About this Report

The Chubb Corporate Environmental Program is now in its tenth year. This report, produced annually, is the company’s first since ACE Limited completed the acquisition of The Chubb Corporation in January 2016 and adopted the renowned Chubb name. The new Chubb remains committed to communicating important information about the company’s environmental initiatives to our clients, shareholders, employees, business partners, the communities where we operate and others who have an interest in our company, our industry and the environment. The discussion of our environmental initiatives in this report reflects the fact that ACE and Chubb are now one, but also references relevant data and information about the legacy companies as appropriate.

About Chubb

Chubb is the world’s largest publicly traded property and casualty insurance company. With operations in 54 countries, 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, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide. Additional information can be found at: chubb.com.

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As the world’s largest publicly traded property and casualty insurer, Chubb has a responsibility not only to provide solutions that help clients manage environmental and climate change risks, but also to control our own ecological impact and contribute to environmental causes. We also believe that the well-being of society depends on a healthy environment and that a proper ethic strives for balance between sustainable development and preservation.
Chubb Environmental Report 2016

Chubb and the Environment — At a Glance

Climate change is an important and serious issue for the global insurance industry because it is our business to provide security against many of the property related risks posed by such change. With operations in 54 countries, Chubb’s business and operating models are exposed to the full impact of global climate change. At Chubb, we recognize that a changing climate affects everyone — our customers, employees, shareholders, business partners and the people who live and work in the communities we serve.

Chubb’s Corporate Environmental Program is now in its tenth year. We continue to be on the forefront in addressing environmental issues and the implications of climate change for all areas of our business. We are proud of the progress we have made and are committed to taking further steps to make meaningful improvements in the environment.

Products & Services

As a global insurance company, assessing risk is a core competency and strength for Chubb. The company is a leader in developing insurance products and risk management services that facilitate market-based solutions to environmental and climate-related issues. Today, Chubb is among the world’s largest and advanced global underwriters of environmental liabilities and pollution risks. In the U.S., Chubb is also a leader in meeting the insurance and risk engineering needs of clean technology companies, including renewable and alternative energy providers, manufacturers and software and hardware companies.

Chubb’s solutions also include coverages for premise-based exposures, contractors’ and project pollution liability, and environmental cleanup projects, as well as “green building” consulting services and a property policy that enables greener rebuilding after a loss. In addition, Chubb provides incentives and discounts to certain property customers for environmentally friendly behaviors.

Operations

The company has had a formal program to measure, record and reduce greenhouse gas (GHG) emissions in its own operations since 2006. Between 2006 and 2012, a period that preceded ACE Limited’s January 2016 acquisition of The Chubb Corporation, GHG emissions at ACE were reduced 27% per employee, far exceeding the original goal of an 8% reduction per employee. In addition, in 2014, ACE set a new companywide goal to reduce GHG emissions 10% per employee by 2020 from a 2012 base year. The new Chubb is committed to reducing its overall environmental impact and plans to announce an updated GHG reduction goal for the combined company in 2017. The company will continue to deploy successful approaches for GHG emissions reduction, including installing energy efficient lighting and equipment and more efficient use of office space.

Philanthropy

The environment is a priority in Chubb’s corporate philanthropy.

Chubb supports the communities around the world in which our employees live and work through our established philanthropic entities and via company sponsored volunteer initiatives. For example, grants from the Chubb charitable foundations have helped preserve sensitive lands and habitats across the U.S. and around the world, finance green business entrepreneurs, and support educational programs that promote a healthy and sustainable environment.
Recent Milestones

5.3%  
The reduction from 2012 through 2015 in GHG emissions per employee, driven by emissions reduction initiatives

The company’s 2016 score on the CDP’s climate change program ranking

1/3  
Chubb insures over 1/3 of the Global Cleantech 100, the top private innovation companies in clean tech

123  
Total number of metric tons of carbon dioxide equivalents saved from new building-efficiency projects at company-owned facilities in 2015

35+  
Number of countries around the world where Chubb has helped save through its support of The Conservation Fund

112,240  
Number of trees the company has planted through its Environmental Risk Business’ sponsorship of American Forests’ ReLeaf Program since 2007

342,000  
Number of acres of threatened lands and waters in the U.S. Chubb has helped save through its support of The Conservation Fund

10  
Number of years of Chubb’s Corporate Environmental Program

Chubb agreed to join the UN Global Compact in 2015 – our first year committing to its environmental principles
Perspectives on Climate Change Risk

At Chubb, our business involves providing clients with insurance and reinsurance protection from the impact of natural catastrophes, including weather events that are more frequent or severe. Over time, we’ve seen an increasing trend in extreme weather events – floods, drought, heat waves and hurricane intensity – and recognize that climate change is a contributor.

