



## Responsible Business – good corporate governance as a global citizen

### Our Objective

To define and oversee our responsible business ambitions and thereby deliver greater business prosperity, world leading impact, improved sustainability and greater equity.<sup>1</sup> This will be achieved through collaboration, innovation and determination.

We will work in partnership with internal and external stakeholders and communities and utilise the collective knowledge of our entire business and value chain. Central to this will be encouraging and supporting locally-led activities and enhancing our existing social and environmental policies and achievements.

This is McLarens' responsible business approach.

McLarens has established a Global Responsible Business Committee to develop a roadmap to achieve our ambitions. This will be informed by representatives from across the business, at all levels, and seek the help of external responsible business advisors. This will ensure that our approach is leading-edge, current and aligned to our overarching corporate strategy.

### Our Mission Statement

McLarens's exists to help clients and communities achieve timely and equitable claims resolution. We are focussed on people, products and processes. We help people be better prepared for the future. Through our expertise and empathy, we support those in a crisis to recover quickly, and help create greater resilience to future impacts.

Central to this is our employees' commitment and passion for giving back to local communities across the world. McLarens commUNITY is our global responsible business programme designed to not only highlight

---

<sup>1</sup> We are calling this 'responsible business'. There are many alternative phrases used to describe this thinking, including corporate social responsibility (CSR), corporate philanthropy, corporate citizenship, sustainability and social impact, and these are often used interchangeably.

Responsible business is traditionally known as Corporate Social Responsibility (CSR), which has been defined as "A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship (1) through their waste and pollution reduction processes, (2) by contributing educational and social programs and (3) by earning adequate returns on the employed resources." – (Quote from Businessdictionary.com)



and support local involvement, but also raise awareness of our united global ambition to be the best employer, to provide exemplary community service, and be a leader in environmental sustainability.

### **Being a good employer**

We all deserve to work in an environment where we are treated with dignity and respect. McLarens is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success.

McLarens is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive, or harassing behaviour. McLarens highly values the diversity of skills and abilities that our global workforce brings to the business. We are committed to supporting diversity in our workforce and to developing talent and building staff competencies. In addition, we will not accept unlawful discrimination or harassment of any employee or any person we do business with.

### **Providing community service**

McLarens employees provide support to the communities in which we operate. We seek to give back through the sharing of our time and expertise to address challenges facing these communities. In line with our mission, we will prioritise those communities in which we operate, either where our employees are based or where we are responding to a disaster. All employees are encouraged, within reason, to give their time, whether to fundraise, share their skills or volunteer with local charities.

McLarens also provides funding for local communities through grants administered at a regional level with employees being involved in deciding on funding priorities.

### **Caring for our environment**

McLarens Group has a responsibility to do all we can to eliminate or minimise the impact of our business on the environment. Our clients also demand that we are environmentally responsible just as we now require this from those vendors from whom we procure goods and services.

McLarens is committed to protect and enhance local and global environments and will ensure that our business activities are carried out in an environmentally, socially and ethically sustainable way. We will work across our entire value chain to measure our direct carbon impacts, and set realistic reduction targets aligned to global net zero ambitions to keep global warming to no more than 1.5 degrees C and safeguard a liveable climate. At McLarens we will seek to understand what 'going beyond net zero' means to our business and strive to be an industry leader.



## Appendix 1 – Being a good employer

To reinforce our commitment, we have a global Diversity and Inclusion Committee which includes the Chief Executive Officer, Chief Commercial Officer, Global Chief Human Resources Officer, and the Group General Counsel.

We actively promote diversity, equity and inclusion through our McLarens LIVES programme.





## Appendix 2 - Providing Community Service – Current Position

In 2017, we launched the McLarens CARES programme in the US which since then has been expanded and renamed as McLarens commUNITY programme, with the intention of supporting local charitable causes by financial donations and volunteering efforts.

Donations have been made to several charities including: -

- The Insurance Charitable Foundation
- The Jillian Fund – Fairfield
- Marysville Historical Society – Seattle
- Moebius Syndrome Foundation – Portland
- Homeward Bound- Golden Retriever Rescue – Portland
- Boxer Rescue of Oklahoma – Oklahoma City, OK (McLarens)
- PTSD Foundation of America – Houston
- Contra Costa CROP Hunger Walk – San Francisco
- Adopt A Stray – Miami
- Avon 39 Fight to End Breast Cancer – Los Angeles
- Dachshund Rescue & Placement – Los Angeles

Having polled the business internationally, we have established that corporately as a global McLarens commUNITY charitable programme.

