



2022 TCFD REPORT

FM GLOBAL'S CLIMATE-RELATED FINANCIAL DISCLOSURES







About This Report

We are pleased to present our second annual publication in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This report summarizes our climate-related governance and strategy, approach to climate risk management, and related metrics as of December 31, 2022. It reflects progress toward our goal to further incorporate climate - risk and opportunity - into our business strategy. Our climate data, scenario analysis and strategy will continue to evolve, and we commit to refresh and expand our disclosure over time.

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OUR APPROACH TO CLIMATE CHANGE

Scientific evidence shows the world's climate is changing. As climate change progresses, the frequency and severity of some natural hazards will increase, increasing the potential for economic impact on property and business interruption. FM Global believes the majority of loss is preventable, and that loss prevention and property conservation are integral to business sustainability. We have a shared purpose of loss prevention and risk management to make businesses, communities and the world more resilient.

For nearly 200 years, FM Global has been at the forefront of commercial property insurance. As a mutual company, we focus on the needs of our clients, who are our primary stakeholders. Through our advanced research, engineering and data driven capabilities, we develop products and services that aim to help our clients understand their own climate risks and how to reduce and mitigate their property risk exposure. FM Global continues to evaluate climate change and its evolving risk. In 2022, we advanced our climate resilience capabilities with the launch of a suite of new climate resilience products. We also engage beyond our clients to apply our knowledge in support of the broader global community.

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Developed by our engineers and scientists, these data-driven tools are game changing innovations and we don't say that lightly. Solving problems with science is our formula for success.

”

MALCOLM C. ROBERTS

PRESIDENT AND CHIEF EXECUTIVE OFFICER

THOMAS A. LAWSON

CHAIRPERSON



CORPORATE GOVERNANCE

FM Global is a mutual insurance company owned by its clients and benefits from a well-established corporate governance structure reflecting its mutuality. Our Board of Directors, eight advisory boards and five risk management executive councils are at the center of our corporate governance. Along with our executive management, they play a critical role in the company's strategy, direction and governance.

BOARD OF DIRECTORS OVERSIGHT OF CLIMATE RISK

The Board has overall responsibility and oversight for the management of FM Global's climate-related risks and opportunities, together with the strategy for supporting client efforts in climate-related resilience and loss prevention.

MANAGEMENT OVERSIGHT OF CLIMATE RISK

The Board is supported by the Business Risk Executive Committee (BREC), the Senior Leadership Group, and the regional Risk Management Committees (RMCs). The Board, the BREC and regional RMCs regularly consider climate-related risks and opportunities and receive relevant reports at least annually from FM Global's Strategic Intelligence Council and external advisors.

In 2022, FM Global appointed a chief sustainability officer (CSO) to support the development and execution of our long term Environmental, Social, Governance (ESG) strategy. We also established an ESG Steering Committee comprised of business and functional subject matter experts within FM Global. Day-to-day management of material ESG issues is the primary responsibility of the CSO in consultation with the ESG Steering Committee and external experts, as needed. Key functional and executive leaders also have responsibility for the management of FM Global's climate-related risks and opportunities including the chief science officer, chief engineer, director of structures and natural hazards research, chief underwriting officer, head of renewables and chief investment officer.

For more information on FM Global corporate governance and performance, please see the [2022 FM Global Annual Report](#) and [FM Global Corporate Governance Annual Disclosure](#).

CLIMATE RESILIENCE AND ESG – A CORPORATE OBJECTIVE

Climate change is a priority topic for FM Global and our stakeholders, with climate risk and opportunity being integrated into our business strategy. In 2021, we added ESG as a corporate objective and are creating a global and local infrastructure to support the objective. In 2022, we completed a comprehensive sustainability materiality assessment and used the stakeholder feedback to help inform our climate resilience strategy.

Our climate resilience strategy is evolving with a particular focus on science-based knowledge and solutions that enable adaptation to, and protection against, climate risk. Our strategy:

- Mitigate climate risk in our underwriting portfolio
- Develop new climate-related products and services
- Manage climate risk and engage in climate-related opportunities in our investment portfolio
- Strengthen the resiliency of our facilities and manage the impact of our operations
- Support climate resilience in our communities through philanthropic support
- Advance climate-related knowledge and innovation through research and development
- Accelerate the renewables ecosystems

CLIMATE-RELATED RISKS

We continue to invest in scientific research and deliver property loss prevention engineering solutions and natural hazard risk maps for our policyholders and others to use and act upon when managing evolving property risks. Climate risks we identify include physical risk, transitional risk to the organization, and climate-related risk in our investment portfolio.

PHYSICAL RISK

Physical climate risk has an impact on our business and our clients. Increasing incidence and severity of acute natural hazards including wind, flood, hail, wildfire, freeze, collapse and lightning can result in property damage and business disruption for our policyholders, which can impact FM Global's loss exposure. Chronic risks including changing temperature, drought, and sea level rise may cause increased loss exposure in the longer term. As a portfolio property owner, we are also subject to these risks.

TRANSITIONAL RISK

Transition risks associated with the shift towards a lower-carbon economy, which may include current and emerging regulation, technologies, litigation, shifts in markets and changing customer or community perceptions, may impact our business in the medium- to long-term. Potential impacts include valuations of clients' insurable interests, changing energy costs, and adherence to carbon and other environmental regulations.



