

# Environmental, Social & Governance Report

## Chubb European Group SE

CHUBB®

31 December 2021

La Tour Carpe Diem  
31 Place des Corolles, Esplanade Nord  
92400 Courbevoie  
France

COMPANY REGISTRATION NUMBER: 450 327 374 RCS Nanterre

## Corporate Responsibility Overview at 31 December 2021

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### Introduction

Chubb European Group SE (“CEG SE”) is one of Europe’s leading commercial insurance and reinsurance companies and operates a successful underwriting business throughout the UK, Ireland and Continental Europe.

Chubb Limited, the ultimate parent of CEG SE, is the Swiss-incorporated holding company of the Chubb Group of Companies. Chubb Limited and its direct and indirect subsidiaries, collectively the Chubb Group of Companies (“Chubb”), are a global insurance and reinsurance organisation.

Chubb serves multinational corporations, mid-size companies and small businesses with property and casualty insurance and risk engineering services; affluent and high net worth individuals with substantial assets to protect; individuals purchasing life, personal accident, supplemental health, homeowners, automobile and specialty personal insurance coverage; companies and affinity groups providing or offering accident and health insurance programs and life insurance to their employees or members; and insurers managing exposures with reinsurance coverage.

Chubb is a global organisation which operates on an integrated basis. Whilst this report relates specifically to CEG SE and its branches, a number of the corporate responsibility activities described in this report are global in nature, reflective of this operating model. As a result, this report includes various global Chubb corporate responsibility initiatives but also details specific actions, processes, metrics and outcomes associated with CEG SE where appropriate. CEG SE seeks to fulfil its corporate responsibilities for its clients, employees and the communities within which it operates through these activities. This approach has the purpose of establishing CEG SE as a trusted company, a sustainable insurer and a company committed to corporate citizenship. Further analysis of the corporate responsibilities and their linkage to the environmental, social and governance risk factors that relate to sustainability of an organisation is presented on page 7 of this report.

For the purposes of this report, policies, actions and results pertaining to the Chubb Group of Companies as a whole are identified using the terminology “Chubb” and policies, actions and results pertaining specifically to the French domiciled legal entity use the terminology “CEG SE”.

Chubb manages its businesses by region. CEG SE and Chubb Underwriting Agencies Limited (the managing agent of Syndicate 2488 at Lloyd’s) are Chubb’s principal operating entities within the Europe, Middle East & Africa (“EMEA”) region however there are a number of other companies domiciled in Switzerland, Russia, South Africa and the Middle East that also fall under the EMEA regional management structure.

### *Update on the COVID-19 Pandemic*

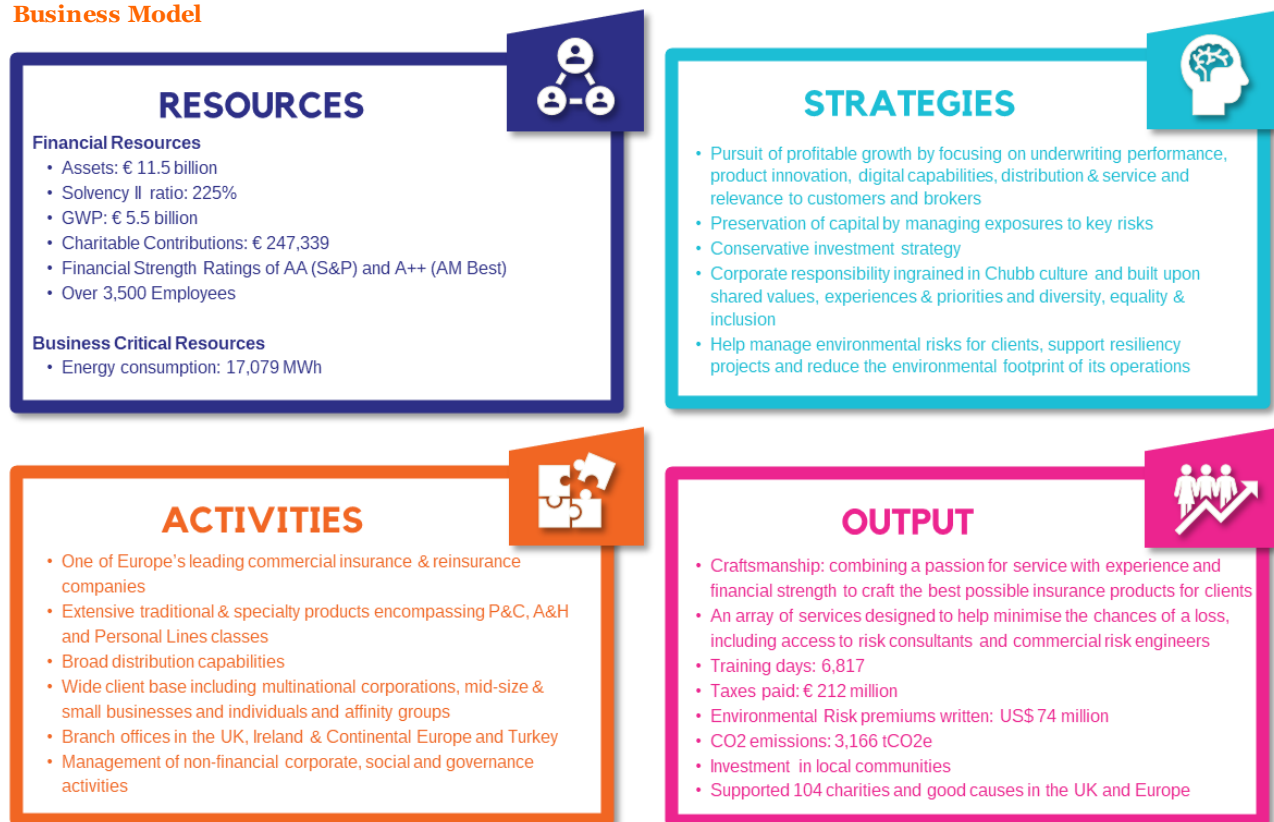
The world has been dealing with the spread and threat of COVID-19 since the outbreak was first reported in December 2019. While the realities and consequences of the pandemic remain ongoing, Chubb has continued to operate as normally as possible, minimising any disruption to its activities and maintaining consistent service to its clients and business partners.

Since the start of the pandemic, the wellbeing of employees and their families has been a key factor in the company’s decision making and it has been rigorous in enforcing stay at home orders and work from home protocols in line with local government and health authority advice in every region in which it operates. As the health-related aspects of the pandemic have begun to recede, Chubb has taken a phased approach to reopening its offices. The company regularly updates its health and safety protocols, including facility maintenance, hygiene protocols and guidance on in-person meetings and travel and communicates this guidance to employees. Chubb will continue to actively monitor any new developments and adapt accordingly to maintain a safe working environment for all its employees and provide the high levels of service expected by its clients and brokers.

The office closures and work from home protocols have resulted in the temporary suspension of some of the company’s standard practices and procedures, including the deferment of some Health & Safety inspections. In addition, some of the statistics disclosed in this report continue to reflect anomalous activity, primarily relating to temporary work for home protocols, and are not necessarily indicative of new trends.

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**Business Model**



The above Business Model is in respect of CEG SE legal entity and its branches across the UK, Ireland and Continental Europe.

*Chubb's Strategy and Values*

Chubb is an underwriting company that emphasizes quality of underwriting rather than volume of business or market share. The company's underwriting strategy is to manage risk by employing consistent, disciplined pricing and risk selection. Underwriting discipline is at the heart of its operating philosophy.

CEG SE's strategic vision is to pursue profitable growth by focusing on underwriting performance, product innovation, digital capabilities, distribution and service, and relevance to customers and brokers. The company benefits from underwriters' proven market-leading risk expertise, a disciplined approach to underwriting and a regional branch presence which provides brokers and customers with fast access to Chubb's decision makers.

CEG SE has an established underwriting ethos that permeates the company and can issue policies locally throughout its network of UK and European offices. This encourages underwriting flexibility and high levels of service for brokers and clients whilst ensuring adherence to local regulatory and tax requirements.

The company strives to offer superior service levels in all aspects of its operations, from policy processing to engineering risk management and claims handling. CEG SE continues to invest in technology to improve its operational efficiency, underwriter support, and broker and client interfaces.

Chubb is committed to protecting and preserving its capital. CEG SE endeavours to manage exposures to key risks and focuses on cash flow management and liquidity to secure its long-term position in the insurance market. The company operates a conservative investment strategy and has established highly liquid, diversified, high quality portfolios managed by expert external managers. Detailed investment guidelines are established for each managed portfolio including Chubb customised benchmarks against which the managers' performance is measured.

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#### *Corporate Responsibility Strategy*

Chubb takes its role as a global citizen seriously, driving positive change and making a long-term impact in communities around the world. Good corporate citizenship lies at Chubb's core — in how we practice our craft of insurance, how we work together to serve our customers, how we treat each other, and how we work to help make a better world for our communities and our planet. Citizenship is about responsibility — and we express that responsibility in a way that reflects our core values and our mission to protect the present and build a better future.

Corporate responsibility is ingrained in the culture of Chubb and is integral to all that the company does. Chubb's Corporate Responsibility strategy is an essential driver of employee engagement, customer trust and brand image, and is sustained through a culture that values and rewards excellence, integrity, inclusion and opportunity; by working to protect our planet and assisting less fortunate individuals and communities in achieving and sustaining productive and healthy lives; and by promoting the rule of law.

Chubb is a global organisation which operates on an integrated basis. Whilst this report relates specifically to CEG SE, a number of the corporate responsibility activities described in this report are global in nature, reflective of this operating model.

