

## CDP 2009 Information Request

Respondent: Hartford Financial Services

## Risk and Opportunities

## 1. Regulatory Risks: (CDP6 1(a)(i))

1.1 Is your company exposed to regulatory risks related to climate change?

We consider our company to be exposed to regulatory risks.

Yes, though we judge that to date, the regulatory risks are minimal and manageable. On March 17, 2009, the National Association of Insurance Commissioners (NAIC) adopted a requirement that insurers complete and submit a survey to their domestic (state) regulator. For insurers with premium over \$500 million in 2009 and thereafter, disclosure of the survey will be mandatory. The first disclosure is to be made on May 1, 2010. The survey responses will be public, and the NAIC Climate Change and Global Warming Task Force will review the survey responses annually, though the NAIC has not clarified what other steps it might take beyond review. Of the eight survey questions, seven are linked to CDP questions, and the NAIC has specified that insurers that respond to other disclosure mechanisms such as the CDP may attach their most recent responses to them in lieu of providing a duplicative response.

We monitor other regulatory initiatives that could affect The Hartford and our competitors in the future. For example, we are monitoring the Obama Administration's efforts to put in place policies to meet its goal to meet the campaign pledge of reducing greenhouse gas emissions by 80 percent by 2050. We assume that the federal initiative could come either in the form of a cap-and-trade system or a carbon tax. We are aware of the cap-and-trade legislation, "The Clean Energy and Security Act", introduced by Representatives Waxman and Markey on May 15. We have followed the developments of the European Union cap-and-trade system. We are also aware of the political developments surrounding the carbon tax that was instituted in British Columbia in the winter of 2008. Neither has affected The Hartford's operations in any material way. We also track regional cap-and-trade efforts such as the Regional Greenhouse Gas Initiative involving 10 Northeastern and Mid-Atlantic states, and the Western Climate Initiative, involving 7 U.S. states and 4 Canadian provinces. We are also aware of many local ordinances that require re-building "green". As we concluded last year, the specifics of many proposed initiatives, including timelines for implementation and their ultimate disposition, are unclear. As a financial services provider, The Hartford is a low direct emitter of GHG and we do not believe that statutory emissions limits, mandatory trading programs, process or product standards or mandatory energy efficiency standards currently present a near-term regulatory risk to The Hartford.

The Hartford has described the regulatory risk that the company faces in its 2008 10K filing with the SEC. The relevant section of the 10K is provided below:

Potential changes in domestic and foreign regulation may increase our business costs and required capital levels, which could have a material adverse effect on our business, consolidated operating results, financial condition and liquidity.

We are subject to extensive laws and regulations. These laws and regulations are complex and subject to change. Moreover, they are administered and enforced by a number of different governmental authorities and non-governmental self-regulatory agencies, including foreign regulators, state insurance regulators, state securities administrators, the Securities and Exchange Commission, the New York Stock Exchange, the Financial Industry Regulatory Authority, the U.S. Department of Justice, the Office of Thrift Supervision, if our application for the U.S. Treasury Department's Capital Purchase Program is approved, and state attorneys general, each of which exercises a degree of interpretive latitude. Consequently, we are subject to the risk that compliance with any particular regulator's or enforcement authority's interpretation of a legal issue may not result in compliance with another regulator's or enforcement authority's interpretation of the same issue, particularly when compliance is judged in hindsight. In addition, there is risk that any particular regulator's or enforcement authority's interpretation of a legal issue may change over time to our detriment, or that changes in the overall legal environment, even absent any change of interpretation by any particular regulator or enforcement authority, may cause us to change our views regarding the actions we need to take from a legal risk management perspective, which could necessitate changes to our practices that may, in some cases, limit our ability to grow and improve the profitability of our business.

State insurance laws regulate most aspects of our U.S. insurance businesses, and our insurance subsidiaries are regulated by the insurance departments of the states in which they are domiciled, licensed or authorized to conduct business. U.S. state laws grant insurance regulatory authorities broad administrative powers...

## Further information

## 2. Physical Risks: (CDP6 1(a)(ii))

2.1 Is your company exposed to physical risks from climate change?

We consider our company to be exposed to physical risks.

As climate change is defined by CDP, the answer to this question is yes.

As was the case last year, the CDP guidance this year defines the physical risk that climate change presents as risks that "can arise from:

Small changes in temperature and precipitation  
Shifts in species distribution  
Drought  
Floods  
Increased storm and hurricane activity  
Rising sea levels  
Higher incidence of disease".

As an insurer, The Hartford is in the business of evaluating any and all physical risks that could affect the properties and people we insure. The Hartford has done so successfully for nearly two centuries, using increasingly sophisticated access to information and modeling techniques. In our property business we continually monitor a wide range of risks, including the weather-related ones enumerated above. To the extent that our policyholders face losses from any of these causes, The Hartford evaluates our company's exposure to those risks.

In the United States, in response to the trend of building construction in flood-prone areas and increasing cost of damages, Congress created the National Flood insurance Program in 1968. NFIP coverage is available to all owners and occupants of insurable property. In part because of this well-established U.S. Government program, The Hartford does not generally cover flood or damage relating to flood, including physical flood damage owing to rising sea levels or hurricanes or other storm activity. Hence, these risks do not represent a major exposure from our perspective as an insurer.

Exposure to some of the climate risks enumerated above is also limited by the fact that our insurance contracts typically last one year or less. Insurers mainly focus on exposures of their policyholders over this one-year horizon. The Hartford seeks long-term relationships with our policyholders through renewals, so we have a business interest in retaining our business relationships over a longer time horizon. However, when circumstances warrant, The Hartford will seek to reduce its exposure to a peril, as we have done in the case of asbestos, mold, and more recently, the Florida property market.

The Hartford follows closely the evolving scientific literature regarding the potential effects of climate change on the risks we bear and recognizes that climate change may result in increased severity and frequency of weather-related catastrophic events. The Hartford is monitoring efforts to introduce climate change risk into modeling. We are aware of work in numerous areas to introduce the effects of climate change in modeling. This work includes the 2007 – 2008 forum sponsored by Harvard Medical School, the Insurance Department Institute and others. To the extent that this effort is successful, it could provide a positive contribution to our understanding of these climatic risks. We have also reviewed the May 2009 report of the Congressional Budget Office on the potential impacts of climate change in the United States.

The Hartford's life insurance operations are also exposed to risk of loss from catastrophes. For example, natural or man-made disasters or a disease pandemic such as could arise from avian flu could significantly increase mortality and morbidity experience, and policyholders may be unable to meet their obligations to pay premiums on our insurance policies or make deposits on our investment products, causing these policies to lapse.

We have reviewed the physical risks associated with climate change that are enumerated in the Intergovernmental Panel on Climate Change's Working Group II report "Impacts, Adaptation and Vulnerability". This report lays out in greater detail the physical risks. Specifically, the report describes other weather-related issues, including more severe storms, heat waves and wildfires. We agree with the report's assessment that "population growth and the rising value of infrastructure in coastal areas increases vulnerability to climate variability." and that "insured losses reflect growing affluence and movement into vulnerable areas". The changes that the report describes (warmer winters in the Northeast, habitat changes of some species, earlier snowmelt in the West, reduced stream flow in the West and increase stream flow in the East, more heat waves in the summers, effects on selected tourism and recreation locations) have not translated into a discernable change in property or health risks that affect our core businesses.

Our 10K filing with the SEC for 2008 enumerates the weather related risks we face, including the risk of rising global temperatures. In the 10K filing, we state, in part:

We are particularly vulnerable to losses from the incidence and severity of catastrophes, both natural and man-made, the occurrence of which may have a material adverse effect on our financial condition, consolidated results of operations and liquidity.

Our property and casualty insurance operations expose us to claims arising out of catastrophes. Catastrophes can be caused by various unpredictable events, including earthquakes, hurricanes, hailstorms, severe winter weather, fires, tornadoes, explosions and other natural or man-made disasters. We also face substantial exposure to losses resulting from acts of terrorism, disease pandemics and political instability. The geographic distribution of our business subjects us to catastrophe exposure for natural events occurring in a number of areas, including, but not limited to, hurricanes in Florida, the Gulf Coast, the Northeast and the Atlantic coast regions of the United States, and earthquakes in California and the New Madrid region of the United States. We expect that increases in the values and concentrations of insured property in these areas will continue to increase the severity of catastrophic events in the future. In the aftermath of the 2004 and 2005 hurricane season, third-party catastrophe loss models for hurricane loss events were updated to incorporate medium-term forecasts of increased hurricane frequency and severity. In addition, changing climate conditions, primarily rising global temperatures, may be increasing, or may in the future increase, the frequency and severity of natural catastrophes such as hurricanes. Our life insurance operations are also exposed to risk of loss from catastrophes. For example, natural or man-made disasters or a disease pandemic such as could arise from avian flu, could significantly increase our mortality and morbidity experience. Policyholders may be unable to meet their obligations to pay premiums on our insurance policies or make deposits on our investment products. Our liquidity could be constrained by a catastrophe, or multiple catastrophes, which could result in extraordinary losses or a further downgrade of our debt or financial strength ratings from their levels as of February 10, 2009. In addition, in part because accounting rules do not permit insurers to reserve for such catastrophic events until they occur, claims from catastrophic events could have a material adverse effect on our financial condition, consolidated results of operations and cash flows.

