)



\$1,274 million
Total investments in renewable energy⁴ (US\$)



108,635
hours spent by employees volunteering in 2022⁷



6,056
community projects supported⁷



8,718
organizations supported⁷



Awards and recognition

[SEE THE FULL LIST](#)



Corporate Equality Index of 100% for sixth year in a row



People Magazine's Companies That Care



Best Exhibition Award at FERMA for the best sustainable stand



Best Place to Work for Disability Inclusion



Points of Light 2022 Civic 50 Honoree



London's Leading Underwriters: Female Bench Strength Leader 2022



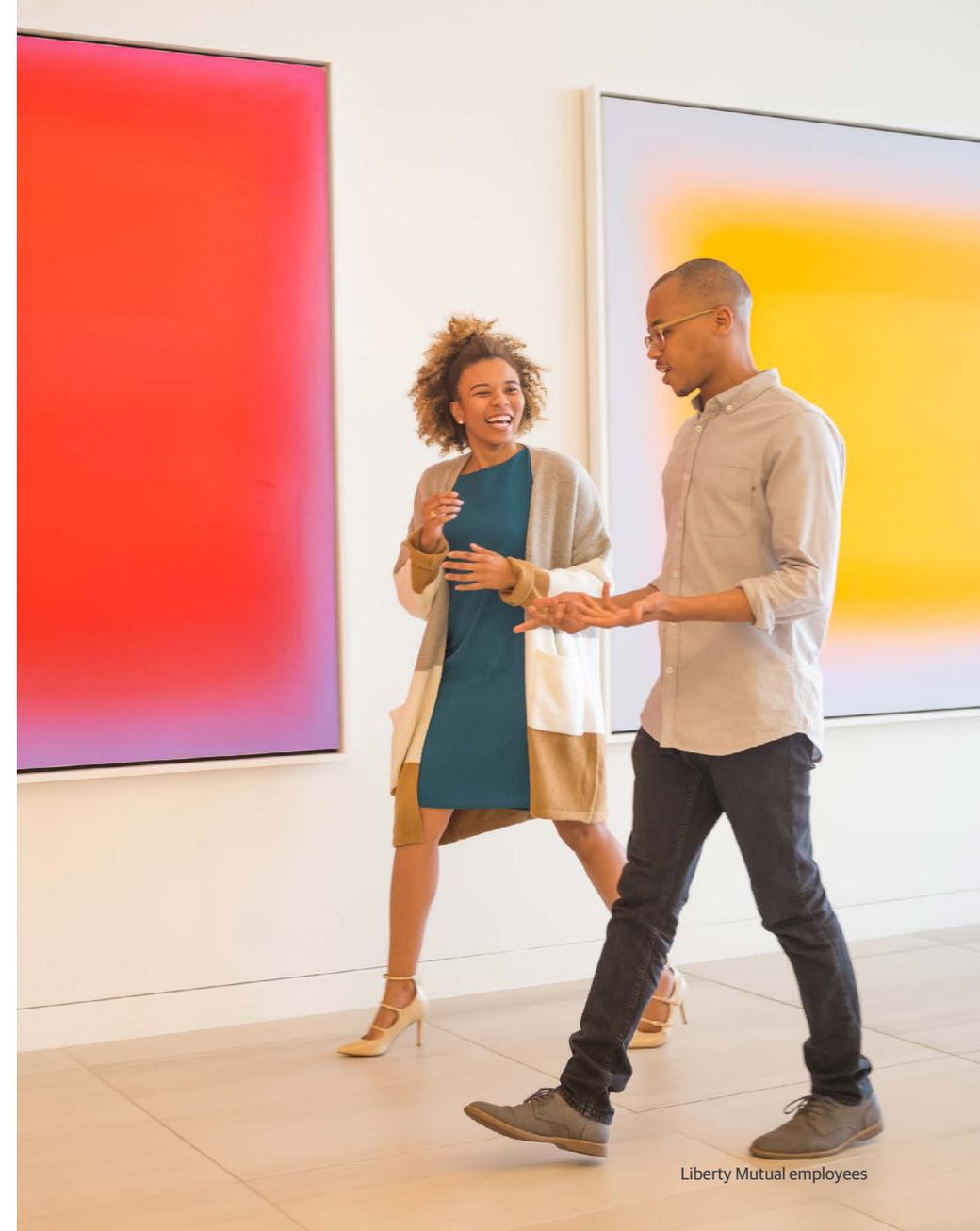
NBIC Best of the Best for Corporate Inclusion



Great Place to Work Certified



Liberty Specialty Markets voted #1 for both Risk Managers' and Brokers' Satisfaction in the annual Golder Barometer Survey



Liberty Mutual employees

SECTION 3



Increasing customer resilience





Resilience and the role of insurance

Resiliency is a core part of our business and is embedded in our products and services. We proactively help our customers mitigate risks, which range from extreme weather events to cybersecurity to worker safety.

“Our role as an insurer is to mitigate risk and help our customers through uncertain times. From climate change to pandemic recovery to geopolitical crises and personal tragedies, our products and services deliver peace of mind and help people be more resilient.”

James M. MacPhee
President, Global Retail Markets

We do this by innovating within our business, partnering with other organizations and educating our stakeholders to build long-term resiliency. In 2022, we focused on several emerging challenges including the rising rate of weather disasters related to climate change, the need for more affordable insurance products and risks related to cybersecurity.

Innovation through our products and services

We develop innovative products and services to help our customers address a range of existing and emerging risks. For example:

Building home resilience: In May we launched WeatherReady, a new feature on our Liberty+ digital value-added services platform that empowers customers to boost the resiliency of their homes to extreme weather events. The custom-planning function provides science-backed advice, recommends solutions and offers tools to track progress. Since launching, WeatherReady has quickly become one of the most popular features on Liberty+.

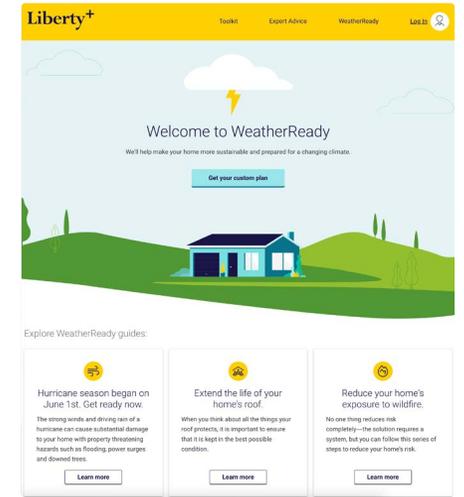
Preparing for flood risk: To combat the detrimental impact of flooding on businesses, Liberty Specialty Markets now offers customers access to Previsico's FloodMap Live flood forecasting system through our Liberty Risk Reduce portal. FloodMap Live is a 2D flood simulation software that models flooding events in real-time and delivers alerts to customers so they can prepare and respond.

Researching sea-level rise: Liberty Mutual's research and development team expanded its forward-looking sea-level rise modeling, in partnership with the flood modeling firm Fathom, to understand how hazards from climate change interact with the built environment. We found that the combination of sea-level rise and extreme

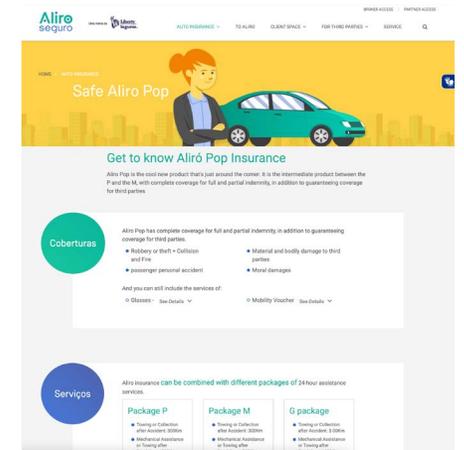
weather significantly impacts critical infrastructure, such as levees. Furthermore, we explored how businesses with coastal exposure can begin planning for changes in flood risk in the coming decades.

Providing affordable coverage: In Brazil we offer Aliro, an affordable car insurance offering created to provide uninsured drivers with more accessible coverage options. In 2022 we enhanced the offering with the launch of Aliro Pop, which provides even more streamlined coverages, such as the ability to leverage “in-network” body shops and used parts in exchange for more affordable pricing.

Cybersecurity: The landscape of cybersecurity is rapidly evolving, and the insurance sector is critical to mitigating and repairing cyber-related impacts. Liberty Mutual offers a suite of coverage and services to help commercial customers prepare, respond and recover in the event of a cyberattack. In February 2023, we formed a Global Cyber Office to build and scale our cyber capabilities around the world, bringing a multidisciplinary approach to a complex risk that spans geographies and industries.



WeatherReady



Aliro Pop



Education to build awareness

Building resilience is a shared responsibility that benefits from coordinated action for the good of our customers and communities. We focus on raising awareness and sharing practical solutions to ensure that everyone is prepared to face tomorrow's challenges.

Policyholders

We help policyholders become more resilient by improving their understanding of risk and actions they can take to mitigate it. We do this through products such as WeatherReady (described on page 12), as well as through partnerships. For example, we have an ongoing partnership with the Insurance Institute for Business & Home Safety (IBHS), a nonprofit that re-creates severe weather and studies its impact on infrastructure, with the goal of making buildings more resilient. Liberty Mutual provides guidance and strategic insights that shape IBHS' research, and in turn, we use the results to help our policyholders better understand risks from climate change.

Elected officials

Liberty Mutual supports resiliency-focused dialogue and related legislation in Congress. One way we do this is through our ongoing partnership with the BuildStrong Coalition, an organization that advocates for residential resiliency by advancing public policy. In 2022, we partnered with BuildStrong on three policy priorities:

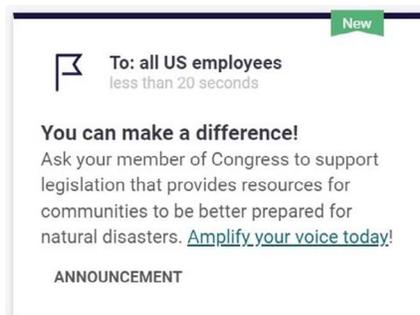
1. The Resilient America Act (passed the House in April 2022) provides communities with additional resources to bolster mitigation and resilience before disaster strikes.
2. FEMA's Building Resilient Infrastructure and Communities (BRIC) program provides funding in the form of risk-reducing, cost-effective mitigation grants to assist communities in building disaster resilience. In 2022, FEMA announced it would double the size of the BRIC program to provide over \$2 billion in funding.⁸
3. The Community Disaster Resilience Zones Act (signed into law December 2022) helps underserved communities become more resilient.

To make sure important decision-makers were well-informed, we participated in a closed-door Congressional webinar on the importance of resilience, organized coalition letters and participated in meetings with senior administration officials. We also engaged our U.S. employees in these efforts. Ahead of the House of Representatives vote on the Resilient America Act, we launched a nationwide grassroots campaign, asking employees to reach out to their member of Congress to support the legislation. More than 1,400 employees took action.

Industry peers

We use our voice to create industry-wide awareness on the importance of resilience and encourage peer collaboration on solutions. We educate peers and partners about our learnings and approach to resiliency through research publications, workshops, podcasts and thought leadership. In 2022, we published a paper in the Journal of Financial Transformation, "[Understanding the Key Challenges and Opportunities in Creating Climate Transition Pathways](#)," to educate fellow business leaders on climate-related modeling and scenario analysis.