#### *The Chubb Difference*

Chubb combines the precision of craftsmanship with decades of experience to conceive, craft and deliver the very best insurance coverage and service to individuals and families, and businesses of all sizes.

As a global insurance company with operations in 54 countries and territories, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, it assesses, assumes and manages risk with insight and discipline. It services and pays claims fairly and promptly. It offers an array of services designed to help clients minimise the chances of a loss and make sure they are prepared and protected; Chubb's residential risk consultants help personal insurance customers safeguard their homes, possessions and families, while expert commercial risk engineers provide customised risk management programs and services to businesses.

Chubb's understanding of local cultures and the unique demographic, economic and social characteristics in different communities, countries and regions, is a defining strength. So too is Chubb's culture, which is built upon the shared values, experiences and priorities, and the diversity of its people. Fuelled by a can-do attitude, Chubb practices its craft with precision and passion, holding itself to exacting standards, respecting and valuing differences, and standing behind the promises it makes. The company strives to provide a high-performing, rewarding and inclusive environment that attracts and retains the best talent, and delivers the best outcomes for customers and business partners. It has a unified vision to build something great, to serve society and leave the world a better place.

#### *Chubb Resources*

Chubb's operating companies utilise the group's global capabilities for the benefit of local clients, leveraging its global expertise and balance sheet strength to deliver a consistent global customer value proposition at a local level. Underwriting strategy is set globally, with local adaptation to deliver an acceptable return to shareholders commensurate with the risk that they are taking. This global proposition is delivered through Chubb's network of local companies and ensures that appropriate policyholder security and customer outcomes are provided to clients and activities comply with all local and global requirements.

CEG SE is one of Europe's leading commercial insurance and reinsurance companies and operates a successful underwriting business throughout the UK, Ireland and Continental Europe. It is a major contributor to Chubb, generating approximately 13.5% of the group's overall gross written premium in 2021.

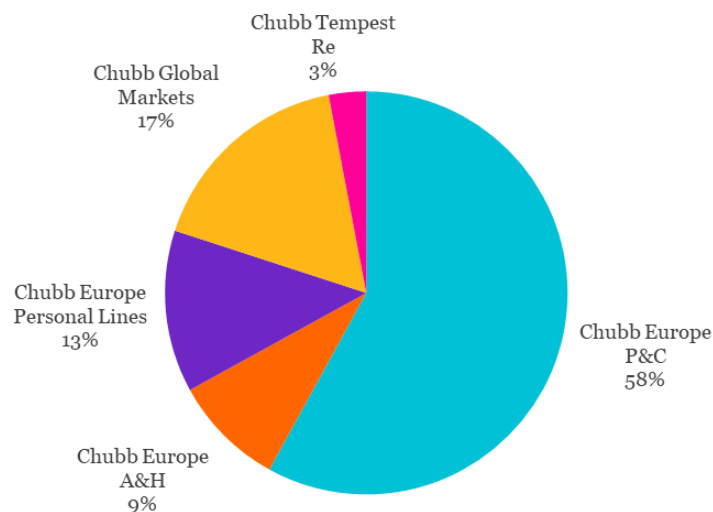
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The company offers its clients a broad range of insurance and risk solutions encompassing property & casualty (“P&C”), accident & health (“A&H”) and personal lines classes, with policies primarily written under the trading names “Chubb Europe”, “Chubb Global Markets” and “Chubb Tempest Re”, which capitalise on the distinctiveness and strength of the Chubb brand and acknowledge the company’s strong insurance platforms, reputation, skill sets, financial strength ratings and consistent management philosophy.

CEG SE’s 2021 gross written premium was €5,463 million (2020: €4,509 million) split by major class as follows:



Other key financial metrics include:

- **Assets:** As at 31 December 2021 CEG SE held assets of €11,548 million as measured in accordance with Solvency II
- **Solvency:** The company’s own funds for Solvency II purposes were €3,083 million; the Solvency ratio was 225%
- **Financial strength ratings:** CEG SE holds financial strength ratings of ‘AA’ from Standard & Poor’s and ‘A++’ from AM Best. Both ratings have a stable outlook.

Business is accessed by a variety of distribution channels and the company has strong relationships with the broker community, its corporate partners and direct markets.

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As at 31 December 2021, CEG SE employed 3,604 people (2020: 3,586) in 20 countries. Chubb recognises that its employees are its greatest asset and actively seeks to attract, recruit and retain its talent base and has created a workplace built on values which foster diversity and equal opportunities for all. Communication with employees is primarily effected through the corporate intranet and regular briefings, presentations and Town Hall meetings which also provide a forum for employees to put questions to management, by both Chubb Limited's Chief Executive Officer and local senior leadership.

The following pages describe both Chubb's corporate responsibility strategy and the manner in which the company takes into account the social and environmental impacts of its business.

***Reporting certification & evaluation***

PricewaterhouseCoopers, CEG SE's Statutory Auditors, have been appointed to attest to the completeness of the consolidated social and environmental information disclosed in the Company's management report prepared for the year ended 31 December 2021 pursuant to the Ordonnance of July 2017 concerning the publication of non-financial information and its decree of application dated August 2017 as well as reasoned opinion on the fairness of the information.

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#### Chubb's Approach to Corporate Responsibility

In implementing its sustainable development approach, Chubb refers to a structured set of international or industry reference guides and benchmarks, including consideration to the environmental, social and governance ("ESG") factors that relate to the sustainability of an organisation and to the broader impact on society arising from core business practice and activities.

A multi-disciplinary working committee including representatives from Risk Management, Finance, Legal, Compliance and Human Resources reviews the ESG factors to assess the risks in relation to the achievement of CEG SE's corporate responsibility strategy. Using the Grenelle II Report of Social & Environmental Impacts, a generic universe of risks was defined and rated based on the probability of occurrence and the potential severity of impact for CEG SE. The assessment of impacts considers the environment, human capital, financial implications, disruption to company activities and reputation. The assessment also considered any industry specific risks that CEG SE may be exposed to from a corporate responsibility perspective.

Due to the nature of our activities, we have not retained the themes of the fight against food wastage and insecurity, respect for animal welfare and responsible, fair and sustainable food, and collective agreements concluded and their impact on economic performance and employee working conditions.

The analysis identified 15 main risks:

CEG SE Strategy	Main risks identified
<b>TRUSTED COMPANY &amp; RESPONSIBLE EMPLOYER</b>	#1.1 The risk that employees do not exhibit behaviours aligned to Chubb's position of corporate responsibility when conducting business
	#1.2 The risk that there is an inadequate level of employee engagement and participation
	#1.3 The risk that that pay and incentive structures might be deemed to be inappropriate, unattractive, and lead to adverse behaviours
	#1.4 The risk that an inability to hire appropriately talented and skilled people and insufficient or inappropriate training opportunities prevent professional development for existing staff
	#1.5 The potential impact of COVID-19 pandemic on the organisation of working time
	#1.6 The risk that the workplace permits an environment of inequality and discrimination
	#1.7 The risk that health and safety hazards, including occupational health in the workplace, are not effectively managed
	#1.8 The risk that data privacy and data security are not effectively managed
<b>SUSTAINABLE INSURER</b>	#2.1 The risk that there is inadequate consideration as to how the company may contribute to measures that prevent, reduce or repair pollution through its underwriting and investment policies
	#2.2 The risk that there is inadequate consideration as to how the company may contribute to measures that prevent, reduce or repair pollution through the business operations of its clients
	#2.3 The risk that there are inadequate environmental policies in place to address relevant environmental risks, the prevention of pollution and concerns including sustainable use of resources

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<b>COMMITTED CORPORATE CITIZEN</b>	#3.1	The risk that there is insufficient focus on the societal commitments of the company on sustainable development within the communities in which it operates, specifically through charitable endeavours
<b>FIGHT AGAINST FINANCIAL CRIME</b>	#4.1	The risk that inadequate action is taken to prevent financial crime and corruption
	#4.2	The risk that inadequate action is taken to prevent tax evasion
<b>PROMOTER OF HUMAN RIGHTS</b>	#5.1	The risk that inadequate consideration is given to the prevention of human rights breaches including modern slavery and human trafficking

Towards the end of 2021 CEG SE formed a regional project group to assess its ESG strategy and framework against regulatory expectations and market standards. The project will help enhance CEG SE's ESG framework and may make recommendations as to the ongoing appropriateness of current disclosures.

Chubb policies, actions, results and key performance indicators relating to each of these risks are presented within the following chapters of this report:

- I. Chubb as a trusted company and responsible employer
- II. Chubb as a sustainable insurer focused on environmental matters
- III. Chubb as a committed Corporate Citizen
- IV. The Fight against Financial Crime
- V. Promotion of Human Rights
- VI. Rule of Law

Additional information on Chubb Group's corporate responsibility related policies and practices is available on the website.



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#### I Chubb as a Trusted Company and Responsible Employer

Chubb's culture is characterised as an inclusive and equitable meritocracy. Chubb strives to be a responsible employer, placing employee engagement at the heart of its business strategy and achieve an environment where all colleagues feel comfortable to perform to their full potential and are recognised for their contributions. Chubb has created a workplace built on its values, which foster diversity and equal opportunities for all, promote employee participation, encourage professional development and support employee wellbeing.

Diversity, inclusion and equity are integral to Chubb's culture. These values fundamentally inform who we are and how we approach our business. Chubb is committed to learning from and building upon past efforts and continuing on the path forward with a thoughtful, practical and deliberate approach to achieving the goal of being a truly diverse and inclusive meritocracy in which all employees feel comfortable to do their best, contribute to their fullest potential in support of our business objectives, and can advance and thrive in their careers.