### Programme's Framework

We support three streams to this programme: -

#### **McLarens' Day of Service**

All employees are offered the chance to participate in a day of service to the local community/charitable causes.

#### **Local Charity Support**

Each region where McLarens' conducts business has a charitable fund that is used for support of local, community-based charities.

#### **CAT Related Charitable Support**

In the event of CAT occurrences, we volunteer our time to assist those in need and support a charity which is directly contributing to local emergency response and humanitarian relief agencies.



## Appendix 3 - Caring for our environment

McLarens acknowledges the impacts of its activities on the environment at a local, national and global level. McLarens therefore seeks solutions to environmental problems by adopting sound principles and best practice according to the principles of sustainable development.

McLarens is therefore committed to:

- Promoting the protection of the environment and minimising the impact of all of its activities upon the environment;
- Integrating environmental management policies and practices into every level and every department of McLarens.

### Approach

In order to achieve the above McLarens aims to:

- Reduce the use of fossil fuels through improvements to energy efficiency and the greater use of renewable energy sources instead;
- Avoid the unnecessary use of hazardous materials and processes and to take all reasonable steps to prevent damage to either public or ecological health where such materials are in essential use;
- Minimise waste by reducing consumption and developing effective waste management and recycling procedures; use recycled and recyclable materials where appropriate;
- Choose products and suppliers which minimize negative environmental impacts, thereby promoting sustainable development;
- work always to reduce our energy usage across the group.

### Premises

We do not own any of the premises that we occupy, and we are usually one of the many tenants in a multi-tenanted building in all but a few locations. McLarens has notified its property agents that 'environmental awareness' of the prospective landlord and the energy efficiency of the premises is to be regarded as a key feature when renegotiating leases, considering increased service charges to cover the cost of new plant or acquiring new office accommodation. Factors to be considered include:

- The energy efficiency of mechanical plant, such as boilers;
- The integrity of any fuel storage tanks and the procedures for testing these;
- The use of any form of renewable energy, such as solar panels;



- The energy efficiency of lighting etc. to our accommodation and communal areas, including motion activated automated lighting;
- The availability of natural light;
- The use in air conditioning plants of fresh air-based cooling systems with high efficiency motors, rather than traditional polluting and less efficient refrigerant based units.

McLarens do 'fit out' newly acquired office accommodation and refurbish existing premises. Where we do so we will take the following into account:

- The energy efficiency of lighting that we provide to our accommodation. We specify low voltage motion activated automated lighting as a matter of course;
- Where we install air conditioning plant it should be of the type that uses fresh air-based cooling systems with high efficiency motors, rather than traditional polluting and less efficient refrigerant based units.

## **Heating**

Where heating is provided by oil or gas fired boilers feeding water filled radiators, the heating is within the sole control of our landlords and the considerations outlined in this policy.

## **Process Energy (also related to Scope 1 & 2 carbon emissions)**

Process energy is what we term the electricity that we use in order to facilitate the office process of a location. This includes power for computers, monitors, printers, photocopiers telephone systems and similar equipment.

IT equipment is usually replaced on a 5-year cycle and our purchasing criteria include the energy efficiency of the device.

All our printers and photocopiers have power save options and these are in operation by default. The renewal of the equipment takes into account energy efficiency (and use of toner) as a principal factor. We utilise print audit software to facilitate the most efficient printing and provide management information on usage and trends to enable strategies for the reduction of printing cost and environmental impact.

For the sake of convenience, we also include here equipment of a 'domestic' nature, such as hot and cold drinks machines, kettles and fridges. All drinks machines and other equipment are acquired and renewed based on functionality, including energy efficiency.

All personnel are asked to use the same common sense that they would at home, for instance to switch off all electrical appliances when not in use.



## **Measurement**

The cost of power that we use is often included in the service charges levied under the terms of a lease as a proportion of the building that we occupy. For utilities that are not included in the service charges we have aggregated these to one supplier to enable accurate and timely reporting of usage and the development of strategies to reduce consumption.