Alongside COP27, Liberty Mutual engaged in an International Chamber of Commerce conversation on the role of insurance that emphasized data quality improvement, risk advisory services and the importance of an impact strategy for local communities.



Resilient America Act



Liberty Mutual employees



Customer satisfaction and engagement

We work tirelessly to provide fair and accessible products and services to our customers through responsible marketing and proactive feedback.

Engaging customers responsibly

We deliver clear and understandable communications and marketing of our products to customers through product and policy scope information, clear terms and conditions and transparent billing and claims information. As part of this, we offer:

- Liberty Mutual and Safeco Insurance mobile apps
- Liberty Mutual eService and Safeco eService customer portals
- Liberty Mutual Coverage Customizer Tool and policyholder toolkits
- Risk control services via [Liberty Mutual SafetyNet™](#), [Liberty Mutual Industrial Fire Lab](#), [Liberty Mutual Industrial Hygiene Laboratory](#) and [Severe Weather Resources](#)
- Advanced paperless and digital-first initiatives and policies in key markets, improving customer communication, reducing waste, conserving resources and supporting our low-carbon transition efforts

- Protection for customers against fraud through a range of digital mechanisms, such as two-factor authentication

Responsible marketing

Liberty Mutual is committed to responsible marketing practices to ensure that all our communications efforts align with our values and consumer expectations.

Marketing materials review: All new Liberty and Safeco consumer-facing materials are reviewed by Legal, Product and other relevant business units before they are released to ensure they are clear, understandable, truthful and accurate.

Diversity in advertising: All brand advertising (e.g., TV) is reviewed by members of our DE&I team and ERGs as part of our efforts to improve diversity and authenticity in our communications.

Web accessibility: Liberty Mutual is committed to ensuring the accessibility of our websites, mobile apps and other digital assets to individuals with disabilities. As we build and update our web content, we strive to adhere to the Worldwide Web Consortium's Web Content Accessibility Guidelines (WCAG) and conform with WCAG 2.0 at Level AA or better.

Brand safety and reputation management:

We undergo a quarterly review focused on proactively mitigating reputational risk by ensuring that our advertising appears with appropriate content and in channels and platforms that align with our values.

Additionally, we have an ongoing reactive process that leverages social media and consumer feedback to identify and address concerns related to our marketing.

Customer feedback

Liberty Mutual has a long-standing, foundational commitment to leveraging Voice of Customer (VoC) feedback and uses it to continuously improve the way we deliver service to our customers. Core practices within our VoC program include surveying our customers immediately following their interaction with our company to better understand whether their needs were met, sharing all VoC feedback with our front-line teams in real time and incorporating results into ongoing monthly performance monitoring and measurement. Liberty Mutual business leaders closely monitor Customer Experience VoC metrics such as Net Promoter Score across virtually all customer journeys and interactions. They regularly review and discuss opportunities to drive subsequent actions that will improve customer experiences.

SECTION 4



Enabling
sustainable growth



Our approach to sustainability

“We see a commitment to sustainable growth as a massive, once-in-a-generation opportunity – for our customers, our business and the world. As an insurer, we play a key role in supporting companies and communities across the globe working to enable a sustainable future, and we take that role seriously. That’s why we’ve placed a major focus on integrating sustainability as an additional lens into everyday business practices.”

Neeti Bhalla Johnson

President, Global Risk Solutions

Enabling sustainable growth is essential to Liberty Mutual's strategy and ambition. We support an equitable and responsible climate transition by embedding sustainability into our decision-making across both underwriting and investments.

From driving impact through our investments to training our employees on the importance of sustainability, we have furthered our journey while enabling the efforts of others. However, we know that we cannot face these issues on our own, which is why we are partnering with organizations that can help us expand our impact. These partnerships help us to better understand and support our customers' climate transition plans, encourage relevant risk analysis and create sustainable practices across environmental and social issues.

We also continue to invest in organizational resources to support the integration of sustainability across our business units. In November 2022, we appointed a Global Leader of Energy & Transition Risk, a newly created role to manage energy transition work across our portfolio. In January 2023,

we announced a Global Risk Solutions Head of Sustainability, reporting to the Global Risk Solutions Chief Strategy Officer and focused on driving our sustainability strategy across that business unit. By embedding these resources within our core business units, we can ensure that sustainability is a fixture of our day-to-day operations.

Our climate strategy

Liberty Mutual integrates climate into our strategy, taking action to close critical gaps in the climate transition. We support our clients as they transition to a low-carbon economy by advancing dialogue and action around the following three key areas:

1. Advancing data and discovery
2. Supporting adoption of new and alternative solutions
3. Informing on and advocating for adaptive solutions

Across all key areas, we leverage our [Climate Transition Center](#) as a resource for proprietary research, data and insights and encourage cross-industry partnerships to advance the collective understanding of climate-related risks, impacts and resilience.

Sustainability and insurance underwriting in Global Risk Solutions

Our underwriting strategy in Global Risk Solutions seeks to embed sustainability as an additional input into our risk assessment processes, ensuring that we always put

customers first, remain committed partners and apply our expertise to their unique journeys. In an increasingly complex and risky world, we are determining how to best incorporate the data and information that will make us more risk aware and enable us to better support our customers – the more we know, the more we can help. We aim to take a holistic lens, meet the nuance and complexity of individual risks and focus on factors material to risk.

With sustainability as an additional business lens, we can continue managing risks today while helping customers navigate the opportunities that accelerate a more sustainable future. To accomplish this, we are leveraging our high-quality data, analytical capabilities and expertise in underwriting risk. In 2022, we completed the development of a comprehensive Liberty-specific framework through the identification of additional factors material to specific risks and opportunities. This lens of materiality will remain central in our approach to underwriting. This framework helps us assess a host of emerging risks ranging from biodiversity loss to human rights violations. These are all factors that can be measured and evaluated by our underwriters for a more forward-looking assessment of risk, prompting deeper conversations with our customers. We will be refining the tools to support the application of this framework and building the capabilities of our underwriters so that they can assess risk in ways that are most relevant to our customers.



Task Force on Climate Related Financial Disclosures (TCFD)

Alongside our annual 2022 Sustainability Review, in April 2023 Liberty Mutual published our third annual report aligned to the voluntary Task Force on Climate Related Financial Disclosures framework. Our TCFD report provides more details about how Liberty Mutual approaches climate-related financial risks and our enterprise-level climate strategy.

 2022 TCFD REPORT



Liberty Mutual employees

Integrating sustainability in Liberty Mutual Investments

Liberty Mutual Investments operates as a long-term global investor with a mission to create capital to support Liberty Mutual's purpose of helping people embrace today and confidently pursue tomorrow. In support of our mission, our approach to integrating sustainability aims to achieve strong investment results and reflects our belief that those results are enhanced by responsibly combining material factors into the investment process. The identification, understanding and management of relevant material factors can enhance our ability to meet our long-term investment objectives.

Our approach to integrating sustainability spans our investment portfolio and informs our asset allocation and investment strategy, as well as our grassroots research and due diligence. We view the overall economic and investment landscape as inextricably linked to relevant material factors. Our approach to integrating sustainability incorporates our unique investment perspective and asset management goals as we aim to deliver strong investment results.

In 2022, we worked to further embed Liberty Mutual Investments' approach to integrating sustainability to provide investors with an expanded information set for all investments across the portfolio, including both our fixed income and private investments:

- **Fixed income:** Liberty Mutual Investments directly manages more than \$75 billion in fixed income investments. Our approach to integrating sustainability seeks to augment our already robust credit research process by identifying and incorporating relevant material factors. By utilizing both internal and external resources, these material factors are integrated into ongoing credit analysis to support portfolio returns and lessen volatility over time.
- **Private investments:** Liberty Mutual Investments oversees more than \$12 billion in private investments. Through our approach to integrating sustainability, we've formalized the inclusion of a dedicated due diligence questionnaire as part of the overall investment due diligence process, and we are incorporating the findings into a scorecard to help support investment decisions.

Informed by Liberty Mutual's Identity and Values, our sustainable investing strategy and impact investing efforts are driven by a robust governance structure enabling senior leaders across the entire Liberty Mutual Investments platform to guide strategic decisions.



Liberty Mutual Investments and impact investing

In 2022, Liberty Mutual Investments launched a dedicated impact investing strategy as part of our overall investment portfolio to deliver meaningful societal impact while meeting our long-term investment objectives. The impact investing strategy represents a unique opportunity to apply our investment management lens in a way that also supports Liberty Mutual's goals to improve lives and communities and to advance Diversity, Equity & Inclusion.

Liberty Mutual Investments aims to improve lives and communities through our impact investments across three core impact themes – Health & Wellness, Lifelong Learning and Financial Inclusion – with potential for further expansion as our impact investing strategy evolves.



“At Liberty Mutual Investments we take great pride in our role as stewards of Liberty Mutual's capital. Our commitment to integrating sustainability into our strong foundation of core investment principles positions us to deliver strong investment results that further enable Liberty Mutual to fulfill our promises to our customers.”

Vlad Barbalat
President and Chief Investment Officer, Liberty Mutual Investments

Other ways we are enabling sustainable growth

Liberty Mutual Strategic Ventures: Our venture capital fund, Liberty Mutual Strategic Ventures (LMSV), identifies and invests in startups that are strategically relevant to us now and in the future. With initial investments ranging from \$500,000 to \$5 million, LMSV enables innovation at Liberty by facilitating engagement with leading startups. As entrepreneurs devote more time and attention towards new climate technology and other promising solutions, LMSV is increasing its focus on these opportunities. LMSV also supports our partnership with Visible Hands, an organization that helps underrepresented talent build technology startups.

Supporting the transition to electric vehicles: We currently offer supplemental coverage options tailored to the needs of electric vehicle customers in markets such as Hong Kong, Singapore, China and India. We continue to learn from these high-growth markets and will leverage these insights to accelerate opportunities to better meet the needs of electric vehicle customers.

Enhancing our climate literacy and inspiring action

In addition to our focus on innovation and sustainability integration, in 2022 and early 2023 we educated our employees on why sustainability is vital to our success. As part of this effort, we:

- Launched an interactive learning exercise that educates employees about the

fundamentals of sustainability, our focus areas and their relevance to our business. In 2022, 20% of employees participated in this program.

- Developed a self-service foundational course within our Global Risk Solutions business unit that focused specifically on the applicability of sustainability in our commercial underwriting practices.
- Rolled out our Climate Activation Program. Consisting of three modules of in-person and virtual learning, these sessions initially target our top 300 most senior executives and will expand to a broader group of employees. The program is designed to create a consistent understanding of how a changing climate presents new risks and opportunities for our industry and provides examples of how our organization is well-positioned to make a difference as the world transitions to a low-carbon future.
- Hosted our 2022 Sustainability Challenge, a virtual program that offered employees the opportunity to choose from a list of activities demonstrating their personal commitment to sustainable behaviors. Collectively, 2,099 Liberty Mutual participants took over 25,000 actions resulting in:

Over 25,000 miles of car travel averted

Over 46,000 minutes spent learning

Over 13,000 gallons of water saved



Ready to make a difference?

Join the **Sustainability Challenge!**

“ I loved this challenge! It really opened my eyes to the different types of food waste and the different ways that small changes can have a big impact on the environment. I was inspired to start recycling plastics and positively impacted my carbon footprint with lowering the thermostat, turning off lights and driving less miles.”