Chubb is committed to ensuring that all employees have the opportunity to evolve professionally and reach their full potential. Indeed, Chubb's ability to deliver outstanding business results rests on the calibre of its talent and the efforts of employees at all levels of the organisation.

Chubb has made substantial investments in providing the critical experiences, resources, tools and opportunities for employees to succeed, whether it's on the job, through personal interaction and involvement, or via online and classroom learning. As a global company, Chubb's geographical, product and distribution diversification provides unprecedented opportunities for those who want to take advantage of a multitude of career path options.

All Chubb employees share a responsibility to do their part to build and sustain a culture at Chubb, made up of written and unwritten standards of behaviour that describe how work gets done, how decisions are made, and how we collaborate with one another. This culture helps define *Who We Are*, *Behaviours We Expect* and *What We Recognise & Reward*.

#### ***Risk 1.1: Employees do not exhibit behaviours aligned to Chubb's position of corporate responsibility when conducting business***

##### Objective

Chubb is defined by the actions and behaviours of its employees, who are expected to perform their duties with integrity whilst upholding the company's reputation for ethical conduct. Failure to place focus on Chubb's corporate responsibilities when conducting business could undermine the achievement of CEG SE's corporate responsibility strategy. The Chubb Code of Conduct is used to ensure employees are aware of Chubb's expectations and adherence requirements. 100% of CEG SE employees are expected to abide by the Code of Conduct.

##### Policy

The Chubb Code of Conduct addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of company assets, compliance with laws and regulations and reporting illegal or unethical behaviour. All employees, officers and directors of CEG SE are expected to acknowledge acceptance of this code, confirming that they know and understand the standards expected. CEG SE expects its business partners such as consultants, agents, third party representatives and service providers to also comply with the code. Appropriate measures may be taken if anyone fails to meet those standards or contractual obligations.

##### Actions, Results & Key Performance Indicators ("KPIs")

In order to ensure compliance with the Chubb Code of Conduct, new hires are required to complete Code of Conduct training as part of their induction. Existing staff are required to complete a refresher course annually in order to ensure that they maintain awareness of CEG SE's expectations.

95% of active CEG SE employees completed the annual Chubb Code of Conduct training and attestation required by year end 2021. This percentage compares favourably to the 2020 result of 93%. 100% of CEG SE employees that completed the training agreed to abide by the Chubb Code of Conduct.

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#### *Risk 1.2: There is an inadequate level of employee engagement and participation*

##### Objective

Chubb recognises the importance of engaging with employees and their participation in the company's decision-making. Ineffective communication strategies present the risk of employee demotivation and the inability to retain talented individuals. Chubb is committed to achieving employee satisfaction and to providing support for the physical and mental wellbeing of employees. Chubb has an effective employee communications programme and aims to achieve a higher rate of employee satisfaction than comparable external benchmarks.

##### Policies

The Biennial Employee Survey is a key indicator of Chubb's employee motivation and willingness to apply discretionary effort and contribute to the organisation, and has historically been conducted every other year. The last global employee engagement survey was conducted in 2019 and identified key company strengths including management support relating to employees' work-life flexibility, the communication of information in a timely manner, and the effectiveness by which employees are held accountable for results. Due to COVID and the work from home protocols in place for much of the year, no specific employee survey was conducted in 2021. Employee surveys will be relaunched in 2022 however they will take the form of frequent 'pulse checks' which can be customised by region.

A European Works Council is in place to increase employee engagement and improve management decision making. The European Works Council represents all employees of CEG SE in the European Economic Area ("EEA"), including the UK. The benefits of an employee consultation forum include improving management decision making, helping develop greater trust and improving communication in the workforce. It also encourages employee understanding as to why and how certain management decisions are made, and increases knowledge among employees on the aims, objectives and performance of the business. The European Works Council met 9 times in 2021.

Regular communications and events, designed to boost employee engagement and morale during lockdown periods, were organised throughout the year with the aim of ensuring employees were kept well informed of business activities, news and continuity plans and to increase connectivity with colleagues in a remote working environment.

##### Actions, Results & KPIs

The global employee engagement survey conducted in 2019 identified key company strengths including management support relating to employees' work-life flexibility, the communication of information in a timely manner, and the effectiveness by which employees are held accountable for results. The European engagement score was 67%, an increase of 3 percentage points over the 2017 survey, and well above the 58% external benchmark used by PwC as a comparator for Professional Service businesses in the region. The reported KPI has not been updated this year as no engagement survey was conducted in 2021 due to the continuing issues with COVID as stated above. Chubb intends to relaunch employee surveys in 2022 but these will be pulse checks which can be customised by region rather than a full global survey.

Due to the transition from a predominantly work from home environment to a gradual return to office-based working and back again, the EMEA Town Hall scheduled for December 2021 was postponed. As a result, only one region-wide was broadcast during the year compared to two events in 2020. Attendance was high, with more than 2,200 employees across EMEA joining the April 2021 event virtually, with 344 subsequent views of the video replay. The Town Hall was well received, with over 98% of post event survey respondents agreeing that it was a good use of their time and were likely, or very likely to recommend the event to a colleague.

Employee focused communications including messages from the EMEA Regional President and "Regional Round-Ups" containing news and updates were issued frequently throughout the year.

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#### ***Risk 1.3: The possibility that pay and incentive structures might be deemed to be inappropriate, unattractive, and lead to adverse behaviours***

##### Objective

Staff remuneration is one of the ways in which Chubb attracts and retains high quality talent. It also contributes to risk-taking in line with Chubb's risk appetite and supports Chubb's capital base. In recognition of the risks which could be created through remuneration, and the need to comply with all relevant law and regulation including Solvency II requirements, the Board mandates that the standards set out are adhered to at all times. The Board holds those Executives, and other persons, accountable for fulfilling their stated roles and responsibilities.

##### Policy

Chubb has a staff remuneration policy in place designed to meet Solvency II requirements that ensures remuneration is consistent with and promotes sound and effective risk management. The policy ensures remuneration decisions are in line with the business strategy, objectives, values, long term interests and competitive strength of Chubb, and is aimed at preventing remuneration that leads to inappropriate risk taking.

Where an employee may be eligible to receive variable remuneration, the assessment of variable remuneration must take into account the appropriate balance of fixed and variable components so that the fixed (or guaranteed) component represents a sufficiently high proportion of the total remuneration and that the payment of significant variable remuneration should vest over a period of time which will help prevent employees taking excessive risks. In particular, for employees identified as Material Risk Takers ("MRT"), Solvency II regulations require at least 40% of variable pay is in a deferred vehicle and that a malus arrangement is in place which allows Chubb to apply downwards adjustments to variable pay in order to take account of specific risk management failures. MRT are defined as individuals whose professional activities have a material impact on a company's risk profile and are subject to specific remuneration requirements. Chubb has a broad-based equity plan which provides for the deferred element of variable pay.

A formal documented procedure and approval process must be established by the Human Resources Department for the submission and approval of new remuneration arrangements.

##### Actions

The Remuneration Policy stipulates that the oversight and performance of the remuneration approval process should be periodically reviewed and reported upon by the Compliance Function and Internal Audit.

Chubb identifies and maintains a register of MRT. Where legislation requires, or where Chubb sees fit, the remuneration of these employees may be subject to specific restrictions including that MRT under Solvency II must have at least 40% of his or her total variable pay deferred. Chubb has an arrangement for malus and supporting processes in place to identify possible malus events and put forward malus adjustment recommendations to the Board if applicable. Where new remuneration arrangements are introduced, the procedure and approval process established by the Human Resources Department is followed.

##### Results & KPIs

In 2021, 44 attestations from all existing MRTs were made and all 11 new MRT signed letters agreeing to the arrangement for malus in respect of the 2020 calendar year. All 55 MRT variable pay awards paid in 2021 comply with Solvency II requirements (i.e. at least 40% of total variable pay is deferred either as equity or as a deferred cash bonus).

810 employees were in Grades eligible to receive deferred variable pay in 2021, of which on average 44% of variable pay was received in a deferred bonus vehicle. On average 56% of variable pay was received in a deferred bonus vehicle for MRT and 43% for eligible non-MRT, which is above and beyond Solvency II requirements. No malus events were identified to be put forward to the Board for malus adjustments in 2021 or in any prior year.

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#### ***Risk 1.4: An inability to hire appropriately talented and skilled people and insufficient or inappropriate training opportunities prevent professional development for existing staff***

##### Objective

The inability to attract and retain talented employees would threaten the continuation of CEG SE's activities and objectives. Chubb is a meritocracy that supports growth and improving expertise. Chubb's ability to deliver outstanding business results relies on the calibre of its talent and the efforts of its employees at all levels of the organisation. CEG SE aims to maintain a mid- and long-term talent pipeline to ensure the right quality and quantity of diverse talent is available for the company to deliver its key business objectives by ensuring all employees have access to adequate training. CEG SE aims to offer a broad range of training to allow employees to complete, on average, at least one day of training (equivalent to 7 hours) per year.

##### Policy

Chubb has a talent strategy that actively supports the personal and professional development of all its people. Chubb strives to attract, retain and develop employees to meet their career aspirations and has a robust Diversity & Inclusion ("D&I") strategy to ensure that all available talent is accessed and given equal opportunity. Inclusive Recruitment Training is integrated into all the company's manager training programmes to ensure its recruitment and selection process is as objective and structured as possible. A core element of Chubb's employee value proposition is the opportunity to constantly evolve as a professional and reach one's full potential. It endeavours to identify talent on a regular basis and provide high quality development programmes that build the necessary leadership qualities for now and the future. Formal succession plans are in place at the senior level with more informal plans in place at lower management grades. CEG SE internally sources talent to fill open positions where appropriate.

