



Sustainability Report 2024

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☞ A China Re Company

Letter from the CEO

In our last Sustainability Report, we spoke of our ongoing commitment to embedding Environmental, Social and Governance ethics into our decision making across the business. Our intention was set to prioritise the Environmental pillar due to the pressing immediate challenge of climate change. We were right to do so.

2024 saw multiple record-breaking weather events and became the hottest year on record, with temperatures in Europe, Asia and North America causing increased occurrence of wildfires, drought and subsequent flooding¹.

The Route to Net Zero

As discussed in the 2022 report and our interim update, we have two high level Group goals: getting to Carbon Neutral by 2030 or sooner and Net Zero by 2050 or sooner. We are focussed on our impact on the environment as far as is practically possible, alongside the needs of our organisation as a growing business. We have stepped up our assessment of our portfolio for these metrics to ensure we make ethically future-focussed sustainable business decisions. Whilst we place client outcomes and confidence at the forefront of our operations, we cannot avoid the reality of the climate crisis, and now have to look at ways to balance these two needs.

This activity is always driven by our core purpose – We find a way. In 2024 we established a new sustainability team, responsible for coordinating all sustainability matters, reporting into Chief Financial Officer, James Wright. We believe that going forwards it is important that sustainability principles are owned and embedded throughout the business.

Responsible Business

Since joining Chaucer in 2024, I have been impressed with the great importance placed on conducting responsible business, championing a number of initiatives which positively impact both our ecosystem and the wider environment we operate in, regardless of where our offices are.

For example, I am proud that last year our market-leading scholarship programme saw its first scholar graduate and the 2024 intake was expanded to accommodate two scholars. In London, we have supported over a dozen different local charities in the City and East End, by offering our time to help with Community tasks and fundraising.



¹ **World Meteorological Organization**
WMO confirms 2024 as warmest year on record at about 1.55°C above pre-industrial level, January 2025
wmo.int/news/media-centre/wmo-confirms-2024-warmest-year-record-about-155degc-above-pre-industrial-level

"We are focussed on our impact on the environment as far as is practically possible, alongside the needs of our organisation as a growing business."

In addition to our large Charity of the Year, Cancer Research UK, our small Charity of the Year is one close to our hearts – we are supporting the Nick Kilhams Foundation, a trust set up in memory of well-known underwriter and much beloved colleague, Nick Kilhams.

I'm also immensely proud of the commitment and the focus we have on improving Diversity, Equity and Inclusion for all, with specific initiatives outlined in our Board-approved DEI Roadmap and delivery. These initiatives are supported by our many stakeholders, including the Executive, HR, the employee-led DEI Advisory Group and our Employee Resource Groups, all of whom share the goal of creating an inclusive and accessible environment for all. We have demonstrated the importance of this focus by recruiting a dedicated DEI Manager to our Human Resources team.

We regularly create internal opportunities for learning and sharing through events such as mental health awareness week, inclusion training and panel discussions on a wide range of DEI topics. These have included Allyship, Unconscious Bias, White Privilege and Neurodiversity. We have held activities celebrating Black History Month, Asian Heritage and many others.

Outreach

In addition to the work we do within our own four walls, many of our people are involved in important outreach in the market and beyond; our Socio-Economic Network regularly partners with Lloyd's and social mobility organisations to work with local schools, holding familiarity days both within the City and on site in schools in East London.

Advisory Group members have partnered with brokers for events across the market to raise awareness of religious differences and invisible disabilities, among other topics. It is inspiring to see every day that people at Chaucer are passionate, driven and effective.

Richard Milner
Chief Executive Officer

Our charities of the year

 **CANCER
RESEARCH
UK**

**THE NICK KILHAMS
FOUNDATION**

Foreword from the CFO

What the record-breaking events of the past year have shown is that real, tangible effects of climate change are now unavoidable and impacting our clients’ and our associates’ lives.

Businesses can no longer avoid the importance of making changes to their environmental, social and governance practices for a noticeable effect on their carbon footprint and broader societal impact. As an industry, we need to make strategic decisions to accelerate the rate of change as soon as possible, whilst continuing to serve clients effectively.

The effects of climate change may be reversible, but there is much work to be done. We are in the process of reviewing everything from the usage of our offices and suppliers, to our capitalisation and investment strategies.

In addition to our focus on sustainability in our operations and counterparty risk, we have a deep commitment to responsible business, which means looking after our people, improving the diversity of our workforce and ensuring Chaucer is a place where everybody can thrive.


Whilst environmental concerns may be the most urgent, we are making much progress in social and governance elements of sustainability, such as our improved gender and ethnicity representation, outlined within this report, and reduced gender and ethnicity pay gaps.

James Wright
Chief Financial Officer



"The effects of climate change may be reversible but there is much work to be done."


Highlights




Bolstered Sustainability Group

On target to be Carbon Neutral by 2030

Scope 1 & 2 Emissions 1.5°C Aligned



Subscribers to the LMA Sustainability Data Standard



Data centres now powered by 100% renewable energy

Workforce Diversity


Female Representation 40%

Senior Minority Ethnic Leadership 26%

2024 in numbers:

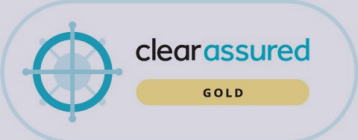
321 volunteers gave **30,495 hours** to local charity partners,

£300k raised and distributed to charity partners.



Signatory to the UN Principles for Sustainable Insurance (PSI)

Clear Assured Gold Status for inclusive policies and practices



Six new Employee Resources Groups created:

- Lunar Asian Network
- Pride & Shine
- Women in Chaucer
- Neurodiversity
- African & Black Caribbean Network
- Christians at Chaucer

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Our approach

At Chaucer our ethos is ‘We find a way’. This applies both to our approach to helping clients find solutions for their insurance needs, and internally across our business, through environmental, social and governance metrics.

