

INSPIRING SUSTAINABILITY

SUSTAINABILITY REPORT 2024




ARGUS
Our Interest is You.

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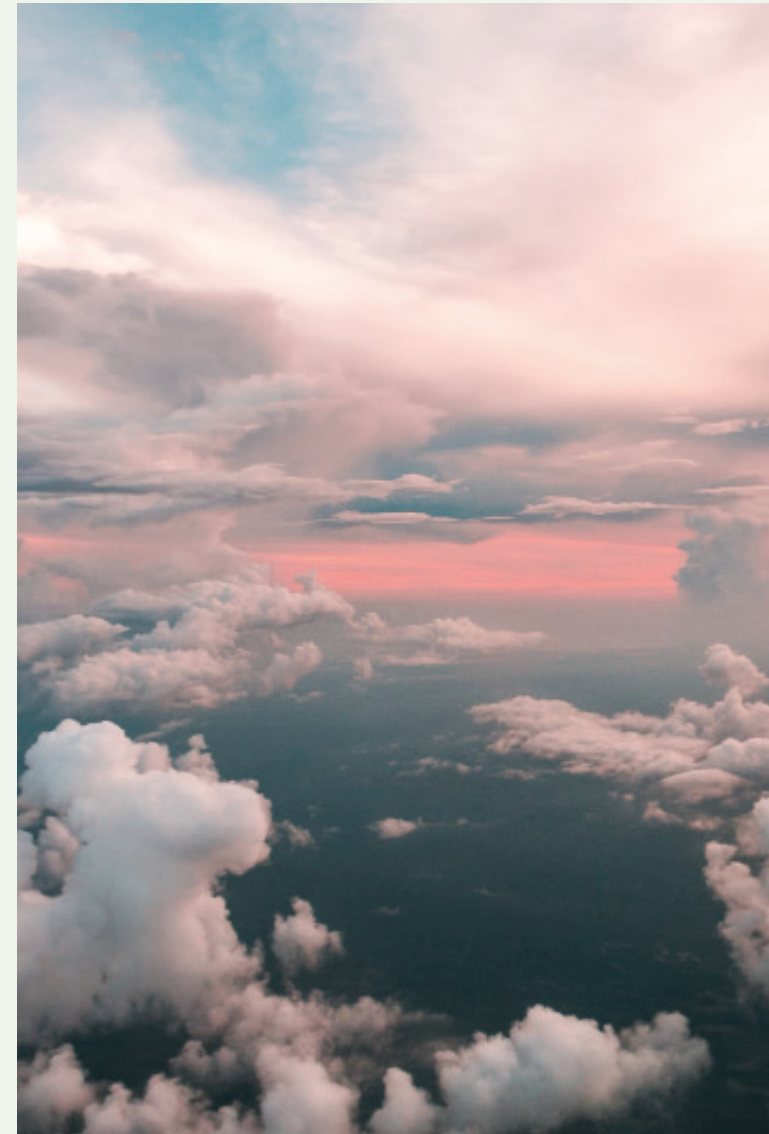
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INTRODUCTION

A POWERFUL FORCE FOR SUSTAINABLE WELLBEING.

THROUGH OUR PEOPLE, MAKING FINANCIAL, PHYSICAL AND MENTAL WELLBEING MEANINGFULLY BETTER IN OUR CONNECTED COMMUNITIES.

Our purpose is at the heart of everything we do, underpinning our corporate strategy and leading our approach to sustainability. In our third Sustainability Report, we share our progress under the six categories of our sustainability principles: Our Colleagues, Our Customers and Patients, Our Shareholders, Our Communities, Our Environment and Our Trusted and Responsible Business. At Argus, sustainability means the integration of social equity, economic, and environmental considerations to create healthy, diverse, and resilient communities for this generation and those to come. A natural fit within the ethos of our business, we remain committed to making meaningful contributions to building a better future.



CEO STATEMENT

I am delighted to share The Argus Group's third annual Sustainability Report. We have been in business for 74 years and during this time we have established an ethos which puts people at the heart of every decision we make. Through our purpose to become a powerful force for sustainable wellbeing, we are committed to making meaningful contributions to building a better future. At Argus, sustainability means the integration of social equity, economic, and environmental considerations to create healthy, diverse, and resilient communities for this generation and those to come.

The importance of being sustainable has never been more relevant. Climate change effects including increased frequency of extreme weather events, and the global rise in social and economic inequality makes it imperative that we do things differently. We continue to explore ways of minimising our impact on the environment, and began utilising renewable energy through the successful installation of 130 solar panels in our Bermuda headquarters.

Our materiality survey was expanded this year to determine sustainability areas that are of highest importance to our customers and critical vendors. The survey validated the importance of Argus' contribution to Community Health & Wellness, which stood out as a common sustainability focus area for both internal and external stakeholders.

We also remained committed to enhance the Argus experience for our customers and patients, through our Voice of the Customer programme and other initiatives.

We celebrate diversity, equity & inclusion (DE&I) at Argus. We take pride in our BELONG BLAC achievements this year which included Black History month events, recognition in Bermuda for Dr. Eva Noami Hodgson Racial Justice Awards and philanthropic activities geared towards DE&I. We continue to support our communities with \$357,000 of cash and in kind donations globally. We value our colleagues and invested more than \$214,000 for training and development and recognised 44 long-service awardees, about half having tenures at Argus of 10 years or more.