##### Actions

CEG SE expects all employees to own and drive their development by availing themselves of the structured and unstructured learning on offer. In turn, CEG SE will help those employees who are motivated to develop and grow by providing the critical experiences, resources, tools and opportunities to succeed in their career. CEG SE supports employees with job-related professional qualifications and external development opportunities where appropriate. It also provides regulatory and technical e-learning to new starters and existing employees.

Employees covered by the Insurance Distribution Directive are required to undertake and track a number of hours of continuing professional development, the requirements of which differ by country. Employees are able to participate in both internal and external development opportunities to meet the requirements.

##### Results & KPIs

For 2021 onwards, CEG SE's training statistics include all categories of training – i.e. internal and external virtual or face-to-face sessions, mandatory compliance training and e-learning modules. In 2021, CEG SE employees completed 47,721 hours (6,817 days) of training, with an average of 13.2 training hours per employee.

These statistics include 1,687 days of internal virtual or face-to-face classroom training in 2021 which is a 34% increase from 1,258 days in 2020. 263 internal learning sessions were held during the year, less than the 510 organised in 2020. In 2021 the company was able to run some of its longer management and sales programmes virtually, resulting in fewer sessions but more hours of training. CEG SE also continued to run short, targeted, personal development and management masterclasses virtually for all employees to support them in working in a hybrid environment.

When combining internal training and external events, but excluding the mandatory compliance training reported in Section IV: The Fight against Financial Crime in line with prior year calculation methodology, CEG SE employees undertook a total of 19,355 hours in 2021, equivalent to 5.4 hours per person, compared to 22,710 hours in the previous year (equivalent to 6.3 hours per person).

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#### *Risk 1.5: Impact of COVID-19 pandemic on the organisation of working time*

The coronavirus pandemic has resulted in significant numbers of employees having to work from home. Current working arrangements have been designed to protect the workforce and provide business continuity. Home or remote working can mean people avoid lengthy commutes and have different distractions than in an office environment, but it can also result in people over-working and feeling isolated, so a focus on health and wellbeing is essential.

#### Objective

Chubb is committed to providing support for the physical and mental wellbeing of employees and aims to provide all employees with a means of accessing the support systems in place. CEG SE aims to focus on a different wellbeing related topic each month and run a minimum of 24 wellbeing events per year.

#### Policy

Given that the majority of CEG SE employees across the region spent most, or at least a good part, of 2021 working from home, additional management focus was given to supporting employees' wellbeing from both a mental and physical perspective.

#### Actions

A number of initiatives took place during the year to continue to support employees across the EMEA region with health and wellbeing as the pandemic continued into 2021. An area of focus was financial wellbeing to support employees working from home for an extended period and employees looking at their futures through a different lens. The company also wanted to encourage collaboration and teamwork, and organised events such as the regional step challenge that had over 400 employees from across the region join up and participate.

#### Results & KPIs

44 "Wellbeing" workshops focusing on both mental and physical health were organised across the EMEA region throughout the year with an average number of 42 people attending each session (c. 1,800 employees in total). This compares favourably to the 15 workshops organised during 2020, although the average number of attendees per session was lower (42 vs. 65), reflective of the increased volume of workshops.

Financial concerns have been proven to have a detrimental effect on an individual's health. A specific UK financial education programme took place in 2021 focusing on helping employees manage their financial wellbeing (it was not possible to take a regional approach due to the financial legislation and practices of each country). 21 sessions, covering 7 different financial related topics including estate planning, improving financial wellbeing and getting on the property ladder were run with 840 employees attending.

A continued flow of information was made available to employees via the company's intranet relating to physical wellbeing, with webinars and resources providing information on topics including 'Positive Thinking', 'Family Fitness', 'Self Care' and 'Ways to keep a Healthy Heart'. Mental wellbeing was also featured, with a number of webinars and resources encompassing 'Relaxation', 'Stress', 'Resilience' and many more related topics.

Measurement data from the intranet showed that wellbeing related web page viewership figures declined slightly in 2021 from 2020 as employees working from home became more accustomed to the new way of working.

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#### *Risk 1.6: The workplace permits an environment of inequality and discrimination*

##### Objective

The risk of workplace harassment and discrimination of employees could threaten staff morale and motivation resulting in reputational harm, the inability to retain talented individuals, litigation and fines. Chubb is committed to ensuring employees are treated equally and fairly with opportunities for personal and career development by promoting the reduction of gender pay gaps, expanding the reach of the D&I strategy, and providing employees with the tools and resources to develop their skills. CEG SE aims to improve its Gender Pay Gap scores year on year.

##### Policy

Chubb is committed to a diverse and inclusive environment where all staff are treated with dignity, fairness and respect, regardless of their age, disability, race, religion or belief, gender identity and expression, sexual orientation, marital status or family circumstances. CEG SE seeks to provide a workplace that is inclusive and welcoming to foster collaboration and innovation, enabling fair play and opportunity, where all employees can perform to their best and advance towards their career aspirations.

The Chubb approach is based on three key principles:

1. **Inclusion:** creating a working culture and environment where we value the whole person and the experiences they bring to work, where everyone has the opportunity to achieve their full potential and develop in a way that is consistent with our vision and values. Our aim is to be an organisation where people feel valued, involved, respected, supported and connected to the success of the business.
2. **Equity:** promoting equity by removing barriers, eliminating discrimination and ensuring equal and fair opportunity and access for all.
3. **Diversity:** accepting each person as an individual and respecting and appreciating differences in ethnicity, gender identity and expression, age, national origin, disability, sexual orientation, education and religion and the value that these differences bring to the workplace every day.

##### Actions

Diversity, whether in terms of markets, customers, ideas and talent, is an essential part of the Chubb business environment. CEG SE recognises that a mix of talent and the perspectives this brings helps to keep the company competitive, innovative and dynamic.

CEG SE's D&I strategy is delivered across the region by the Head of Diversity & Inclusion for EMEA with the help of the regional Diversity & Inclusion Council of senior representatives. Chubb has developed a D&I Connectors ("DICE") programme to empower local champions and provide them with the skills and resources to help deliver the regional D&I objectives at a local level and improve regional connectivity across CEG SE. In addition, CEG SE has developed six employee-led networks: 'Gender Equality Network', 'Social Mobility', 'Parents and Carers Network', 'Abilities & Wellbeing', 'Cultural Awareness' and 'Pride'. Each network has dedicated Executive sponsorship and provides opportunities for employees to collaborate on initiatives that contribute to positive change.

##### Results & KPIs

Since its inception in 2018, 79 CEG SE employees have been trained as DICE Connectors. 40 employees actively participated in the DICE programme in 2021, with 15 new Connectors joining during the year.

CEG SE has introduced regular reporting on gender representation across all levels throughout the region, including monitoring of hires, promotions and attrition to identify opportunities and areas where it needs to take action in order to improve representation. Chubb's 2020 UK Gender Pay Gap Report (based on 2019 results) disclosed median and mean pay gaps of 30.6% and 32.3% respectively. The results were based on persons employed by Chubb Services UK Limited ("CSUKL") the vast majority of whom, on 1 January 2020, moved to either sole employment with CEG SE (UK Branch) or dual employment with CEG SE (UK Branch) and CSUKL. The figures reflect the total remuneration paid to employees by both legal entities. The equivalent results disclosed in the 2021 UK Gender Pay Gap Report (based on 2020 results) were

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median and mean paygaps of 31.0% and 30.8% respectively. If the results are calculated at a legal entity level (i.e. based on remuneration paid by CEG SE (UK Branch) only), the 2020 median paygap improves to 30.6% and the mean paygap to 30.3%.

Chubb also achieved an overall score of 83 out of 100 in its 2021 French Gender Pay Gap Report (2020: 94 points).

Chubb has launched a campaign to capture additional diversity data in the UK and Ireland on a voluntary and confidential basis to help the company to better understand the make-up of its workforce and trends around recruitment, promotion and attrition. In September 2021, Chubb was a key global sponsor for the Dive In festival, which was attended by over 30,000 participants worldwide.

In October 2020, Chubb launched the Ally programme for the EMEA region, aiming to create an environment where everyone is able to be their true selves and to maximise their potential regardless of gender, gender identity, gender expression, sexual orientation, race or religion. In 2021, the Ally programme was tailored to local requirements and launched in French, German and Spanish. In total, 130 CEG SE employees have been trained as Allies.

22 employees participated in “Chubb Start” during 2021, a programme to support the continuous development of early career women by instilling the skills and capabilities necessary to sustain their success at Chubb.

#### ***Risk 1.7: Health and Safety hazards, including occupational health in the workplace are not effectively managed***

##### Objective

The risk of inadequate employee health and safety in the workplace could result in significant fines and criminal prosecution. CEG SE is committed to ensuring a safe workplace environment that minimises occupational accidents by carrying out frequent risk assessments and embedding a health and safety culture. CEG SE aims to conduct Health & Safety inspections in all of its offices on a biennial basis.

##### Policy

Chubb is committed to ensuring the health, safety and wellbeing of all its staff and has an established Health & Safety (“H&S”) policy. A multi-tiered governance structure is used to ensure that issues at any level of the organisation can be escalated to those with the capability to remediate them. Every office has a nominated individual whose responsibility is to monitor the conditions in the office and report issues. Standard policy is to hold a quarterly meeting of the representatives to share best practices between Chubb offices and raise issues to the Regional H&S Manager. Issues that cannot be resolved are escalated to the H&S Steering Committee made up of senior representatives of the business and subject matter experts to determine the best course of action to remediate any issues as well as ensure that the H&S programme is enhanced year on year. Due to the region-wide office closures relating to the pandemic, no formal representative meetings were held during 2021 but ad hoc support was provided. It is expected that the meetings will resume in 2022.

