



# DOING THE RIGHT THING, FOR ALL, ALWAYS

SUSTAINABILITY REPORT **2023**

 **BELONG BLAC**  
Black Leaders & Allies for Change

 **ARGUS**  
Our Interest is You.

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# CONTENTS

INTRODUCTION	<b>3</b>
CEO STATEMENT	<b>4</b>
OUR APPROACH ON SUSTAINABILITY	<b>5</b>
OUR SIX SUSTAINABILITY PRINCIPLES	<b>6</b>
MATERIALITY ASSESSMENT	<b>7</b>
1. OUR COLLEAGUES	<b>8</b>
2. OUR CUSTOMERS & PATIENTS	<b>13</b>
3. OUR COMMUNITIES	<b>15</b>
4. OUR ENVIRONMENT	<b>17</b>
5. TRUSTED & RESPONSIBLE BUSINESS	<b>19</b>
6. OUR SHAREHOLDERS	<b>22</b>
ACHIEVEMENTS & PRIORITIES	<b>23</b>
CONCLUSION	<b>24</b>

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# INTRODUCTION

## **A POWERFUL FORCE FOR SUSTAINABLE WELLBEING. THROUGH OUR PEOPLE, MAKING FINANCIAL, PHYSICAL AND MENTAL WELLBEING MEANINGFULLY BETTER IN OUR CONNECTED COMMUNITIES.**

This is our new vision, mission and brand purpose. It is the foundation of everything we do, and underpins our corporate strategy, including our approach to sustainability. In our second Sustainability Report, we cover our progress and objectives under the six categories of our sustainability principles: Our Colleagues, Our Customers and Patients, Our Shareholders, Our Communities, Our Environment, and Trusted and Responsible Business. Sustainability practices are a natural fit with our purpose, mission and vision, and we commit to playing our part in building a healthy, equitable and prosperous society.



# CEO STATEMENT

It is my great pleasure to share The Argus Group's second annual Sustainability Report. Having been in business for 73 years and having established an ethos that puts people at the heart of every decision we make, it is clear that sustainability is woven into the fabric of our organisation.

Never has the importance of being sustainable been more relevant. The effects of climate change and the increased frequency of extreme weather events, the rapid depletion of our natural resources and the global rise in social and economic inequality makes it imperative that we do things differently.

This year, we redefined our purpose to becoming a powerful force for sustainable wellbeing. We recognise that to be a powerful force we need to build scale and reach. This enables meaningful investments in technology and talent to support growth and create value for our shareholders, our colleagues, our customers and our communities. This year we have introduced the Voice of the Employee and Voice of the Customer frameworks that have strengthened our ability to listen and better engage with our colleagues and our clients to better deliver what they need and want. We also intensified focus on our shareholder engagement programme to understand their goals and objectives and better align our strategy to deliver attractive shareholder returns.

Our ability to deliver value depends on our sustainability, just as our sustainability depends on our continuing ability to deliver value. This reality has led us to develop a more structured and transparent approach to sustainability and one that aligns with our brand purpose.

In 2022, we asked colleagues and board members to complete a materiality survey to better understand the sustainability areas that were of highest importance to them. Whilst all areas were regarded as important, the highest rated area was Community Health and Wellness, reiterating that our success as an organisation is intertwined with that of the communities we serve.

This report reflects many facets of the Argus culture we have long nurtured. To listen and learn through engagement with customers and colleagues, and our philanthropic activities in the communities in which we operate.

Sustainability will always be a work in progress. Our strategy must be flexible enough to respond to emerging environmental and social issues, changing customer preferences and evolving employee expectations. We know there is much still to do and with the support of our Argus Family, I am confident we can meet the challenge.

**ALISON S. HILL**

GROUP CEO  
Argus Group



Argus leadership day at Trunk Island, May 2020

# OUR APPROACH ON SUSTAINABILITY

Doing right by people and planet underlies our approach to sustainability. As a leading financial services provider for over 70 years, we appreciate that the resilience of our business matters to our colleagues, customers, shareholders and the communities we are part of. We are mindful also to minimise our environmental impact and manage for the long term, rather than taking a short-term view.

We put these beliefs into action by ingraining our six sustainability principles into all aspects of our business. A governance structure that provides proper oversight of our progress, while ensuring alignment with our corporate strategy, keeps us on track on our sustainability journey.

At its heart is the Sustainability Management Committee (SMC), which comprises leaders of various business units, support functions and office locations within the Argus Group. Simon Giffen, Chief Investment and Governance Officer, is the SMC's Executive Sponsor. The SMC is led by Kimberley D. Caines-Best as Chair and Aisa Lopez as Deputy Chair.

Reporting into the Board Governance Committee, the SMC is empowered to oversee the work being done to realise our sustainability objectives and is supported by working groups focused on specific areas.

Among the progress made over the past year:

- The ESG Framework Working Group is conducting peer group analysis to support the selection of the ESG framework that will form part of our future recurring reporting and disclosures
- The Climate Change Working Group developed an implementation roadmap to ensure climate change considerations are embedded in our business
- The BELONG BLAC Committee was launched to promote diversity, equity and inclusion (DEI) in the company with a focus on anti-racism
- The Corporate Social Responsibility and Donations Committee is overseeing charitable giving across the group
- Our Board of Directors attended an education session focused on climate change and the Bermuda Monetary Authority's new regulatory reporting requirements for the management of climate change risks for commercial insurers. They were also invited to attend other sustainability education sessions offered to colleagues



Doing right by people and planet underlies our approach to sustainability.”