Our Vision

We strive to think and act in an impactful way that supports the transition to sustainability for us and our partners. We aim to embed Environmental, Social and Governance ethics throughout our business.

Our Mission

Our mission starts with recognising that sustainability is the key to success, which includes our long-term relationships with our stakeholders. We take sustainability seriously because it is a business imperative and is going to become more, not less, important in the future.

- Two years ago, we produced a roadmap for how we will move towards carbon neutrality. We believe you can only manage what you can measure and have worked with Accenture to analyse and report on carbon emissions as our first milestone in the journey.
- Our two key aims for the forthcoming year are to:

 - Embed our analysis of counterparties’ ESG credentials and assist them with improving their data quality and results
 - Enhance how we calculate our own greenhouse gas emissions for operations and investments, so that we can improve the accuracy of our data and refine our strategies to reduce emissions

We strive to think and act in an impactful way that supports the transition to sustainability for us and our partners.

Our Principles

Our Mission and Vision are based on five principles:



Alignment with UN Sustainable Development Goals (SDGs)

All of our sustainability initiatives support at least one of the seventeen UN Sustainable Development Goals. This helps prioritise and measure the effectiveness of current initiatives and the setting of those for the future.



Consistent with our brand and culture

Our ‘We find a way’ philosophy speaks to a brand and culture that has an authentic and transparent approach to sustainability.



Take a balanced approach to analysis and decision making

We leverage available sustainability information to help make balanced decisions that support our sustainability initiatives and goals.



Here to work with the insurance industry, our customers and partners

We are committed to working with our customers and supporting industry driven initiatives that facilitate the transition to sustainability. We act responsibly and adhere to regulatory guidance, shaping our operations and business portfolio to meet stated objectives.



E, S and G are equally important; however, E is being prioritised in the short term

While each of the three sustainability pillars – Environment, Social and Governance – are equally important, our immediate focus is on environmental issues. This naturally extends to the social implications of environmental actions and the associated governance around implementation and monitoring of performance. We will continue to advance our knowledge and initiatives in the social domain. From a governance perspective, we will maintain our strong performance and continuously seek opportunities for improvement.

Each of these principles is aligned with eight of the UN’s 17 Sustainable Development Goals (SDGs), which aim to be a “blueprint to achieve a better and more sustainable future for all” by 2030². Whilst we believe all SDGs are important, we want to prioritise those where we feel we can have a material positive impact and make a difference.



No poverty



Gender equality



Affordable & clean energy



Decent work & economic growth



Reduced inequalities



Sustainable cities & communities



Responsible consumption & reduction



Climate action

We have ensured that these eight goals are at the forefront of our minds and activity in our six workstreams of investments, operations, underwriting, risk, governance, and marketing.

Vision, Mission, Principles and Objectives: Our end goal is to embed sustainability in everything we do					
Underpinned by six workstreams					
Investments	Marketing	Underwriting	Operations	Governance	Risk
Purpose: Increase and maximise investment return through inclusion of Group Sustainability approach into the decision-making	Purpose: Communicate our sustainability story and strategy to all stakeholders external and internal	Purpose: Embed our Sustainability approach into the underwriting decision-making process	Purpose: Embed our Sustainability approach and targets into our internal operations and supplier network	Purpose: Embed our Sustainability into our existing governance processes	Purpose: Embed Sustainability into existing risk management framework

² United Nations Sustainable Development Goals
www.sdg.un.org/goals

Aligning with UN Sustainability Principles

Since our last report, we have become signatories to the UN’s Principles for Sustainable Insurance (PSI). The four PSIs are:

- 1

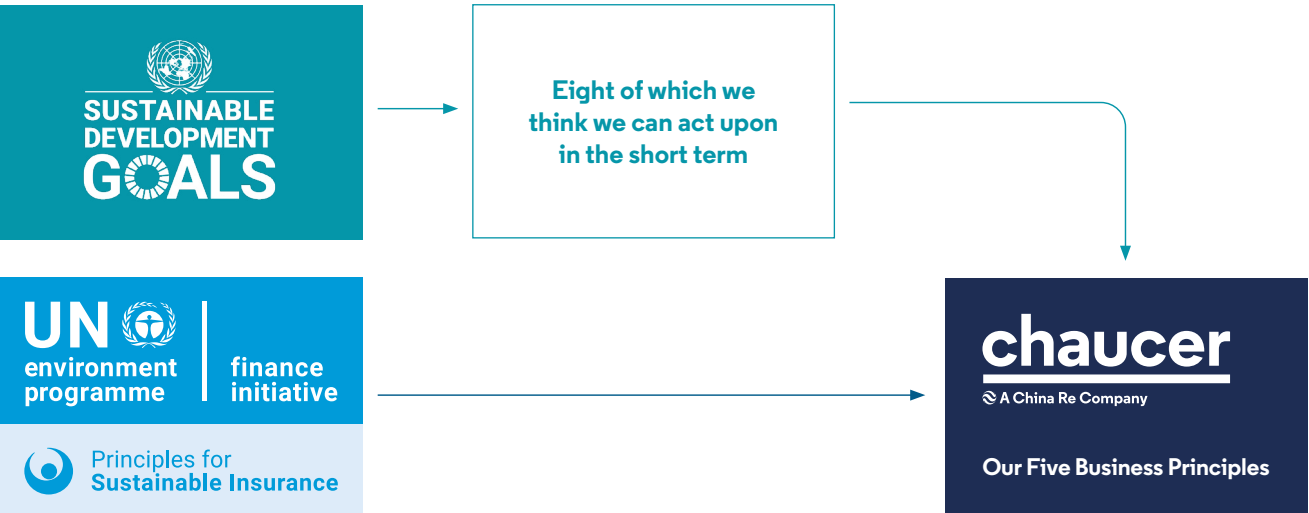
Embedding environmental, social and governance issues relevant to the insurance business into decision-making
- 2

Working together with clients and business partners to raise awareness of environmental, social and governance issues, manage risk, and develop solutions
- 3

Working together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social and governance issues
- 4

Demonstrating accountability and transparency in regularly publicly disclosing progressing in implementing the PSIs

We have embedded these by incorporating them into our Vision, Mission and Principles.



