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 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 fulfill 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 Europe” represents results on a regional basis and includes data relating to the UK, Ireland and Continental Europe and excludes Turkey.

The number of employees (2019: 3,433) stated within this report includes those employed directly by CEG SE legal entity (2019: 1,506) together with employees, primarily located in the UK (2019: 1,927), that were employed by Chubb UK Services Limited until 31 December 2019. With effect from 1 January 2020, the vast majority of these UK based employees moved to either sole employment with Chubb European Group SE UK Branch, or joint employment contracts with Chubb UK Services Limited and Chubb European Group SE UK Branch. The roles that these employees are undertaking are unchanged.
Chubb’s Strategy and Values

CEG SE’s strategic vision is to pursue profitable growth by focusing on underwriting performance, product innovation, 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.

CEG SE is an established player in the multinational marketplace and has the capability to provide fully integrated international insurance programmes for clients. Its dedicated and experienced international underwriting and service teams work with Chubb’s global network of offices to provide seamless, tailored solutions to the often unique and complex needs of multinational companies which includes agreeing coverage, issuing policies, adjusting claims and moving funds, all in accordance with legislative requirements and agreed service standards.

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 interfaces.

Chubb is committed to protecting and preserving its capital. CEG SE effectively manages exposures to key risks, operates a conservative investment strategy and has maintained its focus on cash flow management and liquidity to secure its long term position in the insurance market.
Investment Strategy

CEG SE operates a conservative investment strategy by establishing highly liquid, diversified, high quality portfolios managed by expert external managers. Detailed Chubb group investment guidelines are established for each managed portfolio including Chubb customised benchmarks against which the managers’ performance is measured.

Corporate Responsibility Strategy

Chubb recognises that a corporation must not only deliver financial performance, but also show how it makes a positive contribution to society. Corporate responsibility is ingrained in the culture of Chubb and is integral to all that the company does because it acknowledges that it has a responsibility to its customers, its people and to the world.

Chubb is clear minded about this responsibility, whether in serving customers or dispensing philanthropy, working to improve the environment, or securing the rule of law.

Chubb’s Corporate Responsibility strategy is an essential driver of employee engagement, customer trust and brand image and is focused on its responsibilities as an employer and a business partner primarily in relation to environmental related matters, corporate citizenship, the rule of law and the fight against bribery and corruption.

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 its passion for service, experience and financial strength to deliver the best possible insurance solutions and provide exceptional service for individuals, families and businesses of all sizes. Chubb’s experienced claims professionals work to pay all covered claims fairly and promptly, no matter the size of the claim. But Chubb’s service begins well before that, with 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 professionals around the world are always striving to deliver exceptional service to customers and business partners.

Chubb Expertise – Craftsmanship

At Chubb, we think about insurance differently – it’s about craftsmanship. Chubb combines craftsmanship with experience to conceive, craft and deliver the very best insurance service. Craftsmanship is about creating something from scratch. It’s about moulding and shaping coverage into exactly what clients need and having the skills and expertise to figure out the best way to get the job done. Chubb combines a passion for service with deep experience and exceptional financial strength to deliver the best possible insurance products for people and for businesses — big and small.

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 11% of the group’s overall gross written premium in 2019.
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 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 2019 gross written premium was €4,038 million split by major class as follows:

Other key financial metrics include:

- Assets: As at 31 December 2019, CEG SE held assets of €5,780 million
- Solvency: The company’s own funds for Solvency II purposes were comprised of Tier 1 capital of €2,723 million. The Solvency ratio, based on the Standard Formula (SCR") was 139%. With the exception of €23.5 million in ring-fenced funds, all Tier 1 capital is permanently available to cover losses.
- 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.

CEG SE employs over 3,300 people in 19 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 December 31, 2019 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.
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 was created to review the ESG factors in context with the sustainability objectives and assess each item with regard to six potential risks: human, reputational, financial, operational, environmental and regulatory and the Chubb values.

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.

