



**2022 REPORT**

# **BUILT TO EVOLVE**

**Environmental, Social & Governance**

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## BUILT TO EVOLVE

At Argo Group\*, we take a thoughtful approach to change, always seeking new ways to help businesses stay in business. Our commitment to environmental, social and governance (ESG) concerns is the natural outgrowth of a company that was built to evolve from the beginning.

As providers of property/casualty insurance and managed risk solutions, Argo delivers value to its partners through industry-leading underwriting expertise. As industries rapidly evolve, we adapt with them, developing smart solutions that help them excel while also benefiting society.

## Culture & Values

Argo's employees embody the Core Values that drive our behaviors and make positive change possible.



THE ENTREPRENEURIAL SPIRIT



DOING THE RIGHT THING



COLLABORATING



RESPECTING EACH OTHER

\*Throughout this report, "Argo" or "Argo Group" or "the company" or "we" refers to Argo Group International Holdings, Ltd. Unless otherwise noted, all data is as of December 31, 2021, and covers our entire operation.



**The world is constantly changing, but it's our ability to adapt that makes us human.**

## FROM OUR LEADERSHIP



Message from  
**Alex Hindson**  
 Chief Risk & Sustainability Officer

To summarize Argo Group's many accomplishments in 2021 would take the entirety of this report. However, it's worth highlighting a few that make us particularly proud:

- We delivered on our Greenhouse targets, thanks in part to an embrace of hybrid work environments
- We executed a climate risk management framework to manage physical, transition and litigation exposures within agreed risk tolerance levels
- We published our first Group-wide ClimateWise Report that aligns with the Task Force on Climate-related Financial Disclosures
- We matured the operation of Argo's Employee Resource Groups (ERGs) and increased engagement in diversity and inclusion programs
- We established and operated an ESG key performance indicator dashboard
- We integrated an updated Responsible Investment policy into our stewardship and engagement of our investment managers
- We continued our commitment to our U.N. Sustainable Development Goals

Our culture of responsible governance has even earned awards from [Insurance ERM](#) and [CIR magazine](#). In 2022, we plan to integrate ESG factors even deeper into responsible investments and underwriting.

The world is changing, and Argo is adapting with it. But one thing will always remain the same: our commitment to doing the right thing.



Message from  
**Kevin Rehnberg**  
 Chief Executive Officer

Argo Group employees diligently navigated another year with an unquestionable focus on serving our customers, looking out for one another, and continuing to evolve despite many uncertainties affecting the world around us. But rather than following trends, we've taken the long view, anticipating changes before they arrive so we can adapt and thrive.

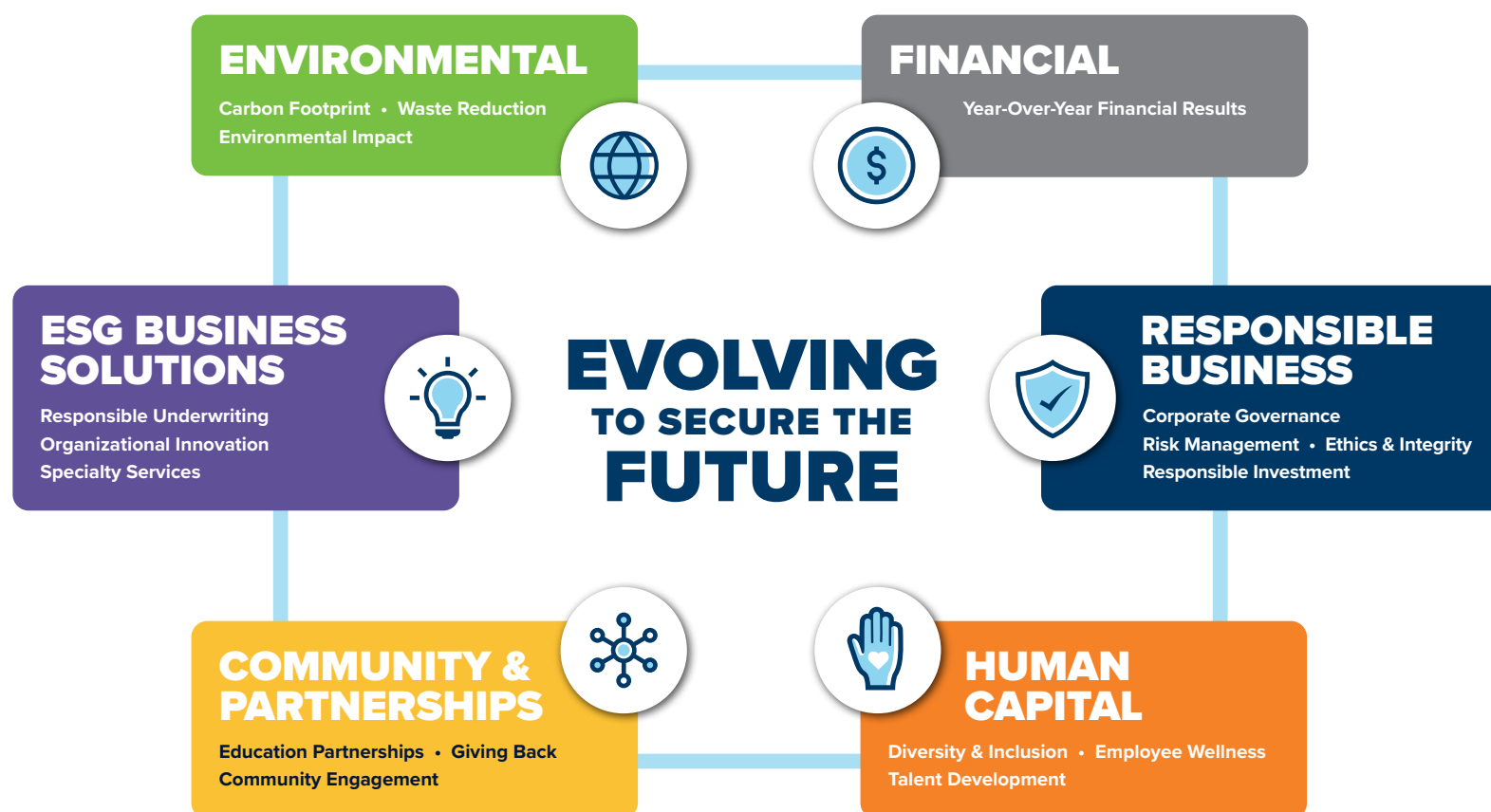
For us, this has meant continuing to strive for improvement across the business, including a focus on environmental stewardship, social equity and responsible corporate governance. As we integrate ESG into our business model and our corporate culture, we know the job will never be done. We continually strive for progress, and this report is the record of that journey so far: the successes, opportunities and a plan for the path ahead.

**We see ESG as an opportunity to challenge ourselves to see the future needs of our policyholders – and to adapt the organization accordingly.**

**Bernard Bailey,**  
 Director and Board ESG Sponsor, Argo Group

## OUR APPROACH TO ESG

Because we know progress doesn't happen without a plan, in 2016 we established a [Sustainability Working Group](#) (SWG) to coordinate sustainability initiatives across the company. SWG, which is sponsored by our board of directors and led by senior executives, ensures ESG factors are addressed throughout our operations.



## ARGO'S MATERIALITY MATRIX

Since 2016, Argo has maintained an evolving risk analysis and materiality matrix to guide our ESG efforts. This tool helps us identify environmental, social and governance priorities in terms of significance to stakeholders and Argo Group. By focusing on the opportunities and threats with the maximum potential impact, the matrix helps our Chief Risk & Sustainability Officer steer our path through change with intention, bringing us closer to our core purpose.



# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Argo Group reviews the relevance of the [United Nations Sustainable Development Goals](#) (SDGs) each year. We map the 17 SDGs to each scenario within our sustainability threat and opportunity assessments and rank them. This helps us understand the materiality of the SDGs based on three key considerations.

- 1 RELEVANCE TO ARGO'S SUSTAINABILITY PROGRAM**
- 2 PRIORITY DRIVERS FOR ARGO'S SUSTAINABILITY PROGRAM**
- 3 URGENCY IN TERMS OF ARGO'S NEED TO ACT**

Based on this assessment, we have maintained our commitment to three key goals and added a fourth for 2022, SDG8: Decent Work and Economic Growth.

## SDG 13: Climate Action

Argo Group is a founding member of ClimateWise, a global network of insurance organizations that helps its members respond to the risks and opportunities of climate change.

As a signatory to the U.N. Principles for Responsible Investment, Argo Group is working to build a more sustainable global financial system by integrating ESG factors into its investment strategies.

During 2021, the Investment Committee of the board of directors approved a revised Investment Policy Statement, which incorporated

a Responsible Investment commitment and a Fossil Fuel Statement. We have also put in place a Stewardship and Engagement Statement that guides how we work with our investment manager partners.

## SDG 11: Sustainable Cities

Argo Group has tracked greenhouse gas (GHG) emissions since 2019 and set reduction targets. In 2020, we continued to report on our GHG emissions and were able to show year-on-year improvement ahead of our reduction targets. This trend continued in 2021 and is outlined in more detail in [Chapter Three](#) of this report.

Argo licenses a comprehensive suite of worldwide Catastrophe models from Risk Management Solutions (RMS). Most notably these models include primary perils such as Hurricane and Earthquake but also secondary perils such as Severe Convective Storm (SCS) and Winterstorm. We also license a Flood model from KatRisk that considers Inland Flood and Hurricane-induced flooding from events such as Hurricane Harvey. In conjunction with Guy Carpenter, Argo has developed a robust avoidance approach for high-risk wildfire zip codes, which has been embedded into our underwriting strategy.

## SDG 5: Gender Equality

We are continuing to make progress toward this goal, building on our establishment of a Diversity & Inclusion (D&I) Policy, D&I Committee and eight Employee Resource Groups (ERGs) in 2020.