In its Climate Change 2014: Impacts, Adaptation, and Vulnerability report, the Intergovernmental Panel on Climate Change (IPCC) found that “in recent decades, changes in climate have caused impacts on natural and human systems on all continents and across the ocean. Evidence of climate-change impacts is strongest and most comprehensive for natural systems.” The report also found that “increasing magnitudes of warming increase the likelihood of severe, pervasive and irreversible impacts.”

In 2015, there were 198 natural catastrophes – the highest ever recorded in one year, according to a 2016 Swiss Re sigma report. The previous record was set just a year earlier, with 189 natural catastrophes. Global insured losses in 2015, which were driven by severe thunderstorms in the U.S., Europe and India, as well as severe winter weather, drought and wildfires in the U.S., and wildfires in Australia and Indonesia, totaled $37 billion.

Many of these natural catastrophes are affecting human environments that are now more densely populated and, therefore, more vulnerable.

Global sea levels are also rising at an accelerated rate, and as the National Aeronautics and Space Administration has reported, global sea levels rose about 17 centimeters (6.7 inches) in the last century. However, the rate of this increase has doubled that of the last century. In addition, since 1950 in the U.S., the number of record high temperatures has been increasing, while the number of low temperature events has been decreasing.
As a leading insurer, Chubb continues to implement innovative ways to engage with its policyholders and other constituencies in managing climate change risk.

Recent research from the National Oceanic and Atmospheric Administration has stated that because of increasing temperatures, ideal wildfire conditions have resulted in large fires impacting the Western part of the U.S. The 2016 Erskine fire charred nearly 48,000 acres in Southern California resulting in the destruction of 280 homes.

The impact of global climate change extends beyond natural disasters and weather events in ways that are a direct threat to human health. For example, the World Health Organization's September 2015 Fact Sheet on Climate Change and Health notes that the changes in climate are likely to lengthen the transmission seasons of important vector-borne diseases – like malaria and dengue.1

It is clear that a societal response is required – from legal and regulatory issues to corporate responsibility – to address the liabilities and the opportunities presented by climate change. Climate change will also require a more holistic or comprehensive risk management approach.

As a leading insurer, Chubb continues to implement innovative ways to engage with its policyholders and other constituencies in managing climate change risk. These include:

- Advising policyholders in catastrophe-prone areas of the potential risk management benefits of mitigation, including the transition away from such areas
- Providing innovative risk-mitigating insurance solutions to companies that must operate with climate change risks
- Providing risk engineering services to help clients mitigate supply chain and global operations risks from exposures related to a changing climate
- Working with governmental agencies on mutually beneficial insurance capacity solutions in catastrophe-prone areas
- Consulting with policyholders on a targeted basis regarding their own carbon footprint management


2. Swiss Re sigma Study No 1/2015, Natural catastrophes and man-made disasters in 2014: convective and winter storms generate most losses

3. World Health Organization, Fact Sheet No 266 – Updated September 2015
Managing Risk at Chubb

As a global insurance company, assessing risk is a core competency for Chubb. Standard & Poor's rating of Chubb’s enterprise risk management process as “Strong” in its May 2015 ERM rating report places the company among the top 20% of North American and Bermuda insurers. Our approach to risk management is to identify all known and emerging risks that could have an impact on overall capital levels and financial results. Regarding the potential effects of catastrophe losses, we closely monitor our catastrophe risk accumulations around the world.

Because the potential physical effects of climate change present a significant risk to the company, they have been integrated into Chubb’s overall risk management process. In addition, Chubb continually assesses the potential business impact of the changing climate and, if appropriate, develops new procedures, products and/or services. New offerings could be in the form of products, entry into industry segments, risk engineering services or claims services.

Modeling

Chubb is a leading proponent and user of catastrophe models to quantify natural catastrophe risk for product pricing, risk management, capital allocation and to simulate and estimate hurricane losses. Chubb uses models to aggregate and closely monitor natural catastrophe exposures across its global portfolio and to ensure that its capital base is sufficiently strong to meet the expectations of regulators, rating agencies and policyholders and to provide shareholders with an appropriate risk-adjusted return.

In 2015, Chubb agreed to join the United Nations Global Compact, the largest corporate sustainability project in the world.

Modeling is a valuable tool in identifying possible market opportunities. At Chubb, risk management modeling and underwriting practices have been adapted to the developing risk exposures attributed to climate change. Since the earth’s climate appears to be changing in ways inconsistent with the historical record upon which catastrophe models draw data, Chubb has adopted a shorter-term view of event frequency that is higher than the long-term historical frequency.

Chubb invests continually to upgrade and refine its risk management tools for catastrophes such as floods and hurricanes. A priority initiative in 2015, for example, involved developing an enhanced flood risk management tool to give underwriters and risk managers improved modeling, underwriting and portfolio management capabilities.
Chubb is a leading proponent and user of catastrophe models to quantify natural catastrophe risk for product pricing, risk management, capital allocation and to simulate and estimate hurricane losses.