# OUR SIX SUSTAINABILITY PRINCIPLES

## 1. OUR COLLEAGUES

To provide our colleagues with a rewarding, inclusive, equitable and fun environment in which to work. We know engaged and happy colleagues provide outstanding customer service and follow through on deliverables, which positively impacts the bottom line.

## 2. OUR CUSTOMERS & PATIENTS

To deliver meaningful and sustainable financial, physical and mental wellbeing outcomes for our customers and patients.

## 3. OUR SHAREHOLDERS

To be responsible stewards of capital, providing sustainably strong returns together with effective and timely communications.

## 4. OUR COMMUNITIES

To support the interconnected communities in which we operate, ensuring long-term sustainable growth, where our customers, people, partners and shareholders are also our family, friends and neighbours.

## 5. OUR ENVIRONMENT

To lessen our impact on the planet by reducing wasteful consumption and working to decrease the climate change impact of our operations.

## 6. TRUSTED & RESPONSIBLE BUSINESS

To be a people-centric organisation that partners and conducts business with others who share the same values of always doing the right thing. We will manage the environmental impacts of the investments we make and the risks we take.



Argus colleagues supporting the 2023 International Women's Day Embracing Equity campaign, March 2023

# MATERIALITY ASSESSMENT

Sustainability considerations matter to our colleagues. We know this, because in 2022, we asked Board members and colleagues across all of our locations to rate a list of 10 sustainability topics using a five-point scale ranging from “no opinion” to “critical”. More than half of the 370 survey recipients (58%) responded, and while every category was considered important, there were some clear focus areas.

The Sustainability Management Committee drew up the 10 environmental, social and governance topics, guided by relevant sustainability priorities and areas of regulatory focus. The materiality assessment gives us insight into the aspects of sustainability that matter most to our colleagues and influences our sustainability strategy.

The highest rated area was Community Health & Wellness, underscoring the recognition that our success is intertwined with the wellbeing of the communities we serve. Also in the top three was Customer Experience, reflecting the importance we place on delivering exceptional service, and Talent Experience & Management, highlighting the supportive and inclusive work environment we strive to provide for our colleagues.

The next rated topics were Sustainable Shareholder Value; Climate Change Focus; Responsible Investment; Diversity, Equity & Inclusion; Privacy & Data Security; Digitisation & Innovation; and Corporate Social Responsibility.

We are heartened by the internal validation of our commitment to sustainability, as we recognise that the active involvement and support of our colleagues is essential to driving sustainable practices throughout the business.

We also recognise that customers, investors, vendors, partners, regulators, rating agencies and patients all have insights that are valuable in informing our sustainability strategy. We intend to engage with external stakeholders to gain a broader understanding of their priorities, to ensure our decision-making aligns with their expectations and to drive progress to a more sustainable future.

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We recognise that the active involvement and support of our colleagues is essential to driving sustainable practices throughout the business.”



# 1. OUR COLLEAGUES

Ensuring that Argus is a great place to work is a high priority for us. We strive to maintain a working environment that is fair, fulfilling, and fun. In our experience, colleagues who feel valued and find purpose in their roles provide exceptional customer service, consistently deliver on company objectives and drive the financial success necessary for a sustainable business.

There is no magic formula that creates a happy and productive workplace – it is a constant work in progress featuring open lines of communication with our colleagues.

The colleague engagement survey is a cornerstone of a listening and inclusive culture, reflecting our desire to engage with colleagues at all levels, through both formal and informal channels. What we learn from our colleagues' input will help us to continue to shape a vibrant and productive workplace.

## 1.1 LEARNING AND DEVELOPMENT

We invest in learning and development to unleash the potential of our colleagues. This not only helps to make Argus an attractive place to work, it also strengthens the sustainability of our business by building the knowledge, skills and leadership attributes that drive organisational performance.

Our talent development combines internal and external training, development, education and coaching. We encourage our colleagues to

learn and provide 100% of the cost of tuition and books for approved job-related courses, training programmes or designations in areas including insurance, accounting, health management and business management.

Last year, as part of our talent development effort, we:

- Invested more than \$142,000 in the development of our colleagues
- Sponsored 11 of our colleagues as they earned professional designations
- Launched a leadership programme supported by more than 120 hours of professional coaching sessions for a first cohort of 26 leaders across the business

- Provided more than 100 hours of training and educational sessions focused on a range of topics, including technical skills, leadership, customer service, strategic thinking and innovation
- Offered education sessions to all of our Directors, on subjects including International Financial Reporting Standards (IFRS) 17 and 9; Bermuda economic updates; Black Lives Matter; sustainability and medical health practices

This year, we aim to roll out a new Learning Management System, part of the eLearning platform we are now developing and designing.



15-year Long Service Awardee and Chief Executive, Argus Insurance Company (Europe) Limited



Long Service Awards Dinner, Bermuda 2022



## 1.2 RECRUITMENT AND TALENT RETENTION

Recruiting the right people is key to maintaining the supply of talent across our value chain. We advertise on popular job-search websites to cast our net wide and reach a broad pool. The internships we provide help us to build relationships with students and we also work with several strategic partners to strengthen our talent supply lines and to create opportunities to interact directly with potential recruits.

Our partnerships include:

- With the University of Waterloo, Canada, working with co-op students in our Centre of Excellence (CoE) and Finance Department
- With the Bermuda Government training scheme for recent university graduates, a partnership that has led to recruitment of young talent
- With the Chartered Professional Accountants (CPA) of Bermuda and the CPA of Canada to try to become an official training centre for aspiring accountants
- With local recruiters

We are proud that in 2022, our CoE received the Employer Impact Award in International Excellence from the University of Waterloo for 2021. This is significant recognition, given that the University of Waterloo operates the

world's largest co-op programme with over 7,000 employers participating. We have made 20 student placements since the programme's inception in September 2020. Under the University of Waterloo's Work Term Rating, the Argus Group currently holds an outstanding student satisfaction rating of 9.5/10.

