Chubb's Corporate Climate Underwriting Criteria Summary

Updated October 2024

CHUBB®

Developing science-based underwriting criteria for high-emitting industries

Through the underwriting process, we have opportunities to promote good risk management and the adoption of sound engineering practices by our clients that relate to the risks we are underwriting. Our strategy seeks to deploy these fundamental areas of expertise to address the high-emitting industries we insure. Our approach to these industries involves conducting our own review of best practices, seeking guidance from non-governmental organization (NGO) partners, and engaging with our clients to develop perspectives on greenhouse gas (GHG) emissions mitigation measures that apply best engineering practices. As we deploy underwriting criteria, we simultaneously offer our on-the-ground engineering expertise, working on-site with our clients to help deploy best practices and controls to reduce GHG emissions.

We applied this approach to the development of our oil and gas underwriting criteria. We are currently evaluating the potential evidence to support the development of criteria in other high-emitting industries.

Oil and Gas Underwriting Criteria and Conservation Policy

In March 2023, Chubb introduced underwriting criteria and conservation criteria that apply to oil and gas extraction projects. In April 2024, we updated these criteria for larger oil and gas companies and announced new standards for midstream activities. Chubb's underwriting criteria and conservation policy for oil and gas encompass:

Standards for methane emissions.

- **For oil and gas producers with annual revenues less than $1 billion,** Chubb will continue to provide insurance coverage for clients that implement evidence-based plans to manage methane emissions, including, at a minimum, having in place programs for leak detection and repair, the elimination of non-emergency venting, and adopting one or more measures that have been demonstrated to reduce emissions from flaring. Clients will have a set period of time to develop an action plan based on their individual risk characteristics. We may decline coverage if a potential policyholder cannot meet our methane performance expectations.
- **For oil and gas producers with annual revenues greater than $1 billion,** Chubb expects our insureds will achieve a methane emissions intensity (continued on next page)

of 0.2% or less by 2030 across their global operations. Chubb will continue to provide coverage for clients that are able to report their methane emissions intensity, are engaging in direct measurement of methane emissions, and demonstrate progress towards achieving methane emissions intensity of 0.2% or less. We may decline coverage if a potential policyholder cannot meet our methane performance expectations.

- **For midstream oil and gas operations with annual revenues greater than $1 billion,** Chubb expects our insureds will achieve a methane emissions intensity of 0.2% or less by 2030 across their global operations. Chubb will continue to provide coverage for clients that are able to report their methane emissions intensity, are engaging in direct measurement of methane emissions, and demonstrate progress towards achieving near zero methane emissions intensity. We may decline coverage if a potential policyholder cannot meet our methane performance expectations.
- **For midstream oil and gas operations with annual revenues less than $1 billion,** Chubb will continue to provide insurance coverage for clients that implement evidence-based plans to manage methane emissions, including, at a minimum, having in place programs for leak detection and repair and the elimination of non-emergency venting and adopting one or more measures that have been demonstrated to reduce emissions from flaring. Clients will have a set period of time to develop an action plan based on their individual risk characteristics. We may decline coverage if a potential policyholder cannot meet our methane performance expectations.

We will support our clients as they endeavor to improve their methane emissions controls by providing resources and support through our risk engineering services. We have created and will continue to expand the Chubb Methane Resource Hub as a central location for resources and support for our insureds.

Standards for protected conservation areas.

- **For oil and gas producers,** Chubb will no longer underwrite oil and gas extraction projects in International Union for the Conservation of Nature (IUCN) management categories I-V in the World Database on Protected Areas, which includes nature reserves, wilderness areas, national parks and monuments, habitat or species management areas, and protected landscapes and seascapes that have been designated for protection by state, provincial or national governments. This includes the Arctic National Wildlife Refuge (ANWR). Chubb is currently developing standards for projects in category VI areas (protected areas that allow sustainable use) in the World Database of Protected Areas as well as for oil and gas extraction projects in the Arctic, Key Biodiversity Areas, mangrove forests and global peatlands that are not currently listed in the World Database on Protected Areas.
- **For midstream oil and gas operations,** Chubb will no longer underwrite new greenfield projects that occur in IUCN management categories I-V in the World Database of Protected Areas.

Cement Underwriting Criteria

In October 2024, Chubb introduced underwriting criteria for companies that produce cement. These underwriting criteria apply to producers of Portland Cement in high temperature kilns. Chubb's underwriting criteria for cement producers are as follows:

- Chubb expects our insureds to source at least 30% of their kiln heat capacity from fuel sources that are not coal or petcoke.
- Chubb will require evidence that appropriate emissions controls are in place for the non-CO_2 emissions of alternative fuels.
- Chubb will no longer insure new build cement facilities unless they are designed to be carbon capture ready.

Coal Policy

Chubb was the first major insurer in the U.S. to announce a policy concerning thermal coal-related underwriting and investment. In 2019, we adopted the following policy:

- Chubb no longer underwrites risks related to the construction and operation of new coal-fired plants.
- Chubb does not underwrite new risks for companies that generate >30% of revenues from thermal coal mining and began phasing out coverage of existing risks that exceeded this threshold at the end of 2022.

- Chubb does not underwrite new risks for companies generating more than 30% of their energy production from coal and began phasing out coverage of existing risks exceeding this threshold at the start of 2022 (accounting for the viability of alternative energy sources in the impacted region).
- Chubb no longer makes 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.

Oil Sands Policy

In 2022, Chubb adopted a policy that it will no longer underwrite risks for projects involving direct mining or in-situ extraction and processing of bitumen from oil sands.