Chubb accounts for the potential impact of catastrophe and climate risks on the company’s own facilities and operations. Direct risk to Chubb’s business operations exists if such weather events occur where Chubb has offices. Severe weather events have tested Chubb’s business continuity program and operations have functioned effectively. Chubb’s risk analysis ranges from the known (based on definitive historical loss experience) to the hypothetical (based on a probable maximum loss (PML) calculation).

Through the use of catastrophe models, Chubb manages severe weather risk to indirect client exposures throughout the world. Special emphasis is given to areas where Chubb has significant exposures and the inherent risk from extreme weather events – such as tropical cyclone and other windstorms – is deemed to be high, such as the coastal United States, Southeast Asia and U.K./Europe.

To aid in prioritizing management focus on extreme weather events, each peril region is classified as either Tier 1, 2 or 3 according to the exposures and risk combination present. Tier 1 regions are the highest priority areas for the company as they present the greatest risk profile and are the most carefully managed. Tier 2 and 3 regions are also closely managed at the regional and business unit level.

In addition to modeled peril regions, we focus on non-modeled perils, such as flood, which present a risk in many of the developing areas of the Chubb insurance portfolio.

Several major natural catastrophes in recent years, such as the Kumamoto earthquake in Japan, flooding in Europe and wildfires in Canada, were non-modeled events or involved difficult-to-model coverages (e.g., business interruption). These types of losses have not typically been considered in the risk and pricing model framework used by the insurance industry to project natural catastrophe losses and this has led to an overall rise in the industry’s perception of risk.

The lessons learned from such events – new assessments of building performance and improved understanding of how a convergence of conditions can increase losses in a severe catastrophe – enable us to incorporate the latest knowledge in our modeled loss estimates.
The company is also actively engaged with regulators to ensure that pricing is actuarially sound and can be adapted to meet new and emerging climate change risks and the capital implications of these risks. For Chubb to continue to offer coverage under climate change conditions, pricing must always be set at sound actuarial rates that cover loss costs, expenses and risk margins on exposed capital. Thus, pricing must be flexible over time and by geography.

Unfortunately, many regulatory regimes impose the functional equivalent of price controls, which are not built to respond to developments in risk assessment and signal the wrong incentives to consumers and businesses that are encouraged to increase exposures.

Chubb incorporates risk mitigation services through its risk management and site surveys, specification of terms and conditions in policies and the development of sound underwriting guidelines into the underwriting of catastrophe-exposed products (e.g., property, energy, marine or crop coverage). Chubb’s modeling and underwriting approach allows for risk—hence price—differentiation across our client base.

Clients that mitigate risk—through retrofitting buildings to comply with updated building codes, installation of hurricane shutters and relocating exposures away from coastlines and flood plains—will have lower insurance costs than those that do not. Chubb also makes use of terms and conditions, such as sub-limits, coverage restrictions and deductibles, to ensure appropriate risk selection and potentially reward certain policyholder behavior.

Reinsurance

We mitigate our exposure to climate change risk by actively hedging catastrophe risk in both the reinsurance and capital markets. In addition, our investment portfolio, which backs the loss reserves and claims-paying ability of our insurance businesses, is highly diversified by risk, industry, location, and type and duration of security.

Successful risk transfer from policyholders to insurance and capital markets also requires industry standards around exposure data. We are committed to helping the industry improve standards that will ultimately help increase risk transfer capacity and provide additional incentive for risk mitigation behavior by policyholders.
Chubb is committed to developing insurance products and risk management services that facilitate market-based solutions to current and pending environmental and climate-related issues. Chubb is among the largest and most advanced global underwriters of environmental liabilities and pollution risk, with environmental risk units in North America, Europe, Asia and Latin America. In the U.S., we are a leader in meeting the insurance and risk engineering needs of clean technology companies, including renewable and alternative energy providers, manufacturers and software and hardware companies.

Chubb’s Environmental Risk business continues to launch products that are in demand globally. To respond to this growing demand, Chubb has issued environmental risk policies in more than 35 countries. In addition, the success of the company’s green consulting services offered to insureds within certain policies has led to an expansion of these environmental services to other coverages and products within Chubb’s portfolio. In order to effectively manage growing multinational demand for these products, Chubb continues to establish a flexible, complex and unified set of standards for global market opportunities.

Our Products & Services

- Carbon capture and storage (CCS) insurance
- Emissions reduction project insurance
- Environmental professional indemnity
- Environmental risk products
- Global weather insurance
- Green property insurance
- Political risk and trade credit
- Renewable energy construction, technical lines
- Clean tech

Chubb’s products and services, which fall primarily into the areas of environmental risk, renewable energy coverage, and “green” initiatives, touch on virtually all lines of coverage worldwide. The full range of environmental and sustainability property and casualty products and services include:
Energy and Marine Insurance

The use of energy and marine insurance products and services allows for the direct or indirect reduction of GHG emissions in many instances. For example, Chubb's Renewable Energy Construction, Technical Lines, Clean Tech, Energy and Marine Insurance programs combine management expertise from a number of Chubb industry groups and allow for the development of clean and efficient alternative sources of energy.