The Hartford addresses these physical exposures in a careful, detailed and systematic way that relies on the broad capabilities of the company's sophisticated enterprise risk management regime. Our approach to managing these risks is outlined in our 2008 10K filing to the SEC:

#### Risk Management Strategy

The Hartford's property and casualty operations have processes to manage risk to natural disasters, such as hurricanes and earthquakes, and other perils, such as terrorism. The Hartford's risk management processes include, but are not limited to, disciplined underwriting protocols, exposure controls, sophisticated risk modeling, risk transfer, and capital management strategies. In managing risk, The Hartford's management processes involve establishing underwriting guidelines for both individual risks, including individual policy limits, and in aggregate, including aggregate exposure limits by geographic zone and peril. The Company establishes risk limits and actively monitors the risk exposures as a percent of Property & Casualty statutory surplus. For natural catastrophe perils, the Company generally limits its estimated loss to natural catastrophes from a single 250-year event prior to reinsurance to less than 30% of statutory surplus of the Property & Casualty operations and its estimated loss to natural catastrophes from a single 250-year event after reinsurance to less than 15% of statutory surplus of the Property & Casualty operations. From time to time, the estimated loss to natural catastrophes from a single 250-year event prior to reinsurance may fluctuate above or below 30% of statutory surplus due to changes in modeled loss estimates, exposures, or statutory surplus. Currently, the Company's estimated pre-tax loss to a single 250-year natural catastrophe event prior to reinsurance is 31% of statutory surplus of the Property & Casualty operations and the Company's estimated pre-tax loss net of reinsurance is less than 15% of statutory surplus of the Property & Casualty operations.

The Hartford also relies on reinsurance to manage risk. The process is also described in our 2008 10K filing to the SEC:

#### Use of Reinsurance

In managing risk, The Hartford utilizes reinsurance to transfer risk to well-established and financially secure reinsurers. Reinsurance is used to manage aggregations of risk as well as specific risks based on accumulated property and casualty liabilities in certain geographic zones. All treaty purchases related to the Company's property and casualty operations are administered by a centralized function to support a consistent strategy and ensure that the reinsurance activities are fully integrated into the organization's risk management processes.

The Hartford goes to great lengths to estimate our exposure to weather-related risks, especially catastrophe exposure. We describe our methodology to our shareholders in our 10K filing to the SEC in the following way:

#### Estimated Catastrophe Exposures

The Company uses third party models to estimate the potential loss resulting from various catastrophe events and the potential financial impact those events would have on the Company's financial position and results of operations... The loss estimates represent total property losses for hurricane events and property and workers' compensation losses for earthquake events resulting from a single event. The estimates provided are based on 250-year return period loss estimates, which have a 0.4% likelihood of being exceeded in any single year. The net loss estimates assume that the Company would be able to recover all losses ceded to reinsurers under its reinsurance programs. There are various methodologies used in the industry to estimate the potential property and workers' compensation losses that would arise from various catastrophe events and companies may use different models and assumptions in their estimates. Therefore, the Company's estimates of gross and net losses arising from a 250-year hurricane or earthquake event may not be comparable to estimates provided by other companies. Furthermore, the Company's estimates are subject to significant uncertainty and could vary materially from the actual losses that would arise from these events.

The Company's modeled loss estimates are derived by averaging 21 modeled loss events representing a 250-year return period loss. For the peril of earthquake, the 21 events averaged to determine the modeled loss estimate include events occurring in California as well as the Northwestern, Northeastern, Southeastern and Midwestern

regions of the United States with associated magnitudes ranging from 6.9 to 7.9 on the Richter scale. For the peril of hurricane, the 21 events averaged to determine the modeled loss estimate include category 3, 4 and 5 events in Florida as well as other Southeastern, Northeastern and Gulf region landfalls.

Further information

### 3. Other Risks: (CDP6 1(a)(iii))

3.1 Is your company exposed to other risks as a result of climate change?

We consider our company to be exposed to other risks.

According to the CDP6 guidance, the general risks associated with climate change could arise from energy and/or resource scarcity caused by a variety of scenarios, and price changes prompted by scarcity, changes in consumer attitudes and demand, production and supply chain or supply process disruption are all feasible risks.

The Hartford considers how systems failures or outages could have a material effect on our business. Below is a statement contained in our 2008 10K filing to the SEC that addresses such risks:

If we are unable to maintain the availability of our systems and safeguard the security of our data due to the occurrence of disasters or other unanticipated events, our ability to conduct business may be compromised, which may have a material adverse effect on our business, consolidated results of operations, financial condition or cash flows.

We use computer systems to store, retrieve, evaluate and utilize customer and company data and information. Our computer, information technology and telecommunications systems, in turn, interface with and rely upon third-party systems. Our business is highly dependent on our ability, and the ability of certain affiliated third parties, to access these systems to perform necessary business functions, including, without limitation, providing insurance quotes, processing premium payments, making changes to existing policies, filing and paying claims, administering variable annuity products and mutual funds, providing customer support and managing our investment portfolios. Systems failures or outages could compromise our ability to perform these functions in a timely manner, which could harm our ability to conduct business and hurt our relationships with our business partners and customers. In the event of a disaster such as a natural catastrophe, an industrial accident, a blackout, a computer virus, a terrorist attack or war, our systems may be inaccessible to our employees, customers or business partners for an extended period of time. Even if our employees are able to report to work, they may be unable to perform their duties for an extended period of time if our data or systems are disabled or destroyed. Our systems could also be subject to physical and electronic break-ins, and subject to similar disruptions from unauthorized tampering with our systems. This may impede or interrupt our business operations and may have a material adverse effect on our business, consolidated operating results, financial condition or liquidity.

Further information

### 4. Regulatory Opportunities: (CDP6 1(b)(i))

4.1 Do regulatory requirements on climate change present opportunities for your company?

Regulatory requirements present opportunities for my company.

To the extent that regulatory changes create opportunities for new insurance products, we believe that the company could take advantage of these. The Hartford is engaged in a sustained continual, systematic process through the Applied Research and Product Development Division and the individual lines of business to develop new products in response to the changing marketplace and win new business. These groups are actively researching how to bring new products into the marketplace in response to climate change. For example, we plan to bring products to market by the third quarter of 2009 that offers coverage for certain types of renewable energy. The interest in the product could potentially increase because of government activity, including in the tax and regulatory area, or as a response to increasing general interest in renewable energy. We are also considering green rebuilding endorsements to certain property policies. In the near term, we do not anticipate a large up-tick in demand for new insurance products because of regulatory requirements on climate change.

Further information

### 5. Physical Opportunities: (CDP6 1(b)(ii))

5.1 Do physical changes resulting from climate change present opportunities for your company?

Physical changes present opportunities for my company.

As the knowledge base regarding climate change grows, and especially as certainty increases regarding the frequency and severity of the risk, the location of the risk, and the timeframe for the risk, The Hartford will be presented with further opportunities. Greater understanding of the climate change implications will lead to more sensitive pricing capability, allowing The Hartford to more effectively match risk to price and yield improved company earnings. In addition, greater understanding of and public recognition of climate change may both increase the demand for our insurance products and the willingness to meet our pricing terms and conditions, and create opportunities for The Hartford to bring a wider variety of insurance products to market to meet customer needs.

For example, there is a trend toward construction and renovation of buildings that have less impact on the environment, use less energy, and have improved airflow and natural light. We have been researching the long term effects these will have on property and casualty losses, risk management, growth and customer needs. We may develop insurance products that respond to these new exposures. Also, there is the potential for climate change to increase the average severity of hurricanes. While we do not get directly involved in the creation of new architectural designs for buildings and roofs, we actively monitor advances in structural design that could mitigate windstorm damage. To the extent such advances reduce structural damage, these could be factored into insurance premiums. In some jurisdictions, including Florida and Connecticut, The Hartford offers discounts to property owners who mitigate effectively against weather-related events. As understanding increases about how climate change affects the weather, opportunities arise for new products and more sophisticated pricing to provide more choice to consumers.