Liberty Mutual employee participant



Our role in the energy transition



As a global insurer and investor, we are committed to a responsible energy transition that mitigates the impacts of climate change.

We know we play a critical role in helping customers along their own sustainability journeys, including the important work of underwriting existing and emerging technologies that will be part of the solutions needed to enable a low-carbon economic system.

Q&A with Mike Gosselin

What role does the insurance sector play in the energy transition?

The insurance sector plays a vital role in the energy transition through risk discovery, assessment and transfer so that

projects can be financed around the world. The transition will create new risk profiles, ecosystems and technology challenges that will need to be well understood so that we can help our customers make the best decisions in building sustainable, secure and affordable energy supplies for the world's population. We are well equipped, given our history of risk mitigation and reduction practices combined with insights from past claims experience, to help our customers navigate this new landscape. We both insure and invest in energy technologies while providing risk advisory services in existing and emerging sectors. This includes supporting our current and future energy customers, but also advising other industries such as transportation that are also affected by the energy transition.

What resources is Liberty Mutual putting behind this effort?

We have a bold vision and strategy for how we bring the combined strength of Liberty Mutual to help our customers as they transition to a low-carbon future. To understand the increasing complexity facing our customers in managing the energy transition, we need to look at risk holistically across the lifecycle and across the evolving risk landscape. By looking from this view, we can build new products and services to address their needs across product and value chain.

We have created a new team in the Office of Underwriting to centralize resources and harness the benefits of a global customer-led strategy for the companies we want to insure. We aim to be the go-to-partner

for transition risk by bringing all our teams together with their existing and newly learned expertise to break down barriers. We can lean into both opportunities and challenges with a view to where we can add the most value. It is important to note that our goal is to continue to perform well while we transform our overall energy portfolio. We want to ensure that what is being built is sustainable.

What impacts have you seen to date?

We cannot solve the challenges of the energy transition alone and they require us to work in partnership with numerous stakeholders across the world, such as our broker community, government agencies, technical providers and academia. Our impacts include:

- Cross-line support on one of the largest hydrogen facilities in the Middle East region
- Early partnership on a world-scale project in Australia to support sustainable electricity
- Leader of the first global cross-class hydrogen facility with Marsh
- Working with governmental agencies on insurability of technology and how existing networks for hydrogen, carbon capture and technology will enable sustainable growth

Mike Gosselin

Global Leader, Energy & Transition Risk



COP27: Fostering conversation and taking action

Leveraging our expertise and building on our collaboration with Marsh regarding hydrogen energy projects, we were one of the sponsors of the Hydrogen Transition Summit at COP27 in Egypt. We contributed to the conversation on "Enabling Technology for the Hydrogen Economy," a vital platform to bring awareness to this important technology.

“Technological innovation will play a critical role in advancing the climate transition. The global deployment of decarbonization technologies will be accelerated by U.S. policies, including the IRA, CHIPS Act and the Infrastructure Investment & Jobs Act, which will incentivize rapid investment in emerging technology. As a global P&C insurer, Liberty Mutual is uniquely positioned to support these new developments in a variety of ways. Liberty can underwrite new technology projects, invest through Liberty Mutual Investments and share its expertise in climate resilience and sustainability.”

Annette Verschuren
Liberty Mutual Board Member



Annette is currently the chair and CEO of NRStor Inc., an energy storage company focused on sustainable solutions, and serves on the Board of Directors of the Verschuren Centre for Sustainability in Energy and the Environment. Previously, she co-founded the craft chain, Michaels Canada, and was President of Home Depot Canada and Asia. She has been a Liberty Mutual board member since 2007.

Underwriting for the energy transition

Liberty Mutual's Global Risk Solutions provides leading risk advisory services to help customers advance their sustainability journeys, insures and invests in emerging sectors to support “green” growth and strives to become the partner of choice for our brokers and others working to advance the transition. We are taking action in three areas:

1. Systemic discovery and mitigation of risk, including resiliency
2. Supporting a low-carbon future
3. Investing in enhanced data and analytics that allow us to better understand risk

For example, in collaboration with Marsh and AIG, Liberty Mutual launched a first-of-its-kind insurance and reinsurance facility that provides dedicated insurance capacity for new and existing green and blue hydrogen energy projects. The facility provides up to \$300 million of coverage per risk for the construction and start up phases of hydrogen projects globally. Investment in green and blue hydrogen initiatives is estimated to exceed \$150 billion by 2025 as

traditional energy operators, governments and hard-to-abate industries work to meet their carbon reduction obligations.

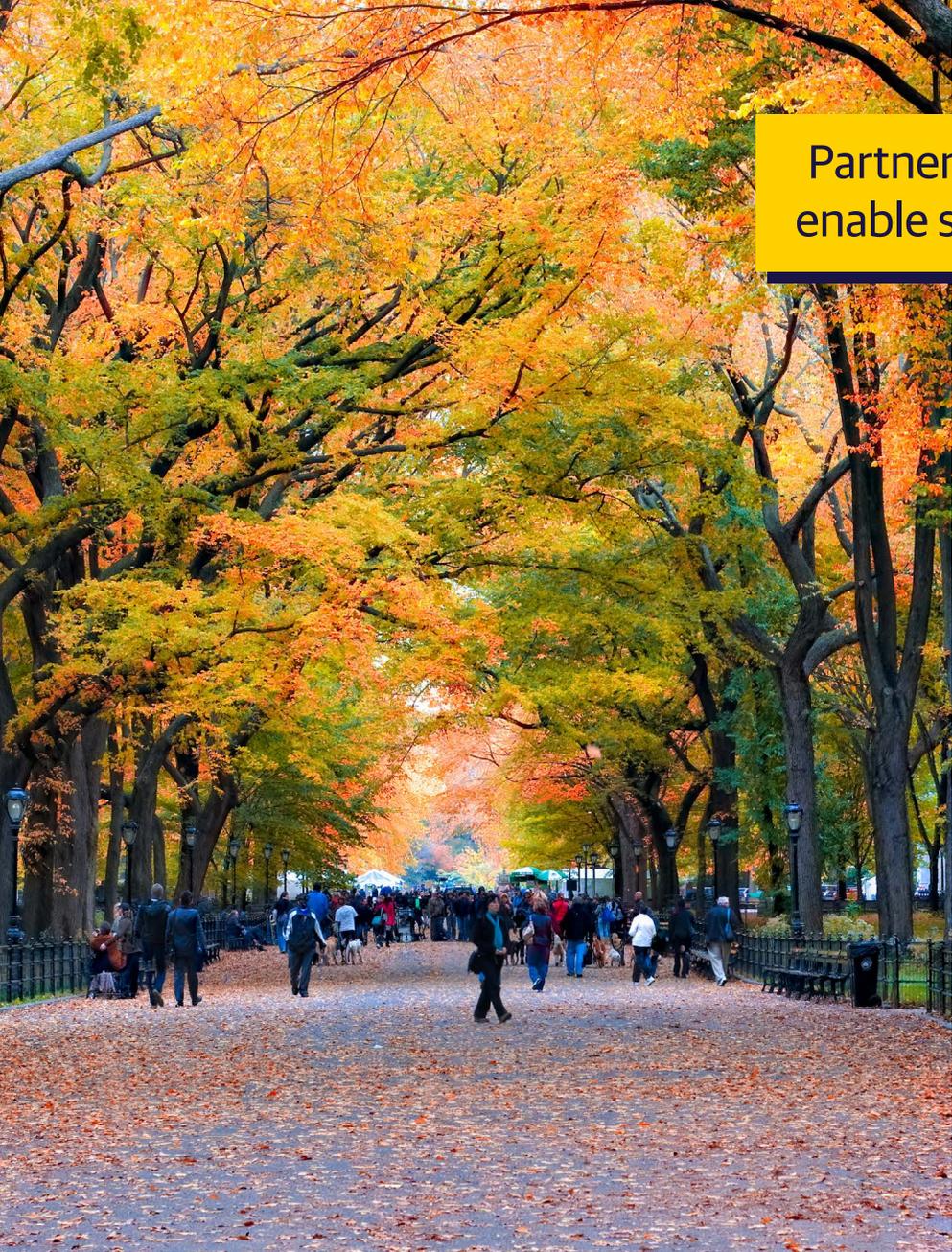
Investing in the energy transition

At Liberty Mutual Investments, we believe that the global energy transition will have a significant positive impact on innovative, forward-thinking companies and investors. Given this belief and the broad set of opportunities and challenges, in 2020 we formalized a dedicated energy transition strategy. Our strategy is built upon our commitment to the global energy transition, the positive market backdrop underpinning the robust investment environment and driving returns for our financial performance and capital growth goals. Our approach seeks to uncover high-opportunity areas across the overall energy value chain and is informed by key energy transition trends and uncertainties. We then apply a rigorous due-diligence process and investment analysis as we make capital allocation decisions.

In addition to the more than \$1.2 billion in renewable energy generation investments across our portfolio, we have made more than \$388 million in selective investment

commitments to partners and companies providing a broad range of solutions such as alternative fuels, energy storage, distributed generation, carbon capture utilization and storage, circular economy solutions, low carbon building materials, fossil-free chemicals and fertilizers, early wildfire detection and many more.⁹ We have been impressed by the flow of founder and investor talent into these spaces and the resulting return potential. As an example of this approach, Liberty Mutual Investments participated in the Series B financing round for Omnidian, a data driven solar operations and maintenance provider poised to both help enable, and benefit from accelerating solar deployment.

We understand that the scale and scope of the global energy transition is complex and not without risk, however we believe that at least for the immediate future, the world needs to retain some level of balance between energy generation from fossil fuels and from alternative energy sources. As such, we are committed to a gradual energy transition that will lead to a greater use of alternative energy sources over time, while at the same time maintaining energy availability, stability and affordability.



Partnering with others to enable sustainable growth

Alongside the work we do as a company, we proactively partner with industry peers and other leading organizations to enhance understanding of sustainability-related risks and opportunities and advocate for a more sustainable future. Some examples include:

Climate Transition Pathways: We partner with and support customers that are also committed to advancing sustainability practices. Recognizing that companies are at varying points in their journeys, Liberty Specialty Markets was the first major insurer to support the Climate Transition Pathways (CTP) solution. This accreditation framework, developed by Willis Towers Watson, offers insurance companies and other financial institutions a consistent approach to identifying businesses with robust, low-carbon transition plans aligned with the Paris Agreement. In July of 2022, Ørsted, a leading renewable energy company, became the first organization to receive full accreditation through the CTP accreditation framework. Liberty Mutual will quote a \$50 million line on any current Property Damage and Business Interruption placement for Ørsted and future CTP-accredited companies.

MIT Climate and Sustainability Consortium: Liberty Mutual is a member of the MIT Climate and Sustainability Consortium (MCSC), supporting the acceleration and implementation of large-scale, real-world solutions to address climate change. Liberty Mutual will participate in several workstreams that support MCSC's focus areas, which include:

- The introduction of large-scale, feasible solutions to address the threat of climate change
- Linking academic innovations with resources to support commercial scalability
- Establishing sustainable practices that are action-oriented and incorporate social justice, economic equity and respect for the environment

To learn more about our MCSC partnership, read [here](#).