Environmental Liability Insurance

Chubb is fully aware that specialized environmental risks present a unique combination of scientific, political and financial factors that require specific technical expertise and local knowledge. As environmental regulation and awareness has increased, coverages for environmental liabilities are growing in demand, not only from traditional “polluting” industries, such as energy and chemical companies, but also from other organizations that own land or have potential liability. These include governments, real estate owners and developers, manufacturers, agricultural entities and global consumer brands. Chubb monitors more than 3,400 environmental regulations awaiting attention from legislators and regulators around the globe, all with the potential to alter how commercial clients conduct their business. These include both new initiatives as well as increased enforcement of existing laws and regulations.

To meet strong and growing demand, Chubb has bolstered its environmental underwriting staff and offers many innovative products, including Global Premises Pollution Liability (PPL) and Contractors' Pollution Liability (CPL) policies for U.S. multinational corporations doing business at home and abroad. The CPL and PPL programs combine insurance with technical support to help contractors reduce their environmental exposure. Also, Chubb's Hazardous Material/Waste Transportation product line offers safety and claims services for hazardous materials and hazardous waste transporters. The CPL and hazardous material transportation products have received Risk Innovator Awards from Risk & Insurance magazine.

Another innovative product is Chubb Environmental Risk's Chubb ALERT program, which facilitates more rapid dispatching of incident-response contractors as well as real-time monitoring of clean-up costs. This program has demonstrated it can both reduce environmental damage and lower claim costs by as much as 20% to 25%. Chubb’s Environmental Risk department received an award from the Business Insurance Innovation Awards Program for the Chubb ALERT program.

Chubb's product line also includes catastrophe management coverage, which handles the cost of services to maintain and restore public confidence following an environmental catastrophe. Outside the U.S., the company’s core environmental products are sold through Chubb Global Markets at Lloyd's in London. Among the broad range of bundled/unbundled environmental engineering and risk minimization services available for Chubb Environmental Risk insureds are the following:

- Evaluation of existing waste management protocol/disposal site selection
- Evaluation of existing mold, asbestos and lead management plans
- Evaluation of existing underground storage tank management plans
- Evaluation of spill prevention, control and countermeasure (SPCC) plans
- Mock regulatory audits for point source pollutants into surface waters, air pollutants and solid waste pollution (for compliance with the National Pollutant Discharge Elimination System (NPDES) and the Resource Conservation and Recovery Act (RCRA))
- Training (mold awareness, underground storage tank program management, 24 HAZWOPER for hazardous waste operations, etc.)
- Storage tank operator training
Chubb has demonstrated its leadership in insuring environmental risks in other ways. The company has provided information to the National Association of Insurance Commissioners and individual state insurance regulators in the U.S. related to climate change risks and related company policies. Chubb also regularly produces and sponsors whitepapers that provide perspectives to businesses on emerging risks and insights into how to manage these risks to avoid future environmental exposures. Titles include: *Electronic Waste: Managing the Environmental and Regulatory Challenges, Agricultural Businesses Face Unrecognized Environmental Risks and New Business Models, Technology Raise Professional Liability Risks for Contractors.*

**Renewable Energy Initiative**

The renewable energy sector is another major product area for Chubb, particularly in light of the increased global attention on climate change. The desire to develop clean, efficient alternative sources of energy is leading to the planning and construction of renewable energy projects around the world.

These projects take many different forms: biomass/biofuel, biogas, energy from waste, fuel cell, as well as solar, wind and hydro energy. Chubb addresses risks that occur in the two main phases of a typical renewable energy project – construction and operation. Construction risks range from delay in start-up to public or employer liability, whereas operation risks range from business interruption to premises pollution.

**Clean Tech**

Chubb’s Clean Tech business sits within Custom Industry Solutions, an area of our business that also includes information technology, life sciences, entertainment and real estate.

Clean Tech provides bespoke insurance solutions to companies that are creating new technology and driving innovation. This global business within Chubb has dedicated underwriters, risk engineers and claims examiners who specialise in handling clean technology clients.

Clean Tech clients face differing exposures through the development, or lifecycle, of their business. Chubb’s bespoke insurance solutions cover companies as they move from start-up, including research and development, to pilot projects to commercialization. The exposures faced by these clients stem from complex supply chains, the globalization of their product, intellectual property rights and environmental liability. Our risk engineers are able to provide clients with risk management advice in all of these areas.

Any company involved in the following activities would fall within our Clean Tech business:

- Deriving power from renewable sources
- Creating energy efficiency
- Addressing the scarcity of natural resources

Recent clients include companies creating carbon capture technology systems and energy storage solutions for renewable energy that utilize electric vehicle batteries.