SUPPORTING OUR CLIENTS' CLIMATE RESILIENCE

FM Global believes that climate risk presents a choice—resilience or disruption—and that by proactively partnering with our clients to address the risk of climate change, we can help keep their businesses and communities going and growing strong. We continue to study the effects of severe natural hazards to develop solutions to mitigate climate risk and leverage technology, innovation and our engineering expertise to expand climate resilience in our client's businesses and our global communities. In 2022, to help our clients and partners take more control in this ever-changing environment, we introduced a suite of climate resilience products to assess climate risk and prioritize improvements.

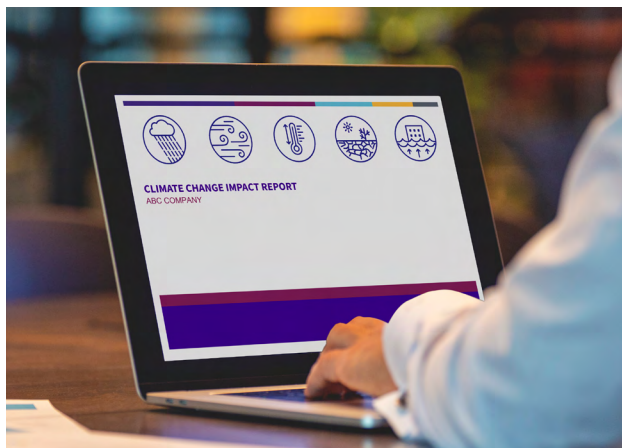
RESILIENCE CREDIT

In 2022 FM Global issued a first-of-its-kind Resilience Credit, a premium credit that provided \$300 million to help clients complete climate-related risk improvement. This unique credit reflects our mutual structure and is a demonstration of our commitment to help clients combat climate risk. It has the potential to reduce total loss expectancies related to wind, flood and wildfire exposure by more than US\$120 billion.

CLIMATE RISK REPORT

Leveraging the latest advancements in analytics including artificial intelligence and machine learning, FM Global's Climate Risk Report provides a unique view of current, event-driven exposures or "acute" physical climate risks: wind, flood, hail, wildfire, freeze, collapse and lightning. The analysis leverages billions of property-risk data points collected in the 60,000 annual engineering visits conducted each year to client sites around the globe. Each client's Total Insured Value (TIV) currently exposed to climate-related physical risk for property value and business interruption is calculated along with the degree of improvement available. A breakdown of inherent and actionable climate risk and prioritized opportunities to improve climate resilience are also provided.

FM Global uses its Climate Risk Report to identify, assess and mitigate potential climate risks to its global operations. For example, in this report, the wind peril was identified as FM Global's highest climate risk exposure. The insights on actionable climate risk provided further validation on the current risk mitigation prioritization and strategy, which includes actions to mitigate the potential for wind damage resulting from inadequately secured roof-mounted equipment.



CLIMATE CHANGE IMPACT REPORT

Launching in 2023, the Climate Change Impact Report uses analysis to assess acute and chronic risks at visited locations, specified by peril, according to three different climate scenarios. Combining engineering data from site visits with the latest insights into climate change, each proprietary report helps manage and report the potential future impact of physical climate-related risks and exposures.

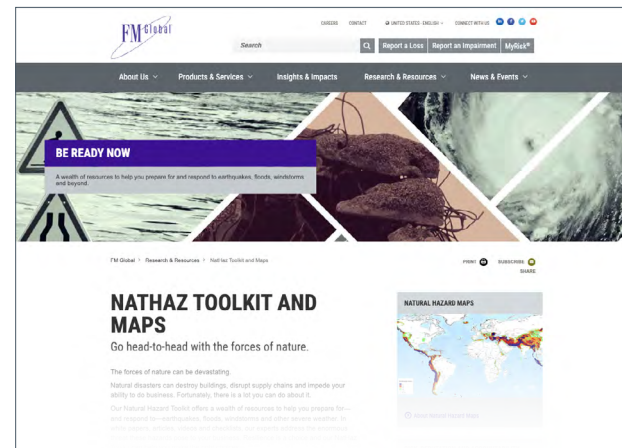
FM Global uses its Climate Change Impact Report to help evaluate the long-term reliability and effectiveness of its current risk mitigation solutions. When planning for future needs, the insights in the Climate Change Impact report help us to ensure we remain resilient to the potential impacts of climate change. For example, the risk mitigation solutions planned and implemented from the Climate Risk Report were reviewed in the context of the Climate Change Impact Report to ensure the desired resilience to those identified climate risks was achieved. Looking forward, the climate insights in this report can help guide and influence resilience decisions in support of long-term planning and operational growth.



CLIMATE REPORTING AID

This guide helps clients select acute and chronic climate-related physical risks they may wish to disclose to investors and the public, according to widely adopted frameworks like TCFD.

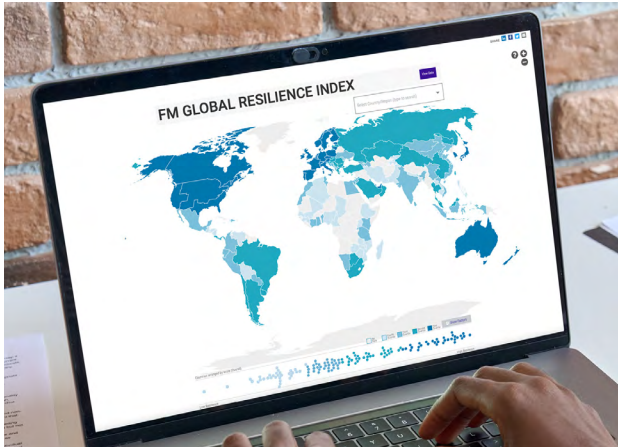
In addition to new products, we continue to enhance and expand our existing tools and services to respond to the evolving risk presented by climate change.