A co-op programme merges traditional learning in an academic setting with practical work experience. At our CoE, co-op students have been directly involved in innovation, contributing their diverse perspectives to help develop and design solutions that make a difference in our customers' lives.



**Employer Impact Award in International Excellence** from the University of Waterloo for 2021

## RECOGNITION

Recognition is an integral part of fostering team spirit within a rewarding workplace. Through our annual Long Service Awards, we show colleagues our appreciation of their dedication at each five-year milestone. Those we honour each year receive a gift a certificate and an invitation to a celebratory dinner.

In 2022 we celebrated the long service of 54 members of staff:

- 32 who marked 5 years
- 12 who marked 10 years
- 6 who marked 15 years
- 4 who marked 20 years



**Antes Long Service Awards, December 2022**

1.3 DIVERSITY, EQUITY AND INCLUSION

We embrace diversity, equity and inclusion (DEI) throughout our organisation. Our firm belief is that a diverse and inclusive workplace is good for our colleagues, our customers and our business. Under the DEI initiative we launched in 2021, we set out to do more to ensure that our working environment is truly a place where our colleagues are treated fairly and can be themselves.

From the outset, we were inspired by the Black Lives Matter movement and the global outcry for social justice that it sparked. Our BELONG BLAC Committee has led the groundwork towards pursuing our goal of embedding sustainable anti-racism and diversity practices throughout our organisation.



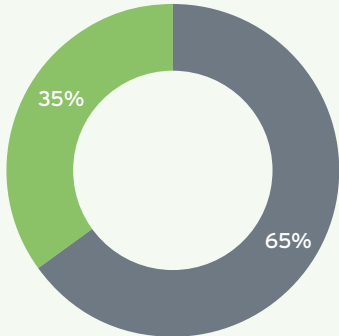
Our firm belief is that a diverse and inclusive workplace is good for our employees, our customers and our business."

Highlights of our DEI educational initiatives over the past year include:

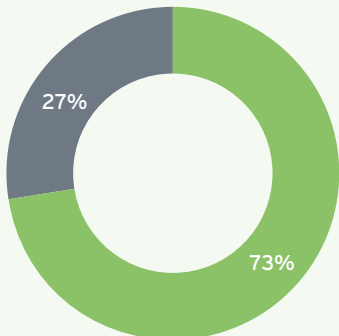
- Six anti-racism training and education sessions totalling 15 hours for the Board of Directors, executive and senior leaders and people managers. For some, we partnered with Dr. Robert Livingston, an eminent Harvard lecturer, author, social psychologist and leading expert on the science underlying bias and racism in organisations
- Argus staff participation in the Dive-In Festival, a global insurance industry movement to support the development of inclusive workplace cultures
- Published four articles in major publications: two on building generational wealth, one about how the Black Lives Matter movement is changing life at Argus and another about our Black History Month activities
- Made a presentation on Generation Wealth to the Association for Corporate Racial Equity (ACRE) and employees of AXA XL

GENDER DIVERSITY

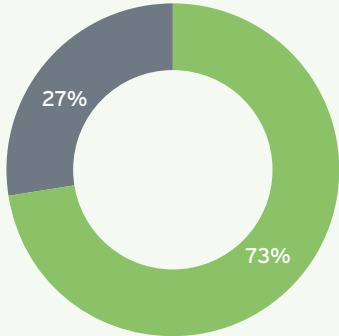
ALL EMPLOYEES



AGH - EXECUTIVE LEADERSHIP TEAM



AGH BOARD



■ FEMALE  
■ MALE

We celebrated Black History Month in February with a series of events for our colleagues in Bermuda and Canada. The Bermuda events included:

- Freedom Tour of the City of Hamilton, focused on Black history
- Generational Wealth presentation, highlighting the impact of racial disparity, to more than 40 staff by Angela Joell, Argus' Client Financial Wellness Manager
- "Beyond Seascapes: Black Art in Bermuda", at the Bermuda National Gallery, attracting more than 50 Argus colleagues

This year, we changed the name of our BLM Committee to the BELONG BLAC Committee to better represent the full breadth of Argus' DEI approach. "BELONG" promotes togetherness and expresses how we want all colleagues to feel in a welcoming, fair and positive work environment. "BLAC", or Black Leaders and Allies for Change, speaks to our modern, forward-thinking approach to transformative justice, while underlining our commitment to eliminate racial disparities and other kinds of identity bias.

We are on a journey to create meaningful diversity at all levels. Over time, we will monitor and publish our progress. Of the members of our

Board of Directors, 27% are female and 18% are Black, the same proportions as in 2021-22. Our Executive Leadership team is 30% female (down from 40%) and 30% Black (down from 40%). Across our entire leadership team, 36% are female and 47% Black. Most of our colleagues (65%) are female.

This year we intend to launch a pilot global reverse mentoring programme to strengthen DEI dialogue throughout the business and to help identify areas in which we can do better. We are proud of our fair and inclusive culture, but at the same time, we realise there is much still to do.

We, as members of the BELONG BLAC Committee, believe that racism in all forms is unacceptable and must be actively dismantled in our workplace and beyond. We recognise that black individuals have historically been and continue to be disproportionately impacted by discrimination and systemic oppression, and it is our responsibility to actively work towards dismantling these systems.


We seek to implement anti-racist policies and practices in our workplace, including but not limited to hiring and promoting black individuals, implementing anti-racism training for all employees, and creating a safe and inclusive environment for black employees.