Chubb has joined clean tech associations and sponsored events to enable direct access to the local clean tech ecosystem. Such engagement enhances product development because we can translate our understanding of client exposures into new, bespoke coverage. This approach ensures that our insurance solutions tailored for this fast-paced, innovative segment remain relevant.
Chubb is committed to developing insurance products and risk management services that facilitate market-based solutions to current and pending environmental and climate-related issues.

Green Initiatives

Chubb works with public and private stakeholders worldwide to develop risk transfer and risk management services that allow for innovative responses to the additional risks associated with implementing green initiatives. Chubb’s Green Property Insurance policy provides coverage for commercial businesses that desire to rebuild to a “greener” standard in the event of a loss to an existing building. This includes: energy-efficient appliances, electronics, heating and cooling systems, interior plumbing systems and lighting fixtures; low volatile organic compound (VOC) paints, primers, solvents, finishes and adhesives; low emissions carpet and floor coverings; or Forest Stewardship Council (FSC) certified wood. There are also premium credits available to customers that buy “preventative measures” coverage, which provides the policyholder up to a certain amount of money if the insured has certain mitigation features in place. These policies encourage actions from Chubb’s customers that help to reduce GHG emissions.

Consulting Services

Chubb clients also receive a full complement of traditional environmental consulting services, including industrial hygiene assessments; regulated and hazardous materials management and remediation oversight; environmental due diligence for the real estate and finance markets; and Leadership in Energy and Environmental Design (LEED) and regulatory compliance consultation. Customized Occupational Safety and Health Administration (OSHA) compliance training programs and services are also provided, with programs in asbestos, lead-based paint and microbial management, and water intrusion prevention. Accredited compliance staff are also available to augment clients’ environmental and safety personnel at their locations as necessary to meet their health, safety and the environment (HSE) objectives. Other services offered by our personal lines unit includes wildfire defense services and infrared camera scans of clients’ homes to identify areas for improved energy efficiency.

Other Coverages

Coverages such as property catastrophe, crop and business interruption insurance are significant businesses for Chubb, and the company continues to invest in these businesses and in developing solutions to help clients manage the physical risks posed by climate change. Today, Chubb is one of the leading crop insurers in the U.S. through the company’s Rain and Hail subsidiary. Chubb Agribusiness insures companies that manufacture, process and distribute agricultural products. In addition, our Global Weather coverages help clients insure against unpredictable weather conditions and climate change, protecting their assets around the world against damage or loss due to adverse weather conditions.

We have entered into the following associations and sponsorships:

- The Clean Tech Group – Sponsorship of the European Forum 2016
- Clean Tech Scandinavia – Sponsorship of the Nordic Cleantech Open 2016 & 2017
- Membership – U.K. Renewable Energy Association

In terms of the U.K. Renewable Energy Association, our aim is to offer insurance risk management advice to their members via dedicated sessions.
Our Operations

One of the primary objectives of Chubb’s Corporate Environmental Program is to measure, record and reduce GHG emissions. As an insurance company, Chubb has a modest environmental footprint. However, we aim to reduce our mark on the environment even further. This includes efforts to reduce the direct and indirect GHG emissions generated from heating, cooling and lighting our offices and from company owned or leased vehicles, as well as the reduction, reuse or recycling of resources.

ACE Limited launched its corporate environmental program in 2006. By 2012, the company had reduced GHG emissions 27% per employee, exceeding its original goal. In September 2014, the company announced a new goal to reduce emissions 10% per employee from 2012 to 2020. From 2012 through 2015, ACE achieved a decrease in emissions of 5.3% per employee.4

Prior to its acquisition by ACE, The Chubb Corporation reduced Scope 1 and Scope 2 emissions by 18% between 2008 and 2014 in the facilities it managed in the U.S.

The company first developed its Corporate Greenhouse Gas Inventory Management and Reduction Plan in 2007, when ACE joined the voluntary Climate Leaders initiative sponsored by the U.S. Environmental Protection Agency (EPA). The plan included global emissions reporting, the establishment of a reduction goal and a strategy for achieving the goal.

While the EPAs Climate Leaders program was discontinued in late 2011, our Corporate GHG Inventory Program is still actively using its methodology, which is based on the World Resources Institute and the World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol for data collection and analysis. We have gained valuable knowledge and skill related to climate change issues through the Climate Leaders initiative, and are proud to have been one of only a few insurance company partners in the program.

The company’s emissions are third-party verified to ISO 14064-3 standards. The new Chubb, now the world’s largest publicly traded property and casualty insurer, is committed to reducing its overall environmental impact and plans to announce an updated GHG reduction goal for the combined company in 2017. Chubb also reports its GHG emissions data and related activities to CDP, an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. For 2016, the company earned a score of A- on the CDP’s climate change program ranking.