## Climate Action

Fully incorporating climate risk into our enterprise risk management framework.



## Sustainable Cities

Providing tailored underwriting solutions to support our clients' resilience and recovery.



## Gender Equality

Tracking our progress toward stronger representation of women at senior levels.



## Decent Work and Economic Growth

Promoting inclusive and sustainable economic growth, employment and decent work for all.

**NEW FOR 2022**

In 2021, Argo's Gender Equality ERG spearheaded a commitment to the Women in Finance Charter. See [Chapter One](#) of this report for a detailed account of our successes and growth opportunities in this area.

## SDG 8: Decent Work and Economic Growth

Our robust corporate governance has been recognized by outside ESG ratings agencies, making the adoption of this goal a natural next step. We regularly measure employee satisfaction and engagement and have championed a hybrid work model to support employees throughout the pandemic and beyond. Our commitment to continuous learning and professional development is evident in a range of formal programs outlined in more detail in [Chapter One](#) of this report.

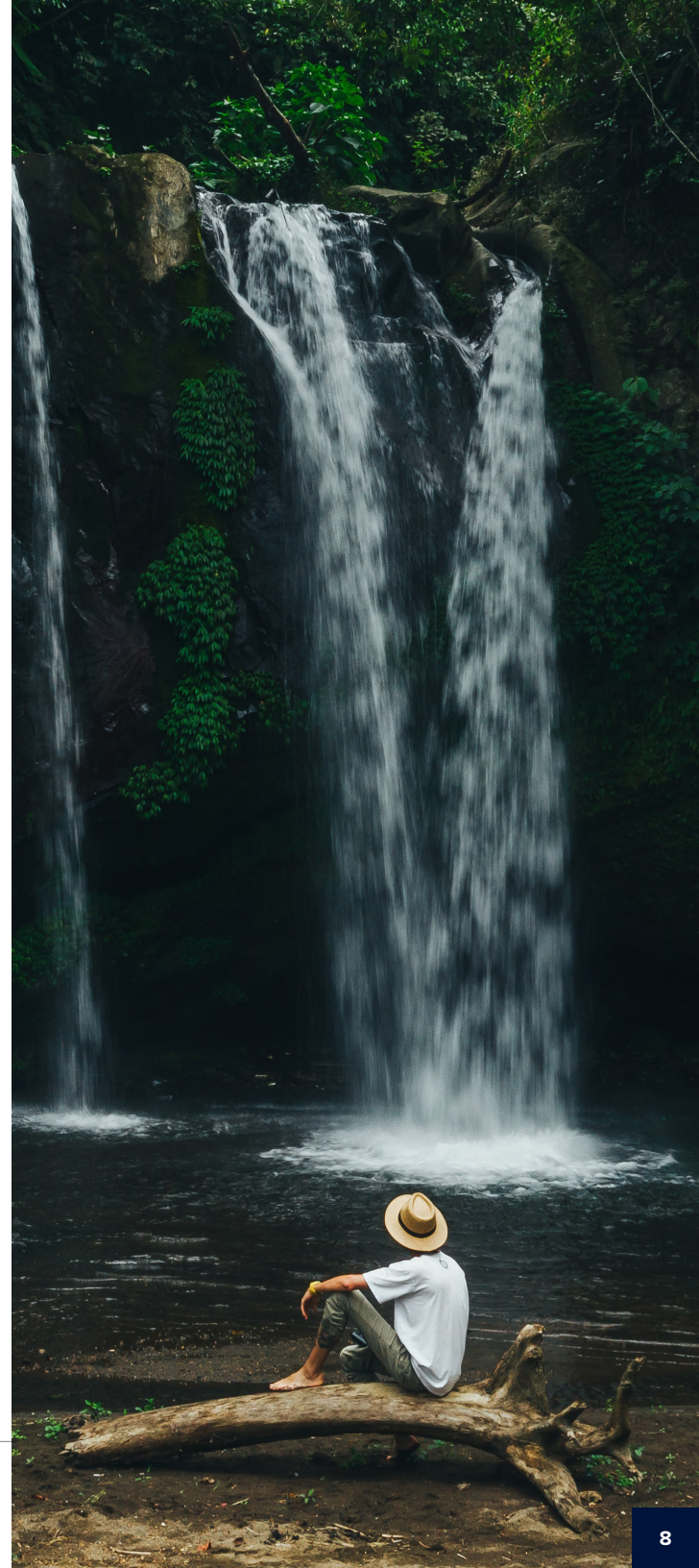
## GOVERNANCE OVERSIGHT

The board of directors (board) typically delegates certain risk management responsibilities to its committees, and in 2021 ESG oversight was placed with the Nominating and Corporate Governance Committee (N&CGC) of the board. The board maintains ultimate responsibility for overseeing and approving our ESG strategy.

## RATINGS

Measuring our ESG ratings highlights Argo's position within the industry and provides real insight into the company's efforts to achieve long-term sustainable progress toward a better future. Four leaders in researching and rating ESG-related investment risks have analyzed and rated our operations:

- MSCI ESG Rating of BB (as of August 2021)
- Sustainalytics ESG Risk Ratings score of 23.3 (as of March 2021)
- ISS QualityScore Rating of Governance 1, Environment 4, Social 2 (as of January 2022)
- S&P Global CSA rating of 45 (out of 100) (as of November 12, 2021)



A group of hikers with large backpacks are ascending a steep, rocky mountain trail. The lead hiker is in the foreground, wearing a blue shirt and a hat, with a large blue backpack. Behind them, several other hikers are visible, also equipped with backpacks and trekking poles. The trail is composed of loose, reddish-brown rocks and dirt. In the background, there are more mountain peaks, some covered in green vegetation and others appearing more barren. The sky is a pale, hazy blue, suggesting a clear day. The overall scene conveys a sense of adventure and teamwork.

## CHAPTER 1 HUMAN CAPITAL

# EVOLVING TOGETHER

By empowering every employee within Argo Group, we create an environment that pushes us to embrace change.



## Argo Employees by the Numbers

# 1,290

Total global  
employee headcount

# 98.7%

Full-time employees

# 939

U.S. employees

# 351

International employees

Building an inclusive team of innovative and motivated employees requires a shared strategy that drives learning and results. Through a strong diversity and inclusion (D&I) program and a solid talent acquisition and development plan, we're helping create a welcoming work environment that achieves business results.

## TALENT ACQUISITION AND RETENTION

Argo Group is an innovative organization that offers flexibility, opportunity to advance, and comprehensive training and development. We remain focused on attracting and retaining diverse individuals with various professional backgrounds, interests and levels of expertise.

In 2021, we established new partnerships to help create a diverse talent pipeline and embedded D&I into the recruiting process.

We recognize we must work to keep our top talent by providing excellent professional development, sponsorship and career growth opportunities. We regularly monitor and evaluate turnover metrics to ensure we are responsive to the evolving and competitive market for top talent.

**5 YRS**

AVERAGE TENURE – MEN

**7 YRS**

AVERAGE TENURE – WOMEN

## Sourcing Diverse Talent

Sourcing talent from diverse backgrounds isn't just the right thing to do; it leads to innovation and better business results. That's why diversity considerations are central to our Talent Acquisition strategy:

- Recruiters and/or hiring managers work to present a diverse slate of candidates for every open position.
- Panel interviews will seek a group that is representative of Argo's internal diversity.
- Recruiters are encouraged to engage internally with at least one of Argo's ERGs on an ongoing basis.
- Recruiters should actively promote internal career opportunities and request access to external communities or networks linked to the ERGs.
- Recruiters leverage industry partners and D&I-related organizations to help source candidates.
- Employees are encouraged to recommend candidates through the company's referral program.

**Learn more about how we're partnering with organizations to source diverse talent** [↗](#)

## National African American Insurance Association Partnership

In 2021, Argo Group began a partnership with the National African American Insurance Association (NAAIA), expanding the talent pool from which recruiters choose candidates and offering career development opportunities for existing employees.

## DIVERSITY AND INCLUSION

Workforces all over the world are expressing their support for D&I – and businesses like ours see the benefits for long-term success.



### Diversity & Inclusion Policy

Our commitment to championing a diverse and inclusive work environment is key to innovating, developing and retaining a vibrant workforce. D&I is a board-led business strategy, and we are dedicated to integrating its values and practices into existing corporate policies and processes and empowering the organization accordingly. Our corporate policies and practices related to D&I guide our leaders.



### Diversity & Inclusion Vision

Argo aims to foster a workplace that reflects and contributes to the diverse communities where we do business.

Argo Group is committed to cultivating an authentic and inclusive workplace, ensuring all our employees feel comfortable being their authentic selves at work, confident in being treated respectfully, and have equal opportunities to be successful.

We believe that consciously embracing our differences is critical to driving innovation and business results, and that some of the greatest ideas come from a diverse mix of minds, cultures and experiences.

## 2021 D&I Strategy

A diverse and inclusive workplace takes work.

We focused on three key goals to foster continued growth and positive change in 2021.

GOAL	Leadership Commitment		Support and Nurture an Inclusive Culture		Build and Maintain a Diverse Workforce	
IMPLEMENTATION	Demonstrate commitment to D&I		Cultivate an inclusive work environment		Develop equal opportunity and create a diverse talent pipeline	
	Assign accountability for promoting and supporting D&I		Leverage D&I effectiveness from ERGs		Target diverse populations through strategic partnerships	
ACTIONS	Plan/communications strategy	ERG learnings	Policies	ERG participation	Recruitment	Career development & mentoring
	Support awareness training	Goal creation	Engagement survey	Education and group-wide communications	Data-driven strategies	Senior management succession

### How We Prioritized D&I in 2021



#### EXECUTIVE SPONSORSHIP

Each of our ERGs is supported by an executive sponsor.



#### COMMUNICATION

We championed the importance of D&I internally and externally through ongoing communications.



#### EVENTS

We hosted nine ERG-sponsored panel sessions and five LinkedIn Live events focused on D&I.



