

# Environmental, Social & Governance Report

## Chubb European Group SE

CHUBB®

31 December 2020

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

COMPANY REGISTRATION NUMBER: 450 327 374 RCS Nanterre

## Corporate Responsibility Overview at 31 December 2020

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### Introduction

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

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

Chubb serves multinational corporations, mid-size 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”.

### *Note on the Covid-19 Pandemic*

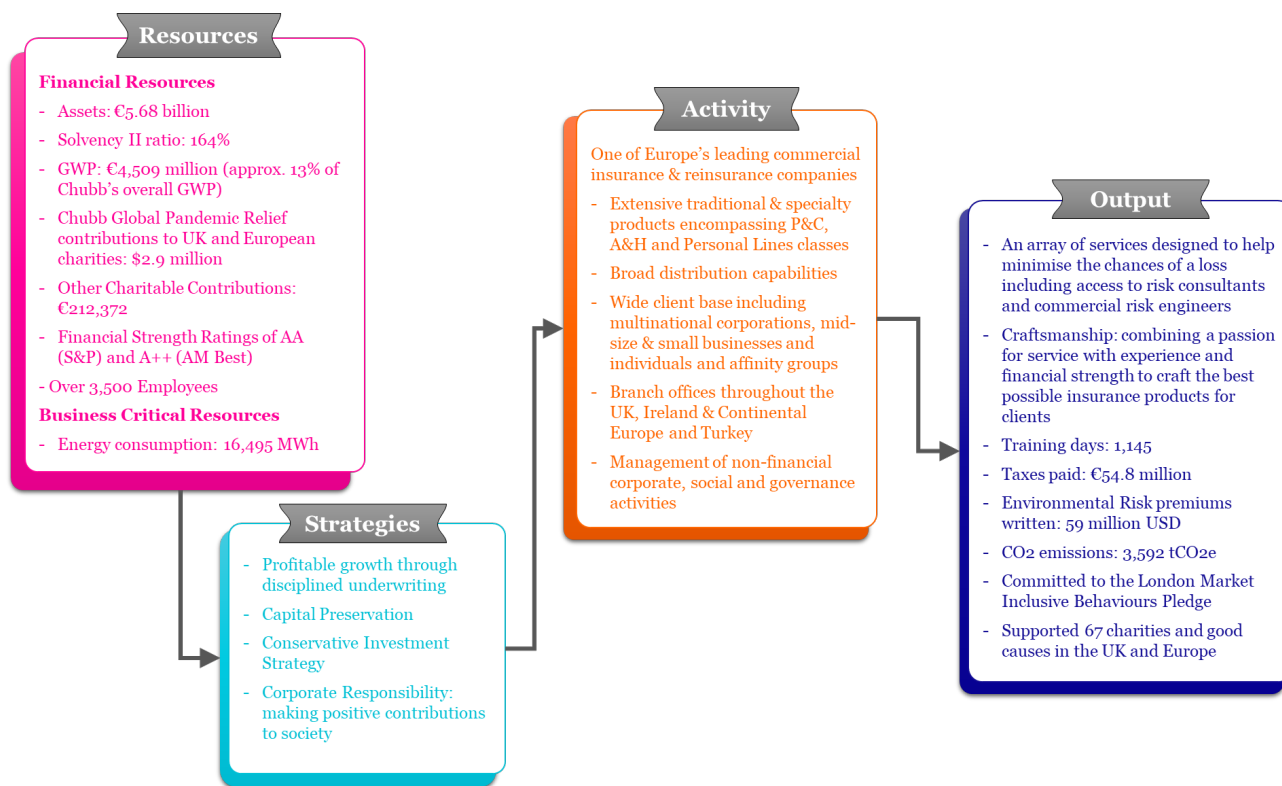
The world has been dealing with the spread and threat of Covid-19 since the outbreak was first reported in December 2019. Chubb has continued to operate around the globe as a normal company during these extremely abnormal times. Throughout, the company’s priorities have been clear: taking care of its employees and keeping them safe; remaining consistent in serving customers and business partners; and acting as a responsible corporate citizen. Covid-19 has had a substantial operational impact on the company. Chubb has complied with, and in some cases was an early adopter of, stay at home orders and work from home. Globally, Chubb’s Global Safety Security & Business Continuity Management team managed a smooth and rapid transition in closing more than 600 offices and moving more than 30,000 employees to working from home.