PARTNERS FOR PROGRESS VIDEO: ADVANCING THE CLIMATE TRANSITION

Partnership for Carbon Accounting Financials: We joined the Partnership for Carbon Accounting Financials (PCAF) Insurance-Associated Emissions Working Group in its effort to create a framework for measuring Scope 3 insured emissions. Among 16 global insurers, we were the only North American insurer and were able to provide perspective about the U.S. market. As one of very few United States-based insurers with global operations, we believe it is important to have a seat at the table when global standard setting bodies are considering regimes that might impact our business and our customers. PCAF shared the first version of this standard in November 2022. While we believe it demonstrates progress, we see and have shared areas for continued improvement. Moving forward, we see an opportunity to evolve and refine the standard so it better represents how insurance markets operate across the global economy.

Our operational impact



Liberty Mutual employees

Our work to reduce Liberty Mutual's operational footprint now includes the newly acquired State Auto and AmGeneral Insurance operations. The increase in office occupancy and business travel gives us the opportunity to innovate emission-reduction strategies.

To this end, we are taking a reduce, reuse and recycle approach to sustainability. Specific actions we have taken include:

- **Printing conservation:** Through Liberty Mutual's Print\$mart initiative (which captures printing activities both in-office and through remote work), total printed page volume in 2022 was 73% lower than 2019 levels. As a result, employees conserved 24 million gallons of water, saved 27,796 trees and reduced CO2 and GHG emissions by 3,295 tons and 1,158 tons, respectively.
- **Furniture Reuse:** We donated 167 tons of office furniture with a fair market value of \$668,675 to local social service agencies, nonprofits and schools.
- **Landfill diversion:** As employees have returned to the office, the centralized waste programs that were implemented in 2020 at our U.S.-owned buildings continue to divert waste from landfills. In 2022, we diverted 32 tons of compost and 162 tons of mixed-recycling from our U.S.-owned facilities, as well as 212 tons of electronics and 3,127 tons of office paper from our U.S. operations.

- **Driving paperless adoption with our customers:** We are using digital tools to transition our customers from manual, paper processes to online experiences across the globe. We have digitized 85% of communications in the Andes region (which includes Colombia, Ecuador and Peru) and Brazil and 80% of communications in our western European market.

We also continued to gain efficiencies in our owned buildings by reducing emissions through Green-e Certified Renewable Energy Credits in Plano, Texas, sourcing 100% renewable energy for offices in Ireland and implementing operational changes to building automation controls to optimize performance in various facilities. Additionally:

- In the U.S., four of our 11 owned buildings have LEED certifications, representing 37% of our total owned square footage in the U.S.
- In the U.S., five of our 11 owned buildings have Energy Star labels, representing 29% of our total owned square footage in the U.S.
- Our leased London office holds BREEAM UK status and our Melbourne, Australia office is Certified Carbon Neutral by NABERS.



Fleet highlights

Around the world we work to ensure claims adjusters and other employees are mindful of their carbon emissions. With our acquisition of State Auto in March 2022, Liberty Mutual added approximately 300 vehicles to its existing fleet for a total of approximately 2,100 vehicles. As we integrate these vehicles into our fleet, we will convert legacy vehicles to lower-emission, fuel-efficient vehicles (conversion subject to vehicle supply chain constraints).

Aside from the State Auto vehicles, one hundred percent of Liberty Mutual's U.S. automotive fleet consists of either partial zero emission vehicles (PZEV), low emissions (LEV), ultra-low emissions (ULEV), super ultra-low emissions (SULEV), hybrids (HEV) or flex-fuel vehicles. Our impact in 2022 over 2019 baseline levels includes*:

- 23% reduction in miles driven
- 29% decrease in gallons consumed
- 10% increase in miles-per-gallon (MPG)
- 29% reduction in CO2 emissions
- \$318.4K fuel-cost savings

*Excludes State Auto fleet vehicles

Reducing our greenhouse gas emissions

Greenhouse gases (GHG) from the use of fossil fuels are the driving factor contributing to climate change, and we're continuing to do our part to reduce our own environmental impact. In 2021, we announced a plan to reduce our Scope 1 and 2 global GHG emissions by 50% from our 2019 levels by 2030. Even as we saw an increase in return-to-office transitions, we continued to make progress against these goals in 2022. Specifically, we achieved a 43% reduction in our GHG emissions compared to our 2019 baseline.

SECTION 5



Improving lives
and communities

Serve with Liberty

20
20
two

Liberty Mutual employees

Giving back through our philanthropy

Through the work of Liberty Mutual Foundation, we support community partners to ensure that our neighbors have the security and opportunities they need to move forward with confidence.

In 2022, we aligned our giving focus around two key areas: advancing security and building resilience for people and communities. Also new this year, we expanded the work within our resilience portfolio to focus on climate equity and resilience.

Advancing security

We advance safety and security through partnerships and initiatives focused on homelessness, hunger and housing stability. As part of this effort, we work with nearly 200 community partners including:

- **Silver Lining Mentoring**, an organization that offers a proactive approach to preventing youth homelessness by ensuring there's a caring adult in the life of children and teens in the foster care system
- **Heading Home**, a provider of housing and support services for families in the Greater Boston area experiencing

homelessness through permanent housing and safe, stable emergency shelter and other services

- **Impact HK**, an organization in Hong Kong that provides support to people experiencing homelessness
- **St. Mungo's**, a UK organization working to end homelessness and change lives for the better

Building resilience for people and communities

We help individuals build personal resilience through our investment in education and workforce development, and we also help communities build resilience. Our new strategy reflects a combination of our existing strengths and Liberty Mutual's distinctive capabilities and relationships around climate change.

In developing our approach to climate resiliency funding, we engaged philanthropic experts, built a network with environmental funders and met with environmental nonprofit organizations to ensure our strategy has a solid foundation. Our initial climate resiliency work funds planning and implementation grants focused on:

1. Nature based solutions that create more climate resilient communities
2. Training and skills development to prepare low-income, vulnerable and underrepresented youth and adults for "green" jobs
3. Development of resilient and sustainable infrastructure in low-income neighborhoods and communities of color

Examples of our work so far includes:

- **YouthBuild**, a program that provides educational and career opportunities for young people in and around Boston from underserved communities, to help train and set them up with well-paid, "green" jobs
- **Hale Education**, an organization that works with Boston Public Schools to provide programming to high school students that instills in them an appreciation for the environment, outdoor learning and overall wellness

 [2022 GIVING REPORT](#)

GIVING HIGHLIGHTS



\$63.9 million
donated in 2022



8,718
charities supported⁷



\$7.6 million
in employee contributions



108,635
employee volunteer hours⁷



Additionally, as a part of Liberty Specialty Markets and Liberty Mutual Reinsurance's three-year global charity partnership initiative, we have aligned with:



Cool Earth: an organization that works with rainforest communities to halt deforestation and its impact on climate change. Our partnership will accelerate learning through unconditional cash giving, which enables villagers in the rainforest to invest in preserving rainforests for future generations. Our partnership will provide initial seed funding to roll out a two-year pilot supporting 300 people in the Peruvian Amazon.



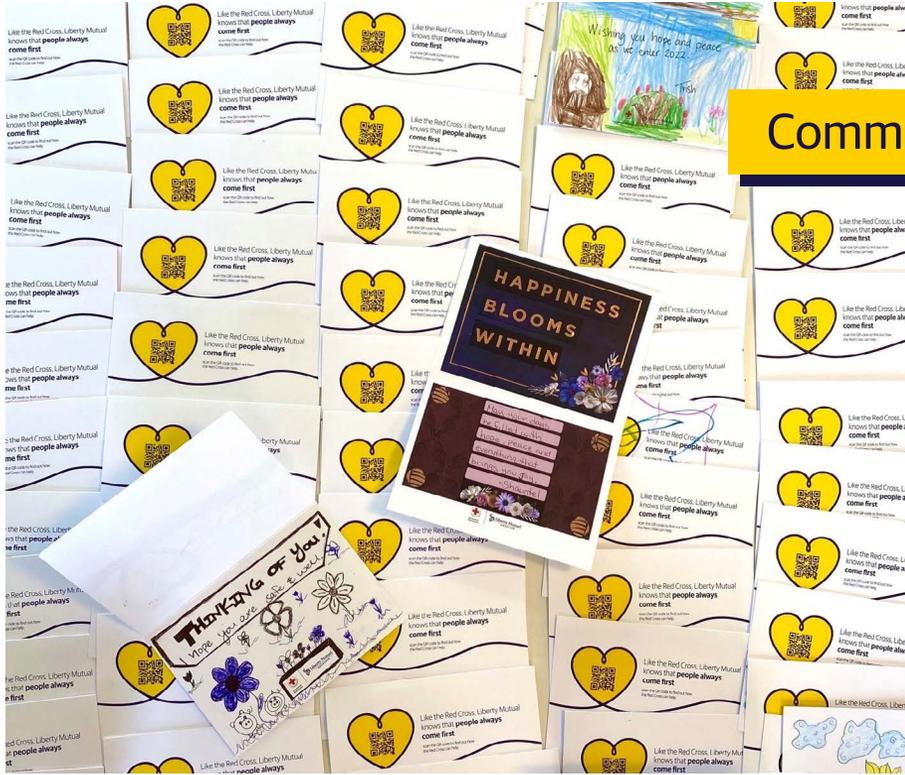
ShelterBox: a nonprofit that provides shelter, essential items and technical assistance to help some of the world's most vulnerable people recover and rebuild their homes after natural disasters and conflict. With our support, victims of extreme weather events will receive immediate shelter and aid, and education to help them rebuild their lives. Our first-year donation went to the Pakistan Emergency Relief campaign. As of February 2023, we have provided additional funding and company matching for employee donations to support ShelterBox's Turkey/Syria Earthquake disaster response efforts.

Beyond supporting climate resiliency, we are seeking global partnerships that address resiliency more broadly. In Australia, we have doubled our support over the past three years for Studio A, an organization that creates commercial pathways for artists with intellectual disabilities. In the Asia Pacific region, we also supported disaster relief through the Red Cross and worked with Remote Laundries, a wealth distribution project of the Aboriginal Investment Group to strengthen remote communities.



Supporting nonprofits through economic uncertainty

For nonprofits, 2022 was a difficult year due to the rising cost of goods and services, donor challenges and static governmental funding. In response, we created inflation grants, offering nearly 500 foundation partners a 10% supplement to the grants they already received, up to \$10,000. We also provided employee participants in Give with Liberty, our employee matching giving program, \$250 to direct to an eligible nonprofit of their choice, to help counter the effects of inflation. Overall, these commitments totaled \$5.2 million.



Community engagement

Liberty Torchbearers, our community of caring, consists of three distinct programs under one umbrella: Give with Liberty, Volunteer with Liberty and Serve with Liberty. Torchbearers' programs encourage and support employee engagement in the charitable causes they care most about.

Through Give with Liberty, more than 10,000 Liberty Mutual employees donated \$7.6 million to over 6,000 organizations. Donations to eligible nonprofits received a 100% match from Liberty.

We were thrilled to be able to bring back Serve with Liberty, our annual days of service, after a two-year hiatus due to the pandemic. In May 2022, 11,000 employees participated for a total of over 45,000 hours of service with nonprofit organization.

To encourage volunteering, we conduct a quarterly drawing among employee volunteers. 550 winners receive a \$500 mini grant to donate to the eligible charity of their choice. Those who track one hundred or more hours of volunteer time



Red Cross cards and Liberty Mutual employees at the Wreaths Across America event

per year are honored with membership in the Torchbearers 100 Club and can direct a larger grant from Liberty Mutual Foundation to the nonprofit of their choice.