CEG SE’s key risks can be grouped into the following areas:

<table>
<thead>
<tr>
<th>Social</th>
<th>Environmental</th>
<th>Societal</th>
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<tbody>
<tr>
<td>• Employees do not exhibit behaviours aligned to Chubb’s position of corporate responsibility when conducting business</td>
<td>• There is inadequate consideration as to how the company may contribute to measures that prevent, reduce or repair pollution through its underwriting and investments</td>
<td>• 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</td>
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<tr>
<td>• There is an inadequate level of employee engagement and participation</td>
<td>• There is inadequate consideration to the sustainable use of resources both by the company in the way it conducts its business and the business of its suppliers</td>
<td>• There is inadequate consideration to the prevention of financial crime and corruption</td>
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<tr>
<td>• Inadequacy in recruitment processes creates difficulty in employing appropriately talented people and lack of training opportunities prevent professional development for existing staff</td>
<td>• There are inadequate environmental policies in place to address relevant environmental issues and concerns</td>
<td>• There is inadequate consideration to the prevention of tax evasion</td>
</tr>
<tr>
<td>• The workplace permits an environment of inequality and discrimination</td>
<td>• There is inadequate consideration to the prevention of financial crime and corruption</td>
<td>• There is inadequate consideration to the prevention of human rights breaches including modern slavery and human trafficking</td>
</tr>
<tr>
<td>• The health and safety and the well-being of employees is unsupported</td>
<td>• There is inadequate consideration to the prevention of tax evasion</td>
<td>• There is inadequate consideration to the prevention of human rights breaches including modern slavery and human trafficking</td>
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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.
I Chubb as Trusted Company and Responsible Employer

Chubb strives to be a responsible employer, placing employee engagement at the heart of its business strategy. 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 well-being.

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: To ensure employees are aware of Chubb's expectations and adhere to the Chubb Code of Conduct

Policy: The Chubb Code of Conduct affirms Chubb's commitment to compliance with equal employment opportunity laws and other applicable civil rights, human rights and labour laws. 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:
- In order to ensure compliance with the Chubb Code of Conduct, new starters 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.

Results & KPIs:
- 94% of active Chubb Europe employees completed the Chubb Code of Conduct training rolled out in October 2019 by the year end.
- 100% of CEG SE employees that completed the training agreed to abide by the Chubb Code of Conduct.

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

Objective: To evaluate employee satisfaction. Create a Works Council to increase employee engagement to improve management decision making.

Policy: Employee Survey - The survey is a key indicator of Chubb’s employee motivation and willingness to apply discretionary effort and contribute to the organisation.

Labour Relations - The European Works Council represents all employees of CEG SE in the European Economic Area (“EEA”), excluding the UK, as UK employees were employed by Chubb Services UK Limited. 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.
Actions:
- In 2019 Chubb conducted a global employee engagement survey. Key areas of strength in the European findings include 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.
- Organisation of social dialogue, in particular procedures for informing, consulting and negotiating with staff.
- In the spirit of improving employee engagement and providing an additional communication channel into the business, in October 2019 CEG SE set up an Information and Consultation Committee in the UK to represent all employees in the United Kingdom.

Results & KPIs:
- Chubb Europe had an 82% completion rate, up 3% points from the previous survey conducted in 2017.
- Chubb Europe’s engagement score of 67% was up 3% points vs. 2017 and well above the 58% external benchmark used by PWC as a comparator for Professional Service businesses in the region.

Risk 1.3: Inadequacy in recruitment processes creates difficulty in employing appropriately talented people and lack of training opportunities prevent professional development for existing staff

Objective: To provide employees with the tools and resources to develop their skills.

Policy: Talent Strategy - 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. Chubb 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. To this end, 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. 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.

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. CEG SE internally sources talent to fill open positions where appropriate.

Results & KPIs:
- Employees in CEG SE took a total of 3,839 days of face-to-face training in 2019, an increase of 37% on 2018 and equating to 1.1 day of training per employee.
**Risk 1.4: The workplace permits an environment of inequality and discrimination**

**Objective:** To ensure employees are treated equally and fairly, with opportunities for personal and career development; reduce the gender pay gap; expand the reach of the D&I strategy; and provide employees with the tools and resources to develop their skills.

**Policy:** Regional D&I Approach - 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. 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. **Equality:** promoting equality 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:**

- 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 UKI’. Each network has dedicated Executive sponsorship and provides opportunity for employees to collaborate on initiatives that contribute to positive change.