NATURAL HAZARD TOOLKIT

FM Global provides publicly available tools to assess and mitigate the impact of natural hazard events. Our Natural Hazard Toolkit offers a wealth of resources to help prepare for—and respond to—earthquakes, floods, windstorms and other severe weather. In white papers, articles, videos and checklists, we address the threat these hazards pose to businesses. We have also developed interactive maps that help understand the worldwide risks of earthquake and flood, and the regional risk posed by hail in the U.S. These maps incorporate the best information from around the world to provide a comprehensive view of exposures.

In early 2023, FM Global launched the **Worldwide Freeze Map**. Freely available to all, the map is based on 100-year return period daily minimum temperatures and can be used to determine necessary freeze protection for essential business hardware.

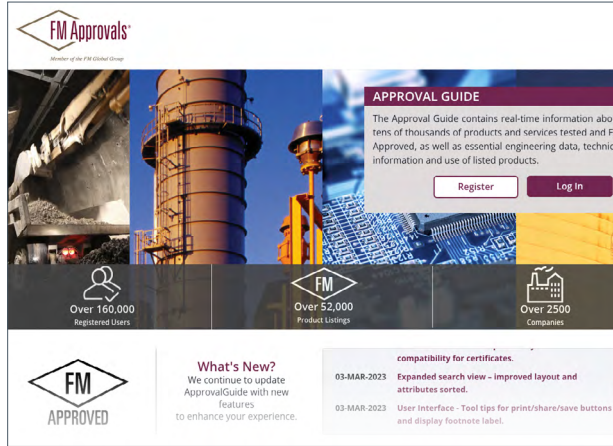


RESILIENCE INDEX

Our 2022 Resilience Index provides a country-based view of risk. The Resilience Index ranks 130 territories and countries based on the resilience of their business environment, providing organizations with a new level of understanding of how climate risk could impact their business and plans for future growth. Two filters in the Resilience Index were introduced in 2022, Climate Risk and ESG, which enable users to view related inherent country risks.

For climate risk concerns, two climate risk measures can help businesses understand climate-related business continuity risks and enhance resilience despite changing climate threats:

- Climate Risk Exposure measure reflects such threats as severe floods and windstorms.
- Climate Risk Quality reflects building codes, code enforcement and facilities improvements.



FM APPROVALS

FM Approvals tests property loss prevention products and certifies those that meet rigorous loss prevention standards. During testing, product performance is evaluated under conditions consistent with climate change and the natural hazards associated with more frequent and severe climate risks: precipitation, hail, wind, wildfires and floods.

The Approval Guide and RoofNav include climate risk mitigation products that meet rigorous loss prevention standards including flood barriers, flood sensors, roof-mounted rigid photovoltaic module systems and hydrocarbon and water leak detectors.

In 2022, working with the U.S. Department of Homeland Security's Science and Technology Directorate and the U.S. Geological Survey allowed us to introduce the first industry certification standard for Early Warning, a more cost-effective, rapidly deployable and scalable advanced warning system of impending floods.

“

We've analyzed losses from climate risk and the value of climate resilience. These new climate resilience products provide our clients with informed guidance from which they can prioritize their climate-risk-mitigation investments, ultimately leading to a more resilient tomorrow.

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RANDALL E. HODGE
EXECUTIVE VICE PRESIDENT,
STAFF INSURANCE OPERATIONS

INVESTMENT RISK

We continually evaluate potential risk, return, and diversification opportunities across assets to inform our investment strategy with the goal of protecting and optimally growing the surplus for the long-term benefit and protection of our policyholders. Potential risk exposures can be driven by numerous fundamentals, including regulatory forces, geographical factors, supply chain dynamics, and firm-specific competitive positioning and strategy, as well as customer and investor sentiment.

CLIMATE RISK IN OUR INVESTMENT PORTFOLIO

Climate-related risks are increasingly recognized as a meaningful component of the broader set of investment risks embedded within financial assets. We are taking a prudent approach to assessing and incorporating climate risk considerations within our investment portfolio to ensure alignment with our long-term investment strategy. We work with several high-quality investment firms that have a commitment to allocating resources and expertise to climate risk analytics, and to the integration of environmental risk factors alongside other fundamental and technical inputs within their investment decision-making processes. Additionally, as the measurement of exposures is a foundational step towards integrating climate considerations into the investment management process, we have contracted with a climate data provider and efforts are underway to measure and establish a baseline for carbon emissions, carbon intensity and other exposures in parts of our portfolio, beginning with publicly traded equity assets.

Beyond the measurement and integration of climate risk, we believe that important investment opportunities will arise related to the transition to a lower-carbon economy with the development of innovative technologies and solutions across a wide range of asset types. We selectively invest in strategies that are focused on the transition to a lower carbon economy, and believe that such investments incorporate the quality,

innovation and long-term growth characteristics that are well aligned with our overall investment strategy, contributing to long-term stability and resilience.