In line with group policy, CEG SE took swift actions to minimise risk to employees, including restricting travel and instituting extensive work from home protocols. With respect to clients and business partners, the company sought to minimise any disruption and was able to continue to operate effectively throughout the pandemic and region-wide lockdown restrictions.

The office closures and work from home protocols have resulted in the temporary suspension of some of the company’s standard practices and procedures, including the deferment of Health & Safety inspections. In addition, some of the statistics disclosed in this report reflect anomalous activity, such as the larger than anticipated decreases in energy consumption and greenhouse gas accounting, and are not necessarily indicative of new trends.

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**Business Model**



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

**Chubb's Strategy and Values**

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

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

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

#### *Corporate Responsibility Strategy*

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

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

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

#### *The Chubb Difference*

Chubb combines 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.

As a global insurance company with operations in 54 countries and territories, Chubb's deep local presence and understanding of local cultures and the unique demographic, economic and social characteristics in different communities, countries and regions, is a defining strength. So too is Chubb's culture, which is built upon the shared values, experiences and priorities and the diversity of its people.

#### *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. 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.

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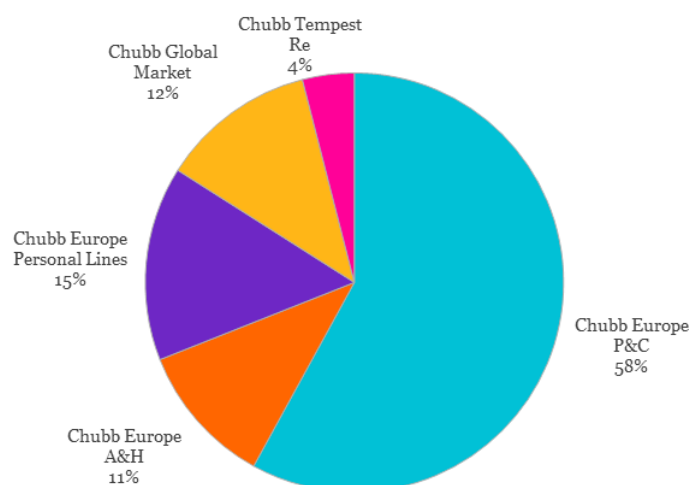
#### Chubb Resources

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

CEG SE is one of Europe's leading commercial insurance and reinsurance companies and operates a successful underwriting business throughout the UK, Ireland and Continental Europe. It is a major contributor to Chubb, generating approximately 13% of the group's overall gross written premium in 2020.

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

CEG SE's 2020 gross written premium was €4,509 million (2019: €4,038 million) split by major class as follows:



Other key financial metrics include:

- **Assets:** As at 31 December 2020, CEG SE held assets of €5,680 million
- **Solvency:** The company's own funds for Solvency II purposes were comprised of Tier 1 capital of €2,634 million. The Solvency ratio, based on the Internal Model Formula ("IM") was 164%. With the exception of €23.8 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.

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As at 31 December 2020, CEG SE employed 3,586 people in 19 countries. In 2019, the number of people employed directly by CEG SE was 1,506, with a further 1,927 people, primarily located in the UK, employed by Chubb UK Services Limited. On 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, and are therefore now included in the reported 2020 CEG SE employment statistics.

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, 2020 pursuant to the Ordonnance of July 2017 concerning the publication of non-financial information and its decree of application dated August 2017 as well as reasoned opinion on the fairness of the information.