Supporting the people of Ukraine

When the Russian invasion of Ukraine forced Ukrainians to flee their homes, Vlad Dziak, Talent and Enterprise Services, and Emily Kutzavitch, Global Retail Markets, felt compelled to help. Last spring, both had the opportunity to volunteer on the Ukraine border. Vlad in Slovakia and Emily in Poland, working with local organizations to provide food, blankets, and other forms of support to Ukrainian refugees.

Empowering our ERGs to get involved

Our ERGs fuel meaningful participation in Torchbearers. In partnership with our ERGs and the Red Cross, we delivered nearly 600 handwritten cards to victims of natural disasters in California and New Jersey. In total, 1,142 employees contributed to this program.

Our Valor@Liberty ERG led an opportunity for Hurricane Ian Relief via Team Rubicon, a nonprofit organization, helping with hurricane clean up and disaster relief. A Valor chapter in Mitchell Field, New York also participated in a Wreaths Across America event, an organization that coordinates wreath-laying ceremonies at thousands of cemeteries across the U.S.

Skills-based volunteering

Members of our Corporate Strategy & Research team engaged in a three-month volunteer project with the YMCA of Greater Boston (YGB). The team of strategy consultants focused on developing recommendations for improving the value of the YMCA's membership model to ensure sustainable funding for their community-based programs. Working closely with YGB's senior leaders, the team assessed shifting customer preferences, conducted a market analysis of the Greater Boston area and benchmarked against competitors to develop a set of holistic recommendations to drive membership revenue.





SECTION 6



Advancing
Diversity, Equity
& Inclusion



Diversity, Equity & Inclusion (DEI) and our people

DEI is critical to our business to fuel innovation, attract and retain talent and maintain a culture of belonging at Liberty Mutual.

We have built a strong DEI foundation through thoughtful and deliberate goals and programs designed to ensure employees feel welcome and included. With that foundation in place, in 2020, we announced a multi-year plan for advancing DEI globally with three pillars:

1. Increase retention and representation of talent from all backgrounds
2. Address barriers to equitable career experiences for all employees
3. Strengthen inclusive mindsets and behaviors

Our DEI progress

Liberty has made progress through a variety of efforts. This includes improving internal and external initiatives that increase understanding and representation of underrepresented communities across our global markets and deploying programs that focus on inclusion for all.

We know that to make progress on our DEI goals, we need to improve our talent pipeline. To attract new talent, we leverage national, regional and university partnerships, lean into community-based organizations, leverage the work of our Employee Resource Groups (ERGs) and otherwise expand our tools and resources to ensure we can reach a diverse base of talent. We continue to make efforts to ensure all our employees, in particular our managers, are creating a diverse, equitable and inclusive workplace for talent from all backgrounds, starting with our most senior executives.

One way we do this is through our [Discovery Programs](#), which provide career development support and incentives (such as scholarships and internship opportunities) to individuals from underrepresented backgrounds. For example, our EXCEL Scholars program provides students with pathways to the insurance industry. In 2022 we doubled the number of program participants and made offers to 18 students

for 2023 summer internships. We also expanded our partnership for this program beyond Howard University by adding students from Florida A&M.

For our existing employees, we have incorporated DEI into our leadership expectations and look to leverage internal mentorship and sponsorship programs. In 2022, all managers in local markets completed DEI Global Fundamental trainings. Additionally, to celebrate those who demonstrated extraordinary leadership to advance our DEI plan, we honored 88 employees through our first ever annual DEI award. We continue to expand our DEI efforts globally with DEI Councils in every market in which we operate and specifically launched “WE Grow” in India, a dedicated women’s empowerment program.

Beyond our internal efforts we also seek to increase diversity within our industry. In 2022 we continued our participation in the global steering group of Dive In, the festival for diversity and inclusion in the insurance sector. We also sponsored the 50 over Fifty campaign in the UK which aims to profile the insurance industry as an employer of choice for women over 50.

To advocate for a more inclusive society, in 2022 we became a signatory of the Human Rights Campaign letter of support of the Respect for Marriage Act in the U.S.

We received multiple accolades for our DEI efforts in 2022:



Military Friendly® Employer and Military Friendly® Spouse Employer for 2023



Points of Light 2022 Civic 50 honoree



PEOPLE Magazine's list of 100 "Companies that Care" 2022



Disability:IN's Best Workplace for Disability Inclusion 2022



2022 ERG Seramount Impact Award (Honorable Mention for Workforce Impact) for Valor@Liberty



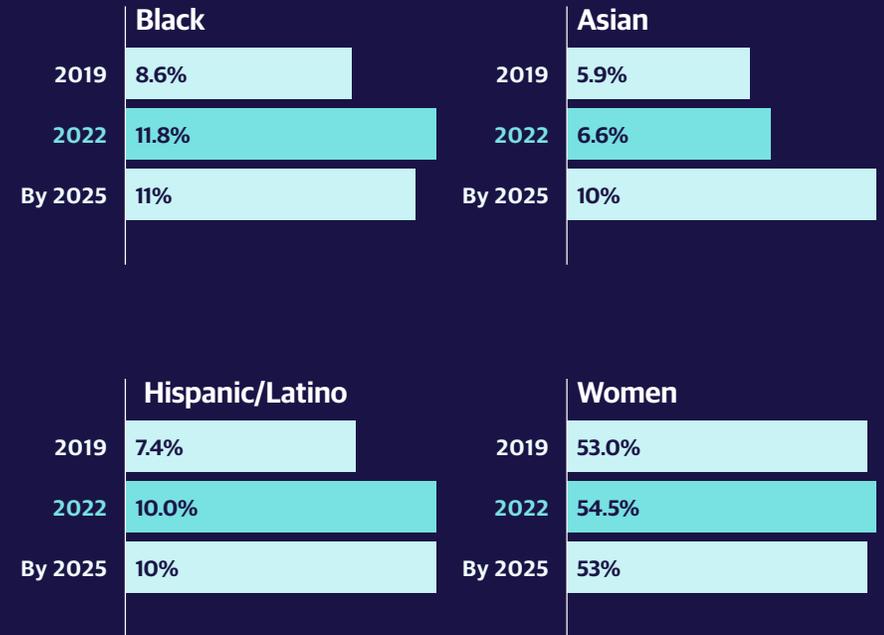
2022 ERG ASCEND Impact Award winner for Culture Impact for LEAAP@Liberty



Fidelity Law Association's Diversity and Inclusion Award

MAKING PROGRESS TOWARD OUR DEI GOALS

In 2020, we launched a plan for advancing DEI at Liberty Mutual that included representation goals for 2025 across our U.S. workforce. In 2022 we reached our near-term goals for Black and Hispanic/Latino employee representation, and we are committed to sustaining that progress by addressing any potential barriers to increasing representation at all levels. See below for more of our progress:



[MORE INFORMATION ON DEI](#)

ERGs taking action

Liberty Mutual's ERGs continue to grow and make significant contributions to the business. ERGs are employee-driven groups supported by our Global Office of DEI and guided by a collective mission to foster an inclusive culture, enhance personal development and support broader business objectives.

In 2022, more than 13,600 employees in the U.S. engaged in over 300 ERG sponsored events. Globally, we have expanded our ERGs to our colleagues in South America and Asia with more to come.

To better serve our employees and our business, we created the Multicultural Advisory Council (MAC), a committee that integrates the expertise of ERGs into strategic action. This group is comprised of senior leaders from all seven of our ERGs who provide insights across multiple dimensions of diversity. The MAC has already provided actionable counsel around such issues as employee benefits, self-ID, real estate and recruitment, providing insights we are using to make our business more inclusive.

 [LEARN MORE ABOUT OUR ERGS](#)



Amigos@Liberty + Allies serves as a resource to support Liberty Mutual's Hispanic/Latino community.

Leveraging ERG expertise to meet customer needs

Amigos@Liberty + Allies, together with our Global Retail Markets business unit in the U.S. created a framework to leverage Hispanic/Latino employees' experience and expertise in our go-to-market strategy for renter's insurance. As a result of this initiative, we launched a new end-to-end Spanish language experience on our Certainly digital platform to better meet the needs of Hispanic/Latino customers.



Liberty Employees of African Descent and Allies (LEADA@Liberty + Allies) provides support for employees of African descent.

Ensuring agency representation

LEADA@Liberty's Seattle chapter piloted MAPEX (Minority Agency Plant Expansion), a program within the independent distribution channel to ensure SAFECO and Liberty Mutual business lines have agency representation across the country that reflects the customers and communities we serve.



Leading & Empowering Asian and Ally Professionals (LEAAP@Liberty + Allies) provides support for Liberty Mutual's Asian community.

Earning recognition for our ERGs

LEAAP@Liberty + Allies was awarded Ascend's ERG Impact Award for addressing Anti-Asian Hate through the 3Ls Campaign: Listen, Learn and Lift. The campaign launched in December 2020 and was a call to action to "Listen to one another's personal stories and experiences; Learn more about the culture, history, biases and challenges facing different communities; and Lift one another up."



Able@Liberty + Allies fosters awareness and support for people with disabilities, caregivers and family members.

Creating a more accessible workplace

In 2022, we were named a Best Place to Work for Disability Inclusion based on the 2022 Disability Equality Index. We were recognized for the significant steps we took to create a more accessible and inclusive workplace, which includes the work of our ERG Able@Liberty + Allies.



Pride@Liberty + Allies promotes an inclusive working environment for LGBTQ+ employees. WE@Liberty + Allies attracts, empowers and elevates women at Liberty Mutual.

Influencing HR policies

Pride@Liberty + Allies and WE@Liberty + Allies collaborated with our employee benefits teams to expand Liberty's bereavement leave policy to include up to five days of paid time off for the loss of a non-immediate family member and as a result of a pregnancy loss.



Valor@Liberty + Allies engages and supports our military and veteran community.

Supporting our veterans and current service members

In 2022, Valor@Liberty + Allies received an Honorable Mention ERG Impact Award from Seramount, a leading force in the DEI space. They were recognized for making Liberty Mutual a better workplace for our veterans and current service members through our supportive hiring and retention initiatives, service member and spouse talent acquisition, community support and mentorship.

Supplier diversity

As a global company serving customers from all backgrounds, Liberty Mutual is working to actively support and engage an inclusive supplier base.

Our Supplier Diversity Program was created to help us connect with businesses owned by minorities, women, LGBTQ+ individuals, disabled people and veterans around the globe. Our program is focused on increasing our spend with diverse suppliers and cultivating an ecosystem to promote a stronger and more inclusive supply chain.

We are proud of our contributions to the diverse business community, and in 2022 we received several awards and recognition including:

- Director of Supplier Diversity, Erika Gibson, named a Top 25 Diversity Change Leader by Diversity Plus Magazine
- DiversityComm's Best of the Best awards in three of their six nationally recognized, diversity-focused magazines

Examples of how we work with our diverse suppliers include:

- **DMI:** As a longtime partner of Liberty Mutual, DMI is a diverse-owned business that has helped us execute our digital transformation journey. Liberty Mutual's partnership with DMI continues to grow because of its consistent customer support across innovation, UX, web, app development, analytics and machine learning.
- **Consciously Unbiased:** In 2022 we engaged Consciously Unbiased, a minority-certified diversity organization, to help provide staff for our contingent workforce program in the U.S.
- **World Wide Technology:** We partnered with World Wide Technology (WWT), the largest Black-owned company in the United States, to help modernize our capabilities in cloud computing, computer security, data center technologies, computer networking and storage.