Our ability to deliver value depends on our sustainability, and equally our sustainability depends on our continued ability to deliver value. This virtuous circle has ensured focus on maintaining a structured and transparent approach to sustainability, aligning with our brand purpose. This report reflects the many facets of the Argus culture we have nurtured over our years of business, such as our capacity to listen and learn through our engagement with customers and employees, and our philanthropic activities in the communities we serve.

Sustainability is a work in progress and an ongoing journey. We have demonstrated our strategy remains flexible enough to adapt to emerging environmental and social issues, and responsive to changing customer and employee expectations. With the continued support of our Argus family, I am confident we will make strides ahead and continue to rise to the challenge.



Alison Hill volunteering at The Bermuda End-to-End charity walk

ALISON S. HILL
GROUP CEO, The Argus Group

OUR APPROACH TO SUSTAINABILITY

We put people first. This simple, but powerful, principle guides our approach to sustainability. We believe the key to the long-term success of our business is doing right by our colleagues, our customers and patients, our shareholders, our environment, and our communities and to be a trusted and responsible business.

While our formalised approach to sustainability has taken shape only in recent years, the principles that define this approach have been influencing our business decisions since we were founded in 1950.

We put these beliefs into action by embedding the six sustainability principles we first articulated two years ago 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 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 such as climate change.

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 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.

4 OUR ENVIRONMENT

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

5 OUR 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.

6 OUR SHAREHOLDERS

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

OUR SUSTAINABILITY STRATEGY

Over the past two years, we invited our stakeholders to take part in our Sustainability Materiality Survey. The survey aimed to understand our stakeholders' views on sustainability practices and which topics they deem most important to them to help guide us in our sustainability journey.

In 2023, we extended the materiality survey to external stakeholders, including our leading customers in Bermuda, Malta, and Gibraltar, and selected critical vendors, such as suppliers, outsourcers, and business partners, to gauge their sustainability priorities.

One of the most significant findings was the alignment between what customers and colleagues viewed as most important. The two top-rated aspects for both groups were the same, with Community Health & Wellness emerging as the top priority, underscoring the recognition that our success is intertwined with the wellbeing of the communities we serve. Customer Experience rated second, reflecting that exceptional service at Argus is equally important to those delivering it and those receiving it.

In the internal assessment, Talent Experience and Management ranked third, highlighting the need for us to ensure colleagues receive the support, training, and professional development opportunities they need to realise their potential.

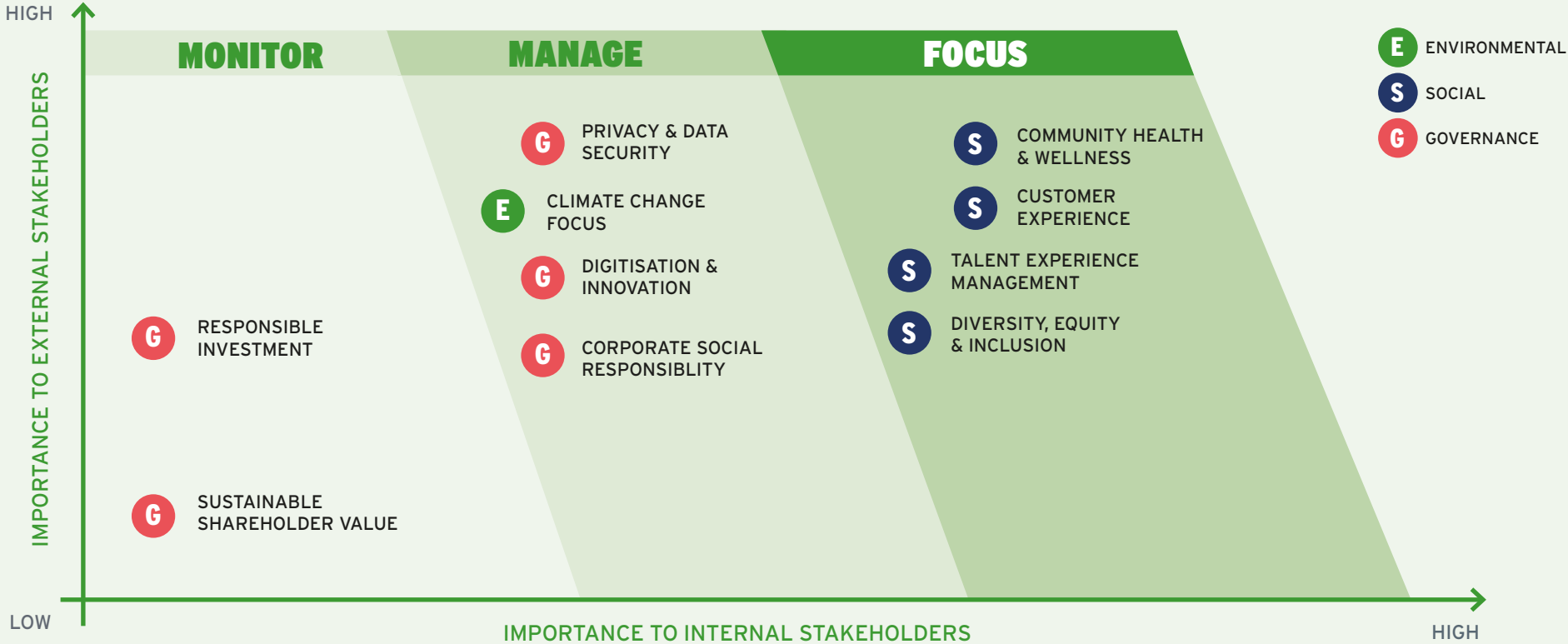
In the external assessment, customers ranked Privacy and Data Security third, emphasising the importance of our efforts to ensure the protection of customers' and employees' personal information by complying with relevant legislative and regulatory requirements.