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#### Chubb's Approach to Corporate Responsibility

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

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

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

The analysis identified 14 main risks:

CEG SE Strategy	Main risks identified
<b>TRUSTED COMPANY &amp; RESPONSIBLE EMPLOYER</b>	#1.1 Employees do not exhibit behaviours aligned to Chubb's position of corporate responsibility when conducting business
	#1.2 There is an inadequate level of employee engagement and participation
	#1.3 The possibility that pay and incentive structures might be deemed to be inappropriate, unattractive, and lead to adverse behaviours
	#1.4 Inadequacy in recruitment processes creates difficulty in employing appropriately talented people and lack of training opportunities prevent professional development for existing staff
	#1.5 Impact of Covid-19 pandemic on the organisation of working time
	#1.6 The workplace permits an environment of inequality and discrimination
	#1.7 Health and Safety hazards, including occupational health in the workplace, are not effectively managed
<b>SUSTAINABLE INSURER</b>	#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
	#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
	#2.3 There are inadequate environmental policies in place to address relevant environmental risks, the prevention of pollution and concerns including sustainable use of resources
<b>COMMITTED CORPORATE CITIZEN</b>	#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
<b>FIGHT AGAINST FINANCIAL CRIME</b>	#4.1 Inadequate action is taken to prevent financial crime and corruption
	#4.2 Inadequate action is taken to prevent tax evasion
<b>PROMOTER OF HUMAN RIGHTS</b>	#5.1 There is inadequate consideration to the prevention of human rights breaches including modern slavery and human trafficking

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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.



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

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

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

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

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

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

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

##### Objective

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

##### Policy

The Chubb Code of Conduct 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, Results & Key Performance Indicators ("KPIs")

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.

93% of active CEG SE employees completed the Chubb Code of Conduct training required by year end 2020. This percentage is just below the 2019 result of 94%. 100% of CEG SE employees that completed the training agreed to abide by the Chubb Code of Conduct.

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

##### Objective

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

##### Policies

The Biennial Employee Survey is a key indicator of Chubb's employee motivation and willingness to apply discretionary effort and contribute to the organisation, and is conducted every other year. The last global employee engagement survey was conducted in 2019 and identified key company strengths including management support relating to employees' work-life flexibility, the communication of information in a timely manner, and the effectiveness by which employees are held accountable for results.

Internal communications, campaigns and activities were organised throughout 2020 to boost employee engagement and morale during the lockdown periods. Events including European wide and local Town Halls were broadcast to support employees working from home and to ensure all were kept well informed of business activities and successes, continuity plans relating to the pandemic, and ways to connect with colleagues.

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

##### Actions, Results & KPIs

The global employee engagement survey conducted in 2019 identified key company strengths including management support relating to employees' work-life flexibility, the communication of information in a timely manner, and the effectiveness by which employees are held accountable for results. The European engagement score was 67%, an increase of 3 percentage points over the 2017 survey, and well above the 58% external benchmark used by PWC as a comparator for Professional Service businesses in the region. The reported KPI has not been updated this year as no engagement survey was conducted in 2020; the KPI will be updated to reflect the next survey, scheduled for 2021.

Frequent communication, at times weekly, was provided to employees throughout 2020, primarily via video recordings and emails. Topics included updates regarding the Covid-19 impact on the workplace, designed to give confidence in the company's handling of the situation. Two European Town Halls were held during the year with most countries holding local town halls on a more frequent basis. The December European townhall was broadcast to 2,000 employees (watched live by 1,700 with over 300 downloading the post-event replay). The event was well received and deemed to be informative, personable, refreshing, engaging and fun. More than 95% of post event survey respondents stated that they would either likely or very likely recommend the session.

A regional #HiddenTalent campaign, designed to lift the mood of employees, was launched mid-November and continued to the end of the year. Employees were encouraged to submit video clips and photos of their "hidden talents" which were then broadcast internally. There was a high level of employee engagement with the weekly #HiddenTalent compilation videos attracting an average 2,000 views every day throughout the campaign period. The initiative also brought more employees to the intranet site, leading to more views of other stories and engagement initiatives.

In addition, many local employee engagement initiatives took place across the region including Chubb Radio in France, and a Stepper Challenge in Iberia.