DiversityComm's Best of the Best awards

SUPPLIER BREAKDOWN¹⁰

3,962	Small businesses
954	Disadvantaged-owned businesses
719	Woman-owned businesses
542	Minority-owned businesses
181	Veteran-owned businesses
6	LGBT-owned businesses
6	Disability-owned businesses



3x
increased annual spend
with diverse suppliers



67%
diverse supplier inclusion rate



SECTION 7

Employee
development
and wellbeing

Liberty Mutual employees



Employee development

“We feel strongly that supporting our employees’ professional development, health and well-being has a direct, positive impact on our ability to innovate and deliver a superior experience for our customers, clients and brokers. We aim to maintain a high performing, inclusive and equitable culture where the best talent of all backgrounds wants to come together and win.”

Jen Ughetta
Chief People Officer

At Liberty Mutual, our employees are the foundation of our business. We are committed to creating an equitable environment that enables them to be successful not just today but in the future.

We do this through opportunities for personalized training and development, targeted outreach to ensure a diverse pipeline of talent and investment in employee health and wellbeing.

Career development is a lifelong process, made up of continuous learning, connections and work experiences. We equip our employees with the tools they need to continue their career trajectory through coaching, mentorship and resources for learning.

We support fair and equitable performance evaluations while enabling Liberty’s Identity & Values and pay for performance philosophy. We have been developing a new Goals and Growth technology platform that will launch in 2023. This platform is designed to support and simplify goal setting and development planning, allowing managers and employees to set clear, outcome-focused goals and commit to growth plans for themselves and their employees.



Liberty Mutual employees

WORKFORCE HIGHLIGHTS



81%

of employees feel they can manage their job responsibilities in a way that enables a healthy work-life balance



87%

of employees are extremely satisfied with Liberty Mutual as a place to work



89%

of employees feel that they can be themselves at work



American Opportunity Index

Liberty Mutual was highlighted as one of the highest-ranked companies in the American Opportunity Index, a scorecard released in 2022 that ranks the 250 largest U.S. public companies by how well they create economic mobility for their workers. Liberty Mutual earned a perfect score in the areas of entry-level hires, promoting up, homegrown leadership and promoting out.

[LEARN MORE](#)

Learning and Development

We build our high-performing and resilient workforce through the delivery of employee and leader learning solutions, which are closely aligned with business needs and include a variety of live trainings, toolkits and self-directed resources. We also recognize the importance of learning while doing. As such, we have significantly shifted to workflow learning, embedding learning into employees' day-to-day work.

In conjunction with our learning solutions, Liberty's Career Development philosophy provides clarity and alignment to enable all employees to continuously grow and develop in their careers. We have created targeted, actionable and achievable sample development journeys and offer a skills framework as a way for employees and managers to learn more about expertise recommended for their current role and future career interests.

We offer a broad range of learning and development programs throughout our employees' career journeys, which include:

Early Career Development

We provide structured development programs aligned to technology, finance, actuarial, data analytics, investments

and corporate development. These programs target interns, co-ops and entry-level college and graduate hires. Examples include:

- **Analyst Development Program:** A one-year rotational program aimed at building in-demand professional and data analytics skills. Analysts interact with multiple departments to learn how Liberty Mutual harnesses data to drive business decisions and make a difference in the lives of our customers. In 2022, we hired 129 individuals from this program.
- **TechStart:** A one-year development program aimed at building in-demand professional and technical engineering skills while providing opportunities to directly impact Liberty's customer experience through technology. In 2022, we hired 327 TechStart participants.

Outside Study

Liberty encourages employees to enhance their current skill set with new ones, especially as the workforce and career interests may evolve over time. Offerings range from tuition reimbursement to external training to insurance professional designations.

LEARNING HIGHLIGHTS

65,000

hours of self-assigned eLearning courses

47,000

LinkedIn Learning course completions

30,000

hours of instructor-led Management Skills Development training

5,000

global participants in Management Skills Development training over the past three years

6,900

participants in Leading at Liberty, our 8-week intensive lab focused on inclusive leadership

\$8.5 million

invested in tuition reimbursement in 2022 for 1,242 employees

\$600,000

invested for 190 employees to earn Insurance Designations in 2022



Liberty Mutual employees

Recruitment, onboarding and retention

We recognize our responsibility to recruit and retain talent of all backgrounds. In 2022 we amplified our Liberty Recruitment Initiative, which builds upon our commitment to diversity, with a specific intent to increase the number of women and people of color considered when hiring.

This initiative also recommends that our interview panels include people of different backgrounds to better accommodate a full view of a candidate's experience. We also launched a digital marketing campaign to help attract more candidates of all backgrounds, leveraging sponsorships and

programs, advertising and social media to increase talent attraction for open positions.

To expand our talent acquisition and retention efforts, in 2022 we:

- Joined the Massachusetts Apprenticeship Network, a network of employers collectively committed to creating 1,000 apprenticeships by 2027.
- Partnered with the Spencer Educational Foundation to support the next generation of risk management and insurance leaders with the goal of attracting students of all backgrounds to careers in the industry.
- Hosted our annual Women in Technology Summit to support women and non-binary students pursuing a Tech degree while providing a strong pipeline of engaged talent year over year. In 2022, we hosted 58 participants, 22 of whom will be joining us as 2023 interns.
- Sponsored Hack.Diversity which centers social impact in the future of tech. In 2022, we hosted 16 Hack.Diversity fellows as summer interns and retained 94% for full-time or return internship opportunities.
- Broadened our talent sources by working with two Rhodes Scholars. The scholars helped deepen our understanding of nature-related risks impacting the insurance industry through the lens of the Taskforce on Nature-related Financial Disclosures (TNFD).

Once hired, Liberty Mutual provides guidance, tips and tools to help employees and managers make a smooth transition, because we understand that employees who experience great onboarding are more likely to stay and build a career with us. Throughout the onboarding process we support managers with virtual and in-office resources, including process guides, role/responsibility documents, discussion guides and an integrated onboarding portal for pre- and post-hire activities.



11,481
employees
onboarded in 2022



94%
of interns would recommend
Liberty as a great place to work

Employee health and wellness

At Liberty, we strive to be the best place to work, supporting our employees personally and professionally.

We foster an inclusive workplace that encourages a healthy work-life balance through various benefits and policies, and we work with our employees to reach their goals. We continually strive to invest in benefit offerings that are more affordable, accessible and aligned with the diverse needs of our employees.

We support our employees across all dimensions of wellbeing. Through our Liberty in Motion activity challenge, we promoted physical wellbeing with participation from over 7,700 employees in 26 countries. To help employees take care of their mental wellbeing, we offer resources ranging from self-care apps to free therapy visits, in conjunction with our health plan, to cover the full range of behavioral health services.

In continuing to improve our offerings, we conducted online focus groups with over 300 participants in December of 2021, during which we gathered insights on overall benefits and rewards, all aspects

of wellbeing, health care, affordability and communication. In 2022, we then fielded a total rewards prioritization survey with the insights from the focus groups to refine our findings. This survey was completed by nearly 1,000 respondents and reinforced our qualitative findings with data.

As a result, we invested an additional \$20 million into benefits and wellbeing programs for U.S. employees in 2023. This includes more affordable health care coverage, access to supplemental resources for family planning and health care navigation, coverage for travel and lodging expenses for treatment and procedures not offered within an employee's state, as well as extended coverage for gender-affirmation procedures. Additionally, in 2022 we partnered with our Employee Assistance Program to offer mental health services for our interns and, in 2023, we will purchase each intern a three-month subscription to Headspace to provide a personalized, one-on-one resource.

Through Liberty Specialty Markets, we have also made strides to expand inclusive policies to better support our people in our UK operations. This includes Family Friendly Policies to add supplemental paid leave for circumstances surrounding parents and caregivers. In 2022 we also launched our partnership with Peppy, a health app that offers employees and their partner or spouse access to free, personalized, expert advice on fertility, pregnancy, early parenthood and menopause.



Liberty Mutual employees

SECTION 8

Governance and practices



Our commitment to corporate governance

As a leader in financial services, Liberty Mutual has always prioritized strong corporate governance. Using our Identity and Values as a north star, our Board of Directors, management and employees share a commitment to operating a strong, ethical and responsible business.

This is essential to maintaining the trust and confidence of our policyholders and stakeholders, and to promoting Liberty Mutual's long-term success. Our governance framework, management practices and compliance policies provide accountability and transparency across all levels of our business.

Sustainability governance

At Liberty Mutual, we understand that emerging and existing sustainability-related issues will become increasingly important for businesses, employees and communities around the globe. To respond effectively, we must ensure that these risks are well understood across our organization, and that we are able to evaluate progress against goals and measure success. That's why, in April 2022, the Board approved the creation of a new Governance and Sustainability committee to provide strategic oversight and performance evaluation of Liberty Mutual's sustainability-related practices and priorities.

The Governance and Sustainability Committee is comprised of the Chairman of the Board, the Lead Director and at least four additional independent members of

our Board of Directors. In its first year, the committee met four times, making strides towards advancing our sustainability goals. From holding briefings with our Chief Sustainability Officer and Legal team to facilitating discussions on philanthropy and Board governance, the committee's activities enable the Board's broader oversight of climate-related risks and opportunities.

In addition to enhancing Board oversight, in early 2022 we established an ESG Executive Committee, a small group of senior executives collectively responsible for overseeing the implementation of our sustainability strategy. Chaired by the Chief Sustainability Officer and reporting to the Executive Leadership Team, this committee is responsible for:

- Establishing overarching sustainability global standards and guidelines
- Developing recommendations and actionable plans to address emerging risks and opportunities
- Reviewing sustainability-related accountability metrics across the organization

Our ad-hoc working groups and Climate Council are groups of cross-functional leaders that partner across Liberty Mutual, working to ensure operational cross-coordination and management of specific sustainability-related issues.

Sustainability governance structure



[LEARN MORE ABOUT OUR ENTERPRISE RISK MANAGEMENT APPROACH](#)

Board oversight role

Liberty Mutual believes in responsibly advancing the interests of policyholders, employees and the communities where we operate. Our Board of Directors lends their expertise to our Executive Leadership team, providing strong leadership that adheres to our values and aligns to Liberty Mutual's strategic direction. The Board is responsible for contributing to the development of our enterprise-wide business strategy and monitoring the allocation and deployment of capital, the management of risk and the implementation of company policies.

Members of senior management, including Liberty Mutual's CEO and other executives, present to the Board throughout the year and the Board receives regular updates on:

- Company strategy and annual business plans
- Corporate culture
- Disruption and innovation
- Technology and cybersecurity
- Sustainability strategy and progress
- Geopolitical issues
- Policy and regulatory matters
- Ethics and compliance
- Risk management
- Human capital management and workforce issues (including DEI)
- Other matters of importance to our long-term success as a company

Board experience and diversity

Liberty Mutual's Board is composed of experienced and committed independent directors, and its committees have strong, knowledgeable chairs and members. Collectively, our Board members bring diverse backgrounds, qualifications and skill sets, providing the business with a wide range of perspectives that guard against risk and promote sustainable operations.

We believe diversity at a board level is a demonstrated critical factor for ensuring better decision-making, risk management and organizational performance, along with our ability to attract the best talent and better serve customers. Liberty Mutual continually assesses the composition of our Board to ensure its members have the diverse experience and capacity to guide the overall strategy of our business. Board members must be able to recognize and anticipate potential social, environmental and economic issues and their impact on our business and stakeholders.