**OUR MANIFESTO**

# BELONG BLAC

We also recognise the importance of amplifying black voices and perspectives and commit to actively seeking out and elevating the contributions of black individuals within our organisation.

We will not be silent in the face of racism and discrimination, fostering a zero-tolerance environment. We will speak out against it and hold our colleagues, leaders, and partners accountable. We will work to create a more equitable and just workplace for all, particularly for black individuals. Our journey will not be easy, but we can and will make a real difference together.




Some of the BELONG BLAC committee members at the Beyond Seascapes Black History Month event in Bermuda

## 1.4 HEALTH AND WELLNESS

We are committed to providing a safe workplace and actively supporting our colleagues' physical and mental wellbeing. We encourage our colleagues to communicate how they're feeling to help us to provide the level of support they need.

Our Health and Safety Committees work to ensure safe working environments that meet legal requirements in all our locations, while our Wellness Committee oversees wellness activities and education sessions. During the last fiscal year, we partnered with businesses and physicians from our medical practices to offer lunch-and-learns on topics such as healthy eating, men's health and preventing diabetes, as well as online seminars on mental health awareness and managing stress.

To support mental wellness, our managers hold weekly, one-on-one meetings with team members to review workload, manage stress and give all employees an opportunity to share their voice. In Bermuda, we partner with the Employee

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The running club from Argus was a really great experience, I am fitter as a result, and this has prompted me to make healthier choices.”

Assistance Programme, whose accredited professionals offer round-the-clock, confidential support services for people suffering from work-related stress.

We support our colleagues' physical wellness through a combination of wellness subsidies, in-house gym facilities and healthy living or weight management programmes, whatever is most helpful for them. In 2022, we gave approximately \$10,000 in wellness subsidies.

The opportunity to work from home part of the time has proven popular with colleagues who want to improve their life-work balance. Some 90% of our colleagues have taken advantage of our hybrid work model that gives colleagues the flexibility they want, when business needs allow it.

We view our colleagues' ability to communicate openly and to be heard as an aspect of wellness at work. To create a formal structure to encourage this ongoing dialogue, we are working on the implementation of the Voice of the Employee (VoE) programme.

VoE will build on existing activities including our annual colleague survey, our Blue Table talks with colleagues, led by the Group CEO and Group CFO, and our Performance Management 2.0 poll. The data and themes that emerge from these interactions are reviewed and analysed, with the aim of producing actionable recommendations. Having defined the programme's principles, approach and terminology, our next step will be to put together VoE working groups.



Argus volunteer at the Bermuda Day Half Marathon Derby, May 2023

## 2. OUR CUSTOMERS & PATIENTS

We strive to be long-term partners to our customers and patients, by building relationships based on trust and excellence in service delivery. Our job is to be there for our insurance customers in their time of need, to deal with claims efficiently, and honour our promise to pay. For our patients, we focus on solution-oriented service, aimed at maintaining good health while delivering optimal value for money.

Although we are proud of the quality of our services, we constantly seek to improve the customer experience. This is why we reach out to customers and patients for feedback, listen to them and act to address any insights they share.

Simply put, our customers and patients are our priority and following that philosophy is the key to delivering best-in-class service and care.

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Simply put, our customers and patients are our priority and following that philosophy is the key to delivering best-in-class service and care.”

### 2.1 CUSTOMERS

Listening to our customers allows us to understand what we are doing well and to identify priority areas for improvement. We seek to gather, analyse and act upon customer feedback, to continually improve our products and services.

To facilitate this ongoing organisational learning process, last year we implemented our Voice of the Customer (VoC) programme, a key building block of our comprehensive global customer experience strategy. By giving us a deep understanding of customers' wants and needs, the programme helps us in our mission to have a meaningful, positive impact on customers' wellbeing and puts the customer at the heart of our business decision-making.

We garner customer insights from sources including surveys, focus groups and our everyday customer relations. Under our VoC programme, analysis of this data is supported by cross-functional working groups who prioritise areas in need of attention and recommend actions. We believe that the VoC framework and processes will strengthen the customer-centric culture that is already a differentiator for Argus, enhance customer satisfaction and ultimately help to drive sustainable returns for shareholders.

During the past year, we:

- Proactively sought more feedback from customers, including surveys of five target audiences globally
- Launched the VoC programme that applies a sophisticated, global approach to measuring and managing customer feedback, including feedback mechanisms, supporting processes, tools and performance metrics
- Established customer insights and actions dashboards, producing actionable customer insights
- Identified baseline measures, key experience drivers and response plans for target audiences

Our health and wellness programme for customers, 'Get Up & Thrive', powered by the Tictrac app and designed to help build healthy habits, gained further traction with our clients last year. From the time of its October 2021 launch through to April 2023, 408 customers registered on the Tictrac app, 99% of them active users. Get Up & Thrive has generated positive interaction with customers, strengthened our brand and encouraged healthier lifestyles.



Some of our colleagues from One Team Health, which provide member services to our customers.

## 2.2 PATIENTS

Our approach to healthcare services is to target better outcomes for our patients with a focus on maintaining good health. In 2020, we acquired two medical practices, Island Health Services and The Family Practice Group, as part of our plan to create an integrated healthcare ecosystem.

As of April 2023, we had an average of more than 30,000 active patients and nearly 7,000 monthly patient visits. Our medical practices, with 19 physicians and more than 30 other colleagues, provide care to approximately half of Bermuda's adult population, a responsibility we do not take lightly.

We regard our patients as the best judges of how we are doing and where we can improve the patient experience. We seek their views through a survey every six months and act, based on their feedback.