On review of the Intergovernmental Panel on Climate Change's Working Group II report "Impacts, Adaptation and Vulnerability", it does not appear that any of the changes identified in this report, especially those noted for North America, (decreased snowpack, more winter flooding, reduced summer flows, and increasing impacts of pest, disease and fire on forests; increases aggregate yields of rain-fed agriculture) are sufficiently specific to create tangible opportunities for The Hartford in the near term.

Further information

## 6. Other Opportunities: (CDP6 1(b)(iii))

6.1 Does climate change present other opportunities for your company?

[Climate change presents other opportunities for my company.](#)

Yes. Over time, we expect to see more public policy attention paid to such risk mitigation techniques as better land use planning, improved building codes and more rigid enforcement combined with eliminating subsidies and other incentives that promote development in areas most exposed to natural disasters. We see such debates evolve in areas like Florida, where the focus has gone from affordability and availability of insurance for individual policyholders to a nascent focus on the need to protect insurer solvency. The Hartford sees opportunity in establishing itself as a recognized leader in the assessment and management of climate change-related risks.

The Hartford sees significant opportunity over time in developing new products to respond to climate change. For example, The Hartford has been providing insurance coverage for renewable energy companies for more than two decades, and we're continuing to develop new products to address the risks specific to this industry. As stated above, we expect to launch at least one new product in this area shortly.

Also, The Hartford sees opportunity in establishing itself as an employer and insurer of choice by demonstrating its commitment to responsible energy use and management and GHG reduction. We track the data that indicates that potential employees assign substantial value to working for an employer that has a good reputation for environmental responsibility. The Hartford recognizes that a strong environmental reputation assists in recruiting talent to the organization. Also, The Hartford values its reputation as a responsible corporate citizen and strives to preserve and enhance that reputation in the area of environmental stewardship.

Further information

## Greenhouse Gas (GHG) Emissions Accounting, Emissions Intensity, Energy and Trading

### 7. Reporting Year (CDP6 Q2(a)(ii))

Information about how to respond to this section may be found in "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" developed by the World Resources Institute and the World Business Council for Sustainable Development ("the GHG Protocol"), see <http://www.ghgprotocol.org/>. ISO 14064-1 is compatible with the GHG Protocol as are a number of regional/national programme protocols. For more information see <http://www.ghgprotocol.org/> and use the guidance button above.

Please provide CDP with responses to questions 7, 8, 9, 10.1, 10.2, 11.1 and 11.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last.

Questions 10.1, 10.2, 11.1, and 11.2 are on subsequent webpages and the dates that you give in answer to question 7 will be carried forwards to automatically populate those webpages.

7.1. Please state the start date and end date of the year for which you are reporting GHG emissions.

[Start date: 01 January 2008](#)

[End date: 31 December 2008](#)

[Financial accounting year: 01 January 2008](#)

### 8. Reporting Boundary: (CDP6 Q2(a)(i))

8.1. Please indicate the category that describes the company, entities, or group for which Scope 1 and Scope 2 GHG emissions are reported.

[Companies over which operational control is exercised.](#)

8.2. Please state whether any parts of your business or sources of GHG emissions are excluded from your reporting boundary.

[All facilities that The Hartford occupies are included in the GHG inventory. All road vehicles that The Hartford owns or leases and The Hartford's fractional ownership shares in two corporate jets are included in the GHG inventory. The Hartford excludes neither reporting segments nor sources from its organizational boundary.](#)

### 9. Methodology: (CDP6 Q2(a)(iii))

9.1. Please describe the process used by your company to calculate Scope 1 and Scope 2 GHG emissions including the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 GHG emissions.

Please provide your answer in the text box. In addition to this description, if relevant, select a methodology from the list of published methodologies. This will aid automated analysis of the data.

[Emissions are calculated using the U.S. EPA Climate Leaders Greenhouse Gas Inventory Protocol, which is based on the WRI/WBCSD GHG Protocol.](#)

[The approach to gathering consumption data for electricity and stationary fuels \(natural gas, fuel oil, and propane\) depends on the type of property:](#)

[§ For facilities that The Hartford owns or leases as the sole tenant, consumption is obtained from supplier invoices.](#)

§ For leased facilities where The Hartford is one of many tenants, consumption is estimated based on data from the U.S. Department of Energy's Commercial Buildings Energy Consumption Survey, because actual energy consumption for the facilities is not readily available.

Fuel consumption and mileage for road vehicles and aircraft are obtained from fleet management records.

Activity data are multiplied by emission factors for CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O to quantify the emissions of these GHGs. The emission factors used for electricity consumption are the sub-region emission rates from the EPA's eGRID database. EPA Climate Leaders default emission factors are used for combustion of stationary fuel and vehicle fuel.

The Hartford did not emit hydrofluorocarbons (HFC) in 2008. Because most of the HVAC/R equipment in our portfolio is new, we do not currently use HFC's in our systems.

The Hartford does not emit perfluorocarbons (PFC).

They are typically produced in:

- Aluminum products manufacturing
- Semi-conductor manufacturing processes

The Hartford does not emit sulphur hexafluoride (SF<sub>6</sub>).

It is typically produced in:

- Electricity Transmission and Distribution
- Magnesium products manufacturing/casting
- Aluminum products casting
- Semi-conductor manufacturing processes

We plan to continue to collect GHG Scope 1 emissions following the template we have developed during our participation in the CDP process for the past three years.

Select methodologies:

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Please also provide:

9.2 Details of any assumptions made.

For leased facilities where The Hartford is one of many tenants, consumption is estimated based on data from the U.S. Department of Energy's Commercial Buildings Energy Consumption Survey, because actual energy consumption for the facilities is not readily available.

9.3 The names of and links to any calculation tools used.

The Hartford has developed its own calculation spreadsheet. We make the calculations described above internally.

Select calculation tools:

The Hartford has developed its own calculation spreadsheet. We make the calculations described above internally.

9.4 The global warming potentials you have applied and their origin.

The Hartford has applied the following global warming potentials to our GHG emissions:

CO<sub>2</sub> 1  
CH<sub>4</sub> 21  
N<sub>2</sub>O 310

The Hartford uses global warming potentials that originate from Second Assessment Report of the Intergovernmental Panel on Climate Change for all GHG CO<sub>2</sub> equivalency reporting.

9.5 The emission factors you have applied and their origin.

The emission factors used for electricity consumption are the sub-region emission rates from the EPA's eGRID database for US facilities and the 2005 UK GHG Inventory for UK based operations. EPA Climate Leaders default emission factors are used for combustion of stationary fuel and vehicle fuel.

Further information

10. Scope 1 Direct GHG Emissions: (CDP6 Q2(b)(i))

Instructions for question 10 and question 11 (following page)

When providing answers to questions 10 and 11, please do not deduct offset credits, Renewable Energy Certificates etc, or net off any estimated avoided emissions

from the export of renewable energy, carbon sequestration (including enhanced oil recovery) or from the use of goods and services. Opportunities to provide details of activities that reduce or avoid emissions are provided elsewhere in the information request.

Carbon dioxide emissions from biologically sequestered carbon e.g. carbon dioxide from burning biomass/biofuels should be reported separately from emissions Scopes 1, 2 and 3. If relevant, please report these emissions in question 15. However, please do include any nitrous oxide or methane emissions from biomass/biofuel combustion in your emissions under the three scopes.

Please answer the following questions using Table 1.

Please provide:

10.1. Total gross global Scope 1 GHG emissions in metric tonnes of CO<sub>2</sub>-e

Please break down your total gross global Scope 1 emissions by:

10.2. Country or region

Please provide CDP with responses to questions 10.1 and 10.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last. Table 1 (below) and table 5 (Q11.1 and 11.2) will be automatically populated with the dates that you give in answer to 7.1.

Electric utilities should report emissions by country/region using the table in question EU3.

Table 1 - Please use whole numbers only. Use the "Other" option in the drop down menu to enter the name of a region.

Reporting year Q7.1 Start date	01/01/2008
Reporting year Q7.1 End date	31/12/2008
10.1 Total gross global Scope 1 GHG emissions in metric tonnes CO <sub>2</sub> -e	34238
<b>10.2 Gross Scope 1 emissions in metric tonnes CO<sub>2</sub>-e by country or region</b>	
USA	33887
Bermuda	2
Canada	35
Germany	0
Hong Kong	2
Ireland	83
Japan	192
United Kingdom	36

Your answer to question 10.1 will be automatically carried forward to tables 2 and 3 below if you add a country or region in answer to 10.2 or press "Save" at the end of the page.

