

Spectrum Syndicate Management Limited

CLIMATEWISE Report for 2008

Company Statement / ClimateWise Principles.

As stated in our previous report of 2007, while we believe that Spectrum's business activities have a low impact on the environment, the board are committed to taking steps to keep that impact to a minimum and as such Spectrums key focus is to continue to implement new ideas and initiatives in achieving this goal within our company.

In 2007 Spectrum became a signatory to the Climatewise principles that provide a framework for insurance companies worldwide to set out how they will build climate change into their business operations.

The company is an independent managing agent that manages both syndicates in run-off and live syndicates supported by third party capital providers. The underwriting strategy for the live syndicates is defined in conjunction with the capital providers.

While the company fully supports the six ClimateWise principles, Spectrum's Run-off business primarily involves legacy policies written for years 2000 and prior and as such the opportunity for applying these principles to the company's business relating, for example, to new products, investment and product development, is thus limited especially in relation to the first four principles. However, for the live portion of our business activities we fully support all six key principles. (*See last paragraph*).

The investment managers, including Lloyd's Treasury Department, guide the investment strategy of the syndicates managed by the company and most investments are held for the short term. This investment profile makes it difficult to incorporate climate change into the strategy.

Despite this, the board believes that the company can best uphold those principles by being supportive of the projects that Lloyd's undertakes in those specific areas and, to this end, has a representative who is nominated to attend group meetings at Lloyd's.

We are committed to attending more of these meetings within the coming year and have the intention of being more pro-active in responding to new ideas and to take opportunities to join in and support Lloyd's initiatives

Company Policy and Recycle program.

Spectrum has produced a Green policy, which encourages employees to be mindful of how to use resources within the office more efficiently and provides basic guidelines on how best to reduce our impact on the environment, the intention is for this policy to be reviewed and improved upon in the coming months in order to be more robust and to clearly define company goals.

We shred and recycle a large proportion (Approximately 80%) of all waste photocopy and printer paper and now closely monitor the amount of paper purchased during the year. All printer and copy paper is FSC labelled in accordance with the Forest Stewardship Council and is derived from well-managed forests and other controlled sources.

We are currently looking into ways to monitor our recycle output more effectively which may involve appointing a third party company to monitor our progress.

Surplus computer hardware, including Pc's, Blackberry's etc are either provided to staff or disposed of in an environmentally friendly way by a specialist company. This also applies to toner / ink cartridges for the copiers and printers.

We also now have a centralised lighting system which allows all office lights to be easily turned off from one point and also encourage staff to turn off Pc's or monitors if they are to be left unused for any length of time.

We are also considering the possibility of having our carbon output calculated by third party companies that specialise in this area. This option is still under review as Spectrum may be locating to new premises within the next 12 months.

As Tenant in our London office, we do not have full control over the purchasing of energy and waste management services within the building, although we do work closely with the landlord in order to adopt more climate friendly solutions in these areas.

Another area that Spectrum has focussed on is business travel. Although UK and overseas business trips and meetings are sometimes unavoidable, we have tried where possible to seek alternatives and have made efforts to use systems such as Telephone and video-conferencing, where this has been practical to do so.

We also have a number of employees who have signed-up to the *Cycle to work* scheme which encourages employees to cycle into work by offering the incentive of financial discounts on bikes and equipment.


Future Projects

One project that is still under review is the document management system mentioned in our previous report. Unfortunately the system in question did not fully meet company requirements and as such had to be cancelled.

However, despite this set-back will now scan all incoming post received by our finance department and also electronically store all information packs for board meetings etc. Hard copies are also kept to a minimum.

Renaissance Re have recently been granted the option to purchase Spectrum Syndicate management and this could increase the opportunity for us to incorporate more of the key ClimateWise principles into our business model.

Renaissance Re also have their own Document management system in place, which potentially could be incorporated into Spectrums own system in the future.

Signed  Date 26/6/09

On behalf of Spectrum Syndicate Management.