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

##### Objective

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

##### Policy

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

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

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

##### Actions

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

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

##### Results & KPIs

In 2020, 37 attestations from all existing MRTs were made and all 22 new MRT signed letters agreeing to the arrangement for malus in respect of the 2019 calendar year. All 59 MRT variable pay awards paid in 2020 comply with Solvency II requirements (i.e. at least 40% of total variable pay is deferred either as equity or as a deferred cash bonus).

796 employees were in Grades eligible to receive deferred variable pay in 2020, of which on average 46% of variable pay was received in a deferred bonus vehicle. On average 53% of variable pay was received in a deferred bonus vehicle for MRT and 45% for eligible non-MRT, which is above and beyond Solvency II requirements. No malus events were identified to be put forward to the Board for malus adjustments in 2020 or in any prior year.

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#### ***Risk 1.4: Inadequacy in recruitment processes creates difficulty in employing appropriately talented people and a lack of training opportunities prevent professional development for existing staff***

##### Objective

The inability to attract and retain talented employees would threaten the continuation of CEG SE's activities and objectives. Chubb is a meritocracy that supports growth and improving expertise. Chubb's ability to deliver outstanding business results relies on the calibre of its talent and the efforts of its employees at all levels of the organisation. CEG SE aims to maintain a mid- and long-term talent pipeline to ensure the right quality and quantity of diverse talent is available for the company to deliver its key business objectives by ensuring all employees have access to adequate training.

##### Policy

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

##### Actions

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

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

##### Results & KPIs

Employees in CEG SE took a total of 1,258 days of internal face-to-face or virtual classroom training in 2020 compared to 1,045 days in 2019. Primarily as a result of the pandemic, the company focused on delivering shorter and more targeted training and delivered 510 learning sessions during the year, up from 369 in 2019. However, and again primarily due to the pandemic, external training hours were below 2019 volumes.

CEG SE employees undertook a total of 22,710 hours of internal and external training (excluding the mandatory compliance reporting reported in Section IV: The Fight against Financial Crime) in 2020, equivalent to 6 hours per person, compared to 30,712 hours in the previous year (equivalent to 9 hours per person).

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

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

##### Objective

Chubb is committed to providing support for the physical and mental well-being of employees and aims to provide all employees with a means of accessing the support systems in place.

##### Policy

Given that the majority of CEG SE employees across the region spent most, or at least a good part, of 2020 working from home, additional management focus was given to supporting employees' well-being from both a mental and physical perspective.

##### Actions, Results & KPIs

A number of initiatives took place during the year to support employees with health and well-being during the pandemic, including a variety of social and entertainment activities such as quizzes and virtual get-togethers. Additional training and support was also provided to managers who had to manage their staff remotely.

15 "Wellbeing" workshops focusing on both mental and physical health were organised throughout the year with an average number of 65 people attending each session (c. 1,000 employees in total).

A large amount of information was made available to employees via the company's intranet relating to Physical Wellbeing with webinars and resources providing information on topics including 'Positive Thinking', 'Family Fitness', 'Self Care' and 'Ways to keep a Healthy Heart'. Mental Wellbeing was also featured, with a number of webinars and resources encompassing 'Relaxation', 'Stress', 'Resilience' and many more related topics. Chubb also launched the Chubb Taking Care series featuring 10 videos from the Global Head of HR, backed up by multiple podcasts and articles.

Measurement data from the intranet showed that viewership figures throughout the first half of 2020 were similar to 2019, with significant spikes and surges as everybody moved to working remotely and wellbeing resources were ramped up in light of the pandemic. There was a 73% increase in the number of wellbeing related articles available on the intranet and an increase in usage (based on the number of hits the articles received) of over 250%.

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

##### Objective

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

##### Policy

Chubb is committed to a diverse and inclusive environment where all staff are treated with dignity, fairness and respect, regardless of their age, disability, race, religion or belief, gender identity and expression, sexual orientation, marital status or family circumstances. 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.

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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.

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.