Please tick the box if your total gross global Scope 1 figure (Q10.1) includes emissions that you have transferred outside your reporting boundary (as given in answer to 8.1). Please report these transfers under 13.5.

Where it will facilitate a better understanding of your business, please also break down your total global Scope 1 emissions by:

10.3. Business division

and/or

10.4. Facility

10.3. Business division (only data for the current reporting year requested)

Table 2 - Please use whole numbers only.

Business Divisions - Enter names below	Scope 1 Metric tonnes CO <sub>2</sub> -e
Total gross global Scope 1 GHG emissions in metric tonnes CO <sub>2</sub> -e - answer to question Q10.1	34238

10.4. Facility (only data for the current reporting year requested)

Table 3 - Please use whole numbers only.

Facilities - Enter names below	Scope 1 Metric tonnes CO <sub>2</sub> -e
Total gross global Scope 1 GHG emissions in metric tonnes CO <sub>2</sub> -e - answer to question Q10.1	34238

10.5. Please break down your total global Scope 1 GHG emissions in metric tonnes of the gas and metric tonnes of CO<sub>2</sub>-e by GHG type. (Only data for the current reporting year requested.)

Table 4 - Please use whole numbers only.

Scope 1 GHG Type	Unit	Quantity
CO <sub>2</sub>	Metric tonnes	33922
CH4	Metric tonnes	2
CH4	Metric tonnes CO <sub>2</sub> -e	41
N2O	Metric tonnes	1
N2O	Metric tonnes CO <sub>2</sub> -e	276
HFCs	Metric tonnes	
HFCs	Metric tonnes CO <sub>2</sub> -e	
PFCs	Metric tonnes	
PFCs	Metric tonnes CO <sub>2</sub> -e	
SF6	Metric tonnes	
SF6	Metric tonnes CO <sub>2</sub> -e	

10.6. If you have not provided any information about Scope 1 emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 1 GHG emissions information in future.

Information regarding The Hartford's Scope 1 emissions is provided above. We do not emit other types of emissions under Scope 1.

Further information

The Hartford is organized into two major operations: Life and Property & Casualty, each containing reporting segments. Within the Life and Property & Casualty operations, The Hartford conducts business principally in eleven reporting Segments. Life is organized into four groups which are comprised of six reporting segments, and Property & Casualty is organized into five reporting segments.

All of the properties owned or leased by The Hartford are used by one or more of all eleven reporting segments, depending on the location.

The Hartford owns the land and buildings comprising its Hartford location and other properties within the greater Hartford, Connecticut area which total approximately 2.1 million of the 2.5 million square feet owned by the Company in the aggregate. In addition, The Hartford leases approximately 5.7 million square feet throughout the United States of America and approximately 1.1 million square feet in other countries.

The Hartford has not disaggregated emissions by division or facility.

11. Scope 2 Indirect GHG Emissions: (CDP6 Q2(b)(i))

Important note about emission factors where zero or low carbon electricity is purchased:

The emissions factor you should use for calculating Scope 2 emissions depends upon whether the electricity you purchase is counted in calculating the grid average emissions factor or not – see below. You can find this out from your supplier.

Electricity that IS counted in calculating the grid average emissions factor:

Where electricity is sourced from the grid and that electricity has been counted in calculating the grid average emissions factor, Scope 2 emissions must be calculated using the grid average emissions factor, even if your company purchases electricity under a zero or low carbon electricity tariff.

Electricity that is NOT counted in calculating the grid average emissions factor:

Where zero or low carbon electricity is sourced from the grid or otherwise transmitted to the company and that electricity is not counted in calculating the grid average, the emissions factor specific to that method of generation can be used, provided that any certificates quantifying GHG-related environmental benefits claimed for the electricity are not sold or passed on separately from the electricity purchased.

[Click here](#) to see the instructions from the previous page on answering question 11.

Please answer the following questions using Table 5.

Please provide:

11.1. Total gross global Scope 2 GHG emissions in metric tonnes of CO<sub>2</sub>-e.

Please break down your total gross global Scope 2 emissions by:

11.2. Country or region

Please provide CDP with responses to questions 11.1 and 11.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last. Table 5 will be automatically populated with the dates that you gave in answer to 7.1.

Table 5 - Please use whole numbers only. Use the "Other" option in the drop down menu to enter the name of a region.

Reporting year Q7.1 Start date	01/01/2008
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Reporting year Q7.1 End date	31/12/2008
11.1 Total gross global Scope 2 GHG emissions in metric tonnes CO <sub>2</sub> -e	88095
11.2 Gross Scope 2 emissions in metric tonnes CO <sub>2</sub> -e by country or region	
USA	85796
Bermuda	32
Canada	56
Germany	1
Hong Kong	35
Ireland	377
Japan	1652
United Kingdom	147

Your answer to 11.1 will be automatically carried forward to tables 6 and 7 below if you add a country or region in answer to 11.2 or press "Save" at the end of the page.

Where it will facilitate a better understanding of your business, please also break down your total global Scope 2 emissions by:

- 11.3. Business division and/or
- 11.4. Facility

11.3. Business division (only data for the current reporting year requested)

Table 6 - Please use whole numbers only.

Business Divisions - Enter names below	Scope 2 Metric tonnes CO <sub>2</sub> -e
Total gross global Scope 2 GHG emissions in metric tonnes CO <sub>2</sub> -e - answer to question Q11.1	88095

11.4. Facility (only data for the current reporting year requested)

Table 7 - Please use whole numbers only.

Facilities - Enter names below	Scope 2 Metric tonnes CO <sub>2</sub> -e
Total gross global Scope 2 GHG emissions in metric tonnes CO <sub>2</sub> -e - answer to question Q11.1	88095

11.5. If you have not provided any information about Scope 2 emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 2 GHG emissions information in future.

We have provided this information, and we plan to continue to collect GHG Scope 2 emissions following the template we have developed during our participation in the CDP process for the past three years.

Further information

The Hartford is organized into two major operations: Life and Property & Casualty, each containing reporting segments. Within the Life and Property & Casualty operations, The Hartford conducts business principally in eleven reporting Segments. Life is organized into four groups which are comprised of six reporting segments, and Property & Casualty is organized into five reporting segments.

All of the properties owned or leased by The Hartford are used by one or more of all eleven reporting segments, depending on the location.

The Hartford owns the land and buildings comprising its Hartford location and other properties within the greater Hartford, Connecticut area which total approximately 2.1 million of the 2.5 million square feet owned by the Company in the aggregate. In addition, The Hartford leases approximately 5.7 million square feet throughout the United States of America and approximately 1.1 million square feet in other countries.

The Hartford has not disaggregated emissions by division or facility.

## 12. Contractual Arrangements Supporting Particular Types of Electricity Generation: (CDP6 Q2(b)(i)- Guidance)

12.1. If you consider that the grid average factor used to report Scope 2 emissions in question 11 does not reflect the contractual arrangements you have with electricity suppliers, (for example, because you purchase electricity using a zero or low carbon electricity tariff), you may calculate and report a contractual Scope 2 figure in response to this question, showing the origin of the alternative emission factor and information about the tariff.

The Hartford considers the sub-region emission rates from the EPA's eGRID database as reflective of our contractual arrangements with our electricity suppliers. The

Hartford did not participate in a "green tariff" during 2008.

12.2. If you retire any certificates (eg: Renewable Energy Certificates) associated with zero or low carbon electricity, please provide details.

Not Applicable – we have not purchased RECs

Further information

### 13. Scope 3 Other Indirect GHG Emissions: (CDP6 Q2(c))

For each of the following categories, please:

- Describe the main sources of emissions,
- Report emissions in metric tonnes of CO<sub>2</sub>-e,
- state the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Notes about question 13

When providing answers to question 13, please do not deduct offset credits, Renewable Energy Certificates etc, or net off any estimated avoided emissions from the export of renewable energy, carbon sequestration (including enhanced oil recovery) or from the use of goods and services. Opportunities to provide details of activities that reduce or avoid emissions are provided elsewhere in the information request.

Carbon dioxide emissions from biologically sequestered carbon e.g. carbon dioxide from burning biomass/biofuels should be reported separately from emissions Scopes 1, 2 and 3. If relevant, please report these emissions in question 15. However, please do include any nitrous oxide or methane emissions from biomass/biofuel combustion in your emissions under the three scopes.

#### 13.1 Employee business travel

Describe the main sources of emissions

The Hartford is including Scope 3 emissions from employee commuting (see section 13.5 below) and business travel (air travel on commercial carriers, business rail travel, and rental car use).