As the understanding of climate impact across markets matures, our strategy in this area will evolve too. Overall, we see the incorporation of climate risks in the management of our portfolio as prudent and additive to portfolio resilience, consistent with our overarching principle to invest in a strategic manner focused on the long-term growth and protection of surplus for the benefit and protection of our policyholders.

CLIMATE RESILIENCE IN FM GLOBAL FINANCIAL PLANNING

As a regulated commercial property insurance company, we comply with various regulatory and solvency requirements globally and have embedded a robust actuarial-based capital modeling approach to our financial planning and solvency and liquidity management. A number of jurisdictions require an Own Risk and Solvency Assessment (ORSA) to be prepared annually. The FMIC (Factory Mutual Insurance Company) Audit Committee and Board review and approve the FMIC ORSA on an annual basis. The ORSA considers climate change in its capital modelling.

COLLABORATING FOR CLIMATE RESILIENCE

Partnerships with public, private and academic organizations bring together the resources, expertise, and innovation necessary to build climate resilience. FM Global collaborates with organizations across the globe, applying our research, engineering and analytical capabilities to help create a broad understanding of the impact of climate change. A few of our partnerships include:

- Developing state-of-the-art standards for solar panel installations with Western University and American Society of Civil Engineers (ASCE)
- Conducting research with the Wind Engineering, Energy and Environment Research Institute (WinDEEE) to protect properties against severe tornadoes

- Advisory board leadership and collaboration with the Extreme Events Institute at Florida International University, focused on wind and storm surge hazards
- Developing accurate storm surge models for the U.S. East Coast and for the West Pacific regions with Notre Dame University
- Collaboration with Institute for Catastrophe Risk Management at Nanyang Technical University in Singapore with recently developed Climate Science team at FM Global Centre in Singapore
- Leading research and insurers in contributing to the United Nations Disaster Risk Reduction (UNDRR) Science and Technology Partnerships to advance the sustainability and resilience goals of the Sendai Framework for Disaster Risk Reduction
- Helping the Global Earthquake Model Foundation develop their most advanced, globally consistent natural hazard maps that are openly available to the public
- Maintaining active membership of the UNDRR Private Sector Alliance for Disaster Resilient Societies (ARISE)
- Continual collaboration with the National Oceanic and Atmospheric Administration (NOAA), U.S. Geological Survey (USGS), and Federal Emergency Management Agency (FEMA) on review and exchange of climate-related data and studies



RISK MANAGEMENT

Climate-related risks are identified, assessed and addressed by FM Global's robust risk management framework. There are several areas of the risk inventory that support our ongoing identification and management of climate-related risks including:

- Aggregation risk
- Geopolitical risk
- Investment portfolio risk
- Regulatory risk
- Simultaneous events risk

Potential growth of our exposure to climate risk is managed through new business risk selection criteria. FM Global applies specific terms and conditions to locations exposed to climate events to reduce its liability to policyholders. This liability is further reduced by our reinsurance program. We plan to continue to invest in our climate risk management practices in future years as the science evolves.

FM GLOBAL RISK MANAGEMENT FRAMEWORK OVERVIEW

FM GLOBAL ROLES & RESPONSIBILITIES



RISK MANAGEMENT FRAMEWORK (RMF)



REGIONAL ROLES & RESPONSIBILITIES





STANDARDS, EXPERTS AND RESEARCH

To better understand climate-related risk, FM Global has more than 125 researchers, scientists and engineers dedicated to evaluating the potential for natural and technological catastrophes, developing innovative methods and tools to predict and prevent property damage, and providing technically sound and cost-effective loss prevention engineering solutions to clients.

Our research division engages in the evolving science of climate change to assess relevant risks to the business and our clients, inform our risk management practices, and build loss prevention tools and resources. Our practices include:

- Conducting research on how climate risk is affecting unprepared organizations, and sharing publicly to broadly inform climate resilience practices
- Studying the effects of severe wind and flood hazards at our Research Campus and with reputable laboratories
- Continuously monitoring the latest climate research reports and scientific journals from leading organizations such as the Intergovernmental Panel on Climate Change (IPCC)
- Actively participating in scientific workshops
- Leading discussions at meetings and conferences at the local, national and international levels
- Engaging in direct discussions with reputable research institutions and scholars

IDENTIFYING AND ASSESSING CLIMATE RISK IN OUR UNDERWRITING

We believe that one of the greatest impacts FM Global can have in the face of climate change is to help clients identify, assess and manage climate exposure, preparing them for adverse financial impacts and minimizing uncertainty and potential business disruption.

The management of climate-related risk is consistent across the FM Global Group. The inventory of risks developed at group level by the BREC is shared with local risk management committees and adopted by all operations teams who can supplement the inventory with local information, as necessary. The BREC manages the risk register, identifies new and emerging risks, monitors compliance and oversees development of solutions at the enterprise level.

Our “Three Lines of Defense” risk management model ensures our Internal Audit function is engaged with climate-related risk assessments. We intend to further engage our audit team to review, validate and assure environmental risk disclosures.