#### TALENT ACQUISITION

We partnered with a variety of organizations to establish diverse talent pipelines.



#### TRAINING

All Argo employees, including part-time employees, are expected to participate in training related to D&I issues.

## Diversity & Inclusion Committee

To define our goals and provide oversight, we established a D&I Committee comprised of executive leaders in early 2020. This committee meets monthly, or more often as needed, to discuss and execute its responsibilities:

- Sponsoring the overall D&I program and individually acting as D&I ambassadors across the organization.
- Setting and reviewing measurable D&I objectives and actively monitoring progress against D&I key performance indicators (KPIs) on a quarterly basis.
- Reviewing the effectiveness of the D&I program and making recommendations for enhancements.
- Providing education and training to deepen and develop personal understanding of diversity and inclusion.
- Applying an inclusive approach when thinking of business and product development.

[Read the D&I Committee Charter](#) ➔

## D&I Program Governance



## Gender Pay Gap and U.K. Report

Creating equal opportunities for all is one way we are pushing our organization forward. In addition to publishing our [U.K. Gender Pay Gap Report](#) on our website, Argo Group recently implemented a companywide career and compensation framework to help provide consistent pay for similar work, enabling us to more accurately compare jobs across the organization and ensure our compensation practices are fair and equitable. Following the implementation of the framework, we are in the process of completing a gender pay study in the U.S.

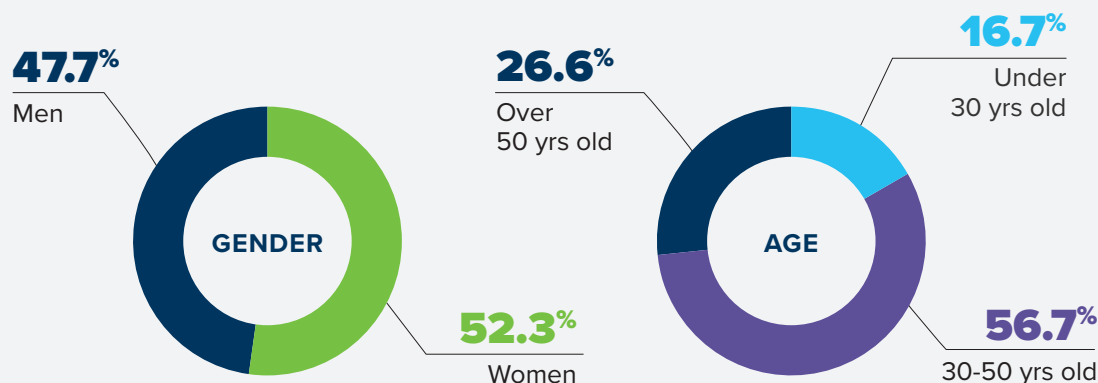
## D&I Survey

In September 2021, we conducted an employee pulse survey to measure D&I, belonging, and engagement among Argo employees. Five months earlier, we conducted an extensive formal engagement survey; our objective was to measure progress and identify growth opportunities. We're proud to report that employees gave the company high ratings for a "discrimination-free," respectful workplace that enables a culture accepting of authentic expression.

The survey reaffirmed our decision to focus on improving employee experience; sentiment associated with prospects for the future; career opportunities; and an overall focus on diversity. These areas of focus are especially important given the ongoing transformation of the company and the extended period of remote work due to the pandemic.



## Argo Workforce Diversity by the Numbers



### NEW HIRES

**261**  
Total New Hires

**51.1%**  
New Hires: Women

### WOMEN IN SENIOR MANAGEMENT

**28.3%**

LEVEL 8+

**26.9%**

LEVEL 7+

(10 levels identified)



EMPLOYEES WHO ARE INVOLVED IN  
A D&I PROGRAM, ERG OR EVENT

**51%**

## D&I Respectful Workplace Training

We want everyone at Argo to feel comfortable being their authentic selves at work. Our [Respectful Workplace for Employees](#) course brings awareness to unconscious bias and the power of a diverse and inclusive workforce. All Argo employees, including part-time staff, are expected to take the course. In 2021, 98% of managers completed the training.

Topics covered include:

- Speaking up about workplace issues
- Inclusion
- Retaliation/protected protest
- Harassment
- Discrimination
- Unconscious bias
- Bullying
- Ethical standards



## EMPLOYEE RESOURCE GROUPS

We believe a diverse workforce will help us achieve the changes that are necessary for success. That's why we actively foster ERGs – voluntary, employee-driven groups organized around shared interests, characteristics or experiences. Each group is guided by an executive sponsor. Together, ERGs help create a workplace culture where all employees are respected, treated fairly and given equal opportunities to succeed. Our ERGs don't just help those directly involved; they contribute to the success of the business overall:

- Employees share their voices, resulting in greater inclusion and cultural awareness
- Leaders and managers learn about issues and their effects on the work environment
- Solutions for positive change emerge thanks to a diversity of thought
- Employee engagement, morale, productivity and job satisfaction increase
- The Group Communications team seeks guidance for promoting D&I
- Diverse talent is attracted, developed and retained



### Argo Group ERGs

**Argo Heroes**

**Argo Pride**

**Disability**

**Early Career Professionals**

**FERM** (faith, ethnicity, race, multiculturalism)

**Gender Equality**

**Socioeconomic**

**Working Families**

[Learn more about Argo's ERGs](#) ↗

## D&I Program Achievements

**8** Employee Resource Groups

**51%** Employees involved in a D&I program, ERG or event

**9** ERG-sponsored speaker events

**98%** Managers completed D&I training

**3** ERG-sponsored initiatives implemented:

- Diversity Day
- Military Service Leave Policy
- [Women in Finance Charter](#)

**3** D&I presentations to the board

## Inclusive Conversations

Argo hosted five live, online events promoting D&I and other issues:

- International Women's Day
- Pride Month
- Women in Leadership
- Disability Awareness
- Early Career Professionals



## PROFESSIONAL DEVELOPMENT AND EMPLOYEE TRAINING

Argo recognizes that business success is inextricably linked to the success of our employees. That's why we invest in a robust slate of talent development resources:

- A leadership framework with targeted leadership training
- Technology-enabled employee development platforms
- A transparent career and compensation framework for employees
- A platform for employees to share their ideas to drive innovation, reduce expenses or change policy

Everyone at Argo, including contractors and part-time employees, has access to our learning and development program, Argo Academy. Training topics align with our business strategy and include personal and professional development topics.



### Training & Development by the Numbers

**5+**

Daily personalized  
development opportunities

**100%**

Employees who  
receive training

**51**

Average annual employee  
training hours

**7,000**

Course  
enrollments

**100%**

Managers who  
receive training

**54**

Average annual manager  
training hours

**28**

Education Partners – Institutions and learning experts

# Learning & Development Pathways

## Emerging Talent

Developing employees with less than five years of experience in the insurance industry

- 118 employees have participated since 2019
- 40% have received a promotion either during or after participating in the program
- 67% retention rate among participants
- 98% relevance rating according to participants in 2021

## Leading Oneself

Developing core personal and technical skills

- Self-directed based on competency map provided by Argo
- Launching Q1 2022

## Leading Others

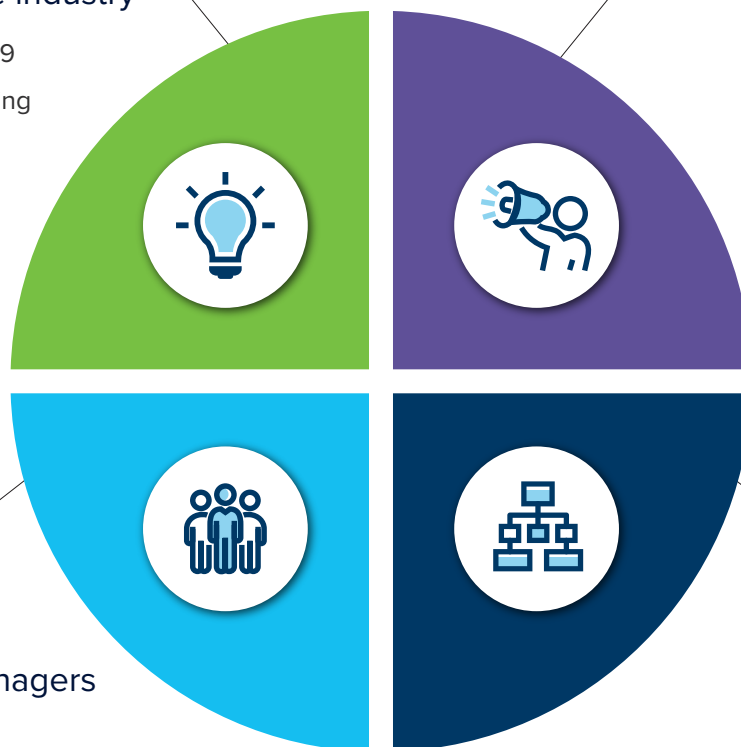
Interactive, cohort-based learning for rising middle managers

- 61 participants
- 77% retention rate
- 97% relevance rating according to participants

## Leading the Business

Interactive, cohort-based learning for rising senior managers

- 19 participants, all VP level and above
- 68% retention rate
- 17% participants promoted
- 92% relevance rating according to participants



## SHINE ONboarding Survey Results

Our award-winning training program, focused on Argo Group's culture, has earned high marks from employees.

**96%**

Met learning expectations

**91%**

Valuable use of time

**96%**

Will apply learning to personal development

## Performance Appraisals and Feedback

Argo Group supports employees and managers by facilitating feedback conversations and documenting goal and performance updates. Self-assessments encourage employees to reflect on commitments and behavior with the aim of achievement and improvement. In turn, managers collect stakeholder input and provide meaningful feedback to further learn and apply what motivates and incentivizes employees.

