



Sustainability Policy

Liberty Mutual Surety Brasil Seguros S.A.

1. Purpose and objectives

At Liberty Mutual, we see sustainability as a business approach that creates long-term stakeholder value by embracing opportunities and managing the risks from evolving landscapes. It is how we advance our impact together and meet today's needs while simultaneously preparing for the future.

Liberty Mutual Surety Brasil Seguros S.A. ("LMS Brasil") is a Brazilian-based surety company part of Liberty Mutual Group ("LM Group"), one of the largest global property and casualty insurers and the world's largest surety. In Brazil, we help contractors and businesses access the surety bonds they need to thrive.

LMS Brasil plays a vital role in a thriving economy by assessing complex risks. Insurers help people and companies understand risks through identification, mitigation, and transfer. The insurance industry plays a key role in the growth and stability of our economic system, building resilience for customers and communities and investing capital as a force for good.

Grounded in our value of acting responsibly, LMS Brasil believes in doing business with integrity. We look to embed compliance and ethics in all levels of the organization by empowering our managers to serve as role models for their teams and cultivating an environment where all employees act with integrity.

We strive to develop a sustainability approach aligned with LM Group's strategy, while recognizing the singularities of our market. As such, this Policy outlines the sustainability objectives, principles, and approach in compliance with applicable regulations, in particular, the SUSEP Circular nº 666/2022 or any other that succeeds it, and in alignment with LM Group's sustainability approach.

Our sustainability policy has three key objectives, as seen below:

- Set out sustainability principles that guide our business strategy and engagement with stakeholders.
- Provide an overview of our approach in environmental, social, and governance matters
- Explain the governance structure related to sustainability

2. Scope

Last Updated June 2025



This Policy outlines the principles and guidelines applicable to all LMS Brasil executives (directors), employees, and stakeholders.

3. Sustainability Principles

Principle 1: We view sustainability as integral to our company's purpose

We believe that sustainability is integral to our company's purpose, and we strive to foster a sustainability mindset across our business. Our company values are at the core of all that we do; they inform and drive our sustainability activities and programs.

Principle 2: We strive to balance different stakeholder needs to deliver results

Our approach to sustainability looks to balance the interests of our key stakeholders – customers, employees, investors, regulators, and the community – while maintaining our financial strength so that we can deliver on our purpose and promises.

Principle 3: We view sustainability as an opportunity

We believe that sustainability ultimately creates strategic opportunities for our company.

Principle 4: Our sustainability journey is informed by research, data, and outcomes

Our sustainability journey is informed by research, data, and outcomes. Our views are evidence-based and informed by the availability of credible data, ESG research findings, and outcomes. We are committed to transparency and work to measure, quantify, and report the outcomes of our sustainability activities and decisions.

Principle 5: We strive to develop a consistent approach to sustainability across our organization

We seek to align our approach across all dimensions of our organization – including operations, underwriting, and investment. Our program is flexible and accommodates differences in business demands and expectations.

4. Sustainability Approach

LMS Brasil aims to address the opportunities and challenges posed by environmental, social, and governance factors. Through a combination of short- and long-term strategies, we integrate sustainability efforts while balancing the needs of our customers and stakeholders with our business operations. Our efforts include the following overarching approach:

4.1 Environmental:

- **Undertaking activities that will help inform our climate strategies because we recognize the role of insurers in the transition to a low-carbon economy.**

LMS Brasil will remain informed and engaged in policy decisions to support customers and ensure that business operations remain resilient.

- **Building capabilities to monitor environmental risks and opportunities and measure progress on our climate journey.**

Our efforts will include refining our risk identification, assessment, mitigation, transfer expertise and reporting, understanding the opportunities derived from the transition toward a lower-carbon economy, and assessing our progress in alignment with applicable regulations.

- **Supporting the development of responsible guidelines that will enable our sustainable journey.**

We apply a holistic lens, integrating sustainability considerations across underwriting and investing strategies. LMS Brasil's underwriting strategy incorporates sustainability information to meet the nuance and complexity of risks while refining tools for underwriters to assess risk in ways most relevant to our customers. Our investment strategy carefully incorporates the identification, understanding, and management of sustainability factors to enhance our ability to meet our long-term investment objectives.