##### Actions, Results & KPIs

To ensure that CEG SE’s offices are safe and secure, a rigorous risk assessment programme has been established. Chubb Risk Engineers and third party inspectors are commissioned to conduct assessments on all hazards, including but not limited to fire safety, proper management of construction work and trip hazards. H&S representatives and management conduct routine reviews to ensure that low level hazards are eliminated before they can manifest. Regional Security Management conduct Security Risk Assessments to ensure that threat to staff from theft, vandalism and terror are minimised.

Health & Safety risk assessments were conducted in eleven CEG SE offices in 2019. Throughout 2020 and for the majority of 2021 it was decided that, in order to limit the exposure of CEG SE employees and contractors to COVID-19, non-essential visitors to office sites would be restricted. A side effect of this temporary policy was that on-site Health & Safety risk assessments were suspended. Inspections restarted part way through 2021 with two inspections completed by year end, with additional ‘COVID readiness’ surveys conducted during the year.

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To protect CEG SE employees, wide ranging restrictions were put in place as the impact of COVID-19 materialised. In February 2020, CEG SE began to impose travel restrictions and mandatory self-quarantine periods, with office attendance and homeworking protocols introduced in March. This stance continued throughout 2021 in line with Chubb policy, with the extent of the restrictions scalable depending on infection rates and local government guidance.

To support the work from home effort, CEG SE employees were offered equipment for use at home. Equipment included laptop stands, monitors and other peripherals. This equipment enabled staff to work comfortably and minimise the risk of musculoskeletal injuries or eyestrain.

#### ***Risk 1.8: Data privacy and data security are not effectively managed***

##### Objective

CEG SE takes the protection of personal data very seriously and is committed to protecting the personal data of data subjects including employees, policyholders, claimants and business partners in accordance with applicable laws, including the EU and the UK General Data Protection Regulation (“GDPR”). Inadequate data security and privacy controls could result in significant fines, criminal prosecution and disruption to company activities and reputation. CEG SE is committed to ensuring that all personal data that the company possesses, whether that of its employees, business partners, policyholders, claimants or clients, is handled in accordance with applicable data protection and privacy law throughout its entire lifecycle. CEG SE aims to ensure all employees handling sensitive data are trained to follow the controls and policies expected by Chubb.

##### Policy

CEG SE’s data protection framework embeds critical attributes of the GDPR compliance: Governance, Lawful Basis for Processing, Transparency and Fair Processing Notices, Data Transfers, including cross-border, Security, Data Retention and Individual Rights.

Group-wide policies and procedures are maintained to communicate the organisation’s controls required to ensure alignment with the GDPR. CEG SE’s Board approved Data Protection Policy sets out the core GDPR data protection principles and is supported by a number of key guidelines including data subject rights, explicit consent and assessment of third party risks. Controls are reviewed in the context of compliance assurance reviews and internal audit.

##### Actions, Results & KPIs

A formal GDPR training and awareness programme is run by CEG SE’s Data Protection Office and Compliance function. This includes, among other things, mandatory web-based training on Data Protection which is rolled out annually to all colleagues. The training, which consists of a number of different modules issued across both 2020 and 2021, achieved a 98.5% completion rate as of April 2021. Mandatory Information and Cyber Security web-based training is also rolled out to all employees annually. The training forming part of the 2020/2021 cycle (which began in April 2020) achieved a 99.2% completion rate.

An inventory of data processing (Data Inventory) is maintained in accordance with the requirements set out in the GDPR Article 30. This covers 147 key processing activities across the EU and the UK, including among other things, categories of personal data, categories of data subjects, lawful basis for processing, information about location where the data is stored, third party and international transfers.

CEG SE employs OneTrust, a well-recognised market leading privacy platform, to help manage workflow across the various key controls including data subject rights; data protection impact assessments, Data Inventory; personal data incidents, legitimate interest assessments, cookie notices and cookie consents; and regular regulatory updates by Data Guidance module.

A data protection officer (“DPO”) is formally appointed, supported by a staffed office, and with direct reporting lines to Chubb’s Global Chief Privacy Officer and to the Regional General Counsel. The French data protection authority, CNIL, is formally appointed as CEG SE’s lead regulator in the EU. A formal report is provided by the DPO to the CEG SE’s



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Management and Audit & Risk Committees on a quarterly basis. Data Champions are established within each business unit and country, to ensure responsibility for compliance is effected at the functional and country level. Specific role-based training is provided to the Data Champions, who in turn have been tasked with "flowing down" awareness to their teams. Annual statutory audit is conducted by DPO in Portugal in compliance with local law requirements. The DPO plays a key role in ensuring ongoing assurance for the business to mitigate risk / effectively address concerns which data subjects or a supervisory authority may have.

CEG SE has updated its privacy notices, in each of the jurisdictions it operates, to meet the specific requirements in the GDPR to be clear to customers and employees about how their personal data are processed; the purposes for which their personal data will be used; the lawful basis in place to justify that use; with whom personal data will be shared; Chubb's retention arrangements; and the various data subject rights such as right to request deletion. CEG SE provides a clear explanation of when, why and how it collects and uses personal information in its Master Privacy Policy.

CEG SE has undertaken a review of the access controls and permission structures for key systems holding customer/insurance data. The Information Security team led by the Regional Information Security Officer oversees and implements additional security and access controls (e.g. encryption and tokenisation as appropriate) in compliance with data protection principles. CEG SE follows Chubb's Global Data Security Incident Response Plan. This Plan has been supplemented to address the specific requirements of the GDPR's personal data breach reporting regime. A number of table top exercises facilitated by external security and legal experts have been completed to train responsible persons in the protocols associated with responding to an incident in practice.

The GDPR extends a range of new statutory rights to data subjects. CEG SE has adopted a number of measures to support compliance with this regime, most notably investing in automated modules and resources to facilitate effective handling of requests from data subjects.

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## II Sustainable Insurer, focused on Environmental Matters

The environment is a top priority for Chubb. As one of the world's largest property and casualty insurers, Chubb believes that the wellbeing of our society depends on a healthy environment and that a proper ethic strives for a sustainable balance between development and preservation.

Chubb recognises its responsibility to provide solutions that help clients manage environmental risks, to reduce its own environmental impact and to make meaningful contributions to environmental causes.

Chubb endeavours to do its part as a steward of the Earth and realises this commitment in a number of ways:

- Recognising and responding to the reality of climate change across its businesses
- Managing environmental risk for its customers with innovative products and risk engineering solutions
- Supporting environmental resiliency projects throughout the world
- Protecting biodiversity and saving land through its philanthropy
- Reducing the environmental footprint of its own operations

The effects of climate change can be seen by an increased frequency and severity of natural catastrophes. It is contributing to higher sea surface temperatures, rising sea levels and more frequent extreme weather events, including floods, droughts, winter storms, heat waves, wildfires and hurricane intensity. Chubb's business involves providing clients with insurance and reinsurance protection from the impact of natural catastrophes, including weather events that are more frequent or severe.

Chubb Limited produces an annual Environmental Report which outlines the full scope of the group's environmental programme and initiatives. It reports to the CDP, an international, not-for-profit organisation providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information on an annual basis, disclosing climate change risks and opportunities as well as emissions performance. In 2021, the company earned a score of "B" on the CDP's climate change program ranking. A third-party certified environmental statement on Chubb's greenhouse gas ("GHG") emissions programme is also included in the Chubb Limited annual report.

Chubb is a member of ClimateWise, an independent network of insurers, reinsurers, brokers and insurance industry service providers facilitated by the University of Cambridge Institute for Sustainability Leadership. Chubb discloses its global actions to ClimateWise annually based on the ClimateWise principles of direct consumption. This independent review enables Chubb to assess its influence on those it interacts with, from brokers and clients to government agencies and regulators, whilst also comparing its actions against other leaders in the industry.

Chubb is a member of the United Nations Global Compact, the largest corporate sustainability project in the world. Chubb has formally committed to making the Compact's environmental principles part of its culture and day-to-day operations. Chubb is also a member of the Geneva Association, an international insurance think tank representing 90 global insurance organisations. Chubb has confirmed its commitment to the Geneva Association's Climate Risk Statement, a set of guiding principles on the substantial role insurance can play in global efforts to tackle climate-related risks. In 2021, Chubb formally adopted the Task Force on Climate-related Financial Disclosures (TCFD) reporting framework.

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***Risk 2.1: There is inadequate consideration as to how the company may contribute to measures that prevent, reduce or repair pollution through its underwriting and investment policies***

#### Objective

Inadequate integration of environmental and climate change policies in underwriting and investment processes could present a risk to Chubb's long-term performance, through exposure to physical risks and the valuation of assets, and through transition risk. Chubb's commitment to do its part as a steward of the Earth is reflected in its policy concerning coal-related underwriting and investment as detailed below.

#### Policy

Chubb recognises the reality of climate change and the substantial impact of human activity on our planet. Chubb expects a transition over time to greater reliance on alternative and renewable fuel solutions to meet energy needs.

#### Actions

In 2019 Chubb adopted a policy concerning thermal coal-related underwriting and investment and committed to not make new debt or equity investments in companies that generate more than 30% of revenues from thermal coal mining or energy production from coal. Chubb no longer underwrites the construction and operation of new coal-fired plants or new risks for companies that generate more than 30% of their revenues from coal mining or energy production from coal. Insurance coverage for existing coal plant risks that exceed this threshold will be phased out by 2022, and for utilities beginning in 2022.