OUR MATERIALITY MATRIX

The ESG topics deemed most important by The Argus Group’s external (customers, regulators and vendors) and internal (staff and Board members) stakeholders are mapped on the below materiality matrix.

While Climate Change Focus is not highly rated in the current matrix, we also continue to recognise the significant implications of climate change for our business and the communities we serve and factor these into our operations and decision-making process.



OUR COLLEAGUES

Ensuring that Argus is a great place to work is a top priority. We strive to maintain a working environment in which our colleagues share in a common purpose with a sense of belonging, empathy, and growth. In our experience, colleagues who 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.

EMPLOYEE ENGAGEMENT AND COMMUNICATION

We value the insights and opinions of our colleagues at all levels, because they are the best judges of whether Argus is a great place to work. We listen to our colleagues through our Voice of the Employee (VoE) programme, which uses multiple channels, both formal and informal, to help us understand where we are doing well and where we can improve, as we continue to shape a vibrant and productive workplace.

Last year, we made strides in strengthening the VoE programme, including development of a governance framework. Through a review process, we prioritised the measures, performance indicators and themes we will use to inform our decisions on enhancing the experience of our employees.

“We value the insights and opinions of our colleagues at all levels, because they are the best judges of whether Argus is a great place to work.”

The cornerstone of our listening and inclusive culture is our colleague engagement survey and the follow-up meetings to discuss results. Other feedback channels include one-to-one discussions, executive-led focus group discussions with colleagues, and polling questionnaire/surveys. We gather further employee insights from onboarding surveys, exit interviews, probationary reviews, training surveys and occasional pulse surveys.

What we learn from these interactions is reviewed and analysed, with the aim of producing actionable recommendations.



Argus Bermuda colleagues enjoying our Employee Appreciation Day activities

OUR COLLEAGUES

DIVERSITY, EQUITY, AND INCLUSION

Our firm belief is that a diverse, equitable and inclusive workplace is good for our colleagues, our customers, our business, and the community.

In the three years since we launched the first of our DEI initiatives, we have set out to do more than ensure our working environment is truly a place where our colleagues are treated fairly and can be themselves. Our BELONG BLAC (Black Leaders and Allies for Change) Committee has led the groundwork towards pursuing our goal of embedding sustainable anti-racism and diversity practices throughout our organisation.



BELONG BLAC Committee Chair Phillip Davis receiving the Dr. Eva Hodgson Racial Justice Award

“BELONG” promotes togetherness and expresses how we want all colleagues to feel in a welcoming, fair, and positive work environment. “BLAC” speaks to our modern, forward-thinking approach to transformative justice, while underlining our commitment to eliminate racial disparities and other kinds of identity bias.

In 2023, we were honoured and delighted that Phil Davis, the committee’s chair, and The BELONG BLAC Committee, were awarded the Dr. Eva Hodgson Award by Citizens Uprooting Racism in Bermuda (CURB) for commitment to equality. The citation described Phil as “a champion for DEI” and recognised Argus for “commitment to racial equality through its BELONG BLAC Committee.”

It is clear that our mission of building an inclusive and equitable workplace, and fostering a culture of belonging, must be an ongoing process of continuous learning, adaptation, and commitment to substantive change throughout our organisation. We embrace DEI through various initiatives and activities, including anti-racism training and a library of DEI resources available to all our colleagues to provide education and practical guidance.

We celebrated Black History Month with a series of educational, community-embracing and culturally enriching activities to nurture the respect, belonging and connectivity that spur change.



Argus Bermuda colleague enjoying our Black History Month celebrations with the Warwick Gombey

OUR COLLEAGUES

IN BERMUDA, February's Black History Month activities included:

- A celebration featuring Warwick Gombey, who led an inspiring demonstration and spoke about the history of the Bermuda Gombey
- The BELONG BLAC committee supported the charity HOME whose purpose is to end homelessness. The Committee prepared and distributed meals to HOME's clients. Our CEO was also given a tour and spoke with HOME's residents and employees
- A Sip & Paint event, with the theme of black culture
- The BELONG BLAC Book Club was also launched globally in February. Staff in Bermuda, Canada and Europe read Nella Larsen's novel *Passing*, and took part in a group discussion about the novel in April.

IN CANADA, BELONG BLAC team members organised:

- Movie tickets sponsored by Argus for colleagues who wished to see the movie *American Fiction*
- A virtual trivia night focused on black history
- A donation to the Black Opportunity Fund, a registered charity that invests in black communities in Canada.

IN EUROPE, where Black History Month was observed in October, BELONG BLAC team members organised:

- A talk by Dr. Robert Livingston, an eminent Harvard University lecturer and author, and expert on the science underlying bias and racism in organisations, who discussed the importance of diversity, equity, inclusion and belonging in the workplace
- A session to explore the concept of psychological safety, a key pillar of the truly inclusive workplace, in which everyone can feel valued and respected
- A powerful video screening featuring colleagues sharing their personal experience with race and racism, followed by a panel discussion demonstrating the progress we have made and the work that remains.