Data Quality and Disclosures

Challenges with Data Quality in the industry

To enhance our understanding of Chaucer’s sustainability position and increase accountability, we commissioned S&P to provide us with an ESG rating.

During the process, we learned that many of the key metrics which ratings analyse require information which Chaucer does not currently share in the public domain. Our data for these metrics, no matter how positive, could not be taken into account in ratings and therefore because we do not share it publicly, some of our scores were lower than expected. A key lesson learned, therefore, was that we cannot improve what we cannot measure.

Chaucer has been an early exponent of the use of sustainability data in the insurance industry and has worked in partnership with Moody’s Analytics in recent years to support the development of sustainability scoring approaches for the Specialty Insurance market. However, during this time, and particularly following our own rating, we have put great consideration into the quantity and quality of our own data in the public domain, and also focussed on how we look at our counterparty data.

Among the great challenges for improvements in ESG ratings are politicisation and the different speeds at which the industry is progressing. Currently, the external perception of a company’s sustainability activity can be unfairly negative or unbalanced, when they may be doing a lot of work to improve their sustainability on various fronts but are not sharing their progress externally. There are also those companies which are currently unable to share data externally due to lack of resources, or other priorities.

In the evolution of data collection therefore, it will be key to consider how to approach and motivate those who are not currently sharing data due to administrative burden, lack of understanding, existential threat, or lack of resource.

One year ago, we held the first market-wide Sustainability Forum in conjunction with Moody’s Analytics. The purpose of the forum was to bring industry thinkers and leaders together to discuss these key issues facing the insurance industry regarding sustainability, data quality and decarbonisation. We presented the case that data standardisation would be most effectively achieved through a market-wide drive for a consistent approach, so that clients and business partners alike can work to a common standard of easily understood disclosure requirements.

Since the Forum, Chaucer has collaborated with the Lloyd’s Market Association (LMA) and the International Underwriting Association (IUA) acting as the market data standards working group, to launch a new Sustainability Data Standard in July 2024.

The new Data Standard is intended as a resource to standardise how underwriters ask clients about their sustainability data. It is a set of 22 questions covering the three pillars of Environmental, Social and Governance data points. Although the questions are all relatively high level, the goal is that this format will reduce the administrative burden of multiple questionnaires and approaches for every insurer, and make it easier for clients to focus on the most essential components of sustainability.

We believe that the evolution across the market to focus on obtaining quality information ahead of quantity, will support the wider drive to improve sustainability for Chaucer and our business partners.

As the market moves towards a common approach to data collection, Chaucer will continue to work with vendors to access sustainability data and use it as part of effective decision making at Chaucer. We believe that a focused approach to sustainability data will better enable Chaucer to support our partners in their own sustainability ambitions.

We have put great consideration into the quantity and quality of our own data in the public domain, and also focussed on how we look at our counterparty data.



Our responses to the new Sustainability Data Standard are shared below:

E,S,G Pillar	Question	Chaucer Response	Comments
ENV	What is the volume, in CO2eq of your Scope 1 and Scope 2 emissions?	Scope 1: 54 tCO2e Scope 2: 172 tCO2e	Operational Emissions for Scope 1 & 2 only
ENV	What is the volume, in CO2eq of your Scope 3 emissions?	Not disclosed	We are continuing to work on calculating our full Scope 3 emissions
ENV	Do you have a third-party verified GHG emission reduction plan?	No	We are yet to introduce this but it is part of our ongoing plans
ENV	If you are a material consumer of water do you produce a plan to optimise or reduce your water usage?	Not a material consumer	
ENV	Have you undertaken a climate change risk assessment against your business/operational activities?	Yes	We introduced annual climate change risk assessments in 2020 and now use a climate change risk dashboard (CCRD) as part of the risk framework, which is reviewed by the Risk and Capital Committee quarterly. Chaucer also participated in the PRA's CBES exercise and carry out annual materiality assessments
ENV	Have you undertaken a biodiversity impact assessment of your business/operational activities?	No	We believe this is unlikely to be material to Chaucer but it is within the plans to review
SOC	Do you have a Diversity, Equity & Inclusion policy?	Yes, Publicly disclosed	www.chaucergroup.com/diversity-equity-and-inclusion
SOC	What is your Total Recordable Incident Rate (TRIR)?	0.6	Includes all global office data
SOC	Do you provide measures to address health in the workplace?	Yes, both physical and mental	Axa PPP Healthcare, Axa Stronger Minds, EAP, MHFA, MH Week, Wellness Week, Lloyd's Wellbeing, Webinars in addition to other measures
SOC	Do you have a policy to manage complaints related to the quality or safety of products or product mis-selling?	Yes, Publicly disclosed	www.chaucergroup.com/complaints
SOC	Have you had any condemnations (fines or penalties) related to the quality or safety of products or product mis-selling in the last 5 years?	No	
SOC	How many data breaches have been recorded in the last 10 years?	0	
SOC	Have you had any condemnations (fines or penalties) related to data management in the last 10 years?	No	