- **Using a '3Rs' strategy to transition our operations toward a low-carbon future and minimize our environmental impacts by:**

1. Reduce our consumption of GHG-emitting resources
2. Renewables – increase the use of renewable energy for our operations (Accelerating the energy transition)
3. RECs and offsets- purchasing renewable energy credits and offsets where appropriate

4.2 Social

- **Fostering an inclusive environment where employees can bring their whole selves to work.**



We believe that recognizing, appreciating and applying the unique insights, perspectives and backgrounds of each person cultivates an atmosphere of trust and respect.

- **Being a responsible corporate citizen, proactively engaging with local communities.**

We support community efforts by engaging in employee volunteerism and philanthropic activities.

- **Investing in the learning, development, training and mentorship of all our employees.**

We do this through robust training and development opportunities available to all employees.

- **Striving to be the best place to work, supporting our employees personally and professionally.**

We foster a workplace that encourages a healthy work-life balance through various benefits and policies and work with our employees to reach their goals.

- **Preventing modern slavery in our supply chains or any part of Liberty's business.**

We have and will continue to maintain a zero tolerance for modern slavery and will take all necessary steps to ensure that this is sustained.

4.3 Governance

- **Putting privacy first through increased transparency, strong governance, training, policies and procedures.**

Our privacy notices provide information about the type of personal information we collect and how we may use it. If applicable, the notice may also provide information about how an individual may access, correct, or delete personal data.

- **Doing business with integrity.**

We champion an integrity-first culture through a robust Code of Business Ethics and Conduct, frequent training, awareness initiatives, leader messages about acting responsibly, and a focus on ethical leadership at all levels of the organization.

- **Maintaining a comprehensive cybersecurity program designed to appropriately manage risks, protect data, maintain brand reputation and prevent or mitigate 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.

5. Integration of sustainable practices in business

LMS Brasil integrates sustainability at the core of our business, applying sustainability principles across the organization's practices and policies. Some of LMS Brasil's policies and codes that support sustainability integration are:

- Code of Ethics and Conduct
- Risk Management Policy
- Underwriting Policy
- Investment Policy

6. Sustainability Governance Structure

At LMS Brasil, we understand that emerging and existing sustainability-related issues are 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 can evaluate progress against goals and measure success.

We have established a governance structure to support communication, collaboration, and effective decision-making, ensuring that sustainability topics are understood across our business.

6.1. LMS Brasil Management Team

The LMS Brasil Management Team ensures the consistency and conformity of LMS Brasil policies, standards, and processes with those of LM Group unless applicable law and regulation have overriding requirements. It is also ultimately responsible for:

- Approving of this Policy;
- Ensuring the adequacy and implementation of this Policy;
- Alignment with the company's strategic objectives and business plan;
- Compatibility and integration between this Policy and other policies of the company, especially the Code of Ethics and Conduct, Risk Management Policy and its other complementary policies; and
- Adherence to the LMS Brasil business and operations.

6.2. Compliance and Risk Management Units



Without prejudice to any other responsibilities assigned in other documents approved by LMS Brasil, the Compliance and Risk Management Units will be responsible for:

- Promoting the disclosure of this Policy to ensure that employees and stakeholders are informed about the guidelines, valuing best practices in corporate governance;
- Identifying and monitoring the sustainability risks to which LMS Brasil is exposed, with the aim of monitoring and establishing effective controls;
- Developing with the support and guidance of LM Group a financial materiality assessment to identify those Environmental, Social, and Governance topics that can be financially material to our business; and
- Leading sustainability reporting required by the regulatory framework, according to art. 15 of SUSEP Circular nº 666/2022 or any other that succeeds it.

6.3. Sustainability Risk Management

Sustainability risk management is inserted within LMS Brasil's Internal Control System and Risk Management Framework in compliance with current regulations, which prescribe that risk management guidelines must be included in a specific/standalone Risk Management Policy.

7. Policy approval and communication

This Policy was approved by LSM Brasil's highest management body and communicated to all concerned stakeholders through appropriate channels. It is also accessible on the website www.libertymutualsurety.com/Brazil.

8. Policy Review

This Policy will be reviewed on a three-year basis, or in a timely manner, in the event of any material change.

This Policy was last updated in June 2025.