- CEG SE’s D&I strategy is delivered across the region by the European Head of Diversity & Inclusion with the help of the regional Diversity & Inclusion Council of senior representatives across Europe.

- In 2019 CEG SE signed up to the London market Inclusive Behaviours Pledge ("the Pledge"), an industry-wide initiative to demonstrate the insurance profession’s unwavering commitment to transforming its culture. Signing up to the Pledge means agreeing to change and tackle negative and inappropriate behaviours and promote and encourage the right, desired behaviours in the workplace.

- 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. In addition it has started to collect additional diversity data on our employees to better understand the make-up of our workforce.

- CEG SE has also finalised a process to ensure its recruitment and selection process is as objective and structured as possible.

**Results & KPIs:**

- Chubb’s latest UK Gender Pay Gap report (issued in 2019 but based on 2018 results) demonstrated an improvement on the prior year figures, with the median pay gap reducing from 33.4% to 31.8% and the mean pay gap reducing from 35.2% to 33.9%.

- Chubb achieved an overall score of 81 out of 100 in its 2019 French Pay Gap Report. The overall score has decreased compared to 2018, mainly due to the indicator relating to women receiving pay increases following maternity leave. however there has been a great improvement in the share of women receiving the highest salaries.

- A total of 57 CEG SE employees have been trained and supported as part of the Diversity and Inclusion Connectors programme since its inception in 2018, with 25 new Connectors joining the programme in 2019.
Risk 1.5: The health and safety and the well-being of employees is unsupported

Objective: To minimise the amount of occupational accidents and carry out risk assessments frequently to ensure the workplace is a safe environment.

Policy: Health & Safety (“H&S”) Policy - Chubb is committed to ensuring the health, safety and wellbeing of all its staff. 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. There is 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, who also meet quarterly, 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.

Actions:
- 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.
- CEG SE maintains a network of H&S consultants to develop awareness material which is delivered to enhance employee wellbeing in the office and at home. Guidance includes the latest best practices in avoiding musculoskeletal injuries, eyestrain and workplace injuries. Other areas of guidance include stress management, healthy eating and exercise.
- In 2019 it was decided that H&S should be centralised globally and the European management framework would be used as the model for all regions which Chubb operates in.

Results & KPIs:
- Health & Safety risk assessments were conducted in eleven CEG SE offices in 2019 with seven assessments conducted in 2018.
Corporate & Social Report
31 December 2019

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 well-being of our society depends on a healthy environment and that a proper ethic strives for a sustainable balance between development and preservation. It 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 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. 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 proud 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.

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: To maintain corporate underwriting and investment policies to ensure Chubb addresses its responsibility in the fight against climate change.

Policy: Chubb Coal 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:
- On 1 July 2019 Chubb Limited announced that it had adopted a new policy concerning coal-related underwriting and investment.
- New coal plant construction and operation: Chubb will not underwrite risks related to the construction and operation of new coal-fired plants. Exceptions to this policy will be considered until 2022 (i) in regions that do not have practical near-term alternative energy sources, and (ii) taking into account the insured’s commitments to reduce coal dependence.
- Coal mining: Chubb will not underwrite new risks for companies that generate more than 30% of revenues from thermal coal mining. Chubb will phase out coverage of existing risks that exceed this threshold by 2022.
- Utilities: Chubb will not underwrite new risks for companies that generate more than 30% of their energy production from coal. Chubb will phase out coverage of existing risks that exceed this threshold beginning in 2022, taking into account the viability of alternative energy sources in the impacted region.
- Investments: Chubb will not make new debt or equity investments in companies that generate more than 30% of revenues from thermal coal mining or that generate more than 30% of energy production from coal.

Results & KPIs:
- Chubb is on track to meet this policy.
- KPIs relating to Chubb’s underwriting commitments will be reported in 2020.
- The number of investments that CEG SE has in companies that generate more than 30% of revenues from thermal coal mining or energy production reduced from thirteen at year end 2018 to ten at year end 2019. As of 31 December 2018 0.18% of the total market value of CEG SE’s investments related to coal companies. The equivalent figure for year end 2019 was 0.17%.
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: To promote excellence in sustainable underwriting that supports the advancement of environmental solutions and consulting services to help clients manage environmental risks.

Policy: Today, Chubb is among the world’s largest global underwriters of environmental liabilities and pollution risks. 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 coverage 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 behaviours.