E,S,G Pillar	Question	Chaucer Response	Comments
SOC	Do you conduct human rights risk assessments for both your own operations and your [TBD] suppliers?	Own Operations and Suppliers	
SOC	How much (currency) does your organization contribute to the social and economic development of the area or countries where you have operations, by developing or financing any assets needed to the local infrastructure: Examples include communications (telecoms, Wi-Fi), power, roads / transport, water, shops /amenities, security.	Not disclosed	We are working on calculating this accurately however Chaucer supports funding of approximately £300k covering: 1) All staff receive two paid days during working hours, to volunteer for a charitable cause 2) A volunteering programme where staff undertake projects in the communities in which we live and operate 3) A fundraising programme supporting: a. Fundraising for Charities of the Year voted for by our colleagues b. Matching funds raised by colleagues for charities of their choice
GOV	Is there an executive leadership member with responsibility for sustainability issues?	Yes	James Wright, CFO
GOV	What's the percentage of women at executive leadership level?	43.00%	
GOV	What is the percentage of ethnic minorities at executive leadership level?	26.00%	
GOV	Have you had any material [>2% of profit before tax] condemnations (fines or penalties) for tax practices in the last 5 years?	No	
GOV	Have you had any material [>2% of profit before tax] condemnations (fines or penalties) for bribery or money laundering in the last 5 years?	No	

Carbon Transition Supplementary Table	Production (BOE equivalent)	Comments
Oil and gas activities * This includes synthetic crude oil, heavy oil, light oil, shale/tight oil, natural gas liquids, condensates	Not Disclosed	N/A – We have not been capturing this data but are working to be able to provide this in the future
Coal mining activities * Qualities of coals collectively termed 'thermal' coal – or 'steam', or 'energy' coal - because they are mainly used as fuel for power generation such as lignite and sub-bituminous coals	Not Disclosed	N/A – We have not been capturing this data but are working to be able to provide this in the future

Figure 1. Chaucer responses to Lloyd’s Sustainability Data Standard questions. Data accurate as at 1st January 2025.

Decarbonisation

Decarbonisation is the ongoing challenge to remove greenhouse gas emissions from the atmosphere and the global economy. There are two main levers to decarbonisation: reduction in emissions and offsetting.

Our immediate focus is reduction in emissions via a shift towards cleaner initiatives such as renewable energy and electrification, but as a growing business, we acknowledge that we will face challenges in certain areas of our Scope 1 emissions.

Before we can successfully reduce however, we must quantify, and the process of accurately assessing our carbon footprint is a live project which began in summer 2023, in line with the Greenhouse Gas Protocol, developed by the World Resources Institute (WRI).

Our immediate focus is reduction in emissions via a shift towards cleaner initiatives such as renewable energy and electrification.

Naturally, capturing the emissions of Scope 3 contributors such as investments, franchises, and distribution is much harder to do. However, we have learned that the vast majority of our emissions come from Scope 3, including sourcing, as is to be expected for a company which provides knowledge services rather than goods.

One question which we will need to address in due course, is the matter of how our Scope 3 emissions are impacted by our underwriting portfolio. At present, it is difficult to determine this information, not least due to the issues with client data disclosure as outlined earlier. However, we are aware of the growing need, and we are exploring different ways in which we can measure our indirect footprint using Partnership for Carbon Accounting Financials Methodology.