In 2016, both ACE and legacy Chubb were ranked “High Quality” companies for the comprehensiveness of their climate risk disclosures by Ceres, the nonprofit sustainability organization. ACE and Chubb were two of only 22 insurers out of 148 analyzed to earn this distinction. The report, Insurer Climate Risk Disclosure Survey Report & Scorecard: 2016 Findings & Recommendations, ranked insurance companies based on five core areas: governance structures to address climate risk; climate risk management programs; use of catastrophe and other computer modeling tools to manage climate risk; engagement with stakeholders; and greenhouse gas emissions measurement and reduction. ACE had previously earned the highest ranking for disclosure in Ceres’ first and most recent insurance company climate risk disclosure report, which was released in 2014. In 2016, Chubb earned a place on the list of “most improved insurance companies.

4. Several acquisitions were made in 2014 and inventories were adjusted to reflect those acquisitions.
To achieve our GHG reduction goals, we have aggressively worked to make reductions within our operations. Our plan focuses on reducing our energy consumption at the facility level—primarily in our owned buildings and larger, long-term leased spaces. Chubb created a targeted energy policy for its operations in Europe, a region that includes 19 countries. The policy aims to reduce GHG emissions by establishing building energy benchmarks and pursuing short-term objectives that reduce energy consumption within the region. As part of this policy, Chubb has conducted an energy audit at its London, U.K. office, for example, and has identified GHG reduction opportunities that have been implemented successfully to date. Projects in London include: increased chiller temperature set points, installed AHU heat recovery, changing plant running times and an array of lighting controls. A number of other projects are still in planning stage, but the energy efficiency projects that have been implemented have significantly reduced energy consumption at the building.

In addition, Chubb deployed natural renewable energy as its main source of energy for its London office. In 2014/2015 the natural renewable energy mix consisted of 59% of wind, 36% of solar and 5% of hydro (water). Through the deployment of natural renewable energy, Chubb’s GHG emissions have been reduced through the avoidance of fossil-fuel based energy consumption. This reduction in emissions is not accounted for in the company’s GHG inventory but will be in the future as globally recognized GHG accounting standards continue to be developed.
Chubb's GHG Emissions Reduction Progress
Cumulative Per Employee

<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions Reduction</th>
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<tbody>
<tr>
<td>2007</td>
<td>-2%</td>
</tr>
<tr>
<td>2008</td>
<td>-7%</td>
</tr>
<tr>
<td>2009</td>
<td>-8%</td>
</tr>
<tr>
<td>2010</td>
<td>-18%</td>
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<tr>
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<td>-25%</td>
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<td>2013</td>
<td>-0.1%</td>
</tr>
<tr>
<td>2014</td>
<td>-5.3%*</td>
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<tr>
<td>2015</td>
<td></td>
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<td>2017</td>
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* Several acquisitions were made in 2014 and inventories were adjusted to reflect those acquisitions.

Chubb has also implemented many energy efficiency projects at our Sydney, Australia office, one of the largest buildings in our real estate portfolio.

Projects completed since a 2012 energy audit include: HVAC control/building maintenance system (BMS) upgrades, installation of an energy dashboard and a lighting retrofit that includes common areas as well as all Chubb offices within the building. Energy consumption at the building has been reduced 29%.

In addition, Chubb is currently implementing GHG reduction initiatives at three of our offices in Monterrey, Mexico. Energy efficiency projects from this energy audit are expected to be completed in 2016.

During the integration of ABA Seguros and Chubb Fianzas Monterrey into the company's new building in Mexico City in 2014, the local integration team moved 550 employees from seven office locations. In addition to establishing a recycling program and eliminating plastic water bottles and Styrofoam, approximately four tons of paper were recycled during the move.

Another approach to reducing our GHG emissions is to reduce our overall real estate square footage by condensing office locations and making work space more efficient. Applying new company standards for the number and size of office and cubicle spaces not only reduces total real estate per-person square footage, but allows more light into the space, which decreases electricity consumption.

Emissions from mobile combustion – which account for 17% of the company’s GHG inventory – include our global fleet of vehicles and aircraft. Chubb manages its flight-related emissions by operating new, ultramodern jet aircraft equipped with the latest engines, wings and avionic design technologies, making them leaders in their respective aircraft categories for efficient flying. These advanced capabilities allow Chubb's aircraft to operate at very high altitudes and consume less fuel. These advanced aircraft also fly optimal routes, which have shorter distances between world destinations, saving fuel and, ultimately, the release of GHGs.

Chubb has implemented green building practices and, in a number of locations, has pursued the U.S. Green Building Council's LEED certification. Green building practices help improve indoor air quality, address resource management and reduce building water use.

One of our largest buildings in North America, in Philadelphia, earned LEED Silver certification in 2009, becoming the city’s first LEED-certified existing building. Over the next five years, the company increased the amount of energy efficient lighting (raising the Energy Star score from 73 to an 84), supported alternative commuting methods (public transportation, walking, biking, etc.) and implemented other green building initiatives at the location. In November 2014, the Philadelphia building earned LEED Gold recertification.