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



Argus Bermuda colleagues enjoying our Black History Month Sip & Paint Event

OUR COLLEAGUES

The overall Argus Global score for DEI questions in the 2023 Employee Engagement Survey was 86% favourable. The DEI section included the following questions and scores:

- The organisation allows employees from diverse cultures, backgrounds and experiences to participate in key processes – 93% favourable score
- Employees are treated equally regardless of race, ethnicity, age, gender, disability, religious beliefs, and sexual orientation – 89% favourable score
- I can be myself at work – 91% favourable score
- I have the same opportunity for career development as my peers – 76% favourable score
- This organisation demonstrates a commitment to developing and retaining a diverse workforce – 82% favourable score.

Of the members of our Board of Directors, 22% are female (down from 27% in 2022-23). The

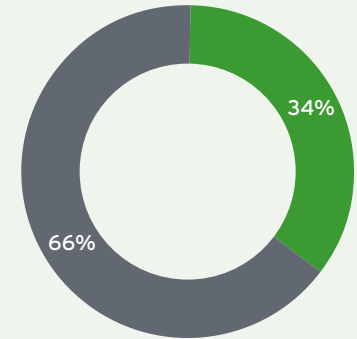
reduction in the female representation on the Board was a result of the recent governance changes at our 2023 Annual General Meeting. Our Executive Leadership team is 23% female (slight decrease from 27%) due to additional members/promotions in the leadership team. Similarly to last year, most of our colleagues (66% vs 65% last year) are female.

In 2023, we introduced a Reverse Mentoring (RM) pilot programme to help strengthen DEI dialogue throughout the business and identify areas in which we can do better. Ten participants were drawn from various departments, regions, and ranks, and included two members of the Executive Leadership Team. The pilot was supported by CURB and feedback was positive, with participants viewing RM as a positive step towards personal and cultural change. We plan to implement the programme on a larger scale in the future.

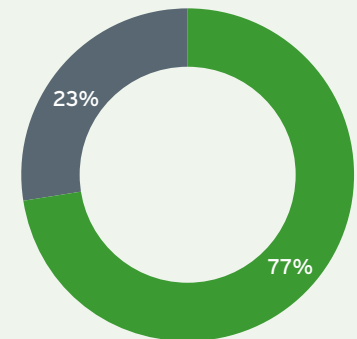
We are proud of our fair and inclusive culture, but at the same time, we realise there is much still to do.

GENDER DIVERSITY

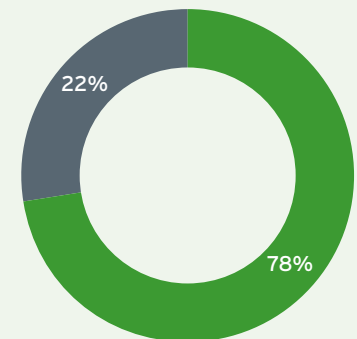
ALL EMPLOYEES



AGH - EXECUTIVE LEADERSHIP TEAM



AGH BOARD



FEMALE
 MALE

OUR DEVELOPMENT AND RECOGNITION

Our company's greatest asset is our people. And by investing in our colleagues' learning and development, we are investing in our own growth and future success as an organisation. Our talent development combines internal and external training, development, education, and coaching. We encourage our colleagues to learn, and we cover full tuition costs 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 \$214,000 in the development of our colleagues including ESG specific training for 30 key staff who participate in key sustainability initiatives
- Provided 144 hours of professional coaching sessions for 20 leaders in the insurance business and medical practices
- Provided 106 hours of training and educational sessions focused on a range of topics, including

DEI, technical skills, leadership, customer service, strategic thinking, innovation, and data privacy

- Increased sustainability awareness with a series of lunch-and-learns, featuring Keep Bermuda Beautiful, The Role of Solar in a More Sustainable Future, and Beyond Plastic Bermuda.

We are piloting a global on-demand learning platform with a group of colleagues. The benefits include the wide range of courses covering topics ranging from technical to soft skills, and they allow employees to learn in the flow of work.

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 receive a monetary reward and an invitation to a celebratory dinner with other awardees. Each Long Service Award represents a journey of commitment, growth, and contribution. By highlighting these milestones, we are not only celebrating individual dedication, but also a collective achievement which aims to inspire and unify our workforce.

\$214,000
Invested into the development of our colleagues

144 HOURS
of professional coaching sessions

106 HOURS
of training and educational sessions

IN 2023 WE CELEBRATED THE LONG SERVICE OF 44 MEMBERS OF STAFF



OUR RECRUITMENT

Effective recruitment is essential for us to maintain the supply of talent we need to be a competitive, innovative, and sustainable company. We advertise on popular job-search websites to reach a broad and diverse pool of candidates, while also creating opportunities to interact with potential recruits through our internship programme and through relationships with strategic partners. Through internship opportunities, we provide a platform for emerging talents to gain hands-on experience and contribute fresh insights to our projects. This not only cultivates a pipeline of future leaders but also reinforces our commitment to nurturing talent. By strategically aligning to like-minded partners, we extend our recruitment outreach to diverse backgrounds and expertise, enriching our organisational culture and driving innovation.