The findings of our latest patient survey, conducted over a two-week period in April 2023, were very positive overall, particularly in terms of the quality of care received, but highlighted

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Our approach to healthcare services is to target better outcomes for our patients with a focus on maintaining good health.”

some areas in which we must do better. Among the results patients indicated:

- Continued ease with getting an appointment
- A high level of satisfaction with care quality and services, and some improvement needed on front office administration
- Appreciation for being seen within 15 minutes of their appointment time, with some waiting longer than 15 minutes

Based on the survey, we acted immediately to improve appointment management, front desk professionalism and telephone support. From responses to the qualitative questions, we were able to identify the top five themes of importance to our patients: care quality, appointment management, staff training, communication and telephone support.

In 2022, we launched our first population health pilot programme, targeting type 2 diabetes, a disease with a 13% incidence in Bermuda. This is where we believed we could have a high impact, improving standard of living and reducing healthcare costs.

Our practices partnered with the Bermuda Diabetes Association (BDA), Cavan Health and Oviva in the Diabetes Rewind Programme. Two options were offered – a six-week, self-management face-to-face group programme with the BDA, and a total diet-replacement, one-on-one online programme with Oviva.

Four cohorts totalling 29 patients enrolled on the BDA programme and lost an average of 10 pounds; 10 enrolled with Oviva and lost an average of 38 pounds over three months.



Diabetes Rewind Programme Participant

## 3. OUR COMMUNITIES

We have forged strong bonds in the communities in which we do business, as an employer and as a business. Our colleagues, customers, patients and shareholders are our neighbours in these tight-knit societies.

With the services we provide, we work every day to support the health and resilience of these communities. But we feel a responsibility and a desire to do more, to work with local partners to promote social and economic development and enable greater access to opportunity. We have built relationships with non-profits who make our communities stronger.

Our colleagues enthusiastically embrace our philanthropic and volunteering efforts, and frequently add to Argus' contributions by giving their own time and money.

Our cash and in-kind donations in the past year totalled \$370,000, according to our financial statements that were unaudited at the time of writing. We are reviewing our community engagement to ensure that the non-profits we support bring the greatest possible beneficial impact to our communities and align with our mission and sustainability principles.

### 3.1 CHARITABLE GIVING

Argus makes financial donations to charities that make a positive difference. Our philanthropic focus has been on organisations that provide support to all segments of our communities. Our Donations Committee makes allocation decisions and as we move forward, we intend

that our Sustainability Management Committee will work with them to ensure we direct our charitable contributions to where they will have the greatest beneficial impact.

One example is our \$8,360 donation to Open Airways' Spacer Programme, a pledge to distribute at least 1,000 spacers in Bermuda. Used with inhalers, spacers help the medication for those with asthma and other breathing difficulties work more efficiently with fewer side-effects. Open Airways addresses a critical need in Bermuda, where more than 8,000 people suffer from long-term breathing difficulties and one in five children has asthma.

We also supported PossAbilities, a Gibraltar non-profit organisation that helps families and individuals with special educational needs, by contributing toward the refurbishment of a property where it provides services. In Malta, we supported Id-Dar tal-Providenza, a charity that provides a temporary or permanent home for those with disabilities.

These are three of many Argus direct charitable donations in the last year to help organisations making a positive difference.

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Our colleagues enthusiastically embrace our philanthropic and volunteering efforts.”



Argus colleagues at the Bermuda Day Half Marathon Derby, May 2023

### 3.2 CORPORATE VOLUNTEERING

Our people enjoy volunteering their time and effort to worthy causes, activities that strengthen our community connections and our brand. Argus volunteers help at many of Bermuda's most popular charity events, including the End-to-End walk, the Bermuda Half Marathon Derby, the Relay for Life and the Duke of Edinburgh's Award events in Bermuda and Gibraltar. Our colleague team-building initiatives also include volunteer work such as helping at the Bermuda Aquarium, Museum and Zoo, and participating in beach clean-ups.



Vincent Darrell, Sheila Nicoll Argus Award recipient

### 3.3 EDUCATION SUPPORT

We believe that broadening access to education opens gateways of opportunity and promotes a fairer and more economically sustainable community. Our educational initiatives include our annual scholarship, the Sheila Nicoll Argus Award, launched in 2021, which provides \$15,000 annually for three years to fund the university education of a Bermudian student in need of financial support, awarded in 2022 to Vincent Darrell.

We continue to support the Bermuda Zoological Society, a long-running relationship enabling conservation-education programmes offered free to thousands of children. We also partner with local schools and Future Leaders Bermuda to provide work shadowing opportunities for students to and advice on career-related topics such as interview techniques.

Ignite Bermuda, an accelerator that works with entrepreneurs to improve the success rate of startup businesses is another worthy recipient of our support. Since Ignite launched in 2019, we have provided 4,000 square feet of office space in the Argus Hub, in Wesley Street, Hamilton as a base from which to foster entrepreneurship in Bermuda.

### 3.4 SPORTS

Our support of sport is a natural fit with our mission to promote healthy communities. For a fifth year we were the lead sponsor of the Bermuda Half Marathon Derby, a beloved Bermudian tradition and a celebration of fitness and community spirit. In the six weeks running up to the race, we partnered with local gym FIT4LIFE to offer the public an opportunity to challenge themselves at the Argus Running Club.

Among other events we supported was the Argus Urban Foot Race, a 3km urban assault course and the first leg of the Bermuda Triple Challenge. Last year we sponsored the biennial Argus International Gig Regatta, Bermuda's only international rowing event. We also continued our long-running support of Gibraltar's team for the Island Games, sponsoring their kit.