In 2011, our Bermuda executive office building was awarded LEED Gold Certification under the LEED for Existing Buildings: Operations and Maintenance rating system, making it the first building on the island to earn LEED certification. In 2014, Chubb was one of the first companies to engage with the USGBC to
The LEED Dynamic Plaque system in place at the Chubb Building in Bermuda continually scores the building based on its energy, water, waste and transportation use, as well as human experience.

adoption of the LEED Dynamic Plaque system for the building. Dynamic Plaque is a building performance and monitoring tool. It is continually scoring the building based on five different categories: energy, water, waste, transportation and human experience. Because the building is continuously being scored on a one-to-100 scale, the LEED Dynamic Plaque encourages stakeholders to make meaningful improvements to the building based on observations gained from their score.

In addition to high levels of energy efficiency, the Philadelphia and Bermuda buildings each have a comprehensive indoor air quality program, a green cleaning program, a commitment to sustainable purchasing and waste management, and an integrated pest management plan that, together, provide Chubb employees a safe and comfortable working environment with minimal impact to the natural world.

**Employee Engagement**

Our employees globally play a key role in supporting the company’s environmental commitment.

For example, prior to the acquisition many ACE offices around the world formed volunteer committees to control or reduce the environmental impact of their local operations. In recent years, employees helped the company achieve substantial progress on the following five initiatives:

- Establishing recycling programs in all eligible offices
- Discontinuing the use of disposable plastic water bottles
- Removing all disposable Styrofoam products in offices
- Purchasing only sustainable copy paper in all offices
- Reducing paper consumption by 5%

A significant majority of ACE offices have achieved all five goals and have set a positive example for others to follow, including legacy Chubb locations. Many offices utilize their Chubb Green committees to undertake environmental projects on a local scale. For example, in Philadelphia, the local Chubb Green committee implemented a composting program in the building’s cafeteria. Due in part to this initiative, Chubb diverts 60% of all waste in the building from a landfill.

In Bermuda, local teams created a Chubb vegetable garden. The produce that is grown within the garden is used within the building’s cafeteria.
Our Philanthropy

The environment is a priority in Chubb’s corporate philanthropy. The Chubb charitable foundations and the company’s employees support a wide range of environmental philanthropies and volunteer activities in local communities around the world. Through these initiatives, Chubb promotes a healthy and sustainable planet.

Since 2005, the company has supported The Conservation Fund, which has protected more than 7 million acres across the U.S. In recent years, the company’s charitable foundation has provided more than $1 million to The Conservation Fund initiatives that have protected more than 342,000 acres of threatened lands and waters as well as the Conservation Fund’s ShadeFund™ program, which provides small loans to promising green entrepreneurs by pooling contributions from individuals, companies and foundations. As entrepreneurs repay their loans, capital is redeployed to help other entrepreneurs grow their businesses, thus creating jobs, preserving working forests and supporting rural communities across the country.

Another approach to environmental support is fostering sustainability and effective resource management. Chubb has supported The Chubb Land Legacy Fund, which has helped to protect the Big River and Salmon Creek in California; the Rocky Mountain Front in Montana; the Kishwaukee River Corridor in Illinois; the Gualala River Forest in California; and the Nanticoke River within the Delaware Bay Watershed. In 2015, the Chubb foundation provided funding to the Chesapeake Bay foundation’s Forest Buffer Program. This program supports planting native trees, shrubs and other plants next to waterways to help limit the amount of agricultural pollution draining into Chesapeake Bay tributaries and the Bay itself. The Chubb foundation also supports the Fairmount Park Conservancy’s Growing the Neighborhood Program, which provides funding to improve and maintain local parks. Last year marked Chubb’s 12th year of providing support to park preservation activities. Fairmount Park is one of the largest and oldest municipally operated park systems in the U.S., encompassing 9,200 acres and 63 neighborhood and regional parks.

Chubb also continues to partner with the Bren School of Environmental Science & Management at the University of California, Santa Barbara. The Chubb Group Project Fund supports Bren’s master’s degree program students who conduct group projects that promote a healthy and sustainable environment. In 2014 and 2015, Chubb supported two projects: a sea level rise vulnerability assessment for the City of Santa Barbara and a study of the Lake Mead and Lake Powell reservoirs, which have been consistently dropping in recent years due to heavy consumptive use by water users in California, Arizona and Nevada and prolonged drought.

In 2015, Chubb’s international foundation provided support to Lega Italiana Protezione Uccelli (LIPU), the Italian society for the protection of birds, for the protection of ecologically fragile coastline areas in Venice, Italy. Other support was provided to the Nature Conservancy’s program to repair and restore the Mesoamerican reef off the coast of Mexico and the Bermuda Aquarium Museum and Zoos programs that deliver free educational and volunteer programs for public primary and middle school children.
Chubb’s Environmental Risk business unit continued to contribute to the ReLeaf Program of American Forests, the oldest national nonprofit conservation organization in the U.S. In 2015, the business sponsored the planting of more than 25,000 trees, representing one for each environmental insurance policy written globally by Chubb during 2014. Since 2007, Chubb has sponsored the planting of more than 112,240 trees. Chubb also supports the American Forests’ Global ReLeaf Program, including a project to plant more than 67,000 mangrove trees in the Philippines.