## **Water**

We undertake no manufacturing process and so water is only consumed for 'domestic' purposes.

Where we can now specify chilled (filtered) water dispensers connected to the mains water supply. This avoids the energy used in processing and distributing bottled water from source to office. Hot drinks machines are selected based on their energy efficiency.

Hot water at sinks is provided by the landlord.

## **Paper**

As a professional services company, our main work output has historically been data in the form of printed documents, either a report or letter. We use lighter, resource efficient plain white paper. We use a lower grade (recycled) paper for internal photocopying.

Our preference is to avoid printing wherever possible, e.g. using electronic documents instead.

## **Printing**

Where possible our printers are set to print duplex (i.e. double sided) by default. However, many of our clients dislike duplex printed documentation as they contend that it makes it more difficult for them to handle and so we enable our staff to subjectively print single sided. Colour printers are provided.

We have arrangements in place to recycle toners used for printers, photocopiers etc. Such arrangements must be used.

## **Electronic Data**

The use of electronic means to communicate data can reduce the consumption of paper and toners in printers, and power to produce a document.

It is our preference to communicate by this means (although sometimes our client's preference prevents us from doing so).

## **Waste Paper**

Our policy is to print a document only when necessary, inevitably we do create waste papers, however, and this is dealt with in the context of our Record Information Management regime.



### **Recycling and the circular economy**

We encourage staff to recycle where possible including for cans bottles, plastic. If collection by the local authority is possible, we will facilitate this.

### **Electrical and Electronic Equipment (WEEE Regulations)**

Any electrical product requiring disposal within the McLarens business must follow the Directive's (or the local equivalent ) best practice for handling of e-waste. Reference to the IT department for assistance is recommended.

### **Transportation**

One of the main components of our service proposition is that our professional staff visit Insured's and other claims parties.

These claims parties are dispersed around wide geographic / worldwide locations. We encourage utilising the best option available depending on the location.

McLarens will undertake an annual review of its transportation policy to ensure that it reflects local circumstances and opportunities to support improvements.

A comprehensive travel and approvals policy is being developed in collaboration with our country and regional agencies.

### **Audio and Video Conferencing**

McLarens encourages extensive use of video and audio conferencing.

McLarens will document or make reference to any changes that have emerged as a result of flexible working and Covid-19 such as installation of video conferencing in offices or provision of hardware and software to enable virtual meetings such as zoom, teams, etc.

### **Procurement for our Business**

McLarens procures goods and services to facilitate the operation of our own business. These can be captioned as follows:

#### **Stationery**

We promote products manufactured from recycled paper, including photocopier paper, envelopes and note pads.

#### **Office Furniture**

We carefully plan our office furniture layout to provide the maximum practical occupancy for a given space which means that lighting and heating can be more efficiently provided (all COVID rules have to complied with). As mentioned above, layouts also consider the benefits of natural light.





### **Carpet and Wall Covering**

Carpet tiles and wall coverings (i.e. paint) are purchased with no pattern repeat so that we can minimise waste when installing. We specify carpet tiles that contain recycled materials and redundant carpet tiles are recycled by our suppliers.

We require decorating contractors to ensure that paints and coatings within company premises are of materials that are consistent with the requirements of EC directives ( or similar depending on jurisdictions) on solvent emissions.

As a minimum, we are committed to the following:

- comply with all environmental legislation and regulations
- minimise energy use and its associated CO<sub>2</sub> emissions from travel
- maximise the use of renewable energy sources where possible
- minimise the generation of waste
- maximise the re-use of materials and products
- maximise the use of recycled materials and products
- maximise the recycling of materials and products

We have considered our key impacts (including Scopes 1, 2 and 3 emissions data) as recycling and travel and will set targets to reduce them over the current year.

We will plan to measure our Scope 1, 2 and 3 carbon emissions and put in place reduction targets aligned to a comprehensive and externally verified analysis.

As part of our wider sustainability efforts, we seek to maximise the use of local products, purchasing locally and enhancing employment opportunities in the local workforce. We currently ensure that all employees earn above minimum wage. We have a separate Ethical Policy and a Modern Slavery Statement on our website.