Argus supporters at the Bermuda Day Half Marathon Derby, May 2023



## 4. OUR ENVIRONMENT

In Bermuda, Malta and Gibraltar, we are part of communities facing the effects of climate change at close quarters, in the form of rising sea levels, more intense storms and changes in ocean temperatures and acidity. We are privileged to operate in these spectacular natural surroundings, which inspire our commitment to minimise our impact on the environment.

### 4.1 CLIMATE CHANGE GOVERNANCE AND STRATEGY

We recognise that climate change has implications for our business, from risk, regulatory and sustainability perspectives. Our goal is to embed material climate change considerations into our operations and decision-making.

We developed an implementation roadmap that outlines our path to achieving this objective and we are enhancing our governance structure to oversee our progress. We established a

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Our goal is to embed material climate change considerations into all aspects of our operations and decision-making.”

Climate Change working group to lead the way to identify, monitor and manage climate risks and opportunities, mirroring our approach to managing other material risks.

A key area of focus is the evolving legal and regulatory landscape in the jurisdictions in which we operate. We will continue to monitor these developments, to understand the impact on our business and to be ready to take necessary actions.

Ingraining material climate change considerations across our business will depend on the proactive involvement of our colleagues. We are working to increase awareness of environmental issues and upskill our colleagues, for example through targeted training for key individuals of our climate change risk framework and by offering a series of sustainability-related lunch-and-learns to all colleagues on topics including solar power and the environment.



The Loft, 12 Wesley Building, Bermuda Office



The Commons, Canada office

## 4.2 CLIMATE CHANGE ON OPERATIONS

We strive to manage our facilities and operations efficiently and responsibly to minimise our environmental impact. We have made progress in reducing our physical and carbon footprint.

In May this year, our Gibraltar operation relocated to a smaller, more modern office, reducing the space we occupy by 27%. We also plan to consolidate our three offices in Malta into one, in a building that meets high environmental standards. Its energy-efficient design features optimisation of natural lighting and ventilation, a sophisticated heat control system and adjoining gardens.

In our facilities, to reduce our power consumption, we use energy management systems, triple-glazed tinted windows, LED lighting and solar thermal heating for our water heaters. We are in the process of installing solar panels in our Bermuda headquarters. We also maintain a leased office in Ontario with a Leadership in Energy and Environmental Design (LEED) Gold certification.

Adoption of the remote working options we offer to colleagues has also lessened our environmental impact globally by reducing our need for office space, our energy consumption and consumables. The resulting decrease in commuting has also reduced the carbon footprint of our colleagues.

This year we are working to quantify our carbon emissions, using a methodology recommended by the United Nations Framework Convention on Climate Change. Initially, we will focus on calculating our Scope 1 and Scope 2 emissions\*.

This exercise will enable us to set a baseline for our greenhouse gas emissions and to track our progress as we work to reduce our carbon footprint.

We continue to digitise to decrease our consumption of paper and other materials, for example by replacing physical insurance identity cards with digital versions. Customers can also submit claims and sign documents digitally through our Argus Vantage online client portal and receive paperless claim payment.

## 4.3 CLIMATE CHANGE ON UNDERWRITING

This year we are undertaking a discovery exercise, as part of our climate change roadmap implementation, to help us to better understand climate risks that may have material impact on our business.

### Physical Risks

We view our Property & Casualty underwriting portfolio as the most impacted by climate change, given its direct exposure to changing weather patterns and rising sea levels, and the geographical distribution of our risk exposures. In our mutual interests, we assist our customers to mitigate the risks of weather-related or other natural catastrophes.

Our Life and Health segments are also exposed to longer-term physical risks. For example, the negative health impact of extreme heat could affect mortality and morbidity patterns over time. We continue to monitor potential emerging risks to inform our underwriting decisions and our population health efforts.

### Transition Risks

As we transition to a low-carbon economy, we recognise the potential for emerging risks related to policy, changing market dynamics or innovation. Areas that we will monitor include:

- Our small number of existing P&C insurance clients in the non-renewable energy production and waste disposal industries
- Our Voice of the Customer programme, which will enable us to monitor any shifts in demand for our products or reputational impact
- Evolving legislative and regulatory requirements relating to climate change, to be prepared for policy changes impacting the industry and to inform our underwriting strategy and risk management
- Our motor insurance portfolio, which primarily comprises non-electric vehicles

We understand the shift to greener economic and business models will be a gradual move rather than an overnight success.

From a capital standpoint, our underwriting exposures are significantly mitigated through our robust reinsurance programme. We are aware that climate change action will impact reinsurance capacity and we are actively monitoring changes to this and alternative risk management techniques. We strive to learn more as we conduct a discovery exercise to support our materiality assessment and improve our risk management.

\* Scope 1 - All Direct Emissions from the activities of an organisation or under their control  
 Scope 2 - Indirect Emissions from electricity/heating/cooling purchased and used by the organisation.  
 Source: United Nations Framework Convention on Climate Change

## 5. TRUSTED & RESPONSIBLE BUSINESS

Only with the continuing trust of our people and our customers can our business be sustainable. We believe the key to earning and maintaining that trust is responsible management, guided by the principle of always putting people first.

As stewards of capital, managers of risk and custodians of personal data, we strive to run our business in a way that will benefit society, as well as deliver sustained and attractive returns to our shareholders. To this end, we have made great strides in identifying how we can improve the environmental and social impact of our core business operations, and in acting to achieve this through ethical policies and a Group-wide sustainability governance framework.

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We believe the key to earning and maintaining that trust is responsible management, guided by the principle of always putting people first.”