Emissions in metric tonnes CO<sub>2</sub>-e.

GHG Emissions for employee business travel were 16,255 metric tonnes of CO<sub>2</sub>-e.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Miles traveled for air, rail, and rental cars are provided by travel providers. Air and rail travel miles are multiplied by the emission factors provided in the WRI/WBCSD GHG Protocol's business travel calculation tool. For air travel, these factors vary based on trip distance. Rental car miles are converted to fuel consumption using the U.S. average fleet fuel economy from the U.S. Department of Transportation.

The consumption is multiplied by EPA Climate Leaders emission factors resulting in the quantity of emissions.

#### 13.2. External distribution/logistics

Describe the main sources of emissions

The Hartford distributes insurance and financial services. Provision of these intangible services is not associated with any measurable GHG emissions beyond the emissions described above to maintain our operations and we therefore do not have or require a methodology to measure to measure distribution/logistics.

Emissions in metric tonnes CO<sub>2</sub>-e.

None beyond those described previously.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

The Hartford distributes insurance and financial services. Provision of these intangible services is not associated with any measurable GHG emissions beyond the emissions described above to maintain our operations and we therefore do not have or require a methodology to measure to measure distribution/logistics.

#### 13.3 Use/disposal of company's products and services

For auto manufacture and auto component companies – please refer to the additional questions for these sectors before completing question 13.3.

Describe the main sources of emissions

The Hartford's products and services are insurance and financial services. Use and disposal of these intangible services is not associated with any measurable GHG emissions beyond the emissions described above to maintain our operations and we therefore do not have or require a methodology to measure to measure "use and

disposal" of them.

Emissions in metric tonnes CO<sub>2</sub>-e.

None beyond those described previously.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

The Hartford's products and services are insurance and financial services. Use and disposal of these intangible services is not associated with any measurable GHG emissions beyond the emissions described above to maintain our operations and we therefore do not have or require a methodology to measure "use and disposal" of them.

#### 13.4 Company supply chain

Describe the main sources of emissions

The Hartford supply chain is not part of the organizational boundary.

Emissions in metric tonnes CO<sub>2</sub>-e.

Not Applicable - see response above.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Not Applicable - see response above.

#### 13.5 Other

If you are reporting emissions that do not fall into the categories above, please categorise them into transferred emissions and non-transferred emissions (please see guidance for an explanation of these terms).

Please report transfers in the first three input fields and non-transfers in the last three input fields.

##### Transfers

Describe the main sources of emissions

None - The Hartford does not transfer emissions outside our reporting boundary.

##### Transfers

Report emissions in metric tonnes of CO<sub>2</sub>-e.

None - The Hartford does not transfer emissions outside our reporting boundary.

##### Transfers

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Not applicable - The Hartford does not transfer emissions outside our reporting boundary.

##### Non-transfers

Describe the main sources of emissions

The Hartford is including Scope 3 emissions from employee commuting.

##### Non-transfers

Report emissions in metric tonnes of CO<sub>2</sub>-e.

GHG Emissions for employee commuting were 82,808 metric tonnes of CO<sub>2</sub>-e.

(Total Scope 3 GHG Emissions were 99,063 metric tonnes of CO<sub>2</sub>-e.)

#### Non-transfers

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

To estimate employee commuting emissions, The Hartford surveys a randomly selected sample of 3000 employees (roughly ten percent of the employee population) on their commuting habits. Survey data is collected on commuting modes, frequency, and distance as well as gas mileage of vehicles used. For both non-company owned personal transportation and carpool vehicles, the quantity of gallons of gasoline consumed is multiplied by EPA Climate Leaders emission factors resulting in the quantity of emissions from these vehicles. Bus and rail travel miles are multiplied by the emission factors provided in the WRI/WBCSD GHG Protocol's business travel calculation tool to determine the quantity of emissions from mass transit commuting. Total employee commuting emissions for all employees is estimated by multiplying the total emissions from the survey by the ratio of total employees to survey participants.

13.6 If you have not provided information about one or more of the categories of Scope 3 GHG emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 3 indirect emissions information in future.

We have provided this information.

Further information

#### 14. Emissions Avoided Through Use Of Goods And Services (New for CDP 2009)

14.1. If your goods and/or services enable GHG emissions to be avoided by a third party, please provide details including the estimated avoided emissions, the anticipated timescale over which the emissions are avoided and the methodology, assumptions, emission factors (including sources), and global warming potentials (including sources) used for your estimations.

We do not believe that insurance and financial services products like those that The Hartford offers generally fall in to the category of products through which GHG emissions can be avoided by a third party. As explained above, the products themselves produce little or no emissions. Although a case could be made that through the pricing of insurance products, insurers encourage responsible behavior in their policyholders that could reduce emissions (more careful driving, fewer fires), we believe that such arguments are not what is meant by this question.

Further information

#### 15. Carbon Dioxide Emissions from Biologically Sequestered Carbon: (New for CDP 2009)

An example would be carbon dioxide from burning biomass/biofuels.

15.1. Please provide the total global carbon dioxide emissions in metric tonnes CO<sub>2</sub> from biologically sequestered carbon.

Emissions in metric tonnes CO<sub>2</sub> - Please use whole numbers only

0

Further information

#### 16. Emissions Intensity: (CDP6 Q3(b))

16.1. Please supply a financial emissions intensity measurement for the reporting year for your combined Scope 1 and 2 emissions.

Please describe the measurement.

As part of setting a reduction goal under the Climate Leaders program, The Hartford will determine whether that goal will be absolute or based on emissions intensity. The most appropriate activity related intensity metrics for The Hartford are:

Metric tonnes of CO<sub>2</sub>-e emissions per US \$m Income before Income Taxes (in lieu of EBITDA) and

Metric tonnes of CO<sub>2</sub>-e emissions per US \$m total revenue

16.1.1. Give the units. For example, the units could be metric tonnes of CO<sub>2</sub>-e per million Yen of turnover, metric tonnes of CO<sub>2</sub>-e per US\$ of profit, metric tonnes of CO<sub>2</sub>-e per thousand Euros of turnover.

The most appropriate activity related intensity metrics for The Hartford are:

Metric tonnes of CO<sub>2</sub>-e emissions per US \$m Income before Income Taxes (in lieu of EBITDA) and

Metric tonnes of CO<sub>2</sub>-e emissions per US \$m total revenue

The resulting figures are:

Income before Income Taxes: (Minus \$4,591,000,000)

Scope 1 (tonnes CO<sub>2</sub>e per \$m): -\$7.46

Scope 2 (tonnes CO2e per \$m): -19.19

Revenues:(\$9,219,000,000)

Scope 1 (tonnes CO2e per \$m): 3.71

Scope 2 (tonnes CO2e per \$m): 9.56

The total resulting revenue figure is 12.77 tonnes per million dollars

16.1.2. The resulting figure.

Use a decimal point if necessary. Please use a "." rather than a ",", i.e. please write 15.6 rather than 15,6

12.77

16.2. Please supply an activity related intensity measurement for the reporting year for your combined Scope 1 and 2 emissions.

Please describe the measurement.

Because The Hartford's building energy use is closely linked to the total space occupied and the number of employees, and because fleet vehicle use, business travel and employee commuting are linked to the number of employees, the most appropriate intensity metrics are kilograms of CO2-e emissions per square foot of facility space or metric tonnes of CO2-e emissions per employee.

16.2.1. Give the units e.g. metric tonnes of CO<sub>2</sub>-e per metric tonne of output or for service sector businesses per unit of service provided.

Occupied Square Feet of Office Space - 7,860,287

Scope 1 - kg CO2e per square foot: 4.4

Scope 2 - kg CO2e per square foot : 11.2

(The total resulting figure is 15.6 kg CO2e per square foot)

Employees of The Hartford (as of 12/31/2008): 31,000

Scope 1 (tonnes CO2e per employee): 1.1

Scope 2 (tonnes CO2e per employee): 2.8

16.2.2. The resulting figure.

Use a decimal point if necessary. Please use a "." rather than a ",", i.e. please write 15.6 rather than 15,6

15.6

Further information

The resulting figure in 16.2.2 is Scope 1 and Scope 2 emissions of kg CO2e per square foot of occupied space.

Using the measure of Scope 1 and Scope 2 emissions in terms of tonnes CO2e per employee, the resulting figure is 3.9

17. Emissions History: (CDP6 Q2(f))

17.1. Do emissions for the reporting year vary significantly compared to previous years?

Yes

The Hartford emitted nearly 5% less GHG in 2008 than in 2007. This reduction was across all scopes and intensities. Some sources had increased emission levels: mobile sources, air travel, and rail travel increased while all other sources emitted less. Reductions were likely due to cost containment initiatives with respect to facility operational costs. Increases were noted in non-US operating locations, primarily due to increased office space requirements.