Chubb will seek to encourage the global transition to a net zero economy through its decisions on specific underwriting risks. The company continues to assess its coverage of carbon-intensive industries and their related strategies and plans for transitioning to a lower-carbon economy. This approach will ensure the company's underwriting and investment positions evolve as practical alternatives become available.

#### Results & KPIs

Chubb's investment management and underwriting operations both monitor the implementation of the coal policy announced in 2019. To date, Chubb has implemented its coal policy as written.

In 2021 CEG SE enhanced its methodology for identifying issuers that generate more than 30% of their revenues from thermal coal mining or that generate more than 30% of their energy production from coal. This has resulted in a restatement of the KPIs stated in the 2020 ESG report, increasing the number of investments at year end 2020 from 2 to 3, with a related increase in the percentage of total market value of CEG SE's investments relating to coal companies from 0.052% to 0.059%.

As at 31 December 2021 CEG SE held 3 coal investments, contributing 0.056% of its investments at market value.

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***Risk 2.2: There is inadequate consideration as to how the company may contribute to measures that prevent, reduce or repair pollution through the business operations of its clients***

#### Objective

Chubb promotes excellence in sustainable underwriting that supports the advancement of environmental solutions and consulting services to help clients manage environmental risks. The inability to match environmental insurance products and support services to the changing needs of clients would present a risk in terms of the effectiveness of Chubb to respond to an environmental loss event.

As a leading insurer, Chubb implements innovative ways to engage with policyholders and other constituencies to offer risk-mitigating insurance solutions to companies that face the challenges of climate risk. As modelling and data related to specific perils get better, the company has the ability to take more risk, particularly for clients that adapt to changing conditions by mitigating their risk. In 2021, CEG SE planned to grow its Environmental Risk portfolio by 17%.

#### Policy

Environmental losses can severely disrupt a business leading to potentially devastating financial, operational and reputational damage. Chubb provides market-leading cover supported by a dedicated claims and risk management service, designed to minimise the negative impact of pollution and environmental damage and help clients get back on track when these events occur.

Chubb has developed a range of environmental insurance solutions, including coverages for premises-based exposures, contractors' and project pollution liability, renewable energy, clean tech and environmental clean-up projects, as well as "green building" consulting services and a property policy that enables greener rebuilding after a loss.

Chubb will continue to develop and offer new insurance solutions for low- and zero-emission technologies including a suite of coverages through its "Clean Tech" industry insurance programme for clients deriving energy from renewable sources, focused on energy efficiency, or addressing the scarcity of resources.

#### Actions, Results & KPIs

Chubb provides solutions that help clients manage environmental risks, reduce environmental impact, mitigate the occurrence of pollution events and effect environmental clean-up should an event occur.

CEG SE offers a broad range of protection for environmental risks including Premises Pollution Liability, Contractors Pollution Liability, Environmental Protect and Renewable Energy Environmental Protection. CEG SE's Environmental Risk related gross written premium amounted to US\$74 million in 2021, above plan target and with a 19% increase over prior year premium.

The desire to develop clean, efficient alternative sources of energy is leading to the planning and construction of renewable energy projects around the world including the manufacture of solar panels, wind turbines and wind turbine components. Chubb has underwritten policies providing physical damage and business interruption cover for the construction and operation of onshore renewable energy plants for a number of years, and in 2021 launched an Offshore Wind Farm policy to support green energy providers through the entire offshore wind farm process — from project inception through to energy production, storage and distribution. The policy, designed by the CGM Energy team, offers coverages for construction, operation, delay in start-up, business interruption, third-party liability and terrorism. This new product line will help Chubb provide underwriting solutions for clients evolving towards more green technology as well as those that have operated in this space for some time.

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#### ***Risk 2.3: There are inadequate environmental policies in place to address relevant environmental risks, the prevention of pollution and concerns including sustainable use of resources***

##### Objective

The inability of Chubb to maintain adequate environmental policies would have a material impact on the reputation of the company and its ability to deliver on its corporate responsibility strategy. Chubb has a strong corporate commitment to the environment and a primary objective of its environmental program is to measure, record and reduce GHG emissions in the company's own operations.

##### Policy

Chubb has an official policy on reducing its GHG emissions to which CEG SE is committed. The company supports the global transition to a net zero economy by 2050.

The company's emissions are third-party verified to ISO 14064-3 standards. Chubb also reports its GHG emissions data and related activities to the CDP. Policies to reduce emissions include real estate optimisation, energy efficiency projects, the reduction of waste and enhancements to the sustainability of its operations, including increased recycling.

##### Actions

In 2019, before the pandemic, Chubb had achieved, ahead of schedule, its company-wide goal to reduce global GHG emissions on an absolute basis by 20% from a 2016 baseline. As of year-end 2021, Chubb has also exceeded its long-term goal to reduce its Scope 1 and Scope 2 GHG emissions 40% by 2035 from the 2016 baseline. Chubb has met these goals by focusing on reducing energy consumption at the facility level, primarily in owned buildings and larger, long-term leased spaces. However the company recognises that at least part of the reduction has been driven by pandemic related office closures, and 2022 is likely to see an increase in GHG emissions as activities, including office based working and business travel, return to more usual levels.

Chubb recognises the need to move away from a reliance on the fossil fuel carbon emissions. This led Chubb to formally support a global transition to a net zero economy by 2050 in 2021.

Chubb deploys natural renewable energy as its main source of electricity for its real estate portfolio in the UK. The company no longer purchases fossil fuel derived energy in its Spanish offices and is now expanding the practice to offices in Continental Europe.

CEG SE's French headquarters are located in the Carpe Diem building in Paris. The building has been awarded the Very High Energy performance label (THPE 2005), HQE certification issued by the CSTB (Centre Scientifique et Technique du Bâtiment); and LEED Platinum certification issued by the US Green Building Council. The award-winning solutions of the building include inclined facades that improve heat gain while optimising natural daylight, use of the groundwater table, and rainwater and greywater harvesting.

As Chubb refurbishes its offices across Europe to better facilitate flexible working patterns, work is underway to eliminate single use plastics and enhance waste management. Disposable cups will no longer be available in favour of reusable mugs and glasses. Recycling receptacles have replaced desk bins with the aim of increasing office recycling rates.

Since 2017 all CEG SE's property & casualty policy documents are issued electronically, unless prohibited by local regulations. All paper purchased in the UK & Ireland is Forest Stewardship Council (FSC) certified sustainable, and in 2020 Chubb's Continental Europe offices switched from purchasing conventional copy paper to purchasing eco-friendly sustainable paper certified by both the FSC and EU EcoLabel.

##### Results & KPIs

CO<sub>2</sub>e emissions: 3,166 metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) for CEG SE, a reduction of 12% from the 3,592 tCO<sub>2</sub>e recorded for 2020.

- Scope 1 Emissions: 1,664 tCO<sub>2</sub>e (2020: 1,630 tCO<sub>2</sub>e)
- Scope 2 Emissions – market based: 1,129 tCO<sub>2</sub>e (2020: 1,171 tCO<sub>2</sub>e)
- Scope 3 Emissions – business travel – air: 373 tCO<sub>2</sub>e (2020: 791 tCO<sub>2</sub>e)

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CO<sub>2</sub>e per CEG SE employee: 0.88 tCO<sub>2</sub>e (2020 equivalent: 1.0 tCO<sub>2</sub>e)

2021 CDP Ranking of “B” (2020: “B”)

Note that the reduction in overall CO<sub>2</sub> emissions and the relatively low CO<sub>2</sub>e per employee statistics primarily reflect the continued impact of lockdown measures and associated office closures across the region during 2021. These results are therefore not necessarily indicative of a new trend.

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### III Corporate Citizenship

The Chubb Charitable Foundation believes that meaningful contributions that support communities globally provide lasting benefits to society, to Chubb and to Chubb employees. Through philanthropy, global partnerships and company-sponsored volunteer activities focused on giving the gift of time and donations, the Chubb Charitable Foundation supports clearly defined projects that solve problems with measurable and sustainable outcomes, helping people in the countries where employees live and work build productive and healthy lives. Chubb's commitment to assist those less fortunate and to be stewards of the planet is focused on the areas of education, poverty and health, and the environment. In the last decade, Chubb has contributed more than \$100 million to the Foundation.

***Risk 3.1: There is insufficient focus on the societal commitments of the company on sustainable development within the communities in which it operates, specifically through charitable endeavours***

#### Objective

Chubb recognises the importance of working with the communities within which it operates that could otherwise compromise the interests of key individuals and organisations focused on community development, the environment and sustainability. Chubb invests in its local communities and promotes the culture of citizen commitment to provide opportunities and solutions for the communities within which it operates. CEG SE aims to donate a minimum of \$200,000 to good causes per year.

#### Policy

Chubb supports a wide range of activities that benefit the community through the Chubb International Foundation, predominantly in the areas of education, poverty, health and the environment. 'Charity at Chubb' is Chubb's European charity committee with a remit to make the best, most relevant charitable impact aligned to Chubb's wider corporate & social responsibility and diversity & inclusion strategies. Employees also participate in a number of local voluntary community schemes and personal fundraising efforts which the company supports through a charitable contribution scheme.

#### Actions

In 2021, Charity at Chubb focused on championing and encouraging activities under the pillars of: Community & Employee Engagement; Social Mobility; Wellbeing & Disability Confidence; and Education & Youth, although there was also a broader remit to augment employee fundraising and support a range of charities and communities across the UK, Ireland and Continental Europe.