### 5.1 SUSTAINABLE INVESTING

Our investment focus as a trusted custodian of policyholder and shareholder assets is to ensure funds are readily available to satisfy our obligations to policyholders and to enhance shareholder value by generating sustainable long-term, risk-adjusted yields.

We also strive to be socially responsible in our investment management and we consider ESG-related risks and opportunities in each step of the investment decision-making process.

In the past year, for our largest portfolios we:

- Improved the overall ESG score from 6.1 to 6.4, based on MSCI's methodology
- Reduced our carbon intensity score by 64 points, from 182 to 118, based on the MSCI Carbon Intensity Attribution Assessment
- Improved the weighted average percentage of women on the boards of companies we invest in from 31% to 33%

Throughout the year, we prioritised reducing investments in sectors with high ESG risk exposures, such as coal mining, tobacco, alcohol, and weapons. We do not permit new positions to be purchased in these industries, except in cases where such activities are an insignificant part of the overall business. A small number of legacy positions will be held until maturity.

Our focus for the upcoming year is to further integrate climate change considerations into our investment decision-making process and to increase our positive impact investing by exploring low-carbon, climate-resilient assets. Specifically, we intend to seek out opportunities to invest in green bonds and renewable energy projects that support the transition toward a low-carbon economy.



## 5.2 RISK MANAGEMENT

We recognise the importance of understanding and effectively managing our organisational risks. As a multi-segment organisation operating in several jurisdictions, the Argus Group is required to maintain a sound risk management framework to operate its businesses.

Our risk management framework encompasses all material risks to ensure we continue to meet our policyholder obligations, regulatory requirements including solvency and business objectives. Our annual report and financial condition reports published on our website demonstrate our performance throughout the year and the continued growth in our consolidated capital.

We take an enterprise-wide approach to risk, and our framework covers financial risks such as liquidity, market, insurance and credit as well as indirect or non-financial risks such as strategic, regulatory/legal and operational including third party, cyber/information security, people and processes. We also utilise stress testing and scenario analysis to assess the Group's solvency and operational resilience.

As part of our risk management framework, we continue to monitor emerging risks or headwinds that may impact our business strategy. The identification of the ESG Framework to be adopted and a dedicated roadmap on climate change will allow for the integration of these considerations across our business.

We are working to improve our vendor management practices to further embed ESG considerations.

## 5.3 DATA PROTECTION AND PRIVACY

Our customers, patients, and colleagues entrust us with considerable personal information. Whether it is a policy to protect their home, the medical care they receive or being able to bring their authentic self to the workplace, this trust is not taken for granted, which is why we take great care to handle all data and personal information we receive securely and with integrity.

As a multi-jurisdictional organisation, we adhere to the legislative and regulatory requirements for handling personal information including but not limited to the European Union's General Data Protection Regulation (GDPR) and Bermuda's Personal Information Protection Act 2016 (PIPA).

As we continue to prepare for PIPA in 2025, our implementation and organisational readiness for it is ongoing. We are investing in the training of staff and undertaking robust reviews of policies and procedures.

We formally set out our template for responsibly managing our data, in a way that reduces risk and adds value, in the Argus Data Governance Programme, implemented in the first quarter of 2022. As an organisation-wide initiative that provides guidance, education, standards, tools and templates, the programme sets out to achieve:

- Reduction of risk through ensuring regulatory compliance as well as data quality management, built on a foundation of data ownership and meta data management
- Increasing value through transforming data into information that provides insight into evidence-based business decisions

Our data privacy principles are outlined in our Group Data Privacy Policy and provide a consistent framework for how all in the Argus Group handle personal information. This commitment extends to our partners as we ensure that they hold our data to a standard as high as the one we hold ourselves.

We provide regular training for our colleagues on data protection and privacy and regular checks to ensure our systems are secure with appropriate safeguards in place. We also monitor the risks of vendors and other third parties that have access to our data.

We have communicated transparently how we handle personal information in the privacy notes on our website. Data protection remains core to how we conduct business.

## 5.4 CYBER SECURITY

Maintaining a high standard of cyber security is critical to the sustainability of our business. We strive to keep pace with the evolving threat landscape, and we are constantly vigilant to protect the confidentiality, integrity and availability of information and IT systems.