If the answer to 17.1 is Yes:

17.1.1. Estimate the percentage by which emissions vary compared with the previous reporting year.

This box will accept numerical answers containing a decimal point. Please use "." not ",", i.e. write 10.6, not 10,6.

4.84 %

Have the emissions increased or decreased?

Decreased

#### Further information

##### Totals by Scope 2007 2008

Emissions (Metric tons CO2e) % Change

Scope 1 36,467 34,238 -6.51%  
Scope 2 91,507 88,095 -3.87%  
Scope 3 104,751 99,249 -5.54%

Total 232,724 221,977 -4.84%

##### Totals by Source

Electricity 91,507 88,095 -3.87%  
Stationary Combustion 15,055 12,344 -21.96%  
Mobile Sources 21,411 21,894 2.20%  
Employee commuting 88,796 82,990 -7.00%  
Rental cars 1,723 1,480 -16.45%  
Air travel 14,230 14,774 3.68%  
Rail travel 2 5 59.73%

Total 232,724 221,977 -4.84%

#### 18. External Verification/Assurance: (CDP6 Q2(d))

18.1. Has any of the information reported in response to questions 10 – 15 been externally verified/assured in whole or in part?

Yes, it has been externally verified/assured in whole or in part.(Please continue with questions 18.2 to 18.5)

It would aid automated analysis of responses if you could select responses from the tick boxes below. However, please use the text box provided if the tick boxes menu options are not appropriate.

18.2. State the scope/boundary of emissions included within the verification/assurance exercise.

Scope 1 Q10.1  
Scope 2 Q11.1  
Scope 3 employee business travel Q13.1  
Scope 3 Other Q13.5

Please use the text box below to describe the scope/boundary of emissions included within the verification/assurance exercise if the tick box menu options above are not applicable.

All of the emissions reported in CDP7/CDP 2009 are included within the verification/assurance exercise.

18.3. State what level of assurance (eg: reasonable or limited) has been given.

The emissions calculations are reviewed annually by an EPA technical assistance contractor and by the EPA Climate Leaders program to determine consistency with Climate Leaders guidance and the GHG Protocol. The Hartford has documented its process for setting organizational and operational boundaries, quantifying the inventory, and ensuring its accuracy in an Inventory Management Plan (IMP). EPA Climate Leaders performed a desktop review of the IMP to ensure it meets EPA's quality standards, and also conducted a risk-based on-site IMP review to ensure that the Management Plan is being implemented at the facility level. These reviews provide assurance to EPA that a well-implemented GHG data collection and management system is in place to track emissions over time, and result in EPA recognition for corporate leadership on the climate change issue (through our membership in the Climate Leaders Program and our position as a Climate Leaders Partner). The EPA relies on assessments of the expert audit evidence to give reasonable assurance that the GHG emission data reported is reliable and accurate.

18.4. Provide a copy of the verification/assurance statement.

Please attach a copy/copies.

[http://cdp.cdproject.net/attachedfiles/Responses/53535/8863/1554082\\_2.DOC](http://cdp.cdproject.net/attachedfiles/Responses/53535/8863/1554082_2.DOC)

18.5. Specify the standard against which the information has been verified/assured.

The emissions calculations are reviewed annually by an EPA technical assistance contractor and by the EPA Climate Leaders program to determine consistency with Climate Leaders guidance and the GHG Protocol.

18.6. If none of the information provided in response to questions 10-15 has been verified in whole or in part, please state whether you have plans for GHG emissions accounting information to be externally verified/assured in future.

Not Applicable. The data is verified and assured through the process described in 18 above.

Further information

## 19. Data Accuracy: (CDP6 Q2(e) – New wording for CDP 2009)

19.1. What are the main sources of uncertainty in your data gathering, handling and calculations e.g.: data gaps, assumptions, extrapolation, metering/measurement inaccuracies etc?

If you do not gather emissions data, please select emissions data is NOT gathered and proceed to question 20.

Emission data is gathered.

Assumptions and extrapolation are the main sources of uncertainty in our GHG emissions data. As a normal course of business, metering inaccuracies and date gaps are eliminated. Metering inaccuracies are challenged and corrected on a monthly basis prior to GHG data collection. Actual lease start and finish dates and data directly from utility bills are reviewed, corrected, and tabulated on a monthly basis any date gaps found are corrected prior to GHG data collection.

19.2. How do these uncertainties affect the accuracy of the reported data in percentage terms or an estimated standard deviation?

The Hartford makes assumptions and extrapolates with respect to GHG emissions from portfolio properties where The Hartford is not the sole tenant (these properties constitute approximately 41% of the portfolio square footage). The Hartford also extrapolates employee commuting emissions from an employee commuting survey sent to a representative sample of our 31,000 employees.

19.3. Does your company report GHG emissions under any mandatory or voluntary scheme (other than CDP) that requires an accuracy assessment?

No (Please go to question 20.)

19.3.1 Please provide the name of the scheme.

19.3.2. Please provide the accuracy assessment for GHG emissions reported under that scheme for the last report delivered.

Further information

## 20. Energy and Fuel Requirements and Costs: (New for CDP 2009)

Please provide the following information for the reporting year:

Cost of purchased energy

20.1. The total cost of electricity, heat, steam and cooling purchased by your company.

22319096

Select currency

United States dollar

20.1.1. Please break down the costs by individual energy type.

Table 8 - The "Cost" column will not accept text. Please use whole numbers only.

Energy type	Cost	Currency
Electricity	22319096	United States dollar
Heat	0	United States dollar
Steam	0	United States dollar
Cooling	0	United States dollar

Cost of purchased fuel

20.2. The total cost of fuel purchased by your company for mobile and stationary combustion.

19323666

Select currency

United States dollar

20.2.1. Please breakdown the costs by individual fuel type.

Table 9 - The cost column will not accept text. Please use whole numbers only.

Mobile combustion fuels	Cost	Currency
Gasoline / petrol	8648276	United States dollar
Jet fuel	184496	United States dollar

Stationary combustion fuels	Cost	Currency
Distillate fuel oil No.2	738988	United States dollar
Natural gas	9726998	United States dollar
Propane	24908	United States dollar

#### Energy and fuel inputs

The following questions are designed to establish your company's requirements for energy and fuel (inputs). Please note that MWh is our preferred unit for answers as this helps with comparability and analysis. Although it is usually associated with electricity, it can equally be used to represent the energy content of fuels (see CDP 2009 Reporting Guidance for further information on conversions to MWh).

#### Purchased energy input

20.3 Your company's total consumption of purchased energy in MWh.

Please use whole numbers only.

327891 MWh

#### Purchased and self produced fuel input

20.4. Your company's total consumption in MWh of fuels for stationary combustion only. This includes purchased fuels, as well as biomass and self-produced fuels where relevant.

Please use whole numbers only.

63110 MWh

In answering this question and the one below, you will have used either Higher Heating Values (also known as Gross Calorific Values) or Lower Heating Values (also known as Net Calorific Values).

Please state which you have used in calculating your answers.

We used Higher Heating Values / Gross Calorific Values to calculate our answers.

20.4.1. Please break down the total consumption of fuels reported in answer to question 20.4 by individual fuel type in MWh.

Table 10 - Please use whole numbers only

Stationary combustion fuels	MWh
Distillate fuel oil No.2	12565
Natural gas	50176
Propane	369

#### Energy output

In this question we ask for information about the energy in MWh generated by your company from the fuel that it uses. Comparing the energy contained in the fuel before combustion (question 20.4) with the energy available for use after combustion will give an indication of the efficiency of your combustion processes, taking your industry sector into account.

20.5. What is the total amount of energy generated in MWh from the fuels reported in question 20.4?

Please use whole numbers only.

20.6. What is the total amount in MWh of renewable energy, excluding biomass, that is self-generated by your company?

Please use whole numbers only.

0 MWh

Energy exports

This question is for companies that export energy that is surplus to their requirements. For example, a company may use electricity from a combined heat and power plant but export the heat to another organisation.

20.7. What percentage of the energy reported in response to question 20.5 is exported/sold by your company to the grid or to third parties?

Please use whole numbers only.

0 %

20.8. What percentage of the renewable energy reported in response to question 20.6 is exported/sold by your company to the grid or to third parties?

Please use whole numbers only.