#### Actions, Results & KPIs

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

Since its inception in 2018, 64 CEG SE employees have been trained as DICE Connectors. 39 employees actively participated in the DICE programme in 2020, with 14 new Connectors joining during the year.

CEG SE has introduced regular reporting on gender representation across all levels throughout the region, including monitoring of hires, promotions and attrition to identify opportunities and areas where it needs to take action in order to improve representation.

Chubb’s latest UK Gender Pay Gap report (issued in 2020 but based on 2019 results) demonstrated an improvement on the prior year figures, with the median pay gap reducing from 31.8% to 30.6%, and the mean pay gap reducing from 33.9% to 32.7%. Chubb also achieved an overall score of 94 out of 100 in its 2020 French Gender Pay Gap Report, up from 81 in 2019.

Chubb has launched a campaign to capture additional diversity data in the UK & Ireland on a voluntary and confidential basis to help the company to better understand the make-up of its workforce and trends around recruitment, promotion and attrition.

Chubb signed the Business in the Community’s Race at Work charter in August 2020. The initiative, developed in partnership with the UK government, is designed to foster a public commitment from businesses to improving outcomes for ethnic minority employees in the workplace. In September 2020, Chubb was a key global sponsor for the Dive In festival, which was attended by over 30,000 participants worldwide. In addition, a Race Matters Toolkit was developed during the year which is primarily designed to socialise educational content and provide guidance and resources to Chubb employees. Beyond creating a safe space for dialogue, “Race Matters” avails new and existing learning and development programs to promote actions at the individual and team level. The toolkit was rolled out in October and training on Race Fluency/Confidence has been given to the Executive leadership group and the Human Resources Team.

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

##### Objective

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

##### Policy

Chubb is committed to ensuring the health, safety and wellbeing of all its staff and has an established Health & Safety (“H&S”) policy. A multi-tiered governance structure is used to ensure that issues at any level of the organisation can be escalated to those with the capability to remediate them. Every office has a nominated individual whose responsibility is to monitor the conditions in the office and report issues. 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, Results & KPIs

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

Health & Safety risk assessments were conducted in eleven CEG SE offices in 2019. In 2020 it was decided that, in order to limit the exposure of CEG SE employees and contractors to Covid-19, non-essential visitors to office sites would be restricted. A side effect of this temporary policy was that on-site Health & Safety risk assessments were suspended and therefore no relevant KPI for this risk is available for 2020.

To protect CEG SE employees, wide ranging restrictions were put in place as the impact of Covid-19 materialised. As early as February 2020, travel restrictions and mandatory self-quarantine periods were imposed. Homeworking protocols were implemented for all offices in March, initially on a limited basis before being extended to essential office attendance only. The extent of the restrictions were scalable depending on the local infection rate.

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

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## II Sustainable Insurer, focused on Environmental Matters

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

Chubb recognises its responsibility to provide solutions that help clients manage environmental risks, to reduce its own environmental impact and to make meaningful contributions to environmental causes. With operations in 54 countries and territories, Chubb's business and operating models are exposed to the full impact of global climate change. 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 makes sustainability and preservation a high priority, integrating environmentalism into many aspects of its business, from its products and services to its day-to-day operations, as well as philanthropic commitments.

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

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

Chubb Limited produces an annual Environmental Report which outlines the full scope of the group's environmental programme and initiatives. It reports to the CDP, an international, not-for-profit organisation providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information on an annual basis, disclosing climate change risks and opportunities as well as emissions performance. In 2020, the company earned a score of "B" on the CDP's climate change program ranking. A third-party certified environmental statement on Chubb's greenhouse gas ("GHG") emissions programme is also included in the Chubb Limited annual report.

Chubb is a 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.

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

### ***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

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



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### 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 its energy needs.

### Actions

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

### Results & KPIs

Chubb is on track to meet this policy.

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 ten at year end 2019 to two at year end 2020. As of 31 December 2019, 0.17% of the total market value of CEG SE's investments related to coal companies. The equivalent figure for year end 2020 was 0.05%.