LEARN MORE ABOUT OUR BOARD OF DIRECTORS



36%
of Board members
are women



21%
of Board members
are people of color



Top row: Timothy M. Sweeney, David H. Long, Frank Doyle, Jay Hooley, Myrtle Potter, Nancy Quan, Ellen Rudnick
Bottom row: Angel Ruiz, George Serafeim, Martin Slark, Eric Spiegel, Bill Van Faasen, Annette Verschuren, Anne Waleski



Q&A with George Serafeim

In April 2021, George Serafeim, the Charles M. Williams Professor of Business Administration at Harvard Business School, joined our Board of Directors. Professor Serafeim brings a wealth of experience in corporate governance and sustainability.

What are the biggest challenges when it comes to sustainability today?

While there are certainly the physical risks of climate change, another set of challenges are the socioeconomic implications. When

it comes to sustainability issues, and climate specifically, the most vulnerable communities often bear the greatest impact. A World Bank study found that by 2030, climate change could drive more than 100 million additional people into extreme poverty, and according to the UN Food & Agriculture Organization, more than half a billion of the world's most undernourished people live in underdeveloped countries that are extremely vulnerable to climate shocks. We have to think about sustainability within the context of social impact to mitigate these risks and reach a broad group of people.

What is the role of the board in addressing environmental, social and governance risks?

The role of any board is to oversee the business' strategy and ensure that material risks are addressed. What Liberty has done this past year with the establishment of the Governance and Sustainability Committee ensures that these risks are regularly embedded into broader discussions about business risk. Within that context, I advocate for a systems-thinking approach to sustainable business.

What makes you excited to be a member of the Liberty Mutual board?

Liberty Mutual understands the risks and opportunities of climate change, but we

are also thinking seriously about issues of access and affordability to decrease that unevenness discussed earlier. We are in a position to support the needs of customers within a changing climate and profitably grow the business through innovation and technology.

I'm excited to be a part of an organization that understands both integrated thinking on a topic-by-topic basis and how each issue is interconnected. It's important to remember that climate change is a systems problem and that Liberty Mutual won't make a significant difference if governments, institutions and people don't work together. We can't and won't succeed with the private sector alone. However, just because we do not have all the answers does not mean we can't move ahead. Working at such a large scale is incredibly impactful, and if every organization makes even small progress every year the cumulative effect of those changes will be transformative. The key in any organization is to create enough momentum to keep moving forward, finding innovative ways to address trade-offs.

George Serafeim

Charles M. Williams Professor of Business Administration at Harvard Business School

Executive compensation and clawback policy

Liberty Mutual's compensation philosophy and strategy recognizes that our success is largely determined by the strength and quality of our people—and that talented people are attracted to companies that provide competitive pay and reward exceptional performance. Building upon this core philosophy, our executive compensation program is designed to attract and retain effective and motivated leadership. The following core principles underlie the executive compensation and benefits program:

- A significant portion of an executive's total direct compensation should be performance-based.
- Executives should have a meaningful and continuing stake in Liberty Mutual Group's enterprise value.
- A total rewards package for executives should be competitive with similarly situated companies in the marketplace.
- Liberty Mutual has a comprehensive clawback policy to encourage sound risk management and individual accountability. This policy covers all executives of Liberty Mutual and applies to covered compensation, generally including incentive compensation or employer contributions under a nonqualified deferred compensation plan.



“At Liberty, we are guided by our commitment to integrity, profit and growth, in that order. Integrity is about living our Values and doing the right thing—which helps us meet our business objectives and the needs of our customers and our people.”

Timothy M. Sweeney

President and Chief Executive Officer



“We’re committed to fostering an ethical culture where employees feel empowered to ask questions and raise concerns without fear of retaliation. I’m proud that our 2022 Compliance Survey indicated that most employees hold a favorable view of our ethical culture and that our culture score exceeds external benchmarks.”

Karen Morton

Executive Vice President & Chief Compliance Officer, Global Compliance & Ethics

Ethics, compliance and integrity

Grounded in our Value of acting responsibly, Liberty Mutual believes in doing business with integrity. Our [Code of Business Ethics & Conduct](#) guides our employees’ ethical behavior, ensuring we do what’s right. We champion an integrity-first culture through frequent discussions about acting responsibly, awareness initiatives and a focus on ethical leadership at all levels of the organization.

We celebrate our ethical culture throughout the year and highlight this cultural imperative annually during our global Act Responsibly Week celebration. In 2022, that celebration included a discussion with Chief Compliance Officer Karen Morton and senior leaders focused on how our cornerstone of integrity enables us to navigate the world. President & CEO Timothy M. Sweeney consistently reinforces the critical role integrity plays in achieving our strategic vision. In addition to highlighting our strong “tone at the top,” we focus on creating an impactful “mood in the middle” by leveraging our managers as valuable compliance resources to further cultivate an environment where all employees are empowered to act with integrity and speak up.

We encourage employees to raise questions and concerns to our confidential compliance helpline, available 24/7. Although an anonymous option is available, 88% of employees chose to identify themselves in 2022, suggesting they feel safe and secure raising questions or concerns. All helpline

inquiries are handled confidentially. We’re proud of the [many ways employees spoke up](#) and acted responsibly in 2022.

The Code of Business Ethics & Conduct and all compliance policies, including Liberty’s global Anti-Corruption and Anti-Money Laundering policies, are made available to all governance body members and employees. Additionally, new and tenured employees also receive mandatory training about compliance and ethics. As part of the onboarding process, new employees complete a required compliance and ethics curriculum while tenured employees complete mandatory annual training on a variety of topics grounded in the Code of Business Ethics & Conduct. Among other topics, we trained all global employees on anti-corruption and fraud in 2022 and provide regular anti-money laundering and international trade sanctions training to relevant employees. Educational materials and policies are available in up to 13 languages to ensure accessibility across the organization.

As the geopolitical climate evolves and new global risks emerge, we continue to provide employees with resources to help them recognize and understand the ethical issues they may encounter. In 2022, we revised our Code of Business Ethics & Conduct, including greater interactivity and more robust examples. Our program continues to evolve: In early 2023, we introduced staffing changes, including the introduction of a Global Financial Crimes Officer position, unifying our global resources to address increased geopolitical complexities.

Liberty Mutual’s conduct is guided by policies on:

Act Responsibly Week | Share how you act responsibly and do business with integrity by submitting your commitment below. Then, see how our individual commitments unite us across the world.

How do you act responsibly? | Thought starters:

I act responsibly by doing my part to foster an ethical culture in which employees feel encouraged and empowered to speak up and do the right thing. (149/300)

“I ensure the trust of our customers by protecting their personal information.”

“As a manager, I create an environment where my team feels comfortable speaking up with questions or concerns.”

“I put our people first above all else in my day-to-day decision-making.”

Code of Business Ethics & Conduct

Our newly updated Code of Business Ethics & Conduct includes interactive activities which encourage employees to share their commitment to acting responsibly and explore how colleagues from around the world do business with integrity.

Political activity

Our Office of Public Affairs is primarily responsible for administering Liberty Mutual's Political Compliance Program, which includes our Political Compliance Guide. It is the policy of Liberty Mutual to fully comply with all applicable laws, rules and regulations concerning political and governmental activity. It is the obligation of each Liberty Mutual employee to adhere to these high standards at all times.

Lobbying and political contributions

We sponsor a bi-partisan political action committee (PAC) to advance policies affecting the insurance industry. As our employees have a vested interest in the company's success, our PAC is entirely

funded by employees who can choose to direct their individual contributions to a preferred political party. We have a long-standing history of supporting policymakers from both sides of the aisle.

Civic engagement

In 2020, our Office of Public Affairs created a voter registration site that continues to be used by our employees, providing them with tools and resources for them to be civically engaged. We conduct ongoing communications with employees centered around the election cycle to engage with this site, allowing them to check their polling place, see their voter registration status and find their elected officials. We had over 8,000 visits to the site in 2022.

Voter registration site

Data privacy

Governance: We put privacy first through increased transparency, strong governance, training and policies and procedures. The Liberty Mutual privacy team is led by the Chief Privacy Officer. The privacy team governs personal information throughout the data lifecycle from collection to retention and to disposal. The team conducts privacy risk assessments on the collection or new use of personal information and collaborates with our internal training teams to ensure all employees and contractors are familiar with our enterprise Privacy Principles and privacy policies. Internal and external audits help us evaluate the effectiveness of our privacy practices. The Board of Directors and the Risk Committee receive regular updates on Liberty Mutual's privacy initiatives and risk mitigation efforts.

Accountability: We continuously monitor global privacy laws to ensure compliance. We ensure transparency related to our collection, use, and disclosure of personal information through our publicly available privacy notices. Our [privacy page](#) provides a link to all our operation's privacy notices. We provide notice of material changes to these policies by updating the webpages and indicating a "last updated" date on each notice. These notices also provide information on any privacy rights individuals may have, including the right to access, delete or correct information. Where applicable, Liberty Mutual also provides processes for individuals to limit how we

use their data. The notices also provide contact information to submit any privacy complaints. For example, in the United States privacy complaints can be provided by email, mail, or by phone.

Training: All Liberty Mutual employees and contractors receive annual privacy training. All employees must certify compliance with our Privacy Principles. Throughout the year we incorporate privacy messaging into our ethics training, including diagnostic questions to identify training opportunities and an annual privacy awareness campaign during world Privacy Week.

All our employees are trained on how to identify a data security incident and report it to IT or a compliance helpline. Employees are also trained on how to escalate any privacy-related complaints. If Liberty suspects or receives a report that personal information may have been compromised, Liberty Mutual launches an incident response that includes investigation, notification and corrective action as necessary. Senior leaders and the Board of Directors are kept apprised of privacy incidents as needed.

We are committed to privacy by design and strive to incorporate privacy by default into all of our applications. We offer privacy-by-design training to our IT professionals through a multi-part training program, with participants eligible to become certified privacy technologists.



Cybersecurity

Liberty maintains a comprehensive cybersecurity program designed to appropriately manage risks, protect data, maintain brand reputation, and prevent or mitigate financial loss. Because our customers share their personal and financial information with us, protecting it is essential for maintaining trust, creating security and delivering our promise.

Governance: Our Board of Directors, Risk Committee, and Executive Vice President, Chief Information Security Officer ("CISO") oversee our cybersecurity policies and practices. The CISO is responsible for setting the strategy and objectives, monitoring implementation, and allocating appropriate resources. Additionally, the CISO provides the Board with regular updates on cybersecurity risks, incidents and remediation efforts.

Accountability: Our CISO leads our Global Cybersecurity ("GCS") team. The CISO is accountable for maintaining a strong security posture across the organization. GCS is responsible for investigating and reporting major incidents or threats that could affect the continued operation of our information and technology systems. The CISO reports directly to the Chief Information Officer, who reports to the CEO, ensuring cybersecurity is elevated to the highest levels of the organization. We measure our cybersecurity and data protection program's effectiveness

by tracking key performance indicators, such as the number of incidents, the time to detect and remediate incidents, and the maturity of our cybersecurity program. We regularly report on our cybersecurity program's status to our Board of Directors and relevant committees.