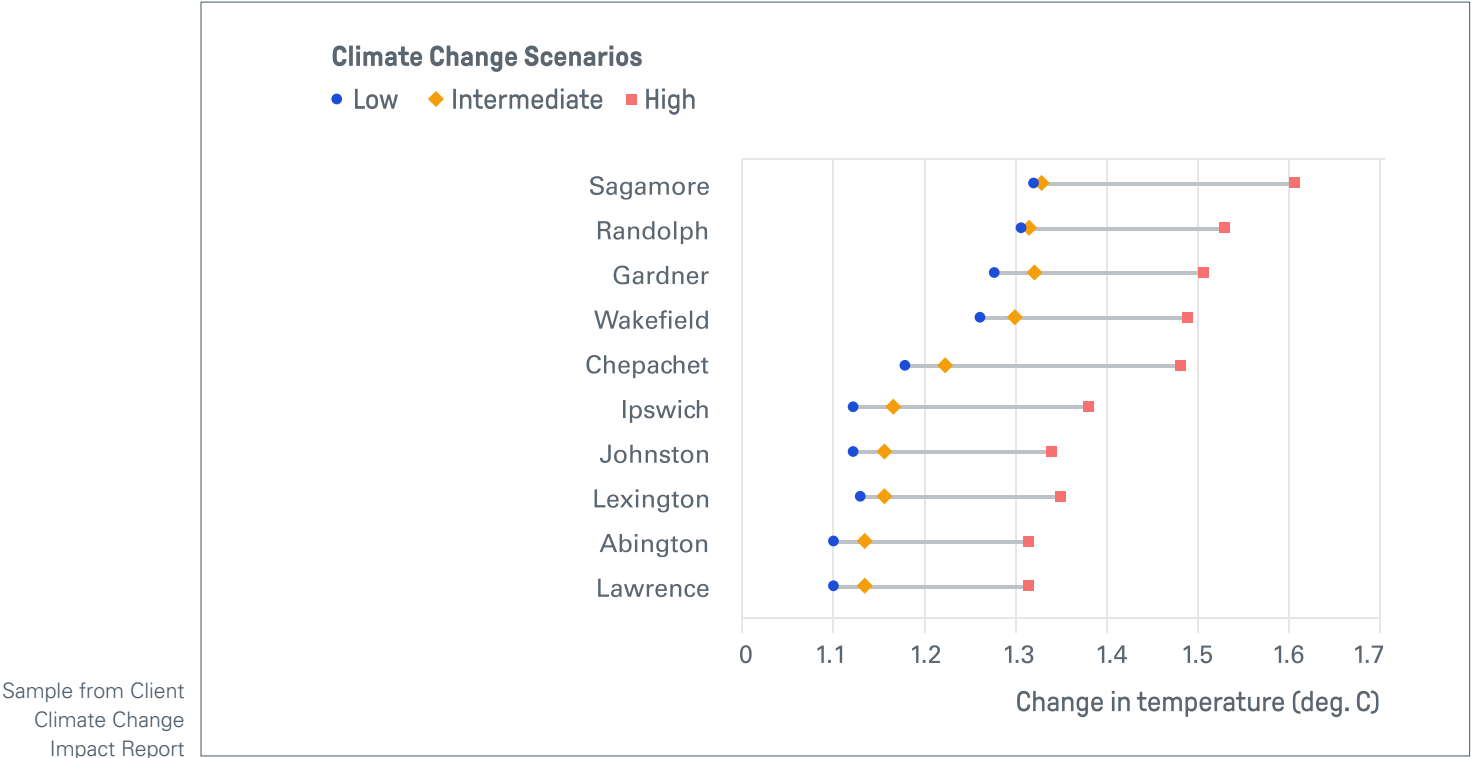
OUR PHYSICS-BASED CLIMATE RISK MODEL

FM Global uses a physics-based data and analytics model to understand how climate change is affecting natural perils - the same approach taken by climate research institutions. The methodology considers relevant scientific data on factors such as rainfall, ground motion, windspeed and terrain to provide a comprehensive view of a property’s exposure to climate risk as well as prioritized opportunities to improve climate resilience. This physics-based model, unique to the industry, links the best science-based data with location specifics from our engineering site visits to calculate total insured value (TIV) exposed, in terms of property value and business interruption.

In the underlying assessment, the potential impacts of the five climate perils are assessed across three different climate change scenarios in both the short (by 2030) and longer term (by 2050) using representative concentration pathways (RCP) from the IPCC:

- RCP 2.6, considered the best case for limiting climate change impacts. This scenario requires a major turn-around in climate policies and concerted worldwide actions to reduce greenhouse gas (GHG) emissions drastically. Global mean surface temperature continues to rise but is projected to stay below 2°C above pre-industrial levels in the long term.
- RCP 4.5, an intermediate scenario that assumes a stabilization of GHG emissions by 2050 and declining afterwards. Global mean surface temperature continues to rise and is projected to reach 2°C above pre-industrial levels in the long term.
- RCP 8.5, representing a possible worst-case scenario with a continued rise in GHG emissions. Global mean surface temperature continues to rise and is projected to exceed 2°C above pre-industrial levels in the long term.