Actions:
- 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, and make meaningful contributions to environmental causes.
- Chubb offers a broad range of protection for environmental risks including Premises Pollution Liability, Contractors Pollution Liability, Environmental Protect and Renewable Energy Environmental Protection.

Results & KPIs:
- CEG SE’s Environmental Risk related gross written premium amounted to 55 million USD in 2019, an 8% increase on 2018 premiums.

Risk 2.3: There are inadequate environmental policies in place to address relevant environmental issues and concerns including sustainable use of resources

Objective: To uphold the corporate commitment to reduce GHG emissions through real estate optimisation and energy efficiency projects, and to reduce waste and enhance the sustainability of operations.

Policy: Chubb has an official policy on reducing its GHG emissions to which CEG SE is committed. In May 2019, Chubb announced a company-wide goal to reduce its GHG emissions 20% by 2025 and established a long term goal to reduce GHG 40% by 2035. Details can be found on the Chubb website. Achieving these goals will be accomplished through a combination of real estate portfolio optimisation, energy efficiency projects and the purchase of renewable electricity. Chubb has worked to make reductions within its global operations, with a focus on reducing energy consumption at the facility level, primarily in owned buildings and larger, long-term leased spaces. This includes efforts to reduce the direct and indirect GHG emissions generated from heating, cooling and lighting in offices and from company owned or leased vehicles, as well as the reduction, reuse or recycling of resources. Chubb also works to reduce waste in all of its operations, in particular by a reduction in paper usage and increased recycling of materials.

Actions:
- In 2019 CEG SE moved its French headquarters to the Carpe Diem building in Paris. The tower has a Leadership in Energy & Environmental Design (“LEED”) Platinum level certification of the Core & Shell label (version 2.0). 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.
- In addition, Chubb deployed natural renewable energy as its main source of energy for its real estate portfolio in the UK. Through

Results & KPIs:
- CO2e emissions: 8,649 metric tons of CO2 equivalent (tCO2e) for Chubb Europe
- Scope 1 Emissions: 2,174 tCO2e
- Scope 2 Emissions – market based: 1,273 tCO2e
- Scope 3 Emissions – business travel – air: 5,202 tCO2e
the deployment of natural renewable energy, Chubb's GHG emissions have been reduced through the avoidance of fossil-fuel based energy consumption. Chubb is now expanding the practice to offices in Continental Europe. Since 2018 Chubb committed to no longer purchase fossil fuel derived energy in its Spanish offices.

- The company’s emissions are third-party verified to ISO 14064-3 standards. Chubb also reports its GHG emissions data and related activities to CDP.

- Since 2017 all property & casualty policy documents are issued electronically, unless prohibited by local regulations. All paper purchased in the UK & Ireland is FSC certified sustainable, and from January 2020 all paper purchased for Continental Europe offices will be FSC Certified 100% mix of recycled and sustainably sourced.

- As Chubb refurbishes its offices across Europe to better facilitate flexible working patterns, work is being done to eliminate single use plastics and enhance waste management. Disposable cups will no longer be available in favour of reusable mugs and glasses. Desk bins are no longer provided, to ensure that items go into the correct waste stream.

- CO2e per Chubb Europe employee: 2.55 tCO2e
- 2019 CDP Ranking: B
III Corporate Citizenship

Chubb sponsors and supports a wide range of Citizenship activities. The global Chubb Foundation has provided more than $100 million over the last decade, principally to support environmental stewardship, educational opportunity and providing health services to underserved communities, and we engage widely in public policy issues, diversity initiatives and good governance practices. Chubb’s Citizenship commitments reflect the core principles at the heart of our culture: Opportunity, Solutions and Community.

- **Opportunity:** In Chubb’s Citizenship activities, opportunities are made by providing the tools and conditions necessary for individuals and communities to thrive and so the citizenship commitment emphasizes education. In a similar way to the provision of learning opportunities for employees, Chubb supports efforts to provide technical literacy and training for the underemployed and improve teaching in high-need areas.

- **Solutions:** Chubb is a can-do company. Problems are identified, skill and analytical ability are used to find a solution and then the results are studied. This is done when Chubb creates new insurance products and Chubb does this when it creates new citizenship initiatives.