#### *Community & Employee Engagement:*

Charity at Chubb encourages employees to volunteer in the community, either as an individual effort or as part of a team building exercise. Employees are supported financially in their charitable fundraising with a contribution from Chubb of up to US\$1,000 equivalent, which often can double the amount raised. Charity at Chubb ambassadors publicise opportunities for colleagues to participate in team events such as the SmartWorks Cycle, the Movember challenge / cross-regional support of a range of Prostate cancer charities, and Christmas Jumper day to raise funds for Save the Children.

It also aims to drive more community engagement in countries with a Chubb office presence. Chubb employees have built relationships with organisations that make a real difference in their local communities – for example in the UK, Chubb's London office supported the KidsOut Giving Tree Initiative to provide presents for children finding refuge in a safe house over the Christmas period, and offices around the country supported local hospices, with the Princess Alice Hospice offering employees a workshop on how to talk about bereavement which benefitted individuals that had lost a loved one and equipped colleagues to better support their bereaved co-workers. Donations were also made to local charities in Germany, Belgium, Netherlands and Switzerland to help those affected by significant flooding during the year.

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#### *Social Mobility:*

CEGSE has partnered with organisations including the UK's Insurance Industry Charitable Foundation – which aims to be a catalyst for impactful charitable giving, inspiring people in insurance to make a difference in their local communities. It also supports 'Smart Works' by providing monthly volunteers to coach women as they prepare for a return-to-work job interview and supports the 'Lloyd's Military Network' which aims to create greater linkages between the Armed Forces and the Insurance Industry.

#### *Wellbeing and Disability Confidence*

In 2021 Charity at Chubb increased its collaboration with the D&I Networks and partnered with Abilities & Wellbeing to assist CEGSE progress on its journey to become a disability confident organisation, moving towards greater inclusion and the benefits that it brings to existing and prospective Chubb employees. Events covering a range of sensory, neuro diversity and general health disabilities were held and the company partnered with leading charities across UK and Europe, including Diabetes UK, to raise awareness and raise funds.

#### *Education and Youth*

In 2021 CEGSE began a 3 year partnership with Founders 4 Schools ("F4S"). F4S was established to improve the employability of young people by making it easy for educators to bring inspirational role models from diverse industries into the classroom. At the core of F4S is a digital platform which facilitates the connections and creates greater ease of access for at risk communities to such contacts and resources. F4S has launched the Futures4Students Fund to change the trajectory of the 'COVID Generation' in the most at risk communities across the UK. Chubb's partnership will benefit and support this Fund.

#### Results & KPIs

CEG SE donated a total of €247,339 to charitable causes in 2021. This represents a 16.5% increase over 2020's contribution of €212,372. The company supported 104 different charities and good causes across Europe in 2021 compared to 67 in 2020.



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## IV The Fight against Financial Crime

### *Key Financial Crime Risks*

Financial crime has become an area of significant focus for international regulators. Recent political events have resulted in the increased use of sanctions regimes and the need for improved counter terrorist financing measures. As a financial services firm, CEG SE has the potential to be exposed to financial crime involving or related to money laundering and terrorist financing, bribery and corruption, fraud or financial dishonesty, breaches of sanctions regulations and insider trading or market abuse.

### *Financial Crime Framework*

Chubb recognises the importance of the effective management of financial crime risk in terms of its obligations to its customers, the expectations of its regulators and long-term financial stability. The management of financial crime risk is fully integrated into Chubb's wider Risk Management Framework. The Financial Crime Framework is comprised of Board policies and procedures and sets out the company's approach to the management of financial crime risk and is underpinned by the Chubb Code of Conduct. The Financial Crime Framework sets out Chubb's approach to managing financial crime risk, including the governance procedures in place, how financial crime risk is assessed, the control framework in place, and oversight procedures.

### ***Risk 4.1: Inadequate action is taken to prevent financial crime and corruption***

#### Objective

The risk of financial crime and corruption could result in significant reputational harm, fines and criminal prosecution. Chubb is committed to maintaining the efficacy of Board policies and procedures designed to prevent financial crime, bribery and corruption. CEG SE aims to ensure that 100% of its employees complete mandatory Financial Crime training.

#### Policy

The following CEG SE policies, guidance notes and activities aim to mitigate exposure to financial crime: a Financial Crime Framework; financial crime policies & procedures; guidance notes supporting the Framework and financial crime policies; regular financial crime training; detailed management information; and clear governance procedures and reporting.

#### Actions

*Financial Crime Training:* Financial crime training including sanctions restrictions, anti-bribery and anti-money laundering modules is provided for all new starters and risk-based training, tailored to specific roles is provided annually thereafter. Chubb's training has a strong practical dimension, including case studies and knowledge testing. Training material is reviewed periodically to ensure consistency and effectiveness and is updated when required to ensure that it is relevant and up to date.

*Financial Crime Controls:* All business lines are required to implement appropriate risk-based procedures and controls at each stage of the insurance transaction to mitigate financial crime risk exposure and to ensure compliance with the agreed standards.

*Financial Crime Management Information & Oversight:* Detailed and regular financial crime Management Information ("MI") reports are provided that enable Chubb's Senior Management, Audit & Risk Committee and Board to understand the financial crime risks to which Chubb is exposed. The MI provided enables CEG SE to manage financial crime risk in accordance with Chubb's risk appetite and to ensure that controls operate effectively.

#### Results & KPIs

There was a 96% completion rate at 31 December 2021 for financial crime training due to be completed during 2021 compared to 91% in 2020. There were 31 EMEA financial crime cases reported in 2021 compared to 33 in 2020 including 29 Cyber Ransom/Extortion referrals, which is a significant increase compared to 2020, when there were 11.

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#### ***Risk 4.2: Inadequate action is taken to prevent the facilitation of tax evasion***

Chubb has no tolerance for tax evasion in any form as it is a criminal offence. Underwriting excellence is a key strategic focus for Chubb and CEG SE's approach to managing its tax affairs is aligned with this commercial purpose and is in full compliance with all relevant laws and practice. Chubb will use available incentives and reliefs in the manner intended, but will not enter into contrived or artificial arrangements or structures. External advice will generally be sought in areas of complexity or uncertainty to ensure these areas are fully understood and any required change or update is implemented correctly.

CEG SE's approach to taxation is consistent with the Chubb Code of Conduct and the company pursues rigorous risk management and governance in relation to taxation. Only a low level of risk is acceptable in relation to taxation and a collaborative approach is taken towards dealings with tax authorities. Risk management procedures are continually reviewed, ensuring our controls remain robust and effective. The company's approach to taxation for Chubb's UK businesses is also published externally and can be found on the Chubb Limited website (<https://www.chubb.com/uk-en/about-us/chubb-tax-approach.html>).

#### Objective

The risk of the facilitation of tax evasion could result in significant reputational harm, fines and criminal prosecution. CEG SE must have adequate policies and procedures in place to prevent the facilitation of tax evasion. Chubb aims to achieve 100% completion of the Facilitation of Tax Evasion training module for all employees impacted by the UK legislation.

#### Policy

CEG SE's tax approach involves rigorous risk management and governance in relation to taxation. The company has no tolerance for any form of tax evasion or its facilitation.

#### Actions, Results & KPIs

CEG SE monitors and reviews tax changes across Europe as part of the analysis and control of Chubb's inherent tax-related risk rating. Tax representatives actively participate in key insurance body tax forums and ongoing discussions with tax advisors. The Tax team also has involvement in relevant business approval processes and committees.

In 2019, a Tax Evasion training module was designed with support from a Big 4 Advisory firm. This e-learning module covers Tax Evasion / Facilitation of Tax Evasion and was drafted following the introduction of the Corporate Criminal Offence – Facilitating Tax Evasion legislation in the UK. The training includes a link to the whistleblowing hotline for staff to report any suspected tax related breaches.

Training was launched in 2020. The training is available in three languages and it is a mandatory annual requirement for all impacted staff to complete the training. There was a 98% completion rate at 31 December 2021 for the mandatory Facilitation of Tax Evasion training rolled out during the year. As the training module was only rolled out towards the end of 2020 prior year comparative figures are not available. There were no tax related breaches reported through the whistleblowing hotline in 2021.

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## V Promotion of Human Rights

Chubb conducts its business in a manner that respects the human rights and dignity of all, and supports international efforts to promote and protect human rights. Chubb does not tolerate abuse of human rights in a Chubb workplace or in the course of Chubb business. Chubb aims to comply with legal and regulatory requirements everywhere it conducts business and to embed the values in the Chubb Code of Conduct in our activities which affirms our commitment to compliance with equal employment opportunity laws and other applicable civil rights, human rights and labour laws.

### ***Risk 5.1: There is inadequate consideration to the prevention of human rights breaches including modern slavery and human trafficking***

#### Objective

The risk of the facilitation of human rights breaches could result in significant reputational harm, fines and criminal prosecution. Chubb is committed to complying with international Human Rights legislation in line with Chubb's Code of Conduct values. 100% of CEG SE employees are expected to abide by the Code of Conduct.

#### Policy

Chubb supports the United Nations Global Compact ("the Compact"), the world's largest corporate sustainability initiative. The company is committed to aligning business operations with the Compact's 10 principles, which address human rights, labour, the environment and anti-corruption.

Chubb has policies, procedures and training materials to make its commitment to anti-slavery and human trafficking explicit to customers, employees, suppliers and business partners. In 2019 Chubb enhanced its framework for the management of its third parties by launching a new risk assessment tool and control standards. This was followed by training to business managers and support staff in 2020. Furthermore, Chubb's General Data Protection Regulations communications make reference to the continued expectation that third-party vendors must abide by modern slavery and human trafficking legislation. Chubb's Modern Slavery and Human Trafficking Transparency statement has been published on the Chubb website.