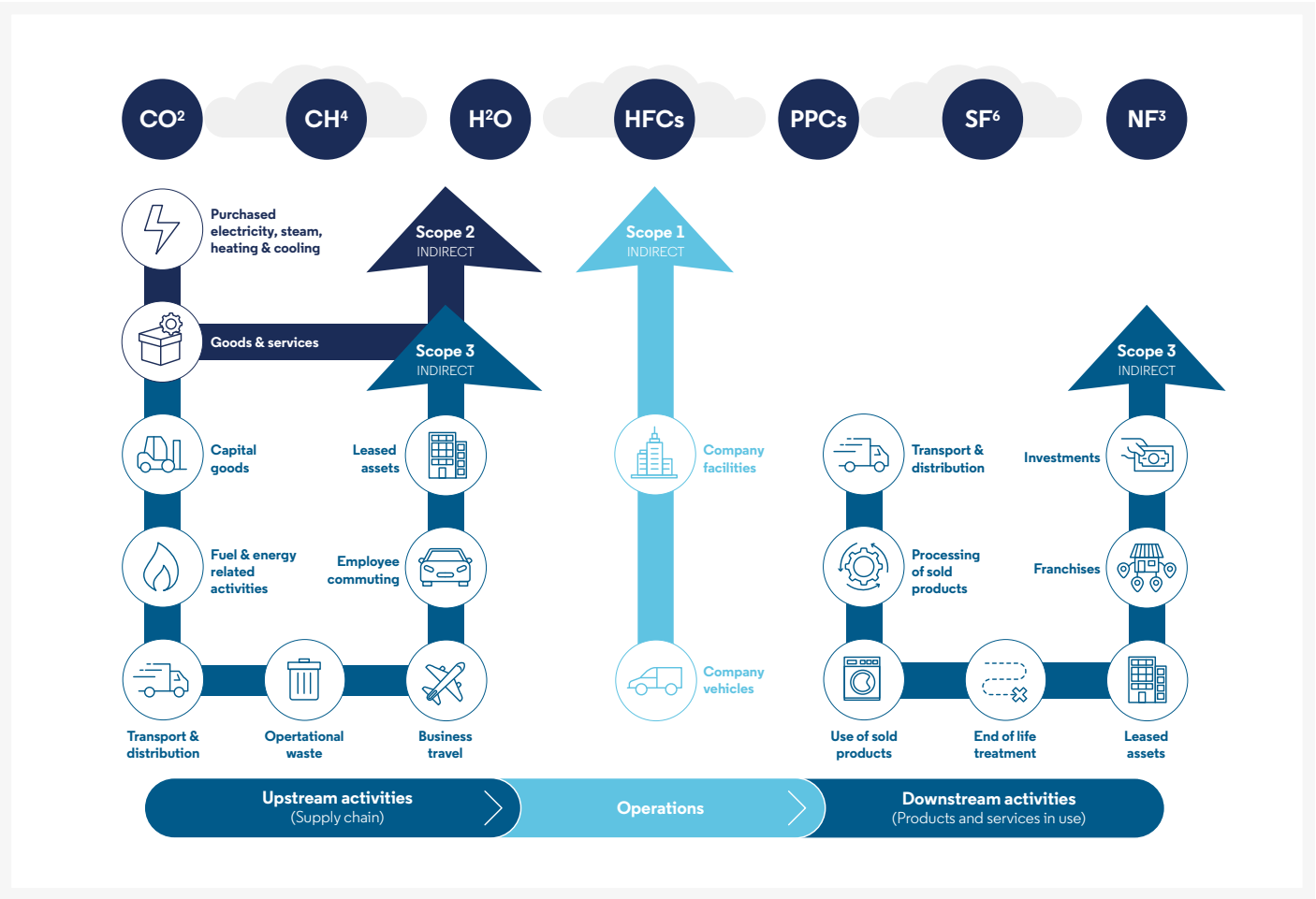


Figure 2. Greenhouse Gas Protocol overview of Scopes 1, 2 and 3 emissions.

Measuring Greenhouse Gas emissions

The Greenhouse Gas Protocol, developed by the World Resources Institute (WRI) is currently the most widely used carbon reporting standard, which categorises emissions sources into three Scopes and 15 categories.

Scope 1 covers direct operations, which considers the company’s own physical contributors to emissions such as company vehicles and facilities.

Scope 2 is indirect, which includes goods and services such as energy purchases.

Scope 3 is also indirect, encompassing everything from employee commuting to investments and counterparties.

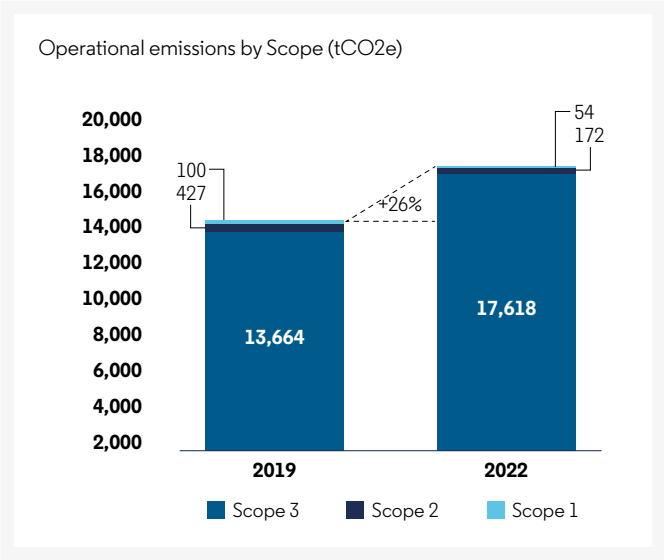
Figure 2 shows a high-level breakdown of what is included within each of the Scope 1, 2 and 3 emissions according to the Greenhouse Gas Protocol.³

³ Greenhouse Gas Protocol
www.ghgprotocol.org

Carbon Reporting

We first commissioned Avieco (now part of Accenture) to report on our carbon emissions in 2022, which we shared in our Interim Update in 2023, and this work reported on 2019 data.

During this process, we learned that we had to start with an achievable goal for measurement, whilst we interrogate our data quality and fast-evolving processes. We concluded we were only able to consider our direct operations to start with, therefore the below results exclude emissions which are attributed to our investments and underwriting.



	2019		2022		Emissions (tCO2e) Variance %
	Emissions (tCO2e)	% of total footprint	Emissions (tCO2e)	% of total footprint	
Scope 1	100	1%	54	0%	-46%
Scope 2	427	3%	172	1%	-60%
Scope 3	13,664	96%	17,618	99%	29%
Total	14,191	100%	17,844	100%	26%

Figure 3. A comparison of the breakdown of Scope 1, 2 and 3 emissions by Scope, 2019 versus 2022. Chaucer Operational Emissions Report – Accenture, 2022.

Based on the 2022 data, we learned that our total operational emissions have increased by 26% overall, despite huge reductions in Scopes 1 and 2, because the majority of our emissions come from Scope 3.

Although we have reduced our Scope 1 emissions by 46% and our Scope 2 emissions by 60% however, the 29% increase in Scope 3 has negated the effect, because it comprises 99% of our operational emissions.

The reductions in Scope 1 and 2 between 2019 and 2022 data can be attributed to material changes in our operations, for example, moving our London office into the new energy efficient Scalpel building at 52 Lime Street, powered with 100% renewable energy. Each time we enact a global office move we aim to select premises using 100% green energy, representing a continued trend towards renewable energy across all our offices.