- **Community:** Chubb recognises that its strength and success rests on a collaborative spirit. Through Chubb Citizenship activities, Chubb seeks to build and sustain communities beyond the company, whether in its neighbourhood, cities, countries or the larger world.

*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:** To invest in our local communities and promote the culture of citizen commitment to provide opportunities and solutions for the communities within which Chubb operates.

**Policy:** Chubb supports a wide range of activities that benefit the community through the Chubb International Foundation and the Chubb Community Support Committee, predominantly in the areas of education, poverty, health and the environment. Chubb employees also participate in a number of local voluntary community schemes and personal fundraising efforts which the company supports through a charity-matching scheme.

**Actions:**

- Charities supported in France include Rétinostop (fight against retinoblastoma); Sésame Autisme Normandie (accompanying people with autism); Léo Club (social actions to support children and young people in difficulty); La Cravate Solidaire (promoting work integration); La Froggies Family (financing sustainable projects to improve living conditions for disadvantaged children in South Africa); and Secours Populaire (helping people in difficulty). In the UK there is a monthly “Jeans for Good Means” charity day where colleagues donate money and Chubb matches the sum given. This raised just under €18,000 in 2019 and supports a wide range of charities nominated by colleagues. In addition we have a three-year arrangement with the UK Alzheimer’s Society and Lloyd’s Military Network, pledging £10,000 annually to each. As part of our support of the Alzheimer’s Society, Chubb was actively involved with Dementia Awareness week in 2019.

- Chubb actively supports the Smart Works charity which dresses and trains unemployed women to prepare for job interviews. Chubb staff also volunteer to provide mentoring and interview coaching for women. In 2019 Chubb interview coaches helped 37 women – and more than half got the job.

- Colleagues volunteer on a weekly basis during term time to assist primary school children with their reading as part of the “Reading Partners” programme in partnership with Tower Hamlets Education Business Partnership. In addition, Chubb employees have also undertaken a range of volunteering projects through Chubb’s charity leave programme.

**Results & KPIs:**

- CEG SE supported more than 70 charities or good causes in Europe in 2019.

- During 2019 CEG SE donated over €227,000 to charitable causes, an increase over 2018’s contributions of approx. €184,000.
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 may 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.

CEG SE’s key financial crime challenges can be grouped into the following areas:

<table>
<thead>
<tr>
<th>Social</th>
<th>Environmental</th>
<th>Societal</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Maintain emphasis on the Chubb Code of Conduct in regard to the way that business is conducted and to ensure compliance with policies and procedures.</td>
<td>• Maintain a detailed financial crime framework and policies and procedures to ensure that risks are mitigated.</td>
<td>• Maintain the efficacy of Board policies and procedures designed to prevent financial crime.</td>
</tr>
<tr>
<td>• Ensure our employees are trained and equipped with the knowledge and tools to mitigate and identify instances of financial crime risk.</td>
<td>• Ensure that business procedures support the framework, policies, procedures and guidance is in place to identify and mitigate financial crime risk.</td>
<td>• Comply with the international laws and regulations related to the prevention of financial crime.</td>
</tr>
<tr>
<td>• Provide guidance and training to all relevant employees to ensure that financial crime risks are identified and reported.</td>
<td>• Uphold corporate commitment to the prevention of financial crime.</td>
<td>• Promote commitment to the prevention and mitigation of exposure to financial crime risk.</td>
</tr>
<tr>
<td>• Promote a corporate culture that supports the identification and mitigation of financial crime.</td>
<td>• Promote risk based financial crime training and awareness.</td>
<td>• Guarantee anonymity and support for whistleblowers and investigate all reports of actual or suspected financial crime.</td>
</tr>
</tbody>
</table>

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 and 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: There is inadequate consideration to the prevention of financial crime and corruption

Objective: To maintain the efficacy of Board policies and procedures designed to prevent financial crime, bribery and corruption.

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 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 an 86% completion rate at 31 December 2019 for financial crime training rolled out during the year.
- There were 18 CEG SE financial crime cases reported in 2019 (2018: 52)

Risk 4.2: There is inadequate consideration to the prevention of tax evasion

Objective: Compliant and rigorous management of taxes across all CEG SE territories.

Policy: CEG SE’s tax approach involves 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.