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

### Objective

Chubb promotes excellence in sustainable underwriting that supports the advancement of environmental solutions and consulting services to help clients manage environmental risks. The inability to match the environmental insurance products and support services to the changing needs of clients would present a risk in terms of the effectiveness of Chubb to respond to an environmental loss event. CEG SE planned to grow its Environmental Risk portfolio by 7% in 2020.

### Policy

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 has been a pioneer in developing advanced environmental insurance solutions, including coverages for premises-based exposures, contractors' and project pollution liability, renewable energy, clean tech and environmental clean up projects, as well as "green building" consulting services and a property policy that enables greener rebuilding after a loss. Chubb's role in mitigating supply chain and global operations risks through its risk engineering services helps organisations identify climate-related exposures and provides risk management expertise to help manage environmental challenges caused by climate change.

### Actions, Results & KPIs

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

CEG SE's Environmental Risk related gross written premium amounted to US\$59 million in 2020, a 6% increase on 2019 premiums.

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

##### Objective

The inability of Chubb to maintain adequate environmental policies would have a material impact on the reputation of the company and its ability to deliver on its corporate responsibility strategy. Chubb has a strong corporate commitment to the environment with policies in place for the reduction of GHG emissions through real estate optimisation, energy efficiency projects, the reduction of waste and enhancements to the sustainability of its operations.

##### Policy

Chubb has an official policy on reducing its GHG emissions to which CEG SE is committed. In June 2020 Chubb announced that it had achieved its short-term goal to reduce GHG emissions 20% on an absolute basis by 2025. By year-end 2019, Chubb's GHG emissions were cut 22% from a 2016 baseline. The company continues to pursue its long-term goal to reduce absolute GHG emissions 40% by 2035. Both science-based goals are aligned with the two-degree Celsius limit outlined in the Paris Climate Agreement.

The company accomplished its goal through a combination of real estate portfolio optimisation and energy-efficiency projects. Chubb has focused on reducing energy consumption at the facility level, primarily in owned buildings and larger, long-term leased spaces. Chubb will continue to use this approach to achieve its 40% GHG reduction goal by 2035, which is equivalent to 45,000 metric tons of CO<sub>2</sub> per year. Further details can be found on the Chubb website.

##### Actions

CEG SE's French headquarters are located in 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.

Chubb has deployed natural renewable energy as its main source of energy for its real estate portfolio in the UK. Through 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 has 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 has been 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.

##### Results & KPIs

CO<sub>2</sub>e emissions: 3,592 metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) for CEG SE

- Scope 1 Emissions: 1,630 tCO<sub>2</sub>e
- Scope 2 Emissions – market based: 1,171 tCO<sub>2</sub>e
- Scope 3 Emissions – business travel – air: 791 tCO<sub>2</sub>e

CO<sub>2</sub>e per CEG SE employee: 1.0 tCO<sub>2</sub>e (2019 equivalent: 2.5 tCO<sub>2</sub>e)

2020 CDP Ranking of "B" (2019: "B")

Note that the significant year on year reduction in the CO<sub>2</sub>e per employee statistic primarily reflects the impact of lockdown measures and associated office closures across the region. This result is therefore not necessarily indicative of a new trend.

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### 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 provision of health services to underserved communities. Chubb engages 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; so the citizenship commitment emphasises 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. Chubb also aims to build relationships with key stakeholders including educational establishments, environmental protection associations, consumer associations and local populations through partnership or sponsorship actions.

In April 2020, in response to the coronavirus pandemic, Chubb announced that it was committing \$10 million to pandemic relief efforts globally. The company's support, funded through the Chubb Charitable Foundation, was directed to a range of partner organisations around the world to provide essential resources in areas facing the most acute need, including organisations providing emergency medical equipment and supplies to healthcare facilities, and community food banks to support those who have become unemployed as a result of the pandemic. Chubb also supported other industry initiatives to help mitigate the spread of coronavirus and its impact on people and the economy through additional grants.