**100% Completion rate**

Performance and career development reviews

## EMPLOYEE WELLNESS

Addressing our workforce's total well-being is essential to affect meaningful change. Our aim is to help bring out the very best in each employee, which requires us to be attentive to an employee's mind, body, finances and overall life.

Throughout 2021, Argo offered hundreds of wellness resources to employees. For example, we provided more than 40 live wellness webinars, including one with renowned sleep expert Dr. Nerina Ramlakhan that was attended by more than 800 Argo employees.

## Supporting Employee Wellness

**40+**

Live wellness webinars

**4,000 hrs**

Live wellness learning

**30+**

New courses (~3,000 hours) on caring for emotional well-being of self and others

### Wellness topics covered:

Everyday Mindfulness, Resiliency and the Power of Affirmations, Breaking Through Burnout, Healthier Eating, Soothing Stress, Embracing Change, Care of Self and Others, Mental Well-being

## Awards & Recognition



### Top 100

Organizations with the most successful learning and development programs in the world (awarded five years in a row)



SILVER

### Brandon Hall Excellence Award

Best Advance in Leadership Development



BRONZE

### Brandon Hall Excellence Award

Best Advance in Executive Development



BRONZE

### Brandon Hall Excellence Award

Rising Star

## EMPLOYEE BENEFITS

### Total Rewards Program

Compensation, a comprehensive benefits package, retirement savings, flexible workplace options, paid time off, health and wellness program, and employee assistance program.



#### Flexible Workplace Options

Includes new unpaid sabbaticals and flexible work options



#### Dress for Your Day Policy

Wear clothing that is appropriate for the day's business commitments



#### Education Benefits

Up to \$5,250 tuition reimbursement, education bonuses and other continuing education



#### Wellness Program

Employees and covered spouses may participate in healthy lifestyle activities



#### Paid Parental and Caregiver Leave Programs

Paid time away from work without needing to use PTO



#### Employee Assistance Program

Free access to licensed counselors for employees and their families



#### 401(k) Retirement Savings Plan

401(k) retirement savings plan in the U.S. and similar programs internationally



#### Paid Time Off

Employees get the rejuvenation they need to be fully engaged at work

## Compensation Framework

Argo is committed to a pay-for-performance culture that allows for competitive market-based overall compensation. In 2021, we completed a comprehensive assessment of our pay practices for all employees, including the review of short- and long-term incentive programs, that resulted in:

- Increased pay transparency
- More consistency and clarity around pay decisions
- Clear career paths for employees
- A thorough understanding of our pay-for-performance compensation philosophy

## Employee Assistance Program

We offer our employees and their eligible family members access to licensed counselors through our Employee Assistance Program (EAP). Through this coverage, employees and their families receive immediate support and guidance, as well as assessments and referrals for further services. All EAP conversations are voluntary and strictly confidential. EAP counselors can provide support for a wide range of topics, including:

- Stress, anxiety and depression
- Marriage and parenting
- Workplace conflicts
- Sleep problems
- Financial and legal questions
- Substance abuse and other addictions

## Employee Share Purchase Plan

Most Argo employees\* can invest in the company through an employee stock purchase plan (ESPP) or a save as you earn (SAYE) program. These programs allow employees to purchase Argo stock at a generous 15% discount to the fair market value of our stock and encourage employee ownership and savings as a benefit.

*\* ESPP applies to U.S./Bermuda employees and SAYE to U.K. employees.  
All U.S. and Bermuda employees scheduled to work 20 hours or more per week are eligible to participate.*

## Remote Working and Flexible Workplace Policy

We believe in the importance of workplace flexibility and its impact on our ability to attract and retain a diverse workforce. Just as importantly, workplace flexibility contributes to a positive work-life balance for employees. Even before the pandemic, Argo established a Flexible Workplace Policy, which combined several existing global programs such as summer hours with new unpaid sabbaticals and globally available flexible work options.

### Flexible Work Options at Argo



#### Remote and Multi-site Working

Work on-site, from home or both



#### Flextime

Choose when to begin and end work  
Subject to business requirements



#### Job Sharing

Two or more people share the responsibility for a single job

**47.5%**

Remote U.S. employees

**38.7%**

Hybrid/multi-site  
U.S. employees

**up to 50%**

Employee internet  
expenses paid by Argo



The movement toward remote and hybrid working has caused us to reevaluate how some of our locations can accommodate such a setup. By including a shared workspace and a traditional workspace in one location, our facilities can support flexible work schedules, give employees more autonomy over their schedules and in some instances replace the conventional commute. This, in turn, will reduce our overall environmental impact.



**CHAPTER 2 RESPONSIBLE BUSINESS**

# CHANGE. FOR THE BETTER.

Argo continues to evolve in a changing world by maintaining a firm commitment to ethical business practice, transparency and responsible governance.

Ethical business practice is central to Argo's commitment to positive change. This isn't just a moral or legal matter; ultimately, it has a positive impact on people, the planet and profits.

We strongly believe that creating a risk-aware culture is the critical element of applying Enterprise Risk Management (ERM) to our sustainability threats and opportunities. Making informed decisions comes from a combination of an effective process and a values-driven culture.

Our stakeholders can be confident in our data privacy and security, whistleblower program and commitment to fighting corruption. From environmental stewardship to responsible investments and human rights, we hold ourselves and each other accountable for our decisions, performance and behavior.

## GOVERNANCE

### Board Approach and Oversight

Argo Group has robust corporate governance practices that meet best practice expectations and are reflected in our external [ESG Governance scores](#). The board of directors has the ultimate responsibility for overseeing and approving the company's ESG strategy. In 2021, the board assigned the Nominating and Corporate Governance Committee (N&CGC) to oversee ESG matters under the board's sponsorship of Bernard Bailey, a non-executive director.

We carefully considered whether to form a new stand-alone committee or integrate ESG into existing structures. The board believed that harnessing current structures would ensure that ESG was fully integrated and embedded into organizational strategy and processes.



**88%**

Independent directors  
on the board

**22%**

Women on the board

**100%**

Attended 75% or more  
board & committee meetings

The N&CGC sponsored the adoption of the ESG governance framework, charging the chair of each board committee with ensuring their committee charters and agendas were updated to match the Board Committee & ESG Governance blueprint, as seen here.

The board is committed to fostering, cultivating and preserving an inclusive culture. The board understands that every person is unique and recognizes individual differences. In evaluating new director candidates, the Nominating and Corporate Governance Committee will actively consider gender identity, age, race, nationality, ethnicity, disability status and sexual orientation diversity in board composition.

**Read more about the  
Argo board and committees** [➔](#)

## Board Committees & ESG Governance

The board of directors oversees five committees to address major areas of impact in the business.



## ESG Governance and Risk Assessment

The Chief Risk & Sustainability Officer (CR&SO) has executive responsibility for implementing the ESG program, supported by the Sustainability Working Group (SWG), which meets every six weeks. This is a cross-functional committee that oversees and champions the adoption of ESG-related initiatives and the company's external disclosures.

The SWG, which was established in 2016, receives reports on various internal and external developments related to ESG matters. The committee reviews a sustainability threat and opportunity assessment prepared by the Risk Management Function every six months. This analysis helps to prioritize areas requiring actions and additional controls to manage reputational impact.

**“As we position ourselves to address the ESG risks and measure what we do against our external ESG indices and frameworks, this discipline sharpens our sustainable approach and means we are better positioned to gain a competitive advantage.”**

**Alex Hindson,**  
Chief Risk & Sustainability Officer

## Code of Conduct

Argo Group values ethical conduct, and our board of directors seeks ways to improve the company's strong corporate governance practices. We're committed to creating and fostering a suitable environment for sound and prudent business conduct, free of unethical and fraudulent activity. The company's Code of Conduct & Business Ethics defines specific responsibilities for company leaders that address:

- Promoting employee awareness of the code
- Procedures for ongoing code compliance
- Reporting suspected and actual code breaches, providing accurate and timely information and referring code-related questions to the proper personnel

Argo Group's Code of Conduct & Business Ethics sets out the basic principles that are to be followed to achieve our conduct goals. It brings our values, respect for each other and accountability to action. The code applies to all employees, including part-time staff, board members, controllers, officers and third-party providers. The Audit Committee of the board monitors compliance with the code, including an annual review of conflicts of interest.

As part of Argo Group's commitment to acting with integrity in all of our business transactions and relationships, our [Anti-Bribery and Anti-Corruption Policy](#) sets forth measures to actively prevent and guard against unethical or fraudulent activity, including the use of the company as a medium for facilitating bribery and corruption.

## Compliance Training Programs

We are committed to upholding the highest standards of corporate governance and ethical conduct. Argo Group's corporate compliance training program includes several mandatory courses that all employees, including part-time staff, must complete on an annual basis. This is to establish their awareness and understanding of the legal, regulatory, and ethical requirements as well as risk behavior expectations necessary for Argo Group to sustain its compliant and risk-aware culture. Courses include:

- Code of Conduct: Best Practices
- Whistleblowing: Raising Concerns
- Preventing Bribery and Corruption
- Security Awareness
- International Sanctions (Anti-Money Laundering – Insurance)
- Avoiding Conflicts of Interest

**100%** Compliance training completion rate

## Whistleblower Program

Our [Whistleblowing Policy and Procedure](#) encourages employees to confidentially and anonymously report, without fear of retaliation, any suspected or actual financial, ethical or legal impropriety by their colleagues, management, customers and other market practitioners. The policy requires the company to follow an annually

reviewed procedure for managing whistleblowing activity and investigating reports.

We offer an ethics hotline, accessible by phone or email and provided by an independent third party, to allow employees and management to anonymously report any activity or business practice they suspect to be unethical or illegal. Our policy is to protect any whistleblowers who come forward.

The Audit Committee of the board oversees compliance with the Whistleblower Policy.

## HUMAN RIGHTS

Argo recognizes the responsibility to respect human rights, and we are proud of our ability to contribute positively to human rights around the globe. We are committed to treating everyone with dignity and respect and strive to promote human rights in accordance with the U.N. Guiding Principles on Business and Human Rights. We expect the third parties we work with to do the same.