Actions:
- E-Learning module covering Tax Evasion / Facilitation of Tax Evasion (drafted following the Corporate Criminal Offence – Facilitating Tax Evasion legislation in the UK).
- Ongoing analysis and control of Chubb’s inherent risk rating.
- Monitoring and review of changes across Europe: Attendance at key insurance body tax forums and contestant/ ongoing discussions with tax advisors.
- Involvement in relevant business approval processes/ committees.

Results & KPIs:
- In 2019, a Tax Evasion training module was designed with support from a Big 4 Advisory firm and is due to be launched in 2020 with the expectation that all CEG SE employees will complete the training.
- In 2019 CEG SE’s taxes payable on profit on ordinary activities under French GAAP was €144.1 million (2018: €27.7 million).
V Promotion of Human Rights

Chubb aims to comply with legal and regulatory requirements everywhere we do 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: To comply with international Human Rights legislation.

Policy: Chubb actively supports the United Nations Global Compact (“the Compact”), the world’s largest corporate sustainability initiative. We are committed to aligning business operations with the Compact’s 10 principles, which address human rights, labour, the environment and anti-corruption.

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 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:

- 94% of active Chubb Europe employees completed the Chubb Code of Conduct training rolled out in October 2019 by year end.
- 100% of CEG SE employees that completed the training agreed to abide by the Chubb Code of Conduct.

Chubb continues to update its policies, procedures and training materials to make its commitment to anti-slavery and human trafficking explicit to customers, employees, suppliers, and business partners. Over the course of the last year, Chubb has revised its EU Procurement Policy which focuses on and re-iterates third parties’ obligations to comply with modern slavery and human trafficking laws. Training in this regard was also provided to key management across Chubb’s European offices. Furthermore, Chubb’s General Data Protection Regulations communications included 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.
VI The Rule of Law

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.

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 are fair and just. For over a decade, the Chubb Rule of Law Fund has made grants to projects seeking to advance the rule of law worldwide.

In 2019, Chubb supported twenty projects in Guatemala, Brazil, Mexico, Colombia, South Africa, the Gambia, Nigeria, India, Vietnam, Pakistan, Sri Lanka, Myanmar, Indonesia, the Philippines, the UK and Pennsylvania. To expand the rule of law efforts, Chubb has also spearheaded the development of the Private Sector Partnership for the Rule of Law, which seeks to leverage corporate resources to support rule of law projects all over the world. To date, Chubb has sign-on by ten large multinationals including Microsoft, GE, Walmart, Chevron, Novartis, Bloomberg, and MasterCard. Upcoming Partnership projects in Mexico, Brazil, Colombia, Myanmar and South Africa will offer opportunities for Chubb employee participation together with employees of partner companies.

Chubb’s Rule of Law Fund with support from the Chubb Foundation and fifteen law firm partners made ten new funding commitments. Examples of these include:

- In Africa, Chubb supports a pan-African network of judges and lawyers committed to the development of commercial law competence.
- In Sri Lanka and Colombia, Chubb supports efforts to encourage reconciliation and restoration of the rule of law following traumatic civil conflict.
- In Brazil, Chubb supports defence counsel for indigent defendants.
- In the US and UK, Chubb supports efforts to ensure that juvenile defendants have access to fair and humane judicial process.

Why does Chubb care so much about the rule of law? Adherence to the rule of law is an essential element of civil society, establishing conditions that further the well-being of citizens and the free flow of commerce, creating the foundation for long-term investment and growth, and contributes to the security and fairness necessary for the orderly functioning of markets.

Chubb is currently working to expand its Rule of Law impact through a Private Partnership for the Rule of Law that brings together an expanding group of companies, including Walmart, Chevron, Novartis and others to increase rule of law activities throughout the globe. The Partnership has been recognised by the UN as one of the most important ongoing rule of law initiatives in the private sector.
Chubb European Group SE

Report by the Statutory Auditor, appointed as an independent third party, on the non-financial information statement included in the management report

For the year ended 31.12.2019
Report by the Statutory Auditor, appointed as an independent third party, on the non-financial information statement included in the management report.