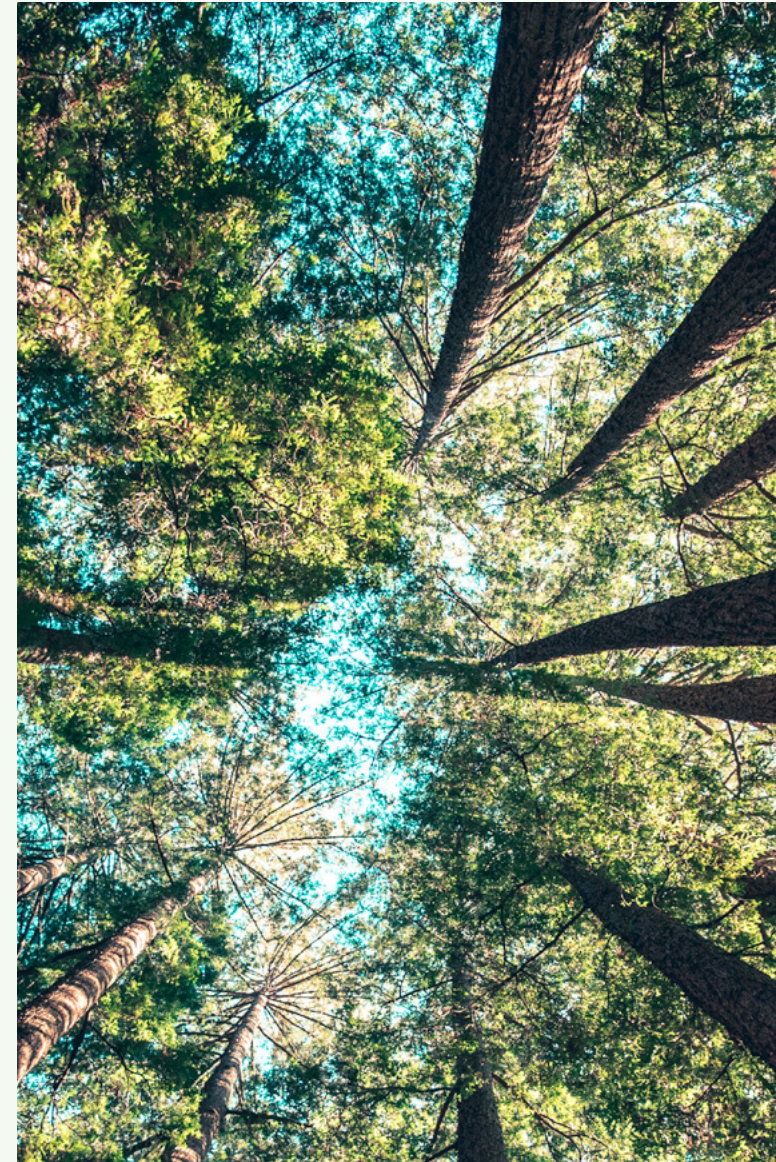
We adopt a holistic approach to cyber security, encompassing our colleagues, processes and technology. Layers of control implemented across the organisation enable us to manage our cyber risk effectively. Among those layers are secure office space; restricted access to sensitive data; perimeter security controls; multi-factor authentication; detection, protection and response across systems and networks; and secure data centres that comply with industry-leading security standards.

“

We are constantly vigilant to protect the confidentiality, integrity and availability of information and IT systems.”

We understand that our colleagues' up-to-date knowledge of cyber threats is fundamental to the effectiveness of our defences. All colleagues are required to complete monthly cyber security awareness training, including interactive courses and phishing awareness training.

It is our responsibility to be thoroughly prepared, so that in the event of a crisis, we can ensure that information is protected, clients' needs continue to be met, and organisational goals are not disrupted. Our disaster recovery and business continuity plans are in place and regularly tested.



## 6. OUR SHAREHOLDERS

We believe that our goal of producing sustainable, attractive financial returns for our shareholders can best be achieved through an approach that combines purpose and profitability.

We are geared for growth, having diversified and digitised our business, deepened our talent base, and innovated to improve our customers' experience. Underlying this progress is the value that makes Argus different – we put people first.

Our Voice of the Employee and Voice of the Customer frameworks have strengthened our capability to listen to, analyse and deliver what our staff and clients need and want. This unerring focus on people drives talent development and retention, exceptional customer service from an engaged workforce, new product development and financial success.

The tenets of sustainability are a natural extension of Argus' "Our Interest is You" ethos, extending to our communities, our interaction with the environment and our responsible investment management.

We want to reward our shareholders' confidence in us with increasing return on equity and growth in book value per share. We believe that by acting to embed sustainable practices, we are positioning our business to succeed and to better manage the ongoing challenges that face all businesses, including the "war for talent", digital transformation and evolving risks.

With ESG considerations being increasingly expected by regulators and sought after by consumers, employees and investors, we believe our commitment to sustainability will reward our shareholders over time.



Argus Running Club participant

# ACHIEVEMENTS & PRIORITIES

## 2022-2023 ACHIEVEMENTS

- Organised a series of events to celebrate Black History Month
- Provided training to our Directors and staff on sustainability topics including climate change and anti-racism
- Provided a sustainability platform to enhance ESG knowledge among key stakeholders
- Continued charitable support to and volunteering in the communities in which we operate
- Implemented our Voice of the Customer programme, a key part of our global customer experience strategy
- Produced a roadmap for climate change strategy implementation and enhanced our governance framework to provide oversight of our progress
- Established a carbon footprint methodology to capture our baseline greenhouse gas emissions
- Applied for planning permission to install solar panels in Bermuda
- Undertook an internal materiality assessment to determine sustainability issues that matter most to our colleagues

## 2023-2024 PRIORITIES

- Voice of the Employee program:
  - Develop governance framework
  - Mobilise working group activities
  - Complete collection of data to inform decisions to enhance employee experience and support business goals
- Voice of the Customer program:
  - Continue to establish and monitor customer data benchmarks and trends
  - Broaden scope to include new audiences, channels and data points
- Advance implementation of climate change framework actions
- Initiate a carbon footprint data capture
- Monitor regulatory and legislative developments related to climate change and ESG
- Conduct discovery exercise for reporting requirements to support ESG framework selection
- Complete installation of solar panels in our Bermuda headquarters



## CONCLUSION

We have long had a people-first, purpose-led culture. Our values dovetail with the principles of sustainability. We are now on a journey to formalise our commitment to sustainability and to embed sustainable practices at all levels of our business. We are a good corporate citizen and we are working to become a better one.

Over the past year, we have laid more ESG foundations, working towards establishing the frameworks, roadmaps and processes that will inform us as we continue to manage our business considerately, responsibly and for the long term. We will, through our colleagues, be a powerful force for sustainable wellbeing, making physical, financial and mental wellbeing meaningfully better in our connected communities.



Argus colleague carrying printed quotes from runners on "Why I run", May 2023





In line with our commitment to reduce Argus' carbon footprint, this report has been produced in a digital format.

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