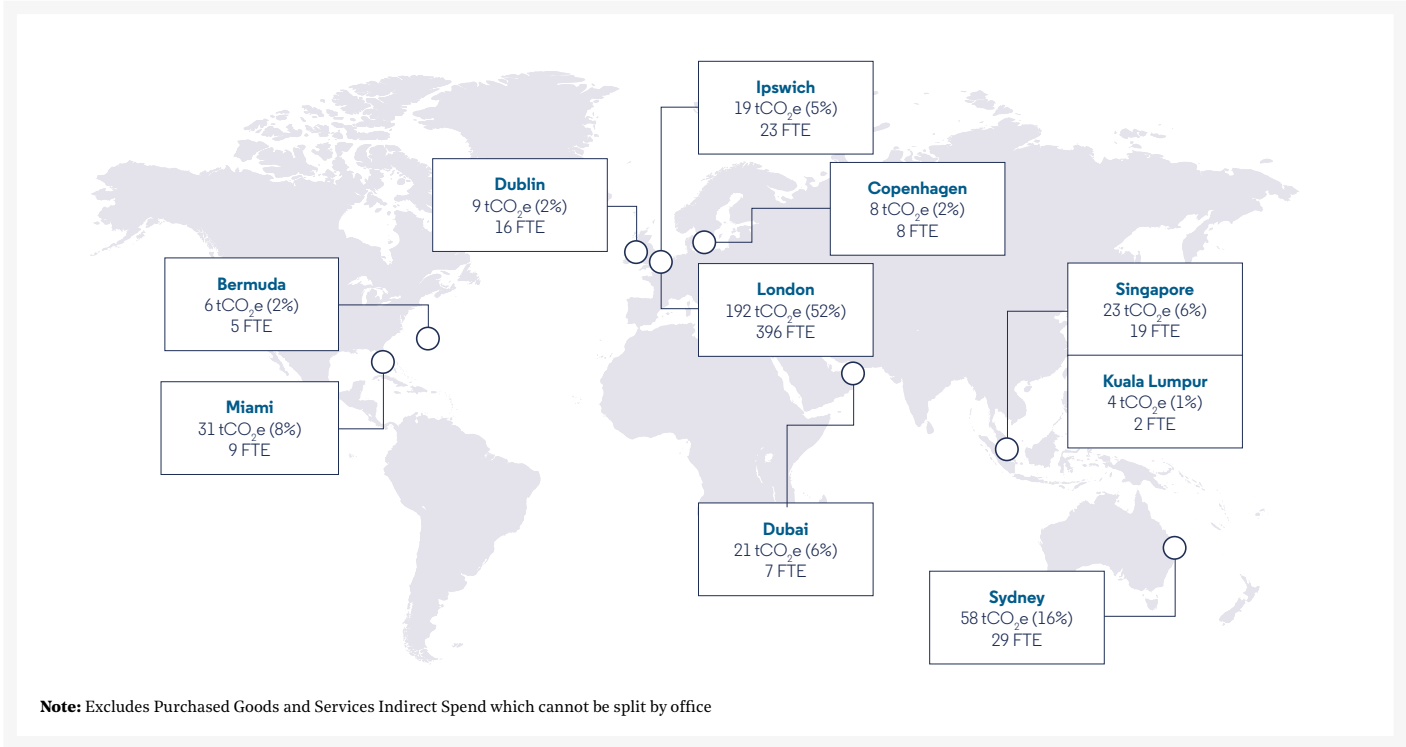


Figure 4. Emissions per office: Most of Chaucer’s emissions come from activity in London, the largest office. Chaucer Operational Emissions Report – Accenture, 2022.

Our London office in the Scalpel building at 52 Lime Street is powered by 100% renewable energy.

As figure 5 shows, whilst there have been reductions in commuting, facilities and business travel since 2019, which is partly attributable to changes in working due to our hybrid working policy, these changes are incidental when compared to the size of our procurement.

Chaucer is a growing business, however, so as the size of our book and our relationships have grown, therefore so have our emissions, which is an unavoidable consequence of growth.

When sourcing contracts are up for review, we will look to select providers with lower emissions where appropriate. We are aware, however, that review and adjustment of our Scope 3 emissions will be an ongoing workstream requiring significant resource allocation and consideration of future strategy.

As methods to measure footprints continue to develop, we will continually work on how we can improve the accuracy of our measurements and the scope of what we look at.

Whilst we have begun making progress in measuring our operational emissions, we are working towards validating our investment portfolio, as our initial research from 2023 has not provided data of sufficient quality to disclose publicly at this time.

In 2025 we will continue to focus on quantifying and improving the accuracy of our investment portfolio data and exploring how best to measure our underwriting data.