Training: At Liberty, cybersecurity is everyone's responsibility. We regularly provide information and training to all employees to ensure they understand the importance of cybersecurity and their role in protecting our systems and customers' data. We also conduct regular phishing simulations to test employees' susceptibility to social engineering attacks and provide targeted training to those who fall for the simulations.

We take the protection of our systems and customers' data seriously. Transparency in handling and protecting data is critical in maintaining trust with our customers, employees and stakeholders. Our cybersecurity practices are constantly evolving as new challenges appear every day. We will continue to provide regular updates on our cybersecurity and data protection program's progress.

Third Party Risk Management

Our security and privacy requirements extend to suppliers who access personal information. We have implemented a Third-Party Risk Management (TPRM) program for suppliers that evaluates the

security, privacy and business continuity impacts of new vendors. The TPRM Office reports to the Chief Procurement Officer (CPO). Liberty Mutual emphasizes the importance of privacy and data security with suppliers through our procurement standards, practices and contracts. We also require all vendors to adhere to the privacy and security expectations described in our [Supplier Code of Conduct](#) and hold them accountable for any breaches or incidents that may affect our customers' data.

Our comprehensive TPRM program includes Third-Party onboarding, due diligence, ongoing monitoring and regular assessments. The TPRM Office oversees adherence to the TPRM Framework. This includes ensuring the Third-Party Risk process is operating effectively and sharing information about Third-Party Risk reporting and adherence to the Third-Party Engagement policies with the TPRM Steering Committee.

The TPRM process includes a review of Third-Party business continuity and disaster recovery plans. In support of this effort, our business continuity management program includes developing risk assessments, business impact analyses and plans and procedures to ensure the continuity of our services in the event of disruptions. We regularly review and test our plans to ensure their effectiveness and readiness to respond to various scenarios.

SECTION 9

Additional information and resources



Data and disclosures

 2022 TCFD REPORT

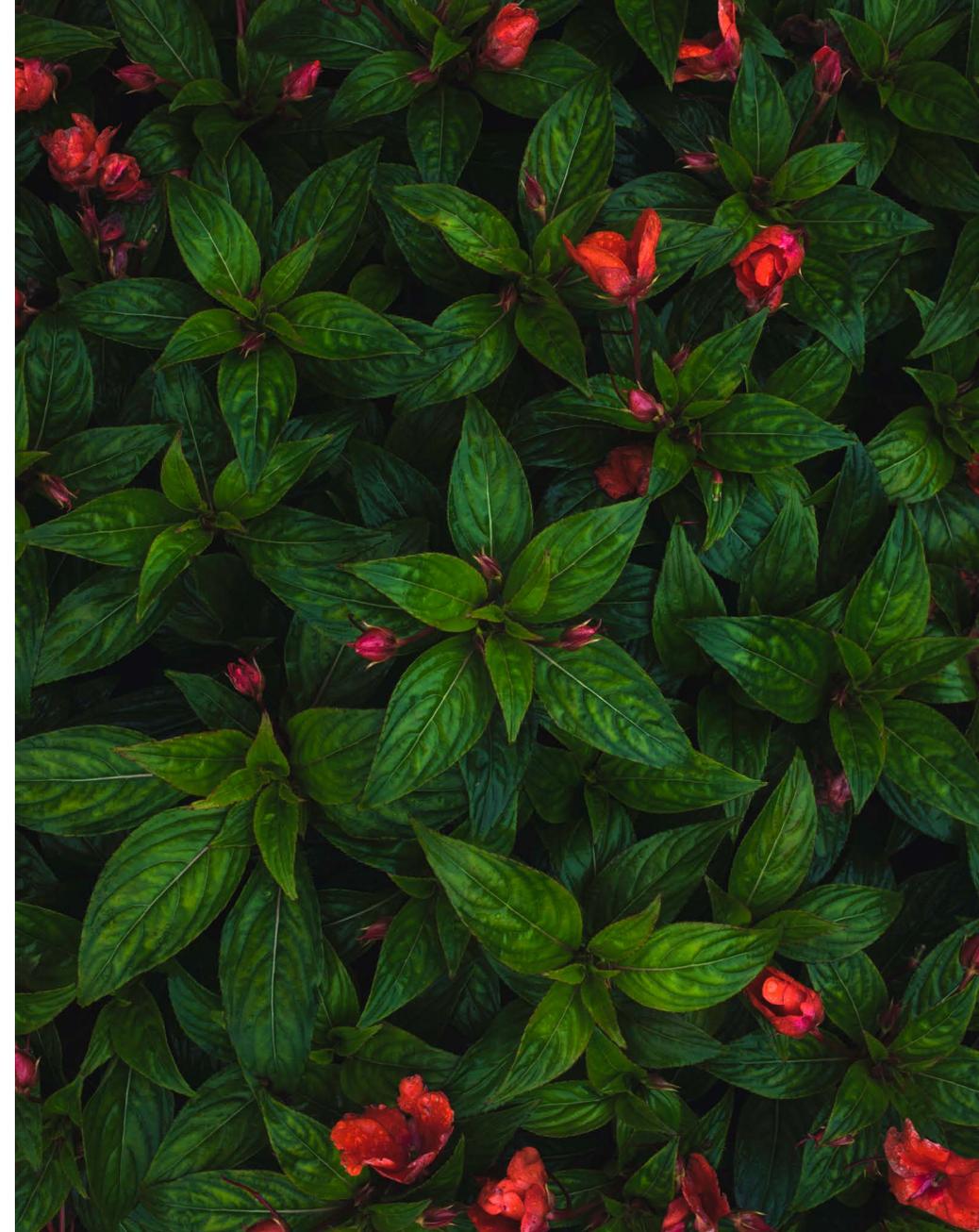
 2022 GRI INDEX

 2022 SASB REPORT

ENVIRONMENT	2022	2021	2020
Total scope 1 and 2 CO ₂ e emissions ³ (MTCO ₂ e)	69,766	78,057	83,673
Scope 1 CO ₂ e emissions ^{3,5} (MTCO ₂ e)	29,236	29,699	27,266
Scope 2 CO ₂ e emissions ^{3,5} (MTCO ₂ e) location based	40,530	48,358	56,407
Scope 2 CO ₂ e emissions ³ (MTCO ₂ e) market based	36,791	44,760	56,917
Scope 3 CO ₂ e emissions ⁶ (MTCO ₂ e)	29,518	8,638	9,691
Total electricity used (MWh)	126,027	149,975	157,412
SOCIAL	2022	2021	2020
Global headcount	51,486	47,509	48,400
Percent of women at Liberty Mutual	54%	53%	52%
Percent of women on the Board	36%	33%	31%
Percent score in Human Rights Campaign's Corporate Equality Index	100%	100%	100%
Annual employee satisfaction survey	Y	Y	Y
Percent of employees who are extremely satisfied with Liberty Mutual as a place to work	87%	89%	92%
Employee turnover rate	15.3%	15.7%	11.6%
Community investment spend	US\$63,861,402	US\$55,113,479	US\$64,183,541
Number of employee hours spent volunteering ⁷	108,635	33,507	39,438
Number of community projects supported ⁷	6,056	1,236	2,084
Total charities supported ⁷	8,718	10,124	12,485
GOVERNANCE	2022	2021	2020
Percent of employees annually trained on Code of Conduct	100%	100%	100%
Clawback provision for executive compensation	Y	Y	Y
RESPONSIBLE INSURANCE & INVESTMENT	2022	2021	2020
Total Investments in renewable energy ⁴	US\$1,274 million	US\$1,468 million	US\$861 million
Total investments in energy transition solutions ⁹	US\$388 million	US\$287 million	US\$91 million
UNPRI signatory	Y	Y	Y
Responsible investment policy	Y	Y	Y

Reference notes

- 1 Net income attributable to Liberty Mutual Holding Company.
- 2 Excludes unamortized discount and debt issuance costs.
- 3 Previously reported global GHG emissions were restated to include acquisitions finalized in 2022 and improved methodologies.
- 4 In 2020, Liberty Mutual modified its definition of renewable energy to only include energy derived from solar, wind and hydro sources. In 2022, fixed maturities and public equities of US\$461 million, LP, LLC and other equity method investments of US\$446 million and unfunded commitments of US\$368 million were included. In 2021, fixed maturities and public equities of US\$506 million, LP, LLC and other equity method investments of US\$406 million and unfunded commitments of US\$556 million were included, while 2020 includes fixed maturities of US\$180 million, LP, LLC and other equity method investments of US\$288 million, and unfunded commitments of US\$393 million.
- 5 Figures represent global operations and include acquisitions finalized in 2022.
- 6 2022 and 2021 Scope 3 is limited to global commercial air and ground travel, including employee mileage and reimbursement for US and Canada only, and waste from U.S. owned and operated facilities; 2020 Scope 3 figures are limited to only commercial air and ground travel for U.S.-Based employees. Increase in Scope 3 due to business travel post-Covid.
- 7 Includes Volunteer with Liberty and Serve with Liberty. Although employee volunteering continued in many forms, including virtual, Serve with Liberty, our enterprise wide in-person community service program held annually in May, was canceled in 2020 and 2021 due to pandemic concerns. This led to a drop in volunteer participation and in the number of community projects supported. Serve with Liberty, a global program, returned in 2022 and is therefore represented in these data points.
- 8 ["Fact Sheet: President Biden's Executive Actions on Climate to Address Extreme Heat and Boost Offshore Wind."](#)
The White House.
- 9 Includes unfunded commitments of US\$247 million (2022), US\$221 million (2021), US\$74 million (2020).
- 10 In March 2023, our Supplier Diversity team completed an extensive data scrub and enrichment exercise resulting in substantial updates to diversity vendor master. Suppliers may hold multiple certifications.





Cautionary statement regarding this report

This report has been prepared solely for informational purposes from sources understood by Liberty Mutual Group (the Company) to be reliable at the time of publication. The Company does not guarantee the accuracy, completeness, timeliness or availability of the contents of this report. The Company is not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the contents of this report. In no event shall the Company be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the contents of this report even if advised of the possibility of such damages.

The Company's opinions, quotes and analyses are statements of opinion as of the date expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment- or insurance-related decisions and do not address the suitability of any security or insurance policy. Contents of this report should not be relied on and are not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment, insurance-related and other business decisions.

This report contains forward-looking statements intended to enhance the reader's ability to assess the Company's future financial and business performance. Forward-looking statements include, but are not limited to, statements that represent the Company's beliefs concerning future operations, strategies, financial results, or other developments and contain words and phrases such as "may," "expects," "should," "believes," "anticipates," "estimates," "intends" or similar expressions. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, environmental, economic and competitive uncertainties, many of which are beyond the Company's control or are subject to change, actual results could be materially different.

The Company's forward-looking statements speak only as of the date of this report or as of the date they are made and should be regarded solely as the Company's current plans, estimates and beliefs. The Company assumes no obligation to update these forward-looking statements or the contents of this report following publication in any form or format. For a discussion of the Company's financial information, visit the Company's Investor Relations website at www.libertymutualgroup.com/investors.

This report may contain links to other websites and may frame material from other websites. Such links or frames are not endorsements of any products or services in such sites, and no information in such sites has been endorsed or approved by the Company.

Except where noted, the information covered in this report highlights our performance and initiatives in fiscal year 2022.

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact (or potential impact) of that information.

Unless the context otherwise requires, references in this report to "Liberty Mutual," "Liberty Mutual Group," the "Company," "we," "us," and "our" are to Liberty Mutual Holding Company, Inc. together with its direct and indirect subsidiaries.

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