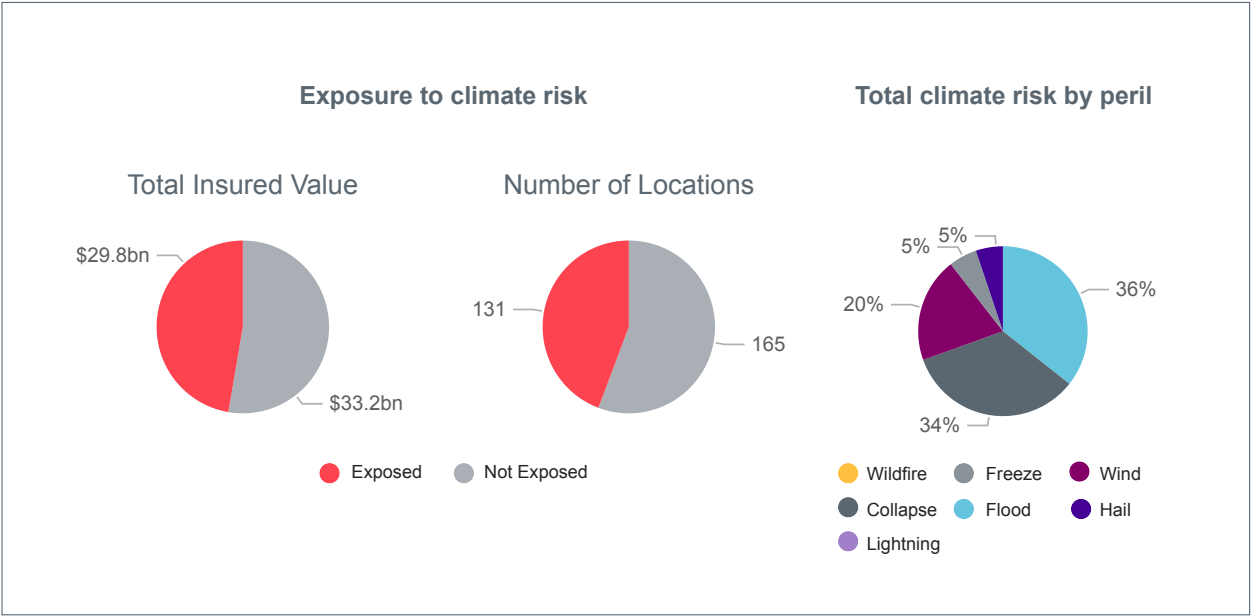
Climate change is a complex and evolving issue that requires ongoing monitoring and adaptation. As we continue to develop our resilience strategy, we consistently collect and analyze climate-related data to support risk management. Our physics-based climate risk model leverages the latest advancements in analytics, including artificial intelligence and machine learning to enable continuous evolution and improvement.



NATURAL CATASTROPHE UNDERWRITING

FM Global’s natural catastrophe models assess scenarios globally to understand probability of loss using both scientific model data and location-based data. Natural catastrophe exposures are modeled through proprietary techniques developed by our research scientists and by applying commercially available models to our portfolio. Natural hazard modeling is substantially improved because our engineers conduct site visits and use remote aerial imagery to obtain accurate geo-coding and peril-specific information. This data helps determine appropriate levels of coverage and identify areas where exposure can be improved by implementing loss prevention engineering solutions.

Our models allow us to establish aggregate exposures and apply the data to assess risk and calculate what the expected loss will be should an event occur. For example, in the case of flood, we use data corresponding to a 100-year level event and a 500-year level event to assess exposure. Our models and the scale of our data enable us to identify similar profiles in other areas of higher value accumulation to inform loss expectation in the event of a modeled catastrophe.



Sample from Client Climate Risk Report

REDUCING CLIMATE RISK

Products such as our Resilience Index, Climate Risk Report and Climate Change Impact Report help our clients understand their acute and chronic physical climate risk and help inform their mitigation efforts and corresponding financial plans to protect their assets. We continue to advise clients to build better than current building codes and/or 100-year (1% exceedance probability) flood design guidelines to protect their businesses to the 500-year (0.2% exceedance probability) flood levels, making assets more resilient to property loss, business interruption, and climate risk.

FM Global reduces loss potential through a collaborative effort with our clients to improve their resilience at properties. We provide loss prevention engineering guidance to clients of all their large insured locations on an all-risk basis, including natural hazards perils that are affected by climate change such as wind, flood, and wildfire. Based on physical site assessments and/or remote aerial imagery, our loss prevention engineers make recommendations for clients to reinforce their facilities against loss and help reduce their exposure. The Resilience Credit was launched in 2022 to help fund these actions.

Our engineering capability often results in reduced losses in comparison to predicted losses in probability models. For example, clients with properties in Puerto Rico that reinforced their buildings to 500-year wind speed level through engineering solutions offered through FM Global saw significantly lower losses in Hurricane Maria than similar buildings in the geography.

In late 2022, FM Global opened our first client-centered experiential risk management facility in Asia Pacific. The FM Global Centre in Singapore enables organizations to learn about and experience solutions grounded in our scientific research and engineering expertise. The Centre's interactive simulation labs have a specific focus on natural hazards, demonstrating how property losses resulting from high-wind events, floods and earthquakes can be prevented through a focus on greater climate resilience.



FM GLOBAL'S APPROACH TO REDUCE LOSSES RELATED TO CLIMATE CHANGE

-  Assess risk drivers for hurricanes, floods, and wildfires with site visits by trained loss-prevention engineers, remote aerial assessments and statistical modeling data.
-  Reduce key exposures protecting stakeholders' value and reputation through cost-effective loss-prevention engineering solutions for properties and business interruption.
-  Manage uncertainty by identifying key exposures and recommend protection to 500-year levels.
-  Educate our policyholders on the topic of climate risk and communicate effectively with them about the need for resiliency by describing risk in real terms (not complex statistics) and bringing disaster to life by describing scenarios experienced by others in similar situations.