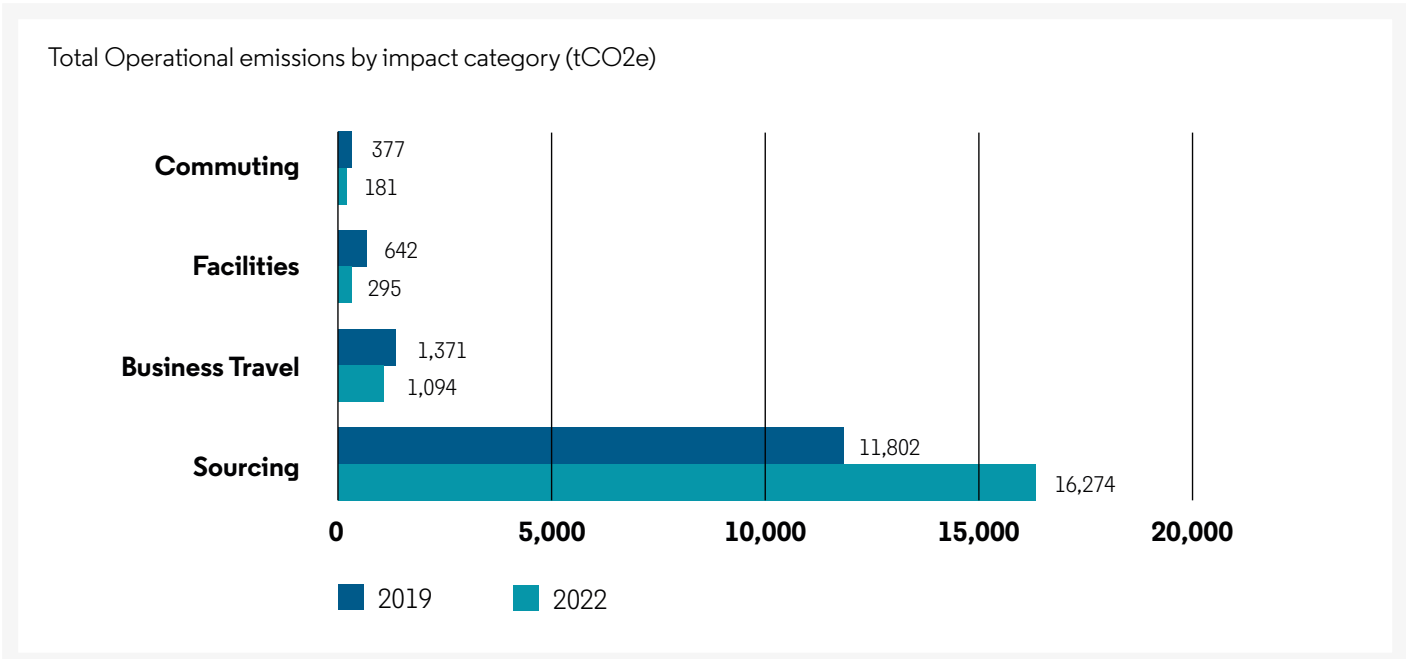


Figure 5. A comparison of emissions by impact category, 2019 versus 2022. Operational emissions by impact category continue to be dominated by sourcing (91%). Chaucer Operational Emissions Report – Accenture, 2022.

Supporting the Transition

At Chaucer we recognise the challenge that lies ahead as the global economy faces the realities of transitioning to a sustainable, low-carbon and climate-resilient future.

With the energy sector still the major source of global emissions it is widely acknowledged that to meet such a challenge, many trillions of dollars must be invested annually in clean energy infrastructure. New and innovative technologies will be needed to support an essential shift to electrification, and industrial-scale decarbonisation.

Unlocking this financial investment requires the full support of the insurance sector to give the industry and governments the confidence to meet stated commitments and widen their ambitions, as we draw closer to time constrained critical carbon-neutral and net-zero targets.

We aim to be agile enough to support and enhance the transition through innovative solutions and progressive business partners.

Lloyd's Transition – TCX Class

Recognising transition as a key component of Chaucer’s business sustainability strategy, we welcome the launching of Lloyd’s new ‘Transition TCX’ class of business to encourage risk experimentation, allowing us to be bolder with supporting innovative technologies during their development, and growing with industry.

This activity will augment our established renewable energy underwriting strategy and continued support of the nuclear sector, with the ambition to provide meaningful risk capacity and leadership across the wide range of transition related risks.

At this time, these can include carbon capture and storage, hydrogen energy developments, battery energy storage, and next generation nuclear reactor technology, but we will also continue to be mindful of future technologies. We aim to be agile enough to support and enhance the transition through innovative solutions and progressive business partners.

Case study



Kita Carbon Credit Insurance

Another example of our forward-looking strategy is our partnership with Kita, one of the first carbon credit insurers. When we began working with Kita, we first had to understand how carbon markets work.

We needed to understand who the main players are, from landowners to project developers, registries to corporate buyers and everything in between. We had to pick a customer and define the target problem statement we wanted to solve.

We decided to focus on corporate buyers of carbon credits who assume risk when they purchase ‘pending issuance units’ (PIUs), which do not convert to a carbon credit for up to 10 years. This delayed time period poses a distinct risk of under-delivery for the buyer, in the event that the provider should fail for any reason, environmental or economic. We focused on this specific problem when designing the prototype of what a solution to this problem would look like.

By enabling solutions like this and providing protection for green investments, we are pursuing a strategy that aims to support initiatives which actively reduce carbon in the atmosphere and increase sustainability for businesses who might otherwise be exposed to market forces and environmental factors.

Corporate Social Responsibility

Giving Back to Communities

Chaucer is committed to supporting local communities in the areas in which we live and work, as well as designating global fundraising efforts to two charities each year, one large, one small, which are supported by fundraising efforts across the business. This year we are supporting Cancer Research UK and the Nick Kilhams Foundation and in 2024 we raised and distributed approximately £300,000 to our charity partners.

We encourage all team members to volunteer their time with causes close to their hearts and provide two CSR days per year for them to do this within working hours.

Across the company, in 2024 our offices supported a wide range of causes including, among others; Food from the Heart in Singapore with a donation drive, Doctors without Borders with a Fun Walk in Copenhagen, a group cycling event in Dubai to match the 100k velodrome bike ride undertaken by Chaucer in the UK, and a Keep Bermuda Beautiful initiative.

Focus on Diverse Talent

People are central to the success of Chaucer, and we have long been keenly focused on creating a diverse, inclusive culture which is representative and supportive of the communities we operate in and the clients we serve, and which includes a range of voices at all levels of the business.

Diversity, equity and inclusion are woven into our culture, behaviours, processes and operations, with a focus on employee networks, training, recruitment and partnerships, among other activities. We are proud to have achieved gold status from Clear Assured in 2024.

Initiatives from the past two years have included:

- Working with external recruitment and pipeline partners such as Black Bullion and Equity City
- An improved Paternity policy
- Rolling out Active Bystander training to staff
- The creation of six new Employee Resource Groups
- RNID webinar training to improve understanding of working with hearing impairments

We are highly conscious of the areas in which we need to improve, however, and we have been focussing on broadening our ecosystem to ensure a continuous pipeline of the best talent in the industry.