Volunteer Efforts

Chubb organizes employee volunteer projects regionally with an environmental focus. For example, in addition to providing financial assistance to the Fairmount Park Conservancy and its Growing the Neighborhood Program, Chubb employees in the Philadelphia area have volunteered on park cleanup days throughout the year. Chubb employees in Thailand have also volunteered in mangrove reforestation in the Rayong Province.

During the company’s Global Day of Service in October 2015, employees globally engaged in a host of environmentally themed initiatives. Examples include the cleanup of Trunk Island and other sites in Bermuda; tree planting and park clean up in Canada; beach clean up at Manila Bay in the Philippines; and community clean up at various sites in Japan.

These are just a few of Chubb’s many environmentally focused funding and volunteer projects. Other ongoing and pending projects around the world demonstrate Chubb’s community and philanthropic dedication to critical environmental issues.

The Chubb foundation provided funding to the Chesapeake Bay Foundation’s Forest Buffer program, which supports the planting of trees and bushes to limit the amount of agricultural pollution draining into Chesapeake Bay and its tributaries.
Our Engagement

In 2015, Chubb agreed to join the United Nations Global Compact, the largest corporate sustainability project in the world. Chubb committed to making the Compact’s environmental principles part of the culture and day-to-day operations of the company.

Membership in the Geneva Association (genevaassociation.org), an international insurance think tank representing 90 global insurance organizations, whose Climate Risk and Insurance project has been outspoken on climate change issues. In November 2015, Chubb’s Chairman and CEO was among 68 chief executives of major international insurers who publicly confirmed their 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.

Completion of CDP’s annual survey to further support our commitment to reducing our carbon emissions. In 2016, the company earned an A- on CDP’s climate change program ranking.

Participation in ClimateWise (climatewise.org.uk), a U.K.-based organization of insurance companies committed to taking action on climate change and to reporting publicly on their performance.

Membership in the Business Roundtable (BRT), which supports collective actions that will lead to the reduction of greenhouse gas emissions on a global basis. Each year, Chubb Chairman and CEO Evan Greenberg outlines the company’s environmental commitment and achievements in BRT’s Sustainability Report.
Our Engagement (Continued)

Membership on the Reinsurance Association of America’s (RAA) Extreme Events Committee, which focuses on catastrophe modeling improvements to reflect climate change. Chubb supported the RAAs call for reform of the National Flood Insurance Program (NFIP) in the U.S. Congress that would ensure that program rates are actuarially sound and encourage risk mitigation.

Membership in the Insurance Institute for Business and Home Safety, a U.S.-based non-profit scientific and educational organization sponsored by the property insurance industry that supports the sharing of expertise in loss mitigation-related public policy areas including wind-related loss events.

Chubb’s Chief Risk Officer, Sean Ringsted, was a member of the Expert Review Panel for the American Climate Prospectus: Economic Risks in the United States report. The panel was brought together by the Risky Business Project, a group co-chaired by prominent leaders from the public and private sectors, that focuses on quantifying and publicizing the economic risks from the impacts of a changing climate. Risky Business tasked the Rhodium Group, an economic research firm that specializes in analyzing disruptive global trends, with an independent assessment of economic risks posed by a changing climate in the U.S. Rhodium also partnered with Risk Management Solutions (RMS), the world’s largest catastrophe-modeling company for insurance, reinsurance, and investment-management companies around the world.

Chubb is a member of SmarterSafer.org, a coalition that includes environmental advocacy groups such as Ceres, Environmental Defense Fund, National Wildlife Federation and the Sierra Club, founded to promote and support disaster safety and preparedness measures that are consistent with sound environmental stewardship of our fragile coastal ecosystems.

Membership to the Insurance Information Institute (I.I.I), an association that improves public understanding of insurance. The organization, supported by industry members, is a primary source of information, analysis and referral concerning insurance, including the potential threats climate change poses to the global economy, ecology, and human health and well-being.
Additional Information & Resources

About Chubb
Chubb Website: Chubb and the Environment
Chubb’s CDP Responses and Scores (free registration required)

Supporting Partnerships
Business Roundtable
Climate Prospectus
ClimateWise
Geneva Association
Insurance Information Institute
Insurance Institute for Business and Home Safety
Reinsurance Association of America
UN Global Compact

Selected Philanthropy Partners
The Conservation Fund
ShadeFund™
Bren School of Environmental Science & Management
American Forests’ ReLeaf Program
Lega Italiana Protezione Uccelli (LIPU)