Over the past year, we have hired 65 people with diverse talents and skills, with our medical practices experiencing the largest recruitment growth. Of the new hires, nearly half (48%) were in Bermuda, with 25% in Malta, 22% in Canada and 5% in Gibraltar.

In 2023, we hosted 14 summer interns, providing them with meaningful work experience across the group in Bermuda and Canada, and at our medical practices. Most stayed with us for internships of between 4 and 12 weeks, and we invited some to stay longer.

Feedback was overwhelmingly positive, with all interns saying they would recommend Argus as a place to work and 85% saying they would highly recommend it.

The strategic partnerships that support our internship programme and additional training opportunities for young professionals are:

- With the Chartered Professional Accountants (CPA) of Bermuda and the CPA of Canada, who have designated Argus as Pre-Approved Training office for the CPA designation for up to three trainees, a key milestone that demonstrates our commitment to talent development
- With the Government of Bermuda, which funded the stipend for 10 interns under its training scheme for recent university graduates, a partnership that has led to recruitment of young talent
- With the University of Waterloo, Canada, where co-op students are assigned to various departments executing project-based, finance or actuarial related work
- With Bermuda International Long-Term Insurers and Reinsurers, we advertise internship opportunities on the BILTR site to solicit interest, and our Chief Strategy & Capital Officer is a member of their board
- With McMaster University in Canada, our Digital team recruited talent directly through McMaster University to support our Digital/Development team.

We are proud that our co-op program received an honourable mention for the Employer Impact Award in International Excellence for the 2022 calendar year, awarded by the University of Waterloo in May 2023. The University of Waterloo operates the largest co-op program of its kind globally, with participation from over 7,500 employers. This recognition, following our award in 2021, underscores our ongoing commitment to sustainable and impactful employment practices.

We have made 26 placements – some of them Bermudian students – since the co-op programme's inception in September 2020. Under the University of Waterloo's Work Term Rating, the Argus Group holds an overall student satisfaction rating of 9.5/10 – the same outstanding rating as a year earlier. Students rated the programme 4.9/5 for employer support, compensation and benefits, and opportunities to expand their professional network.

A co-op programme merges traditional learning in an academic setting with practical work experience. Within our Customer Experience and Marketing teams, co-op students actively participate in customer research and data analysis. Their unique perspectives help generate valuable insights that drive impactful actions that enhance our customers' lives.

RATED

4.9/5

by co-op students for employer support, compensation and benefits, and opportunities to expand their professional network

OUR TALENT RETENTION AND WELLBEING

We do not take our talent for granted. We understand that motivated, engaged employees will naturally aspire to advance in their careers and we want them to achieve their ambitions with Argus.

To help retain top talent, we are developing a framework for succession planning that will map out attractive career pathways and encourage our colleagues to take advantage of the training and professional development opportunities we provide. We appreciate too that first impressions count, and we survey our new hires to gain insights that can help us to refine and strengthen our onboarding programme.

We also want Argus to be a workplace where our people can thrive personally, as well as professionally. We prioritise wellbeing, strive to provide a supportive environment and actively encourage our colleagues to communicate how they are feeling to help us support their physical and mental wellbeing. Our Health and Safety Committees work to ensure safe working environments that meet legal requirements in all our locations, while our Wellness Committee oversees wellbeing activities and education sessions. Wellbeing advocacy begins with our staff; it helps us deliver on our customer expectations and brand promise.

We support our colleagues' physical wellbeing through a combination of wellbeing subsidies, in-house gym facilities and healthy living or weight management programmes, whatever is most helpful for them. We encourage healthy living through our support of fitness challenges, sporting events and wellbeing-related awareness campaigns. We also offer massages to our colleagues to help them relax and rejuvenate. In 2023, we provided \$25,000 in wellbeing subsidies (up from \$10,000 in 2022).

Last year, we again partnered with businesses and physicians from our medical practices to offer lunch-and-learns and online seminars on a range of health-related topics. Among those that attracted the strongest interest were healthy eating, breast cancer awareness, and men's health.

To support mental wellbeing, 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 Assistance Programme, whose accredited professionals offer round-the-clock, confidential support services for people suffering from work-related stress or require mental health support.

The opportunity to work from home part of the time has proven popular with colleagues who want to improve their life-work balance. Our hybrid work model 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 wellbeing at work and we provide several formal and informal channels for the Voice of the Employee to be heard.

To support overall wellbeing, we hold various socials including "First Friday" get-togethers for connection, celebration, and camaraderie among colleagues. We believe happiness and good health translates into energy and engagement in the workplace. The overall goal of our wellbeing efforts is to help our colleagues achieve a balanced, healthy lifestyle, which eventually leads to work productivity.



Participants of The Argus Running Club in partnership with Dave Wolfe of FIT4LIFE Bermuda

OUR CUSTOMERS AND 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. Our unique value lies in our holistic approach to wellbeing. We create custom solutions that improve the quality of care, and streamline coordination, resulting in meaningful financial and health outcomes for our patients.

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.

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

CUSTOMERS

Our Voice of the Customer (VoC) programme helps us make continuous, customer-led improvements. We garner customer insights from sources including surveys, focus groups and our everyday customer relations. By giving us a deep understanding of customers' wants and needs, VoC guides 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. Since VoC's inception, we have taken specific actions to improve customer experience.