In 2020 we introduced our first set of diversity targets, which we surpassed and have continued to do so each year since. Each time we set a new set of targets we strive to stretch ourselves to do better. Our latest targets were set in 2024 and will extend out until the end of 2026.

	2023		2024	
	Target	Actual	Target	Actual
Female Representation	40%	43%	40%	40%
Senior* Female Leadership	36%	30%	40%	43%
Representation for Minority Ethnic groups	25%	25%	28%	23%
Representation of black employees as % of Minority Ethnic groups	25%	16%	25%	15%
Senior* Minority Ethnic Leadership	18%	17%	20%	26%

Figure 6. Chaucer diversity targets 2023-24, Target versus Actual.

* Senior defined as 'Identified member of executive team or committee (direct report to CEO) or senior management (reporting to executive team or committee)', as defined by the London Market Association.

Career Progression

Our four main routes to entry for early in career talent is as follows:

Apprenticeship scheme
Offers school leavers the opportunity to learn a range of roles through a variety of rotations in their first two years

Eight-week Internships
Provides University students the chance to learn about insurance during their summer break

Summer Internships
Enables University students from our outreach partners and from our scholarship to gain experience working in our market

Graduate scheme
Offers university leavers the opportunity to learn a range of roles through a variety of rotations in their first two years

At Chaucer we place great emphasis on the importance of diversifying the pool of talent within our industry and reaching a broad range of young people. This helps build a talent pipeline that can support a future succession plan, both for ourselves and the wider industry.

Through our summer internships and our Apprentice and Graduate schemes, we do our best to attract and develop early years talent and foster an enthusiasm for our sector.

Of course, our hope is that all young people learning their profession with us will choose to stay and develop their careers at Chaucer, but we firmly believe that even if they choose to move on after their training is complete, we have

positively contributed to a wider pool of talent that will ensure a bright future for the sector.

In addition to these opportunities, in 2021 Chaucer launched a first-of-its-kind scholarship which sponsored one applicant, from an under-privileged background, throughout their degree, with all fees and living expenses covered.

In 2024, our first scholar graduated from her Law degree. Given the success of the programme and the genuine opportunity the scholarship gives, for the 2024/2025 year, we have expanded the programme and have two new scholars join the scheme, in addition to the two already in university from the 2022 and 2023 intakes.

Key Sustainable Talent Achievements for 2023/2024

Achieving ‘Gold’ accreditation as part of the Clear Assured framework for our inclusive policies and practices

Achieving a 90% response rate for our culture survey, with 92% of respondents feeling the Company respects and encourages DEI, 85% feeling they can be their true selves at work and 92% feeling personal responsibility in playing their part for driving a more inclusive culture

Being a proud signatory of the **Women in Finance, Race at Work** and **Change the Race Ratio** Charters

Employing a DEI Manager to join the HR team with oversight of and responsibility for diversity, equity and inclusion matters across the Group

We are a **Disability Committed employer** and a **Mindful employer** and a **Stonewall Diversity Champion**

Utilising DEI diagnostics as part of our compensation process to prevent any unintended pay practices

Making steady progress against our latest diversity targets on gender and ethnicity, for example, we have **significantly increased our senior female representation** from 18% to 43% in the last 3 years and have maintained our 1 in 3 external hiring ambitions in respect of minority ethnic talent

Continued upskilling of all managers to ensure consistency in inclusive hiring and inclusive leadership e.g. Active Bystander training

Increasing our support for colleagues impacted by the menopause which now includes access to specialist GP support

Working closely with our employee-led DEI Advisory Group, who help advise leadership and maximise DEI engagement across the Company within six frameworks: Gender, LGBTQI+, Multicultural, Multi-generational, Socio-Economic and Neurodiversity & Disability

Supporting the launch of **Employee Resource Groups (ERG’s)** which include groups representing gender, multicultural, neurodiversity and faith



What's next for the future of Sustainability?

Closing comments from James Wright

As we have detailed in this report, our focus is now to move forwards on our plan to be Carbon Neutral by 2030. We are putting focus on carbon reduction, better quality carbon reporting, and carbon offsetting, through the use of improved tools, analysis and counterparty risk management.

We have outlined the many ways in which we aim to improve our corporate sustainability from environmental, social and governance perspectives. These focal points include:

- Requirements to improve our carbon emissions as per the Accenture report
- Purchasing carbon credits to support emission reduction projects that align with Chaucer’s prioritised UN SDGs
- Championing the cause of higher data quality and simplification, improving the market standard for data as a collective, and making it easier for customers and brokers to engage with the insurance industry
- Continuing to ensure the best working environment for our people through greater Diversity, Equity and Inclusion by working with third parties such as Clear Assured, among many others to help us progress and evolve and make positive change

We have also emphasised the importance of improved disclosures for ourselves and within the market because we need to live up to the standards we demand of others.

Our stakeholders need transparency and futureproofing, which can only be achieved by being better at measuring, recording and sharing data. Transparency and disclosures are important for Chaucer but so too is the reliability of information we share. This will be a core area of focus for 2025.

Whilst improving data quality and carbon reporting to highlight problem areas and facilitate reductions are critical, the next step in the sustainability process is to purchase carbon credits in the carbon market. These 'offsets' are credits purchased from those businesses which reduce the amount of carbon in the atmosphere rather than contributing to it.

There is no question that more action is required to secure a more sustainable future, and we are aware that as a market and as a company, we have a long way to go. We are, however, fully committed to doing the right thing, in as timely a manner as is possible, being transparent about what we are doing, and encouraging others to come with us on this sustainability journey.

James Wright
Chief Financial Officer

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