Argo Group's Slavery and Human Trafficking Statement sets out our commitment to combat all forms of slavery and human trafficking, to comply with the laws and regulations applicable to our business, and to take steps to ensure that slavery and human trafficking are not taking place in our supply chains or in any part of our business. We expect all parties we engage with to apply the same high professional and ethical standards to the business that we do. We are committed to ensuring that we are compliant with the requirements set out in the U.K. Modern Slavery Act. Read our [Modern Slavery Statement](#).

## CLIMATE RISK MANAGEMENT

We recognize climate change as a material emerging risk in terms of its potential impact on Argo Group's business operations, insurance products and clients. Argo maintains its own view of natural catastrophe risk informed by proprietary models, which is used to make underwriting and management decisions. It is based on a combination of third-party vendor models, plus our in-house adjustments specifically recognizing factors such as climate volatility. We continue to carefully review the effect of climate change on historical U.S. hurricane landfall rates by region and category. However, we recognize that considerable uncertainty remains. We regularly consider potential climate change scenarios within our Stress & Scenario Testing Framework and in completing validation of our catastrophe and capital models.

In 2021, we put in place a company-wide climate risk management framework in line with Prudential Regulatory Authority expectations under their Supervisory Statement SS3/19 and Policy Statement PS11/19. Our ClimateWise report, which is aligned with the principles of the Task Force on Climate-related Financial Disclosures (TCFD), covers the strategy, governance, risk appetite, risk assessment and scenario analysis aspects of adopting climate risk management. As risk experts, we play an essential role in helping our stakeholders understand and adapt to the impacts of climate-related risks.

The scenario analysis is based on a short-term view of financial risks within the current business planning horizon, as well as a long-term view. This

long-term view takes into consideration scenarios where average global temperatures continue to rise consistent with a 2-degree Celsius overall rise and/or scenarios where a transition to a low-carbon economy occurs in either an orderly or disorderly manner over the next 15 to 20 years.

As such, the risk management framework has been updated to create a specific risk category of "Climate Risk," including within it three sub-categories: Physical Risk, Transition Risk and Litigation Risk. Climate key risk indicators for each sub-category, as part of our risk appetite framework, were approved by the Risk & Capital Committee of the board in 2021, and we are shaping our response accordingly.

### Physical Risk

We recognize the physical risks from changing frequencies and intensities of weather-related perils. We take a balanced view of the potential underwriting opportunities for producing protection and resilience solutions to our clients in the face of climate risk. As a result of considering the potential uncertainty of financial performance associated with climate-related volatility, we have divested our reinsurance business and significantly reduced our risk appetite for catastrophe-exposed property insurance.

### Transition Risk

We consciously seek to contain our exposure to transition risk associated with a move to a low-carbon economy due to changes in asset values, changing energy infrastructure and/or carbon regulation or taxation arrangements.

We recognize our exposure to transition risk within our investment portfolio as part of our commitment to the U.N. Principles for Responsible Investment (PRI).

We also recognize our exposure to transition risk within our underwriting portfolio and have started to evaluate the extent to which our business is exposed to businesses with very high-carbon intensity technology transition risks. We continue to also evaluate opportunities associated with new business in sectors that may benefit from energy transition.

## Litigation Risk

We seek to avoid exposure to the impact of litigation associated with allegations of failure to mitigate or adapt to climate change risk or associated disclosure failures. We understand the potential for exposure to climate-related litigation and have started to pilot the development of qualitative risk assessments based on a series of credible scenarios proposed by external bodies such as the Geneva Association.

**“As we position ourselves around the ESG risks and measure what we do against the indices and frameworks, we are establishing a sustainable approach which better positions us to gain a competitive market edge.”**

**Alison Gaudette,**  
Sustainability Manager

## RESPONSIBLE INVESTMENT

Responsible investing is essential to maintaining the long-term viability of Argo Group's portfolios. Our Responsible Investment Policy sets forth our commitment to this balanced approach of ESG investing and our pledge to engage in proactive and collaborative communication for continued improvements on ESG-related business practices for positive financial returns.

In 2021, we released our [Stewardship and Engagement Statement](#), which recognizes that, as asset owners, we are responsible for exercising our rights to protect and enhance long-term investment value to generate the best yield on our returns by supporting sustainable value creation in our investments.

We engage with our major investment managers with respect to ESG performance. We receive quarterly ESG performance reports from each manager and discuss the conclusions at quarterly ESG review meetings. We seek to understand the ESG factors that could have a material impact on our investments and evolve our portfolio accordingly. Investment performance is reviewed every quarter by the Investment Risk Review Group with issues escalated as necessary to the Investment Committee of the board.

As a result, we have put in place key performance measures through these ESG performance reports, related to portfolio ESG rating and carbon intensity levels and set thresholds with our major investment managers. We also monitor and measure our investments to ensure we are not exposed to

stranded asset risk associated with thermal coal and oil sands exposures. We continue to develop stress and scenario analysis to better inform our consideration of these exposures.

As a signatory of the U.N. Principles for Responsible Investment (PRI), we disclose our assets under management against the PRI framework as part of our commitment to transparency. For more information, review our [Responsible Investment Policy](#).

## SECURITY AT ARGO

### Security Governance Council

The Security Governance Council is the company's executive body responsible for privacy and information security. The council meets a minimum of four times a year, providing oversight in the protection of Argo information assets and technology, as well as keeping information risks under acceptable levels.

Argo Group has a multifaceted defensive IT strategy, including:

- **Mitigating vulnerabilities** through server lifecycles and patch management
- **Limiting permissions** while ensuring all employees have appropriate access to fulfill their duties
- **Combating phishing attempts** through end-user training done at a cadence, including remediation training for those who fail testing

- **Monitoring and evaluating** infrastructure protections and controls
- **Anticipating emerging threats** by staying abreast of cybersecurity trends
- **Protecting Argo assets** through managed services, which identify risks and improve our security posture

Argo Group maintains an incident response plan that defines the communication strategy and notification requirements to regulators and stakeholders. This team investigates security concerns and aligns with business continuity to allow for a swift recovery following an incident. We maintain a range of independent reviews by third parties to ensure our approach remains relevant.

## Data Security and Privacy

Along with annual independent audits, we've instituted multiple policies and processes to diligently safeguard the collection and use of our customers' personal information and to make those processes transparent. We have updated [Argo Group's Global Privacy Notice](#) to reflect the scope of the company's available data protection policy.

The company maintains a [Data Protection Framework](#) and program that includes an [Information Security Policy](#), internal Privacy Policy and Third-Party Risk Management Program that govern all parts of our business, including subsidiaries, with a commitment to carefully manage personal information. We aim to comply with the security and privacy regulations in the jurisdictions in which we operate, including specifically addressing the [rights of individuals](#)

regarding control of data we may hold related to them. This includes access, correction or modification, and deletion of personal information.

We are committed to ensuring, designing and adapting security as it relates to protecting privacy and mitigating threats, including cybercrime, espionage and malicious acts that seek to steal data and disrupt operations.

All employees, including part-time staff, are required to complete an annual data protection and privacy training program to ensure they are fully aware of and understand their responsibility to protect confidential information (for both customers and the company) and the necessary escalation procedures should an event occur.



**Zero breaches**  
Involving personal or  
customer information  
during 2021

## VENDOR MANAGEMENT

Vendor management helps an organization control cost, reduce vendor risk and ensure vendors deliver excellent service. Our approach to vendor management is to provide proper oversight in establishing and monitoring vendor relationships to enable the outcomes above. It's one of the many ways we protect our competitive advantage and improve our business results.

When engaging vendors, the relevant third-party vendor management procedures and protocols are followed, ensuring that:

- Each vendor relationship supports the overall business requirements and strategic plans
- We have in place the necessary expertise to oversee and manage the relationship
- Prospective vendors have been evaluated based on criticality of the procured service and products
- The risks associated with the use of the vendor are assessed and understood
- The appropriate oversight program is in place to monitor contractual performance and risk mitigation activities

For more information, review the full [Vendor Management Policy](#) ➔

## INNOVATION AT ARGO

Innovation is in our company's DNA. As a specialty insurer, we're continuously providing innovative solutions as businesses' risk requirements evolve. Argo Group's approach to innovation recognizes the ability for all colleagues to innovate, and we center our framework on diversity of perspective, access to leadership, employee empowerment and a focus on results.

To foster this culture of innovation, we employ a nimble framework that includes two key programs: Argo Innovates and the Innovation Council. Employees with high-potential ideas from either venue can be selected to present to executive leadership for input and sponsorship.

**“Every member of our organization, with any role or skill set, is capable of coming up with ideas that improve processes, introduce new ways of working or meet clients' needs.”**

Chris Sekerak,  
Innovation Leader

## Argo Innovates

This company-wide program empowers all colleagues to submit ideas and collaboratively pursue their development.

### Engagement & Impact

**827**

Employees participated

**167**

Ideas submitted

**7**

Initiatives granted executive sponsorship

**\$17,450**

Total reward payments to employees

## Innovation Council

The Innovation Council is key to our culture of innovation, providing employees the chance to present and discuss ideas for business opportunities relating to a rotating list of topics currently focused on digital environments, supply chains and sustainability.

In addition to developing ideas from Argo Innovates within working groups, council members also organize challenges based on topics they've identified as needing focused attention. When ideas need further development, the Innovation Council may form cross-functional working groups and assign resources based on the anticipated time, expense and personnel required for implementation.

## RESPONSIBLE UNDERWRITING

Argo Group is piloting its approach to Responsible Underwriting through its Lloyd's Managing Agency, where its Chief Underwriting Officer (CUO) and Head of Underwriting Performance Management oversee the sustainable insurance program and have taken the following actions in 2021:

- Established a Climate and ESG Working Group focusing on underwriting and formed by the CUO, the Head of Underwriting Performance Management, and Heads of Classes and Head of Risk.
- Undertook an initial analysis of the Syndicate 1200 business using a best-practice

framework to identify lines of business with potentially high carbon or transition risk and to highlight opportunities to grow green finance solutions.