Last year, in our continuing effort to further improve customer experience, we:

- Created a dedicated customer experience team to strengthen the Voice of the Customer across our organisation
- Continued to establish and monitor customer data benchmarks and trends and took action to improve our responsiveness, professionalism, and the ease of doing business with us achieving favourable customer satisfaction scores
- Incorporated complaints and social-media monitoring into VoC to help us listen to our customers where they choose to engage with us, ensuring they are heard and understood in our business
- Identified key experience drivers through analysis of customer experience metrics,

helping our teams to target the most meaningful opportunities to enhance product and service delivery

- Developed new dynamic dashboards that make customer insights more accessible to our teams, easier to connect to other data sources to derive deeper insights, and more effective in driving buy-in for changes to improve customer experience
- Broadened the scope of the VoC programme, including new channels capturing insights from real-time interactions with customers, as well as focus groups to embed their invaluable perspectives into the heart of our improvement and design processes.

We are deepening our customer experience intelligence by connecting customer data to our operational and financial data. This helps us to make more informed decisions that align closely with customer needs and preferences that drive business performance.

Positive and improving customer satisfaction scores indicate our efforts are bearing fruit. Our customer insights indicate that there is opportunity to enhance our products, strengthen our business relationships, improve the capabilities and user-friendliness of our online portals, drive awareness and access to our wellbeing services, supporting members' understanding of their health benefits and overseas networks.

OUR CUSTOMERS AND PATIENTS

PATIENTS

Our approach to healthcare services is to target better outcomes for our patients with a focus on maintaining good health. We have a vision of building an integrated healthcare ecosystem to deliver value-based care.

At the forefront of this integrated approach are Island Health Services and The Family Practice Group, the two medical practices we acquired in 2020. Our medical practices, with 21 physicians, 10 laboratory staff and 30 other colleagues, provide care to more than half of Bermuda's adult population, a responsibility we take very seriously.

Insights from patients tell us what is important to them, where we are doing well and areas for improvement. We seek their views through a survey every six months and act, based on their feedback.

Our October/November 2023 patient survey results reveal that we continue to maintain excellent standards for quality of care.

- Net promoter score (NPS), which identifies the likelihood of recommending services to others, maintained at 52 (excellent)
- The Family Practice Group, previously the lowest-scoring practice, improved its NPS by 16 points from 21 to 37
- 92% of patients felt our staff, across all roles, were empathetic
- Patients waited an average of 8 minutes in the office before being seen by the physician, nurse, or lab staff
- 65% of patients were positive about the professionalism of our front-desk staff.

Last year we worked to improve front desk interactions in all our practices, with a focus on empathy and professionalism. We provided specific training related to enhancing phone communications with patients and improving the in-person patient experience so that patients can easily make appointments, check in for care, and have transparency when they are paying for care. Empathy scores improved by 6 percentage points in our latest patient survey, but the findings indicated a need for improvement in professionalism. We have implemented new benchmarks to measure professionalism in our interactions with patients.

We also launched a new patient newsletter to promote communication and engagement with our patients. The first edition, published in November last year, outlined patient experience improvements.

In 2023, we built on the Diabetes Rewind Programme, our first population health pilot programme, launched in 2022. Our practices partnered with the Bermuda Diabetes Association (BDA) 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. Cohort 5 of the BDA programme has 10 participants and started in February 2024; 11 were enrolled with Oviva over the past fiscal year and four completed the programme with an average weight loss of 77 pounds.



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.

We have a desire to extend our efforts, collaborating with local partners to foster social and economic development. This endeavour aims to widen access to opportunities, aligning with the growing enthusiasm among our customers and employees for community health & wellbeing initiatives. 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 \$357,000 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.

\$357,000

of cash and in-kind donations globally

CHARITABLE INITIATIVES

We make financial donations to charities that make a positive difference. Our Corporate Social Responsibility Committee makes donation decisions, working with the Sustainability Management Committee to ensure we direct our charitable contributions to where they will have the greatest beneficial impact that align with our overall sustainability initiatives.

Our areas of focus are community health & wellbeing, education, environment, and diversity, equity & inclusion. We made financial contributions to more than 30 different non-profits in Bermuda, Canada, Malta, and Gibraltar.

Last year, we donated \$52,500 to the Bermuda Hospitals Charitable Foundation to help the Bermuda Hospitals Board purchase a GreenLight XPS system, enabling laser treatment as an alternative to surgery for an enlarged prostate. Over 100 men per year are expected to benefit from fewer complications, faster recovery, and shorter hospital stays.

We also extended our support for Open Airways for a fifth consecutive year, donating \$11,500 to sustain the impactful Spacer Programme and its goal to distribute over 1,000 spacers annually. Used with inhalers, spacers help the medication for those with asthma and other breathing difficulties work more efficiently with fewer side-effects. We have contributed \$42,360 to this initiative over five years.



Argus colleagues with Childline, one of the charities supported in Gibraltar

OUR COMMUNITIES

Our philanthropic efforts reached all the communities where we do business. One of the charities we supported in Malta was Puttinu Cares, a children's cancer support group, while we also sponsored the 'Sculptura' art exhibition to raise funds for the Malta Community Chest Fund, which works to improve the health, quality of life and wellbeing of people in their time of need.