0 %

Further information

Regarding question 20.5, with the exception of a natural gas generator used to generate power for a chiller and emergency generators, all other stationary combustion is used for hydronic or steam heating or hot water. The Hartford is not sufficiently metered to determine our combustion efficiency.

21. EU Emissions Trading Scheme: (CDP6 Q2(g)(i) – New wording for CDP 2009)

Electric utilities should report allowances and emissions using the table in question EU5.

21.1. Does your company operate or have ownership of facilities covered by the EU Emissions Trading Scheme (EU ETS)?

No (Please go to question 22.)

Please give details of:

21.2. The allowances allocated for free for each year of Phase II for facilities which you operate or own. (Even if you do not wholly own facilities, please give the full number of allowances).

Table 11 - Please use whole numbers only.

	2008	2009	2010	2011	2012
Free allowances metric tonnes CO2					

21.3. The total allowances purchased through national auctioning processes for the period 1 January 2008 to 31 December 2008 for facilities that you operate or own. (Even if you do not wholly own facilities, please give the total allowances purchased through auctions by the facilities for this period).

Total allowances purchased through auction

21.4. The total CO<sub>2</sub> emissions for 1 January 2008 to 31 December 2008 for facilities which you operate or own. (Even if you do not wholly own facilities, please give the total emissions for this period.)

Total emissions in metric tonnes

Further information

22. Emissions Trading: (CDP6 Q2(g)(ii) - New wording for CDP 2009)

Electric utilities should read EU6 before answering these questions.

22.1. Please provide details of any emissions trading schemes, other than the EU ETS, in which your company already participates or is likely to participate within the next two years.

[We do not participate or anticipate participating in any trading schemes within the next two years. \(Please go to question 22.3\)](#)

22.2. What is your overall strategy for complying with any schemes in which you are required or have elected to participate, including the EU ETS?

Further information

## 22. Carbon credits

22.3. Have you purchased any project-based carbon credits?

[No. \(Please go to question 22.5\)](#)

Please indicate whether the credits are to meet one or more of the following commitments:

Please also:

22.4 Provide details including the type of unit, volume and vintage purchased and the standard/scheme against which the credits have been verified, issued and retired (where applicable).

22.5. Have you been involved in the origination of project-based carbon credits?

[No. \(Please go to question 22.7\)](#)

22.6. Please provide details including:

- Your role in the project(s),
- The locations and technologies involved,
- The standard/scheme under which the projects are being/have been developed,
- Whether emissions reductions have been validated or verified,
- The annual volumes of generated/projected carbon credits,
- Retirement method if used for own compliance or offsetting.

22.7. Are you involved in the trading of allowances under the EU ETS and/or project-based carbon credits as a separate business activity, or in direct support of a business activity such as investment fund management or the provision of offsetting services?

[No. \(Please go to question 23\)](#)

22.8. Please provide details of the role performed.

Further information

## Performance

23. Reduction plans & goals: (CDP6 Q3(a))

23.1. Does your company have a GHG emissions and/or energy reduction plan in place?

[Yes. \(Please go to question 23.3\)](#)

23.2. Please explain why.

It would aid automated analysis of responses if you could select a response from the options below as well as using the text box. However, please just use the text box provided if the options are not appropriate.

If the menu options above are not appropriate, please answer the question using the text box below:

#### Goal setting

23.3. Do you have an emissions and/or energy reduction target(s)?

Yes. (Please answer the following questions)

23.4 What is the baseline year for the target(s)?

The Hartford has agreed internally on a reduction target. This will be proposed to EPA Climate Leaders for approval over the next few months. The baseline year for any reduction target is likely to be 2007, in recognition of the fact that our internal emissions reduction plan, which commenced in 2008, uses 2007 as the base year.

23.5. What is the emissions and/or energy reduction target(s)?

Our emissions reduction target will be finalized after approval by EPA Climate Leaders.

23.6. What are the sources or activities to which the target(s) applies?

Electrical consumption  
Stationary & mobile combustion  
Business travel  
Employee commuting

23.7. Over what period/timescale does the target(s) extend?

The reduction plan target will be achieved over a 5 to 10-year timeframe.

#### Further information

The Hartford is working to develop a strategic plan for ongoing GHG reduction. The Hartford has engaged an outside consultant to assist with the ongoing efforts to increase energy efficiency in all Hartford buildings and operations. The Hartford is an EPA Climate Leader. As part of its Climate Leaders participation, The Hartford is considering the adoption of a 5- to 10-year goal for GHG reduction.

#### 23. GHG emissions and energy reduction activities

23.8. What activities are you undertaking or planning to undertake to reduce your emissions/energy use?

The activities that The Hartford is undertaking include the following:

- Complete identified capital projects with energy saving components.
- Change fleet vehicles from six-cylinder to fuel efficient four-cylinder models as they are replaced.
- Reduce business travel.
- Encourage use of higher mileage rental vehicles for business travel.

Also, The Hartford is in the development stage of a formal "Green Computing" strategy. The goal is to provide cost effective and environmentally responsible management of computing resources that span all aspects of use. The strategy will evaluate and update IT policies with the goal of implementing energy efficient and environmentally sound computing capabilities. Application, server and storage virtualization will continue to be deployed to leverage infrastructure strategy.

The Hartford continued data center consolidation activities in 2008. Data center facilities now number three, down from seven in 2007. Consolidation activities are planned over the next 4 years.

In addition, The Hartford is reducing its occupied space footprint and employee commuting by consolidating operations, and decommissioning and disposing of vacated space. A Remote Worker Program has been implemented. 3000 formal remote workers are enrolled, primarily in the Property Casualty businesses. Overall capacity exists to support nearly 9000 employees (30% of the workforce) on a less formal, interim basis resulting in reduced commuting, productivity improvements, ability to respond to weather emergencies, and increased work/family balance.

#### Further information

#### 23. Goal evaluation

23.9. What benchmarks or key performance indicators do you use to assess progress against the emissions/energy reduction goals you have set?

The Hartford has benchmarked existing GHG emissions and has estimated GHG reductions associated with each of the activities listed above. The Hartford will assess

progress based on completion of the activities and actual GHG emission reductions achieved during the corresponding timeframes.

Further information

### 23. Goal achievement

23.10. What emissions reductions, energy savings and associated cost savings have been achieved to date as a result of the plan and/or the activities described above? Please state the methodology and data sources you have used for calculating these reductions and savings.

To date we have achieved a 4.84% reduction in GHG emissions by following the low-investment elements of our plan year-over-year 2007 to 2008.

23.11. What investment has been required to achieve the emissions reductions and energy savings targets or to carry out the activities listed in response to question 23.8 and over what period was that investment made?

Table 13 - The "Investment number" column will not accept text. Please use whole numbers only.

Emission reduction target/energy saving target or activity	Investment number	Investment currency	Timescale
Operational efficiencies	0	United States dollar	Starting Mid-2008, ongoing

Further information

To date, we have not made significant investments in order to achieve this reduction.

### 23. Goal planning & investment

Electric utilities should read the table in question EU3 for giving details of forecasted emissions.

23.12. What investment will be required to achieve the future targets set out in your reduction plan or to carry out the activities listed in response to question 23.8 above and over what period do you expect payback of that investment?

Table 14 - The "Number" column will not accept text. Please use whole numbers only.

Plan or action	Investment number	Investment currency	Payback
a \$11.4 million investment over 8 years, with annual operational savings of \$1.25 million	11400000	United States dollar	9.12 years

23.13. Please estimate your company's future Scope 1 and Scope 2 emissions for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.

If possible, please use table 15 below to structure your answer to the question or alternatively use the text box below.

The Hartford does not project future emissions and/or energy use. As indicated above, emissions are largely a function of total space occupied and number of employees. Those measures are in turn a function of the company's overall growth, which is influenced by a variety of factors, including the overall state of the economy. As noted above, The Hartford's annual energy costs from fuel and electricity consumption for 2008 (corresponding to Scope 1 and 2 emissions) were approximately \$32.8 million. This represented less than one percent of total operating costs.

Scope 1 forecasted emissions in Table 15 below are in the following units.

N/A

Scope 2 forecasted emissions in Table 15 below are in the following units.

N/A

Table 15 - The "Scope" columns will not accept text. Please use whole numbers only.

Type in the name of the territory or region for which you are giving data and then press "Add Territory/Region". If giving a global figure instead of separate figures for regions or territories, please write "global" in the box labelled "Enter name of territory or region".

[Click here to see a sample table.](#)

Future reporting years:										
End date for year end DD/MM/YYYY										
Emission forecasts	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2

23.14. Please estimate your company's future energy use for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.

If possible, please use table 16 below to structure your answer to the question or alternatively use the text box below.