For the year ended 31.12.2019

To the Chubb European Group SE annual general meeting,

In our capacity as Statutory Auditor of Chubb European Group SE appointed as an independent third party and accredited by COFRAC under number 3-1060 rév.2 (whose scope is available at www.cofrac.fr), we hereby report to you on the non-financial information statement for the year ended 31.12.2019 (hereinafter the “Statement”), included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity’s responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity’s procedures (hereinafter the “Guidelines”), the main elements of which are available on request from the entity’s head office.

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:
- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the sincerity of the information provided in accordance with article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the “Information”).

However, it is not our responsibility to comment on:
- The entity’s compliance with other applicable legal and regulatory provisions;
- The compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors (“CNCC”) applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:
- we obtained an understanding of the entity’s activities, the description of the social and environmental risks associated with its activities and, where applicable, the impact of these activities on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with the entity’s activities, including where relevant and proportionate, the risks associated with its business relationships and products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
for the key performance indicators and other quantitative outcomes\(^1\) that we considered to be the most important, we implemented:

- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
- substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities\(^2\) and covers between 73% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
- we assessed the overall consistency of the Statement based on our knowledge of the entity.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of 4 people between the end of February 2020 and the beginning of April 2020 and took a total of 5 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 10 interviews with the people responsible for preparing the Statement, representing management, administration and finance, risk management, human resources, health and safety, environmental and purchasing departments.

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\(^1\) List quantitative information (key performance indicators and outcomes) in a footnote or in an appendix

\(^2\) CEG France and UK
Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Without qualifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- The identification and prioritization of risks was carried out in relation to the Group’s CSR objectives and the subjects listed in II of Article R.225-105, without relying on an entity-specific identification and prioritization process that takes into account the probability and potential impact of the risk;
- The risk linked to remuneration and its development, despite being identified as a priority, was not included in the list of principal CSR risks identified by the Group.

Paris / 15th June 2020

The Statutory Auditor
PricewaterhouseCoopers Audit

French original signed  French original signed
Bénédicte Vignon  Pascal Baranger
Partner  Sustainable Development Director
Appendix: List of the information we considered most important

Key performance indicators and other quantitative results:
- Percentage of Chubb Europe employees who completed Chubb Code of Conduct training rolled out in 2019 by the year end;
- Percentage of Chubb Europe employees that agreed to abide by the Chubb Code of Conduct;
- Employee Engagement Survey Completion Rate and Score (Chubb Europe only)
- Number of face-to-face training days;
- Average number of face-to-face training days per employee;
- Median and mean pay gap UK;
- French Pay Gap Report Score;
- Number of CEG SE employees that participated in the Diversity and Inclusion program;
- Number of Health & Safety risk assessments conducted;
- Percentage of total market value of CEG SE’s investments related to coal companies;
- Total environmental risk related gross written premiums;
- Total scope 1, 2 and 3 CO2 emissions;
- CO2 emissions per Chubb Europe employee;
- Number of charities supported;
- Approximate amount raised through Jeans for Good Means Charity Days;
- Total charitable donations;
- Completion rate for financial crime training rolled out during the year;
- Total taxes payable on profit on ordinary activities under French GAAP.

Qualitative information (actions and results):
- Training modules concerning the Code of Conduct, tax evasion, financial crime, and how to raise an alert;
- “Diversity and Connectors” training programs;
- Creation of the Information and Consultation Committee in the UK;
- Employee engagement survey;
- Support provided to employees concerning job-related professional qualifications and external development opportunities;
- 6 employee networks developed for employees to collaborate on initiatives that contribute to positive change
- Signature of the London market Inclusive Behaviours Pledge;
- Risk assessment programme and routine reviews conducted by H&S representatives;
- Network of H&S consultants that develops awareness material;
- Adoption of a new policy concerning coal-related underwriting;
- Example solutions provided to help clients manage environmental risks
- LEED Platinum Level Certification held by the Carpe Diem building in Paris;
- Deployment of natural renewable energy as the main source of energy for the UK real estate portfolio
- Use of only FSC certified sustainable paper in the UK;
- Charity Days held each month in the UK;
- 3-year engagement with the Alzheimer’s Society and Lloyd’s Military Network;
- Provision of regular financial crime Management Information reports;
- Attendance at key insurance body tax forums and contestant/ongoing discussions with tax advisors;
- Use of Procurement agreements.