In Europe, Chubb's pandemic related relief contributions amounted to \$2.9 million and included donations to FareShare – the UK's national network of charitable food banks, the Global FoodBanking Network – a company that provides direct grants to food banks in Europe, and other industry-wide insurance association initiatives.

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

##### Objective

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

##### Policy

Chubb supports a wide range of activities that benefit the community through the Chubb International Foundation 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 charitable contribution scheme.

##### Actions

Chubb is a member of the Insurance Industry Charitable Foundation and the main sponsor of the East End Community Foundation in the UK, which this year helped to fund Winter Care Packages for the local community. The company is also a supporter of the Lloyd's Community Programme which worked in association with the Tower Hamlets Education Business Partnership to provide books to children in the London area during the pandemic. CEG SE continues to actively support the Smart Works charity which dresses and trains unemployed women to prepare for job interviews, with interview coaching provided in person and virtually throughout the year in addition to monetary contributions.

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'Charity at Chubb' is Chubb's European charity committee with a remit to make the best, most relevant charitable impact aligned to Chubb's wider corporate and social responsibility and diversity & inclusion strategies. In 2020, Charity at Chubb made Covid-19 related donations in excess of \$100,000 to worthy causes across the region. These include a \$25,000 donation to the Trussell Trust in the UK to support the Trust's nationwide network of more than 1,200 food bank centres to provide emergency food and support to people in poverty. Chubb also donated \$25,000 to the NHS Charities Together Covid-19 Urgent Appeal, supporting NHS staff, volunteers and patients impacted by Covid-19. Other beneficiaries include ZWIC (Zerg na Werk in Coronazorg) in the Netherlands, SOS Barnbyar in the Nordics, Caritas in Spain, Presidenzia del Consigno del Ministri in Italy, and Barnados in Ireland.

Chubb employees are committed to helping the communities in which they serve. Examples of specific activities undertaken during 2020 included a virtual Easter Egg Collection in support of Action for Children, the "Hoodie Run" where 67 people across the Nordics took part in a 5k or 10k run / walk wearing Chubb branded clothing, raising €10,000 for SOS Children's Villages, and virtual and "live" coffee mornings in Scotland and Ireland in aid of Macmillan and local hospices. The "Chubb Hairy Caterpillar Club" also raised over £12,000 during "Movember" to raise awareness of men's health issues such as suicide prevention, prostate cancer and testicular cancer, and colleagues in Zurich donated to charities including Kinderdorf Pestalozzi, Pfarrer Sieber Stiftung and Stiftung Lebensfreude. There were also contributions from individuals including a sponsored Head Shave in support of Motor Neurone Disease Association, a 10k steps a day challenge for Insurance United Against Dementia, an Alzheimer's Society movement created and championed by leaders from across the insurance industry, and a 75 mile Elliptigo Challenge for St Anne's Hospice in Manchester. Chubb employees also undertook various Covid-19 related activities including recording a video of the song "Together" to raise funds to support Dynamo Camp, the first recreational therapy camp in Italy specially structured to host sick children in therapy or in the post-hospitalization period. In addition, employees in the UK participated in an initiative called "NHS Scrubs" to sew scrubs for NHS key workers in local hospitals to counter shortages of protective clothing due to the increasing demand for PPE.

#### Results & KPIs

In addition to contributions from the Chubb Charitable Foundation, CEG SE donated a total of €212,372 to charitable causes in 2020. This represents a slight decrease over 2019's contribution of €227,000; the variance is predominantly FX related and reflects the strengthening of the Euro against the US Dollar in December 2020 compared to December 2019.

CEG SE supported 67 charities and good causes across Europe in 2020 compared to 70 in 2019. The lower number of individual charities is a result of the \$100,000 Covid-19 related donation made to seven charities across Europe, resulting in a higher spend per charity than in previous years.

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### IV The Fight against Financial Crime

#### *Key Financial Crime Risks*

Financial crime has become an area of significant focus for international regulators. Recent political events have resulted in the increased use of sanctions regimes and the need for improved counter terrorist financing measures. As a financial services firm, CEG SE 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.