The Hartford does not project future emissions and/or energy use. As indicated above, emissions are largely a function of total space occupied and number of employees. Those measures are in turn a function of the company's overall growth, which is influenced by a variety of factors, including the overall state of the economy. As noted above, The Hartford's annual energy costs from fuel and electricity consumption for 2008 (corresponding to Scope 1 and 2 emissions) were approximately \$32.8 million. This represented less than one percent of total operating costs.

Table 16 - Please use whole numbers only.

Type in the name of the territory or region for which you are giving data and a description of the data you are giving e.g. electricity consumption. Then press "Add Row". If giving a global figure instead of separate figures for regions or territories, please use the word "global". This table will also accept different types of units e.g. units of volume or mass.

[Click here to see a sample table.](#)

Future reporting years:										
End date for year end DD/MM/YYYY										
Energy use estimates for territory/region	Number	Units	Number	Units	Number	Units	Number	Units	Number	Units

23.15. Please explain the methodology used for your estimations and any assumptions made.

N/A – The Hartford does not estimate future energy use.

Further information

#### 24. Planning: (CDP6 Q3(c))

24.1. How do you factor the cost of future emissions into capital expenditures and what impact have those estimated costs had on your investment decisions?

Currently, due to the difficulty in determining present value, the cost of future emissions is not factored into payback analyses of capital projects and has no impact on investment decisions.

The Hartford does not project future emissions and/or energy use. As indicated above, it is largely a function of total space occupied and number of employees. Those measures are in turn a function of the company's overall growth, which is influenced by a variety of factors, including the overall state of the economy. As noted above, The Hartford's annual energy costs from fuel and electricity consumption for 2008 (corresponding to Scope 1 and 2 emissions) were approximately \$32.8 million. This represented less than one percent of total operating costs.

Further information

#### Governance

##### 25. Responsibility: (CDP6 Q4(a))

25.1. Does a Board Committee or other executive body have overall responsibility for climate change?

Yes. (Please answer question 25.3 and 25.4)

25.2 Please state how overall responsibility for climate change is managed and indicate the highest level within your company with responsibility for climate change.

In 2007, our company convened a standing committee on climate change. It includes executives with responsibility for enterprise risk management, applied research and product development, actuarial and underwriting, corporate finance, workplace resources, law and government affairs. This committee has been tasked by senior management to examine risks and opportunities presented by climate change, assess the company's current approach, and assist in development of climate-change related strategies going forward. The work of this committee is ongoing.

The above-mentioned standing committee on climate change is chaired by the Executive Vice President and General Counsel (who is also a member of the Office of the Chairman).

25.3. Which Board Committee or executive body has overall responsibility for climate change?

The standing committee on climate change, which is described above.

25.4. What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

The standing committee on climate change.

Further information

## 26. Individual Performance: (CDP6 Q4(b))

26.1. Do you provide incentives for individual management of climate change issues including attainment of GHG targets?

Yes. (Please go to question 26.2)

26.2. Are those incentives linked to monetary rewards?

Yes, we do provide incentives in the sense that for certain lines of business at The Hartford (e.g., homeowners insurance) proper assessment and underwriting of weather-related risk is key to successful business performance. The Hartford employs performance-based compensation; the stronger the performance, the more substantial the compensation. In addition, prudent, successful management of Company resources, including efficient use of energy, is also rewarded.

26.3. Who is entitled to benefit from those incentives?

Employees who successfully manage weather related risks to the company and who successfully exploit opportunities with new products may benefit.

Also, employees who successfully bring to market new products, including those that address climate change, may be rewarded for their performance.

Further information

## 27. Communications: (CDP6 Q4(c))

27.1. Do you publish information about the risks and opportunities presented to your company by climate change, details of your emissions and plans to reduce emissions?

Yes. We publish information about the risks presented to our company by climate change in our 10-K filing and in other communications.

If so, please indicate which of the following apply and provide details and/or a link to the documents or a copy of the relevant excerpt:

27.2. The company's Annual Report or other mainstream filings.

Yes

As indicated in our responses to questions 1, 2 and 3, The Hartford's 2008 10K filing describes the risks to The Hartford presented by climate change, and describes the ways in which The Hartford manages its risks, including those presented by climate change.

We have referenced relevant sections of the 10K filings in answers in sections 1, 2& 3. The link to the full 10K is:

<http://www.sec.gov/Archives/edgar/data/874766/000136231009001777/c80697e10vk.htm>.

27.3. Voluntary communications (other than to CDP) such as Corporate Social Responsibility reporting.

Yes

The Hartford issued a statement on climate change in 2007. The statement is found on our website, under the tab "About Us." Here is a link to the 8-page statement:

[http://www.thehartford.com/servlet/Satellite?c=Page&cid=1150847805783&nt\\_page\\_id=1150847805783&nt\\_section=1118759546801&pagename=HIG%2FFPage%2FFullPage](http://www.thehartford.com/servlet/Satellite?c=Page&cid=1150847805783&nt_page_id=1150847805783&nt_section=1118759546801&pagename=HIG%2FFPage%2FFullPage)

The Hartford believes that the coastal states are facing a looming economic crisis that will be triggered by the next major natural hurricane. We foresee a financial train wreck ahead if we don't change how we prepare for and recover from hurricanes. The Hartford's plan, the Coastal Catastrophe Partnership, calls for frank talk and collective effort to develop a long-term solution. We want to see risk put back on private insurers like The Hartford and away from responsible taxpayers.

The Hartford has created a link to highlight and lay out The Hartford's plan to explain our public proposal:

<http://www.coastalpartnership.org/our-plan>

The Hartford has committed to producing its first corporate social responsibility report by June 2009.

In addition, The Hartford seeks to educate the public, especially older Americans, on the need for disaster planning in the face of weather-related events and how they potentially affect our policyholders. One such example is a press release in which The Hartford focuses attention on the surge in wildfires occurring because of the 2009 drought in certain parts of the United States, and the concern that the summer of 2009 will bring a longer fire season. This press release, dated April 9, 2009, can be found at the following link:

<http://ir.thehartford.com/releasedetail.cfm?ReleaseID=376491>

## 28. Public Policy: (CDP6 Q4(d))

28.1. Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading?

Yes

Over the last year, The Hartford has developed, distributed to key policymakers, and discussed in detail a proposal to address issues in hurricane-prone coastal areas. The Hartford believes that coastal states are facing a looming economic crisis that will be triggered by the next major hurricane. In order to avoid major financial consequences, we need to change how we prepare for and recover from hurricanes. We need only to look at some basic facts to understand the potential magnitude of the problem. For example, of the 10 hurricanes that made landfall in the United States in 2004 and 2005, seven were among the most costly ever. Katrina resulted in the single largest industry-insured loss to date at approximately \$40 billion. In 1926, a category 4 hurricane hit downtown Miami killing 372 people. At the time, the population of Dade and Broward counties was 135,000. Today, it's about 4 million. If the 1926 South Florida hurricane struck today, it's estimated that insured losses alone could hit \$100 billion.

The Hartford is proposing a comprehensive, long-term solution that will safeguard economic stability by creating a robust and stable private-sector homeowners insurance market in coastal regions. The Coastal Catastrophe Partnership, calls for frank talk and collective effort to develop a long-term solution. We want to see risk retained by insurers, like The Hartford, and away from responsible taxpayers.

To do this, a partnership must do five things in harmony for qualifying states:

1. Require states to have disaster plans and enforce tough building codes and land use planning;
2. Encourage homeowners to take action to mitigate damage;
3. Allow private insurers to reflect the true risk of insurance in their rates;
4. Provide federal reinsurance for extreme – 1-in-100 year – storms;
5. Offer publicly-funded assistance to low income coastal homeowners who cannot afford corresponding rate increases.

In the end, we believe homeowners will be best served by an active private insurance market with different companies competing for their business. Creating a healthy, competitive market is the ultimate goal of this plan.

The Hartford has engaged policymakers by circulating our Coastal Catastrophe Partnership proposal to Governors and Insurance Commissioners. We have also engaged in the public policy debate by having our Chairman and CEO, Ramani Ayer, present this proposal in interviews on national television. We have also created a website (<http://www.coastalpartnership.org/>) that outlines the problem, provides background, and explains how our proposal would address it. This proposal is a refinement of our earlier proposal described in the 2007 CDP.

The Hartford is also an active participant on issues pertaining to climate change. Through our trade associations, we participate in the debate within the Climate Change Task Force of the NAIC. We have also participated in recent surveys on global warming by the Carbon Disclosure Project and the Business Roundtable's Business Growth Initiative.