In Gibraltar, one beneficiary was the EV Foundation, which provides support to families in need; another was PossAbilities, a disability services and support organisation.

In Canada, one of our donations went to Beat the Streets, focused on advancing the education of children from low-income families; another went to Food Banks Canada.

Our educational initiatives include 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.

We also assist Ignite Bermuda, an accelerator that works with entrepreneurs to improve the success rate of startup businesses. Since Ignite launched in 2019, we have continuously 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.

These are just a few examples of the many Argus donations in the last year to help organisations make a positive difference.

HEALTH AND WELLBEING

Community Health & Wellness is the top sustainability priority for our clients and our colleagues, having ranked first in both our internal and external materiality assessments. Through our **Thrive**. Health and Wellness Programme and strategic sponsorships, we support healthy activities and access to quality, affordable healthcare as part of our mission to promote healthier sustainable communities.

In 2023-24, we sponsored and supported several sporting and wellbeing-related events. These included:

- Bermuda Half Marathon Derby – lead sponsor for a fifth successive year in 2023

- Convex End-to-End Walk in Bermuda in support of the Bermuda Zoological Society's Micro Forest Project, Gina Spence Productions, The Eliza DoLittle Society, the Skills Development Programme and Vision Bermuda – Argus was a patron and provided a water-stop
- Lindo's to Lindo's 10K run and 4-mile walk – sponsor of an event supporting Bermuda Diabetes Association
- Argus Urban Foot Race, a 3K urban assault course and the first leg of the Bermuda Triple Challenge – we fully embraced this event as title sponsors, with our colleagues organising and participating



Argus colleague volunteering at the Bermuda Half Marathon Derby

OUR COMMUNITIES

- Antes Spring Team Tournament, a tennis event sponsored by our insurance broker Antes, during the months of May, June, and July. In December 2023, Antes also began sponsorship of Tennis Court 1 at Vittoriosa Lawn Tennis Club in Paola, Malta, the venue of the tournament.

Our **Thrive**. Health & Wellness Programme offers free tools and resources to empower our clients and staff, in proactively managing their wellbeing. These encompass on-site preventive healthcare services, informative health education seminars, local care coordination, and incentivising wellbeing rewards. The recent addition of the Wellness Coordinator role this year allows us to extend our outreach to a broader audience with initiatives including:

- Health Fairs: a customised health and wellbeing event, open to all Argus clients. Expert vendors provided advice and education on fields including asthma, optometry, dentistry, diabetes, podiatry, oncology, and dietetics
- Lunch-and-learns: timely and compelling wellbeing topics with experts to educate our colleagues
- Fitness programmes: challenges for our colleagues and community to promote health and wellbeing, including our second Argus Running Club - a free 8-week fitness programme in addition to #REBOOT: A fitness bootcamp in collaboration with Dave Wolffe of Fit4Life Bermuda. These are repeat activities following feedback from participants who considered

these events as engaging and in support of their individual wellbeing journey

- EAP Wellness Wednesday Webinars: we sponsored webinars with the Employee Assistance Programme, available to the community
- Open Airways Spacer Programme: The Asthma charity provides free spacers to persons living with asthma, our fifth consecutive year of supporting this vital programme
- Health screenings: provided to Argus clients by our **Thrive**. programme. Nurses assess blood pressure, blood sugar, body composition and provide general health advice
- Wellbeing Platform & Rewards: Participants can earn up to \$260 per year for hitting weekly targets of 150 active minutes and can engage with wellbeing content such as mindfulness podcasts, healthy recipes, and self-guided programmes
- **Thrive**. Case Management: one-on-one coaching and encouragement to help Argus Health members to take an active role in managing their health
- Developed Partnerships: with local businesses and charities to build awareness and education around common diseases
- Conducted a population health “wants/needs” survey: the results showed that of those who have participated in wellbeing initiatives, 97% found them helpful.

CORPORATE VOLUNTEERING

Our colleagues 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, 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.

In September last year, 30 of our colleagues took part in a Keep Bermuda Beautiful Coastal Clean-Up at Admiralty House. They scoured the coastline, collecting an estimated 480 pounds of trash.



Argus Bermuda colleagues at the Keep Bermuda Beautiful coastal clean up event

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.



CLIMATE CHANGE GOVERNANCE AND STRATEGY

We recognise that climate change has implications for our business, from risk, regulatory and sustainability perspectives. We continue to implement the roadmap towards our goal of embedding climate change considerations across our wider business operations and risk management framework.

To provide oversight of the progress of this objective, we have enhanced our governance structure and appointed Simon Giffen, Chief Investment Officer of the Argus Group, as our executive-level Climate Change Officer. Through our governance structures, responsibilities have been identified for monitoring and implementation, and we have made enhancements to our risk appetite to incorporate ESG including climate change.

Our Climate Change Working Group also engages with business owners to identify, assess, and manage climate risks and opportunities that are relevant to the business.

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.

UNDERWRITING AND HEALTHCARE BUSINESSES

Through our initial materiality assessment exercise for climate change, we have identified the risk drivers linked to climate change that may have material impact on our business and ongoing solvency.

Our Property & Casualty insurance entities are most exposed to physical risks (wind/windstorm, storm surges and rising sea levels) and transition risks (the shift to green energy). Key initiatives this year include reviewing the impact of the legislative-driven transition to electric vehicles by 2035 in Bermuda and reviewing future changes required within our underwriting policies and processes, as well as system enhancements to further data collection and analysis.