#### *Financial Crime Framework*

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

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

##### Objective

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

##### Policy

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

##### Actions

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

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

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

##### Results & KPIs

There was a 91% completion rate at 31 December 2020 for financial crime training rolled out during the year compared to 86% in 2019. There were 33 CEG SE financial crime cases reported in 2020 compared to 18 in 2019. The increase reflects a regulatory change resulting in the inclusion of Cyber Ransom/Extortion referrals for 2020, of which there were 11.

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

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

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

#### Objective

The risk of the facilitation of tax evasion could result in significant reputational harm, fines and criminal prosecution. CEG SE must have adequate policies and procedures in place to prevent the facilitation of tax evasion. From 2021 Chubb aims to achieve 100% completion of the Facilitation of Tax Evasion training module for all employees impacted by the UK legislation.

#### Policy

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

#### Actions, Results & KPIs

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

In 2019, a Tax Evasion training module was designed with support from a Big 4 Advisory firm. This e-learning module covers Tax Evasion / Facilitation of Tax Evasion and was drafted following the introduction of the Corporate Criminal Offence – Facilitating Tax Evasion legislation in the UK. The training includes a link to the whistleblowing hotline for staff to report any suspected tax related breaches. No incidents relating to the facilitation of tax evasion were reported in 2020.

Training was launched in 2020. The training is available in three languages and it is a mandatory annual requirement for all impacted staff to complete the training. Due to the relatively recent introduction of this training module completion figures for 2020 are not available, however KPIs will be published for 2021.

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## V Promotion of Human Rights

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

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

#### Objective

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

#### Policy

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

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

#### Actions

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

- Attestation to the Chubb Code of Conduct;
- Undertaking employment verification checks as part of the hiring process where allowed by local legislation;
- Requiring agencies who supply workers to carry out employment verification checks, wherever staff are located 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

93% of active CEG SE employees completed the Chubb Code of Conduct training required by year end 2020. This percentage is slightly below the 2019 result of 94%. 100% of CEG SE employees that completed the training agreed to abide by the Chubb Code of Conduct.

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## VI The Rule of Law

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

The Chubb Rule of Law Fund's purpose is to advance the rule of law worldwide by supporting projects that build and strengthen legal institutions. Through the Fund, Chubb supports organisations and activities that promote conditions conducive to the rule of law, including:

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

Since its inception in 2008, the Chubb Rule of Law Fund has supported 62 projects seeking to advance the rule of law worldwide, with grants totaling over \$1.6 million. It is now a global corporate commitment, reflecting the importance of the rule of law to the company and its employees, customers and communities.

Examples of specific projects supported in 2020 include:

- Global refugee law reform through the Vance Centre for International Justice which works with a range of refugee advocates, academics and law firm partners to develop a refugee law reform agenda to ensure that refugee policies and laws are consistent with the rule of law. Current reports of refugee abuse, exacerbated by pandemic responses, underscore the urgency of this work.
- Racial justice initiatives such as:
  - Equal Justice USA, designed to improve trust and fairness in community policing in the United States by expansion of the Newark-based police training programme "From Trauma to Trust" to cities across the US;
  - Community Legal Services in Philadelphia which aims to reform occupational licensing legislation which often prevents people with minor criminal records from obtaining professional licenses in fields unrelated to their offence and disproportionately affect poor minority communities; and
  - The Pennsylvania Innocence Project which aims to address racial disparities in the criminal justice system.
- Other initiatives across Asia & Africa including:
  - Funding for the Max Planck Foundation for International Peace and the Rule of Law to support the Myanmar Supreme Court's strategic plan to improve the quality of the judiciary; and
  - Funding for the Coram Children's Legal Centre which, in partnership with UNICEF, is working to strengthen child protection against violence laws in Indonesia, strengthen children's rights in the criminal justice system in the Philippines, and coaching judicial trainers on the new Nigerian Family Court rules to help bring Family Courts into line with child rights standards.

Chubb continues 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.

Additional information can be found in the Chubb Rule of Law Fund Annual report, available on the Chubb website.