- Assessed our climate litigation risk exposure for each of our business lines relative to the nature of coverage provided in order to identify potential drivers of litigation.
- Exited certain property insurance lines and the North American Binders classes, which consistently underperformed and were exposed to climate change-related volatility, now considered to be outside Syndicate 1200's risk appetite.

Looking ahead, we expect to establish an ESG strategy and Responsible Underwriting policy for the Managing Agency during 2022 to support the 2023 business plan. We will specifically address the climate change aspects of consumer protection and competition required by the U.K. Financial Conduct Authority regulations.

## Targeted Solutions for Credit and Political Violence

As part of our continued evolution in the green finance sector, in May 2021, Argo announced a first-of-its-kind partnership with green finance Managing General Agent (MGA) Tierra Underwriting Limited, which provides long-term credit insurance to support green project finance transactions. Argo is providing \$25 million in underwriting capacity to support the MGA. By combining Tierra's renewable

project finance knowledge with Argo's underwriting expertise, we help finance and insure projects that are environmentally beneficial and help transition the world to a low-carbon future. Our first closed transaction was completed in October 2021.

Similarly, our Political Violence and War team provides tailor-made solutions for customers in the event of an act of terror, riots and other forms of political strife. They are seeking to increasingly support green finance initiatives by providing this specialized coverage that may have been excluded by "all risk" insurers.

A person stands on the edge of a wide, cascading waterfall in a dense, lush forest. The person is silhouetted against the bright light coming from the trees above. The waterfall flows over dark, wet rocks, creating white foam and spray. The surrounding vegetation is thick with various types of trees and large ferns, creating a sense of being deep in a jungle.

## CHAPTER 3 ENVIRONMENT

# EVOLVING BY NATURE

As an organization that embraces change, we're improving our practices to better care for the planet and the communities where we serve.

As we strive to make positive change in our world, we recognize the importance of protecting the planet. By embracing sustainable facilities, reducing our carbon footprint and adopting other environmentally friendly practices, we're helping create a greener future.

## CARBON FOOTPRINT

### Greenhouse Gas Calculations

To understand our risks and opportunities and to monitor and report on our climate change impact, Argo Group completed a greenhouse gas (GHG) inventory using International Standard for Organization (ISO) 14064-1. This ISO standard provided guidance on quantifying and reporting our GHG inventory. In designing and developing our GHG inventory, we established organizational and reporting boundaries.

Since calculating our 2019 baseline, the electrical use from our facilities and business travels decreased in 2020 and 2021. While much was a result of the pandemic, after analyzing the baseline data, it initiated new discussions around adopting a hybrid working model and creating a travel policy. For definitions of scopes, reference slide 8 of [this report](#).

Scope 3 – which includes business travel\* – allowed us to examine new business goals by recognizing and understanding our carbon footprint. To reduce Scope 3 emissions moving forward, we will adopt a new travel policy. We will also discuss enhancements to our portfolio with our investors.

For detailed information about our CO<sub>2</sub> emissions (Scope 1, 2 and 3), please refer to the Key Figures section in the Appendix.

*\* For this report, Scope 3 emissions are limited to business travel. In next year's report, we will include other indirect emissions as part of our Scope 3 reporting.*



## GHG Reduction Targets

Relative to 2019 baseline

### 2021 RESULTS

REDUCTION IN  
SCOPE 2 EMISSIONS

**Goal:**  
**20%**

**Actual:**  
**27%**

✓ **Achieved!**

REDUCTION IN  
SCOPE 3 EMISSIONS

**Goal:**  
**33%**

**Actual:**  
**81%**

✓ **Achieved!**

### 2022 GOALS

REDUCTION IN  
SCOPE 2 EMISSIONS

**Goal:**  
**32.5%**

REDUCTION IN  
SCOPE 3 EMISSIONS

**Goal:**  
**35%**

### 2023 GOALS

REDUCTION IN  
SCOPE 2 EMISSIONS

**Goal:**  
**37.5%**

REDUCTION IN  
SCOPE 3 EMISSIONS

**Goal:**  
**38%**

*Targets are quoted as emission rates measured in metric tons of carbon dioxide (CO<sub>2</sub>) per dollar of gross written premium (GWP). Reduction targets have been calculated against the 2019 baseline.*

## Sustainable Facilities & Waste Management

As Argo strives to be an agent of positive change in the world, we have found numerous ways to reduce the environmental impact of our facilities. We continually work to identify ways to reduce our operational impact and the amount of carbon we are responsible for. Our new New York facility will operate to an extensive sustainability framework, our new San Antonio facility will be a carbon-negative timber structure, and our facility in Bermuda has recently undergone extensive changes, including new windows that are expected to increase energy efficiency by 64%.

Further, we actively recycle in most of our offices to divert waste from landfills, and we operate in a paperless environment as much as possible.

### U.S. Facilities



**305,827**

**Total square footage**



**16%**

**ENERGY STAR  
or LEED-certified**



**14**

**Number of  
office locations**

### Global Paper Waste Reduction

**501,140**

**Sheets paper consumption**

**20.457**

**Metric tons carbon waste**

**85%**

**Reduction compared to 2019**

## Cyclescheme Program

One way to reduce our carbon footprint is to encourage greener commuting options. In the U.K., we promote commuting by bicycle through our partnership with [Cyclescheme](#). Argo employees may choose a bike and hire it for an agreed length of time, with the option to purchase it later. Employees pay nothing up front, and the payments are taken tax-efficiently from their salary.

## IT Equipment

In 2021, we established a new program for recycling and repurposing digital waste for our U.S. operations, keeping nearly 1,000 pieces of equipment out of landfills by donating such items to charitable organizations. Read more about this program in Chapter Four of this report.



A woman with dark skin and curly hair is carrying a young child on her shoulders. They are standing in a field of purple lavender flowers. The sun is low on the horizon, creating a warm, golden glow and long shadows. The woman is wearing a blue and white striped dress and is holding a bunch of lavender. The child is wearing a light-colored shirt. The overall mood is peaceful and joyful.

**CHAPTER 4** COMMUNITY & PARTNERSHIPS

# PARTNERING FOR A CHANGE

By empowering our employees to make a difference and partnering with organizations in our communities, Argo Group is helping change the world for the better.

Transforming our world for the better requires us to reach into the communities where we serve. In addition to partnering with other organizations, Argo gives employees paid time off to volunteer and matches their contributions to charitable groups. We aim to create an ever-evolving environment of dignity, equality, wellness and career development that reflects and contributes to the diverse communities where we do business.

## CORPORATE GIVING BACK

While Argo Group's contributions are primarily guided by our employees, we occasionally support group-level donations toward diversity and inclusion, scholarships, the environment and sustainability, Insurance Careers Movement, and CAT/disaster relief. In 2021, we contributed to various nonprofit organizations including the American Red Cross (U.S.), The Association of Bermuda International Companies (Bermuda) and The Brokerage (U.K.).

### Matching Gifts Program

When employees contribute to an eligible nonprofit organization of their choice, Argo matches 100% of their donations (up to \$5,000 per employee per year).



**Matching our Employees'  
Contributions in 2021**

**100%**

Donation match

**Up to \$5k**

Per employee per year

**939**

Employee donations  
matched in 2021

**185+**

Nonprofits benefited

**\$136k**

Total matched contributions



## Community Relations Committees

Argo has established Community Relations Committees (CRCs) in multiple locations to organize volunteer efforts in local communities. Based in New York, San Antonio, Richmond, Bermuda and London, these employee-led committees also give the Argo workforce a voice in how we serve our communities.

CRCs help establish and maintain our [philanthropy partnerships](#) that address socioeconomic issues, early career professionals, disabilities, working families, gender equality, LGBTQ+ causes and more. Here are just a few of the organizations we served or donated to in 2021:

- **Richmond Paralyzed Veterans of America**, which supports paralyzed veterans in Richmond, Virginia, through sporting events, financial support and mentoring
- **Havens Hospice in the U.K.**, which provides palliative nursing and supportive care to adults and children living with complex or incurable conditions
- **Bermuda Underwater Exploration Institute**, which ensures the ocean around Bermuda is understood, appreciated and protected
- **Citizens Committee for New York City**, an organization with a mission to help New Yorkers – especially those in low-income areas – come together and improve their neighborhoods
- **No Kid Hungry**, a national campaign working to solve problems of child hunger and poverty in the U.S. and around the world
- **Thrive Youth Center**, one of two LGBTQ-specific emergency shelters in the state of Texas that provides support for homeless young adults
- **YWCA**, an organization dedicated to eliminating racism, empowering women and promoting peace, justice, freedom and dignity for all

See stories from some of our  
philanthropy partners [↗](#)

## Team Argo Volunteer Program

Our volunteer program allows Argo employees to donate their time to nonprofit organizations and participate in local fundraising each year. Additionally, each employee receives one day (eight hours) of paid time off each year to volunteer.

**“At Argo, all the volunteers are one family. Getting that feeling is very important, and I see that as a difference here.”**

**Pavana Annaluru,**  
AVP, Segment Application Manager

See more of our volunteer efforts at the [Houston Food Bank](#),  
[The Bowery Mission](#) and [Hemisfair Conservancy](#)

## IT EQUIPMENT DONATION

In 2021, we donated almost 1,000 pieces of office equipment in the U.S. to local nonprofits, diverting waste and supporting the communities where we do business. Donated equipment included computer monitors, docking stations, keyboards, mice, phones, stands, speakers and headsets. Donations went to InspiredU in Alpharetta, Georgia; Goodwill in San Antonio, Texas; and Electronic Access Foundation in Springfield, Massachusetts.