CLIMATE RISK AND RESILIENCE IN OUR OPERATIONS

FM Global self-insures our own properties, using the same models and tools to assess our risk as we do our clients' properties. At our FM Global locations, we conduct the regular field engineering risk assessments that we use for our client facilities and implement initiatives to enhance the environmental sustainability and resilience of our operations. There are three main elements in our approach to managing climate risk and resilience in our operations:

ADAPT to the current or future impact of climate change by securing our facilities against hazards such as flood, wind and other perils through engineering and technology solutions.

- The FM Global Centre in Singapore was built to FM Global's FM Approved standards and represents one of the most resilient and well-protected buildings in Asia Pacific.

MITIGATE the potential environmental impact of our operations with efforts to reduce our energy usage, conserve water and decrease GHG emissions.

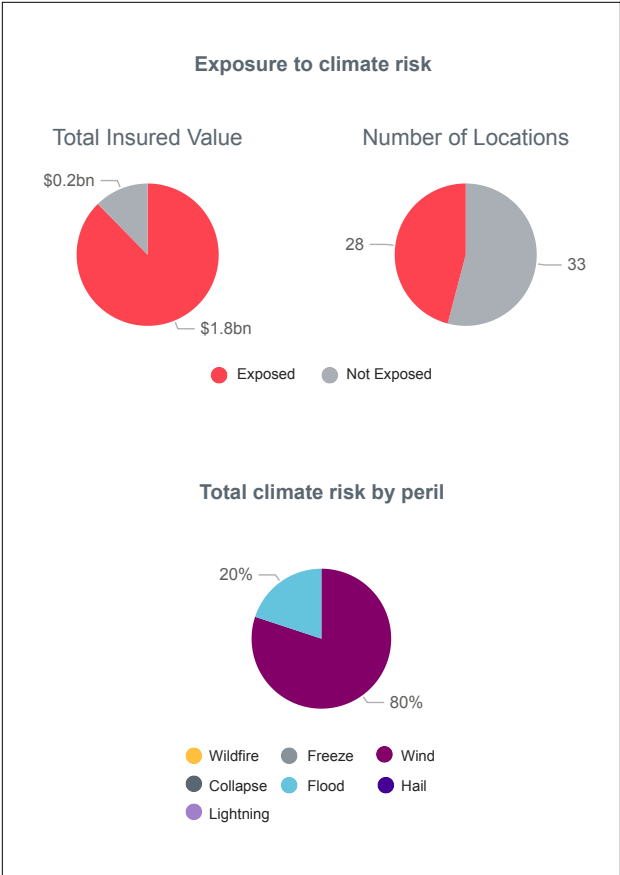
- Sustainability is being enhanced at our Research and Approvals Research Building in Norwood, MA (Massachusetts) USA and Research Campus in W. Glocester, RI (Rhode Island) USA as part of the new building and revitalization. Initiatives include retrofit with energy efficient lighting, boiler controls, HVAC efficiency systems, rooftop solar energy generation and electric vehicle charging. Our Corporate Office in Johnston, Rhode Island produced 1,028,197 kWh of solar energy from June 2022 through May 2023, reducing our grid usage.

CERTIFY our office and research centers according to building standards such as Leadership in Energy and Environmental Design (LEED) when feasible.

- Our corporate headquarters in Rhode Island, USA, is LEED Gold Certified, and was constructed with a sizeable amount of construction material with recycled content. Several of our owned properties have also achieved LEED certification with several at the Gold and Platinum levels.

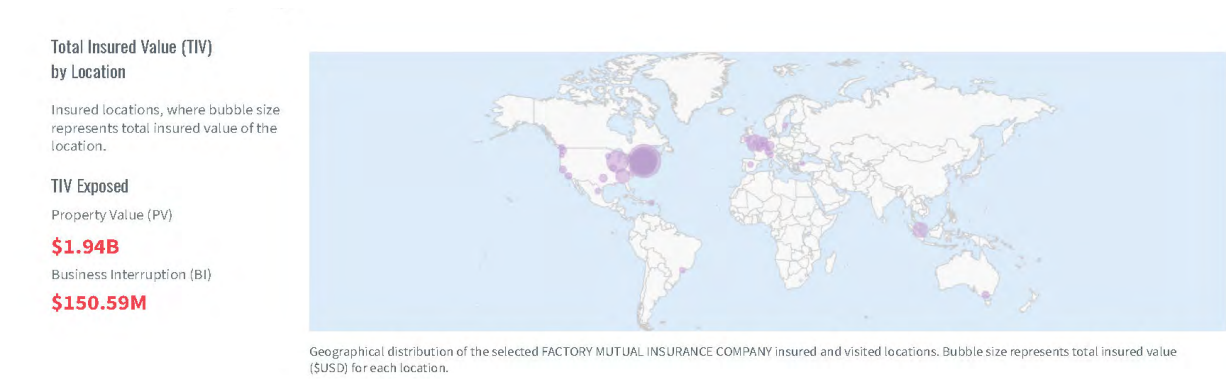
FM GLOBAL FACILITIES RISK

Using the same advanced analytics that we use to assess climate risk in our client locations, we calculate the current exposure to climate perils and potential for future impact and use the data to manage our own facilities.