#### Actions

Chubb policies, frameworks and actions, which aim to prevent modern slavery and human trafficking in its business and supply lines include:

- Attestation to the Chubb Code of Conduct;
- Undertaking employment verification checks as part of the hiring process where allowed by local legislation;
- Requiring agencies who supply workers to carry out employment verification checks, wherever staff are located and where allowed by local legislation;
- Procurement agreements require third party suppliers to comply with applicable laws and regulations and permit Chubb to terminate relationships where they fail to do so;
- Subjecting key business transactions to both on boarding and periodic regulatory screening;
- Providing training and support for all staff on how and where they can raise concerns about wrongdoing and assurances that they will not suffer reprisals for doing so; and
- Taking appropriate action where potential issues are identified.

#### Results & KPIs

95% of active CEG SE employees completed the annual Chubb Code of Conduct training and attestation required by year end 2021. This percentage compares favourably to the 2020 result of 93%. 100% of CEG SE employees that completed the training agreed to abide by the Chubb Code of Conduct.

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## VI The Rule of Law

The rule of law is a set of principles meant to ensure that governments operate in accordance with laws and that the origination and application of laws is fair and just. These principles include equal enforcement and impartial adjudication of laws; equal access to justice and full government accountability; and protection of fundamental rights. Adherence to the rule of law is an essential element of civil society, establishing conditions that further the wellbeing of citizens and the free flow of commerce, creating the foundation for long-term investment and growth.

Chubb is committed to the advancement and preservation of the rule of law. Through the Chubb Rule of Law Fund, the company supports organisations and activities that promote conditions conducive to the rule of law, including:

- The development of rules-based legal systems, with an independent and knowledgeable judiciary, capable of facilitating modern economic activity;
- The elimination of systemic public and private corruption;
- The restoration or preservation of safety and security in daily life, free from arbitrary violence or widespread civil disorder;
- The free flow of information and transparency in the administration of laws and regulations; and
- Meaningful access to, and adequate representation in, civil and criminal proceedings.

Since its inception in 2008, the Chubb Rule of Law Fund has supported 66 projects seeking to advance the rule of law worldwide, with grants totalling \$2.7 million. It is a global corporate commitment, reflecting the importance of the rule of law to the company and its employees, customers and communities.

Projects supported in 2021 include racial justice initiatives where Chubb's attention has been focused on the persistent challenges arising from bigotry, racism and racial injustice in society, particularly for Black people in the US. Chubb is taking specific actions to be an anti-racist company, among them are supporting programs to address inequality and promote social, economic and racial justice through the Chubb Rule of Law Fund. The Fund has made seven grants, including four announced in early 2021 that total \$1.1 million, on initiatives to improve police and community relations, and to understand and reduce racial inequities throughout the criminal justice process. Outside the United States, the Fund's new projects address a broad spectrum of crucial challenges to the rule of law around the world. Chubb Rule of Law Fund grants are supporting projects including building an international legal regime for millions of refugees worldwide, developing a "judicial mediators" model for resolving long-running human rights issues in Colombia, and advancing efforts to establish a Latin American pro bono program to meet the extensive demand for legal assistance.

Chubb has been recognized by the United Nations Global Compact, the largest corporate sustainability initiative in the world. The Global Compact identified Chubb as the only global corporation with its own rule of law fund, and has showcased the Fund at numerous UN-sponsored events.

The Chubb Rule of Law Fund is supported by the Chubb Charitable Foundation and a number of law firms. Additional information can be found on the Chubb website.

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### Appendix: Sustainable Finance Taxonomy Disclosures

In June 2020 the European Commission published its Sustainable Finance Taxonomy - Regulation (EU) 2020/852 (“the Taxonomy Regulation”), designed to support the transformation of the EU economy to meet its European Green Deal objectives, including the 2050 climate-neutrality target.

The Taxonomy Regulation and associated delegated acts aim to establish precise specifications to determine whether an economic activity can be considered environmentally sustainable with regard to a number of pre-defined environmental objectives.

An economic activity is considered environmentally sustainable if it:

- Contributes substantially to at least one of the following six environmental objectives:
  - (1) climate change mitigation,
  - (2) climate change adaptation,
  - (3) sustainable use and protection of water and marine resources,
  - (4) transition to a circular economy,
  - (5) pollution prevention and control; and
  - (6) protection and restoration of biodiversity and ecosystems;
- Does no significant harm to other environmental objectives; and
- Complies with minimum social safeguards, i.e. respects human rights and labour standards.

The Taxonomy Regulation sets out a disclosure obligation (“Article 8”) which requires in-scope entities to publish information on how, and to what extent, their activities are associated with taxonomy aligned economic activities.

Reporting with respect to the environmental objectives of climate change mitigation and climate change adaptation became effective on 1 January 2022. The reporting obligations under the other four environmental objectives: sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems; come into force on 1 January 2023.

The EU Taxonomy introduces the concepts of **eligibility** and **alignment**:

- An economic activity is said to be eligible if it is identified in the delegated acts as having a high potential to contribute to at least one of the environmental objectives, irrespective of whether the activity meets the technical criteria set out in those delegated acts;
- The second concept of alignment confirms the significant contribution of this eligible economic activity to at least one of the environmental objectives on the basis of technical criteria specified through a delegated regulation.

Article 8 becomes effective on a phased basis, with the first phase relating to the taxonomy eligibility of economic activities coming into force with effect from 1 January 2022, and the second phase relating to the taxonomy alignment of economic activities coming into force on 1 January 2024.

Ultimately this will require insurers to publish Underwriting and Investment KPI's as follows:

KPI Underwriting	KPI Investment
<b>Share of gross premiums from green business</b>	<b>Green share of investments</b>
$\text{KPI} = \frac{\text{Gross written premiums from non-life insurance activities or reinsurance activities aligned with the taxonomy}}{\text{Total gross written non-life insurance or reinsurance premiums}}$	$\text{KPI} = \frac{\text{Investments to fund taxonomy aligned activities}}{\text{Total investments}}$

However as of 1 January 2022 non-life insurers must publish ratios identifying premiums **eligible** for the taxonomy as a percentage of **total** gross non-life premiums, and the company's share of investments associated with economic activities **eligible** for the taxonomy as a percentage of its total investments.

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The following provides information with respect to the extent that CEG SE's insurance activities and investments may qualify as contributing substantially to the objectives of climate change mitigation and/or climate-change adaptation, as defined in the EU Taxonomy. In addition to these mandatory disclosures, further information has been provided on a voluntary basis which estimates CEG SE's taxonomy related eligibility under these new disclosures.

#### Premium disclosures:

##### *Share of gross non-life premiums eligible for taxonomy / total non-life premiums*

According to the Climate Delegated Act, only the provision of Non-Life insurance and reinsurance services relating to the underwriting of climate-related perils are considered as contributing to climate-change adaptation. As a result, only Non-Life insurance lines of business that include policy terms relating to the underwriting of climate-related perils are considered as eligible in accordance with the EU Taxonomy. In line with industry guidance, CEG SE has identified the following three Solvency II classes of business as being taxonomy eligible:

- Other motor vehicle insurance
- Marine, aviation & transport insurance
- Fire & other damage to property

In these lines of business, insurance products generally include coverage of risks related to climate-related perils. While certain products may not cover such perils, it has been assumed for the first year of reporting that the total amount of gross premiums written by these three lines of business would be recognised as eligible to the Taxonomy.

	Gross premiums written (‘000 €)	% to Total non-life premiums
Activities eligible to EU Taxonomy	2 829 843	51.8%
Activities non-eligible to EU Taxonomy	2 632 638	48.2%
<b>TOTAL NON-LIFE INSURANCE ACTIVITIES</b>	<b>5 462 482</b>	<b>100%</b>

#### Investment disclosures:

##### *Share of investments for financing or associated with economic activities eligible for the taxonomy / total investments*

The KPI related to investments should be calculated as the proportion of the investments associated with environmentally sustainable economic activities in relation to the company's total covered investments.

The majority of CEG SE's investments are non-European securities, which are not subject to disclosure under the Taxonomy Regulation. In addition, exposures to central governments, central banks or supranational issuers and derivatives [are also excluded from the investment ratio calculation.

The following data is based on CEG SE's total invested assets as at 31 December 2021, valued in accordance with Solvency II:

	%	(‘000 €)
<b>Non covered assets</b>	<b>71.3%</b>	<b>5 013 218</b>
<i>Exposure to central governments, central banks &amp; supranational issuers</i>	13.2%	924 998
<i>Exposure relating to derivatives</i>	-0.1%	-9 274
<i>Exposure to companies not subject to NFRD / DPEF disclosure</i>	58.3%	4 097 494
<b>Covered assets</b>	<b>28.7%</b>	<b>2 014 536</b>
<b>Total assets</b>	<b>100%</b>	<b>7 027 754</b>

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In accordance with the regulation and associated delegated acts, information pertaining to sustainable investments must be based on actual data provided by non-financial or financial entities and the use of estimates and proxies is not permitted. In the absence of actual data provided by investee companies, CEG SE must officially report a ratio of its share of investments for financing or associated with economic activities eligible for the taxonomy as a percentage of total investments as 0%.

However, CEG SE has estimated the proportion of its investments that meet the eligibility criteria using the NACE codes listed in the EU's Taxonomy Compass as follows:

	%	('000 €)
Exposure to activities eligible for the taxonomy	12.5%	252 264
Exposure to activities not eligible for the taxonomy	87.5%	1 762 272
<b>Covered assets</b>	<b>100%</b>	<b>2 014 536</b>

Note that the eligibility to EU Taxonomy does not indicate whether, or to what extent, the investments are associated with activities that contribute substantially to climate-change mitigation or adaptation.