**941**

**Equipment Donations**

**1,310**

**Hours Of Community Service in 2021**



In November 2021, San Antonio employees [painted murals and built playgrounds](#) for children in need, benefiting Child Advocates San Antonio.

## COMPANYWIDE SCHOLARSHIP PROGRAM

By supporting the next generation in the insurance industry, we invite fresh perspectives and open minds that help us meet the challenges of a changing world. We've established several scholarship programs to assist promising students as they seek careers in our industry.

### Argo Group Diversity Scholarship (U.S.)

Argo Group partnered with the [Spencer Foundation](#) in 2020 to create the [Argo Group Diversity Scholarship](#). This two-year, \$10,000 scholarship is open to University of Illinois, Urbana-Champaign (UIUC) students whose racial/ethnic identities have been traditionally underrepresented in the risk management and insurance industry. We were proud to present the most recent award to [Maya Ramahi](#), a sophomore of Palestinian descent at UIUC. Maya is pursuing a Bachelor of Science in actuarial science with minors in applied statistics and astronomy.

In 2021, we increased our commitment to two scholarships, which will be awarded in spring 2022.

### Buttle U.K. – Educational Scheme

Our support places funds into a scholarship endowment to help underprivileged children and young adults pursue apprenticeships, trainings or other forms of higher education.

### Lloyd's Scholarship Programme (U.K.)

This program helps cover university costs for five students and equips them to be leaders in the next generation of insurance professionals.

## Bermuda Foundation for Insurance Studies (BFIS) Scholarship Commitment

Argo has supported BFIS since 2016. Through this partnership, we have supported four students with scholarships ranging from \$5,000 to \$25,000. The BFIS has awarded over \$7.1 million in scholarships since it was established in 1996, all donated by the insurance industry.

**Bermudian students do not have access to the financial aid that U.S. students routinely access. The scholarships offered by BFIS and others are very important. In addition, BFIS guides students into the industry through internships, helping convert newly minted graduates into insurance professionals.**

**Bill Wharton,**  
Head of Argo Insurance, Bermuda



## CORPORATE CONTRIBUTIONS POLICY

Argo conducts an annual review of our Corporate Contributions Policy and submits recommended amendments to the board for review and approval as required. Additionally, we submit to the board quarterly reports on the company's recent philanthropic activities and expenditures.



### 2021 Community Contributions by the Numbers



**100**

**Nonprofits supported**



**5**

**Scholarship programs funded**



**13**

**Scholarship recipients**

## PARTNERSHIP INITIATIVES AND EVENTS

### Lloyd's Market Association

Argo has facilitated the Lloyd's Market Association ESG Committee, bringing together our peers in the London market since 2019. Argo's Chief Risk & Sustainability Officer chairs the committee.

### University of Illinois

Argo Group partnered with the Office of Risk Management & Insurance Research at the University of Illinois, Urbana-Champaign, to pioneer new ways to assess the risks related to clean energy and transition-related industries.

### Dive In

For the second year in a row, Argo Group supported [Dive In: The Festival for Diversity & Inclusion in Insurance](#). In the U.K., Argo's Disabilities ERG assisted with developing the session, "Busting the Myths of Disability," with actress and disability activist Samantha Renke as guest speaker.

In the U.S., Argo sponsored three sessions centered on mental health:

- ["Re-entry Anxiety: How to Manage Stress About Post-Pandemic Life"](#)
- ["Getting Frank about Emotional Health and Suicide Prevention"](#)
- ["Reversing the Addiction Crisis in America"](#)



An aerial photograph of a coastline. On the right side, white-capped waves are crashing onto a dark, rocky shore. The water transitions from a deep blue to a lighter turquoise as it approaches the shore. The left side of the image shows the dark, textured surface of the rocks and some greenish-brown patches, possibly seaweed or small pools of water.

APPENDIX

# FINANCIALS, OPERATIONS, COMMITTEES & REPORT DETAILS

# FINANCIALS

## Year-Over-Year Financial Results

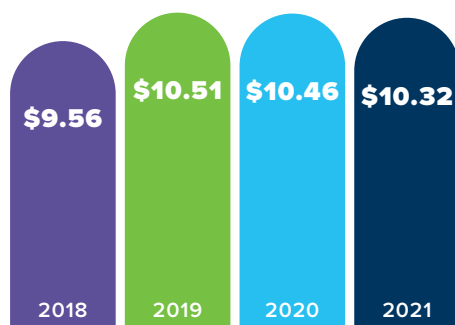
### GROSS WRITTEN PREMIUM

(in billions, except per-share data)

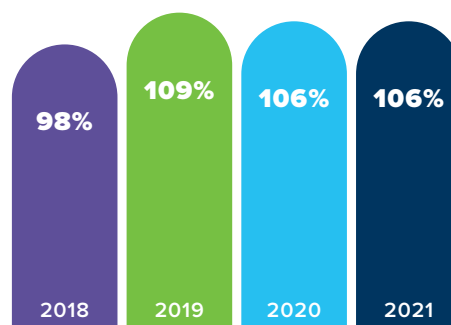
U.S.  
**\$2.07**

INTERNATIONAL  
**\$1.11**

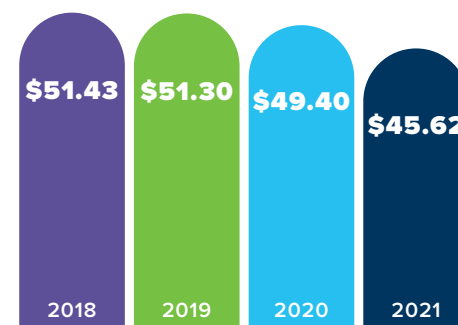
TOTAL  
**\$3.18**



**TOTAL ASSETS**



**COMBINED RATIO**



**BOOK VALUE PER SHARE**

[See the full 2021 Annual Report](#)

An aerial photograph of a small, rocky island in the middle of a body of water. The water is a vibrant turquoise color, and the island is covered in dark, jagged rocks with some green vegetation. The water around the island is slightly churning, creating white foam.

## HOW WE OPERATE

For the year that ended December 31, 2021, our operations included two primary reportable segments: U.S. Operations and International Operations. In addition to these main business segments, we have a Run-off Lines segment for certain products we no longer underwrite.

### U.S. Operations

This segment is a leader in the U.S. specialty insurance market, specifically through its Excess and Surplus Lines (E&S) businesses focusing on U.S.-based risks that the standard, admitted insurance markets are unwilling or unable to underwrite.

### International Operations







This segment focuses on specialty property insurance, property catastrophe reinsurance, primary/excess casualty, professional liability, and marine and energy insurance. The business is focused primarily, but not solely, on U.S.-based specialty insurance risks. This segment includes a multi-class Lloyd's Syndicate platform and a strong Bermuda trading platform.

## ABOUT THIS REPORT

The design of this report – and Argo’s ESG program as a whole – is informed and monitored by an ESG scorecard. Populated with key performance indicators (KPIs), this scorecard reports to Argo’s Executive Committee the progress on the company’s ESG efforts and goals through assigned key metrics.

Our goals and KPIs are linked to the organizational priorities we set out to achieve each year, and progress is reviewed with the Executive Committee on a quarterly basis, with the scorecard as a whole reset once per year. This scorecard appoints an owner to each metric, which allows us to continually monitor potential threats and measure our progress.

Information in this report is drawn from our scorecard and checked against goal owners for accuracy and completeness.

Material Topics		Target / Measurement	2021 Performance	Status
ENVIRONMENT	Carbon Footprint	Argo office GHG emissions (Scope 2) 20% reduction against 2019 baseline	Exceeded target, achieved 27%	
		Argo travel GHG emissions (Scope 3) 33% reduction against 2019 baseline	Exceeded target, achieved 81%	
	External Reporting	ClimateWise total score 60%	Exceeded target, achieved 61%	
SOCIAL	Female Leadership – Argo Group	Female Board Members	22%	No set target; measure and monitor
	Female Leadership – Argo Managing Agency (AMA)	Female Board & Executive: Lloyd’s target of 20% by end of 2023	33%	Achieved to date; continue to monitor
		Female Leadership Level (Board, Executive, Executive-1): Lloyd’s target of 35% by end of 2023	31%	Continue to work to achieve Lloyd’s 2023 target deadline
		Female Board Members	14%	No set target; measure and monitor
	Giving Back	Corporate Citizenship: Employee volunteer hours	1,310 hours	No set target; measure and monitor
	Diversity & Inclusion	Percentage of employees participating in an Employee Resource Group (ERG)	14.1%	No set target; measure and monitor
GOVERNANCE	Data Privacy & Information Security	Zero breaches	Achieved zero breaches	
	Annual General Meeting	Say on Pay vote: greater than 85%	Exceeded target, achieved 97.7%	
		Director re-election: greater than 85%	Exceeded target, achieved 97.5%	

Throughout this report, “Argo” or “Argo Group” or “the company” or “we” refers to Argo Group International Holdings, Ltd.

This is our third annual ESG report, following our [2021](#) and [2020](#) ESG reports.

For additional information, please refer to the following documents and sources:

- [2021 Form 10-K](#)
- [2021 ClimateWise Report](#)
- [Argo Group's website](#)

Unless otherwise noted, all data is as of December 31, 2021, and covers our entire operation. This report provides select data from past year(s) to provide year-over-year analysis.

We define “employee” with respect to employment status as either full-time or part-time status.

All currency is listed in U.S. dollars.