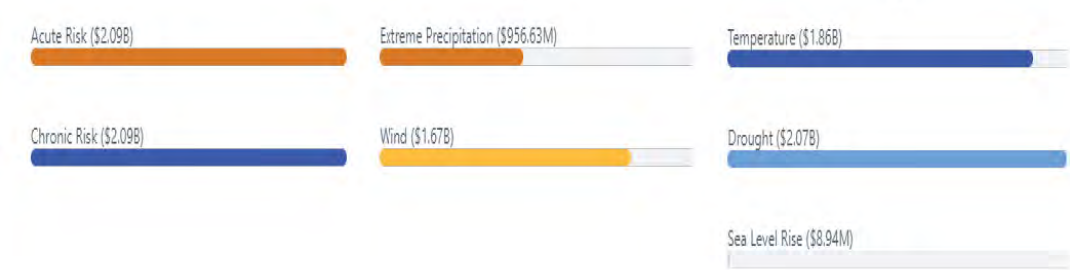


FM Global’s Total Insured Value (TIV) currently exposed to climate-related physical risk is US\$2 billion, comprising US\$1.8 billion in property value and US\$.2 billion in business interruption¹.

BY LOCATION



BY PERIL



Analysis was performed on two acute physical risks (extreme precipitation and wind) and three chronic physical risks (temperature, drought, and sea level rise) that could impact FM Global locations in the future².

¹As of December 31, 2022
²As of April 7, 2023



METRICS AND TARGETS

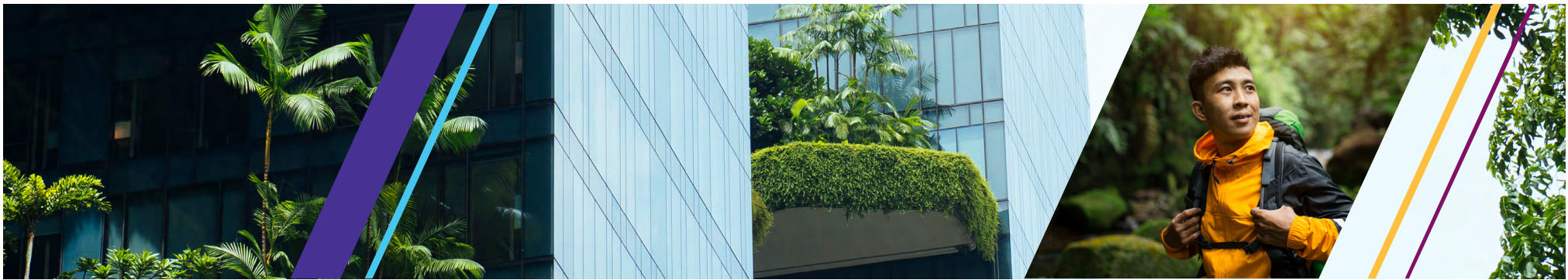
FM GLOBAL 2022 GREENHOUSE GAS EMISSIONS

The GHG gas emissions in this report are from sources in properties owned by FM Global or under our operational control. Our Scope 1 emissions include onsite heat generation and our company car fleet. Our Scope 2 indirect emissions include purchased electricity, steam, heating and cooling. Electricity and heating for common spaces in properties owned by FM Global, managed by our Hobbs Brook Real Estate division and leased to tenants were added to our inventory this year, which generated an increase in our measured Scope 1 and 2 emissions, driven largely by the electricity use at these properties. Our Scope 3 emissions inventory includes emissions estimates on certain categories of business travel. Return to business travel as we emerged from the pandemic significantly increased Scope 3 emissions in 2022. We continue to increase understanding of our environmental footprint to enhance our disclosure.

Efforts are underway to further develop internal methodologies and controls related to the collection and aggregation of activity data to ensure a more complete data set. We intend to increase the scope of our GHG reporting and set a baseline in 2024 as we establish new post-pandemic norms for our operations and business travel. This foundational work will inform the goals and targets for future emissions reductions.

SCOPE 1 GHG EMISSIONS	11,036* METRIC TONS
SCOPE 2 GHG EMISSIONS	21,143* METRIC TONS
SCOPE 3 GHG EMISSIONS	9,247 METRIC TONS

*updated on 8/9/23



As we establish new post-pandemic norms for our operations and business travel, we look forward to increasing the scope and depth of our GHG reporting.



KASHIA MOUA
CHIEF SUSTAINABILITY OFFICER

Emissions Footnotes:

1. GHG data reflects the reporting year Jan. 1 – Dec. 31, 2022.
2. FM Global's energy emissions data covers approximately 98% of our business operations based on data collected from 77 of 79 locations.
3. 100% of our GHG emissions were calculated using a location-based method.
4. Our carbon emissions reporting is guided by the World Resources Institute (WRI) / World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol. Other protocols, standards and methodologies have been used to supplement calculations.
5. We have made assumptions about electricity use and emissions due to unavailability of energy data at 27% of our locations. All other electricity usage is based on actual data from providers. Gas usage is based on actual data from providers at 99% of locations. Estimated energy use is based on regional average energy use per operational square feet.
6. Company car fleet data includes Australia, Brazil, Canada, China, France, Germany, India, Ireland, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Singapore, Spain, Thailand, UAE, United Kingdom and United States.
7. FM Global's Scope 3 emissions data is based on estimates on business travel including:
 - a. Air travel
 - b. Rental cars
 - c. Employee mileage reimbursement
8. Employee mileage reimbursement data includes Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Korea, Luxembourg, Malaysia, Netherlands, New Zealand, Philippines, Singapore, Thailand, United Kingdom, and United States.



RESILIENCE IS A CHOICE.

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