## Key Figures

Employee Demographics		2020	2021
Global headcount	No. of employees	1,448	1,290
	No. of full-time employees	1,414	1,273
Employees by region	No. of U.S. employees	1,044	939
	No. of International employees	404	351
Percentage of employees by gender	Women	49.8%	52.3%
	Men	50.2%	47.7%
Hybrid/multi-site employees (U.S.)	Hybrid	-	38.7%
Remote employees (U.S.)	Remote	-	47.5%
Employees by age range (years)	Under 30	-	16.7%
	30-50	-	56.7%
	Over 50	-	26.6%
Women in senior management (10 levels identified)	Level 8+	22%	28.3%
	Level 7+	23%	26.9%
Recruitment of talent	Number of new hires	296	261
	Percentage of women hires	47%	51.1%
Employee ethnicity	Employees who identify as an ethnic minority*	22.6%	22.4%
Average tenure (years)	Women	7	7
	Men	5	5
Parental leave by no. of employees	Women	-	20
	Men	-	25

\*Voluntary self-disclosure

## Eco-Efficiency

Scopes and categories

Scope 1 Direct	2019 Metric tons CO <sub>2</sub> e	2020 Metric tons CO <sub>2</sub> e	2021 Metric tons CO <sub>2</sub> e
Fleet of cars	144.99	72.50	44.13

Scope 2 Indirect	2019 Metric tons CO <sub>2</sub> e	2020 Metric tons CO <sub>2</sub> e	2021 Metric tons CO <sub>2</sub> e
Purchased electricity heating & cooling	2,072.96	1,540.44	941.49

Scope 3 Indirect	2019 Metric tons CO <sub>2</sub> e	2020 Metric tons CO <sub>2</sub> e	2021 Metric tons CO <sub>2</sub> e
Business travel Air	6,767.46	1,302.63	334.70
Business travel Rail	0.864	0.249	0
Business travel Hotel	134.24	30.27	10.38
Paper consumption	137.892	51.256	20.457

### Notes:

- Fleet of cars: 2019 & 2020 the company had a small fleet of vehicles, in 2021 the fleet decreased in size.
- Purchased electricity: Totals have been restated based on ability to collect more accurate data for 2019 & 2020.
- Paper consumption: Environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 4.0. Calculations reflect paper consumption in global offices.

Business trips	Units	2019	2020	2021
Air travel	Kilometers (km)	27,813,795	5,478,863	1,431,275
Rail	Kilometers (km)	23,388	6,735	0

Paper consumption	Units	2019	2020	2021
Office paper	tonnes	16.93	6.29	2.51
	sheets	3,386,257	1,257,733	501,140

Electricity consumption	Units	2019	2020	2021
U.S.	kWh	3,345,245	2,559,160	1,485,234
U.K.	kWh	510,343	440,040	485,022
Bermuda	kWh	1,309,116	924,512	201,175
Other International Offices	kWh	675,383	364,678	384,582
TOTAL	kWh	5,840,087	4,288,390	2,556,013

# ARGO GROUP INTERNATIONAL HOLDINGS, LTD. COMMITTEES OF THE BOARD

## Audit Committee

Each member of the Audit Committee is “independent” and meets the other requirements for audit committee membership, including financial literacy, as defined by applicable NYSE listing rules and SEC rules for audit committee members.

Messrs. Bradley and Donner are qualified as “audit committee financial experts” within the meaning of applicable SEC rules and regulations governing the composition of the Audit Committee.

The Audit Committee assists the Board in its oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the qualifications and independence of the independent registered public accounting firm, and (iv) the performance of the Company’s internal auditing function (“**Internal Audit**”) and the independent registered public accounting firm. Its primary responsibilities, among other items, include (i) the appointment, compensation, retention, oversight of the work and termination of the Company’s independent registered public accounting firm, (ii) reviewing and discussing the annual audited financial statements and quarterly financial statements with management and the independent registered public accounting firm, (iii) reviewing the effectiveness of the Company’s financial reporting processes and internal controls in consultation with management, the independent registered public accounting firm and Internal Audit, including data privacy, information technology security and control, (iv) pre-approving all audit and permitted non-audit and tax services to be provided to the Company by the independent registered public accounting firm, in accordance with a pre-approval policy, (v) overseeing Internal Audit’s structure, objectivity, responsibilities and budget, (vi) overseeing the implementation and maintenance of related person transaction policy, (vii) periodically reviewing the Company’s compliance with legal and regulatory requirements, (viii)

reviewing, approving or ratifying all related party transactions, and (ix) monitoring compliance with the Code of Conduct, including review of conflicts of interest. The Audit Committee establishes procedures for complaints relating to accounting, internal accounting controls or auditing matters as well as procedures for confidential, anonymous submission by Company employees of any concerns regarding questionable accounting or auditing matters. In collaboration with the Risk & Capital Committee, the Audit Committee reviews and discusses with management and Internal Audit the risks faced by the Company and the policies, guidelines and process by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

In recommending an independent registered public accounting firm for the Company, the Audit Committee annually considers such auditor's performance and integrity, the experience and qualifications of the lead audit partner, the geographic scope of their practice as compared to the Company's geographic scope, their insurance industry expertise, the appropriateness of their fees, the Public Company Accounting Oversight Board ("PCAOB") reports on the firm and its peers, and other factors that it deems appropriate.

## Human Resources Committee

Each member of the Human Resources Committee ("**HR Committee**") is "independent" in accordance with the applicable corporate governance requirements of the listing rules of NYSE as currently in effect. Each member of the HR Committee also qualifies as a "non-employee director" under Section 16 of the Securities Exchange Act of 1934 (the "**Exchange Act**").

The HR Committee assists the Board in its oversight of (i) the performance and compensation of the Company's executive officers and directors, (ii) the Company's succession plans, and (iii) the review of the compensation plans, policies and programs, including the approval of individual executive officer compensation. The HR Committee's responsibilities include, among other items, (i) annually reviewing and approving corporate goals and objectives relevant to the Chief Executive Officer's compensation and evaluating, at least annually, the Chief Executive Officer's performance in light of those

goals and objectives, (ii) reviewing and determining the compensation of the Company's executive officers other than the Chief Executive Officer, (iii) reviewing and advising the Board on the adoption, termination or material modification of the Company's material compensation plans, (iv) reviewing and discussing with the Company's management the Compensation Discussion and Analysis contained in this proxy statement, (v) producing an annual report on executive compensation for inclusion in the Company's proxy statement, (vi) reviewing the results of any advisory shareholder votes on executive compensation, (vii) evaluating and recommending to the Board appropriate compensation for the Company's directors, (viii) annually reviewing management's succession plans for the Company's Chief Executive Officer and other executive officers, (ix) determining and monitoring stock ownership guidelines, and (x) periodically reviewing the Company's strategies and policies related to human capital management, including matters such as diversity, equity and inclusion, employee engagement and health and safety. The HR Committee may form and delegate authority to a subcommittee(s) consisting of one or more of its members as appropriate or as otherwise permitted by the terms of any compensation or program, policy, agreement or arrangement approved by the HR Committee or the Board.

### Human Resources Committee Interlocks and Insider Participation

With respect to interlocks and insider participation involving a member of the HR Committee during last fiscal year:

- None of the HR Committee members were an officer or employee of the Company or its subsidiaries.
- None of the HR Committee members had any relationship with the Company pursuant to which disclosure would be required under applicable rules of the SEC pertaining to the disclosure of transactions with related persons.
- None of the executive officers of the Company served on the board of directors or compensation committee of any other entity that has or had one or more executive officers who served as a member of the Board or the HR Committee.

## Investment Committee

Each member of the Investment Committee is “independent” in accordance with the applicable director independence rules of NYSE as currently in effect. The Investment Committee assists the Board in (i) overseeing the Company’s key investment objectives, strategies and policies, (ii) approving the Company’s investment policies, strategies and transactions, and (iii) overseeing the performance of the Company’s investment portfolios. The Investment Committee’s responsibilities include, among other items, (i) approving the Company’s Investment Policy including the investment guidelines and asset allocation ranges set forth therein, (ii) overseeing the Company’s investment transactions and its outside investment managers to determine whether such investment transactions are in accordance with the Company’s Investment Policy, (iii) ensuring that appropriate selection criteria are developed to identify and select the Company’s outside investment managers and periodically reviewing the performance of the Company’s outside investment managers, (iv) overseeing management’s administration of the Company’s investment portfolio, including recommended strategic asset allocations and the performance of the portfolio under anticipated and stress test scenarios, (v) approving any Company derivative policy, and (vi) review of management’s analysis and reports on potential hedging programs and derivative transactions.

## Nominating and Corporate Governance Committee

Each member of the Nominating and Corporate Governance Committee is “independent” in accordance with the applicable director independence rules of NYSE as currently in effect. The purpose of the Nominating and Corporate Governance Committee is to (i) identify, evaluate and recommend individuals qualified to become members of the Board, (ii) recommend to the Board director nominees to stand for election at each annual meeting of shareholders of the Company or to fill vacancies on the Board, (iii) develop and recommend to the Board a set of corporate governance guidelines applicable to the Company, (iv) oversee the Company’s environmental, social and governance initiatives, and (v) recommend directors for appointments

to one or more of the Board’s standing committees. This committee is also charged with establishing evaluation criteria and an evaluation process for the Board and each of its committee in its self-evaluation process.

## Risk & Capital Committee

While the Board has the ultimate responsibility for overseeing and approving the Company’s risk strategy, risk appetite and risk tolerance levels, the Risk & Capital Committee (i) assists the Board in overseeing and reviewing the Company’s enterprise risk management, including the significant policies, procedures, and practices employed to identify, assess and manage insurance risk, credit risk, market risk, operational risk, liquidity risk and reputational risk, and (ii) provides strategic guidance to management as to the Company’s capital structure and other related strategic initiatives. The Risk & Capital Committee also oversees the elements of the Company’s sustainability program specifically related to environmental and climate change risks and, in coordination with the Nominating and Corporate Governance Committee of the Board, provides input to management on the Company’s environmental, social and governance risks, strategies, policies, programs and practices. Risk management is a collaborative effort of management, the Board, the Risk & Capital Committee, the Audit Committee and several functions within the Company that are focused on risk. Please see the section entitled “Enterprise Risk Management and Governance Frameworks” below for further details.



## KEY CONTACTS

Corporate Responsibility  
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Investor Relations  
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For more information, visit [argogroup.com](https://argogroup.com)