Our Health product group, which includes Life, is also exposed to physical risks including the potential impact of extreme heat to patients and insured policyholders. Through our monitoring of emerging risks, population health efforts and other initiatives, we can contribute to community awareness, partnering with third party providers to reduce cost.

OUR ENVIRONMENT

By continuing to provide insurance to our customers, we help mitigate the protection gap. Our robust reinsurance programme and disciplined underwriting continue to ensure risks are written within appetite. Through our annual solvency assessments, risk assessments and monitoring of emerging risks, we will continue to monitor the material impact of climate change risks and enhance our risk mitigation, where necessary. We endeavour to learn and contribute.



Solar panels installed at our Bermuda headquarters

OPERATIONS

We endeavour 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.

At our Bermuda headquarters, we completed the installation of 130 solar panels in September 2023. Our energy management system is designed to use all available solar energy generated by the panels before using electricity from the utility service provider. As of March 31, 2024, the solar panels have produced 31 megawatt hours of energy which helped reduce carbon emissions by about 22 tons, equivalent to 377 trees planted.

Other continuing initiatives that support our reduction in carbon emissions include:

- Triple-glazed tinted windows, LED lighting and solar thermal water heaters
- Our leased office in Ontario, Canada has Leadership in Energy and Environmental Design (LEED) Gold certification
- Remote working options have lessened our environmental impact globally by reducing our need for office space, our energy consumption, and consumables, and has cut down on commuting, thereby reducing the carbon footprint of our colleagues
- Consolidation of three offices in Malta into one office site which meets high energy efficiency standards.

This year we started capturing baseline Scope 1 and Scope 2 emissions, using a template recommended by the United Nations Framework Convention on Climate Change.

Purchased electricity for our offices, which falls under Scope 2, is the largest contributor to carbon emissions attributable to our organisation. We are working towards capturing our energy consumption data, to better understand our energy consumption patterns. Moreover, we are designing an approach for capturing material Scope 3 (business travel) emissions with the intention to publish this data in the future.

In Bermuda, we own real estate properties which are prone to the physical risks associated with climate change. Our Business Continuity and Disaster Recovery Plan, which is overseen by a dedicated Incident Management Team, allows us to closely monitor foreseeable risks and have a formal course of action for any disruptions to our operations.

“We have made progress in reducing our physical and carbon footprint.”

OUR TRUSTED AND RESPONSIBLE BUSINESS

The sustainability of our business is reliant on the continuing trust of our colleagues and our customers. 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.

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

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:

- Maintained the overall ESG score at 6.4, based on MSCI's methodology, which is in line with the benchmark score of 6.3, and has a much lower exposure in the carbon-intensive sector
- Reduced our carbon intensity score by 21 points, from 118 to 97, based on the MSCI Carbon Intensity Attribution Assessment
- Improved the weighted average percentage of women on the boards of companies we invest in from 34% to 35%
- 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 (less than 5% of revenue). A small number of legacy positions continue to be held until maturity.

Our focus 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. We intend to continue to seek out opportunities to invest in green bonds and renewable energy projects that support the transition toward a low-carbon economy.



Argus Malta office

OUR TRUSTED AND RESPONSIBLE BUSINESS

RISK MANAGEMENT

The primary purpose of the risk management framework is to protect the company from events that hinder the achievement of financial performance objectives, including failing to take advantage of opportunities that fall within our risk appetite. We are committed to ensuring policyholder obligations are addressed and protecting the ongoing solvency of our business.

Our enterprise approach to risk management encompasses both financial and non-financial, as well internal, and external risks. We continue to monitor emerging risks that may have material impact to The Argus Group or its subsidiaries and take proactive actions where necessary. We use stress testing, scenario analysis and risk assessments to monitor risks that may impact solvency and operational resilience.

Our annual report and financial condition report published annually on our website provides more in-depth discussion on capital management and risk management framework.

“Data protection remains core to how we conduct business.”

DATA PRIVACY

Our commitment to safeguarding the privacy and security of our customers' data aligns closely with the findings of the materiality survey, which highlights Privacy and Data Security as the third-ranked concern among our customers.

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, which takes effect on January 1, 2025, our implementation and organisational readiness is ongoing. We are investing in the training of staff on PIPA and data breach response policy and procedure, and we are undertaking robust reviews of policies and procedures to ensure full compliance.

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.

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.

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. With ESG considerations being increasingly expected by regulators and sought after by customers, employees, and investors, we believe our commitment to sustainability will better help us cater to the needs of our stakeholders.

“Underlying this progress is the value that makes Argus different – we put people first.”

SHAREHOLDER ENGAGEMENT

Amid a year where we experienced increased health claims, we are pleased with the operating return on average equity for the year to March 2024 of 12.8 percent. Average annual operating return on equity over the last 5 years is a remarkable 14.2 percent. We remain focused on continuing to deliver attractive and sustainable returns for our investors and seek to put surplus capital to work through judicious investment and strategic growth opportunities.

We value constructive input from investors and regularly engage in dialogue with our shareholders regarding strategy and performance. In connection with such discussions, Argus agreed to propose to all shareholders certain governance changes requested by Equilibria Capital Management Limited, a significant shareholder of Argus, in connection with the 2023 annual general meeting. These governance changes included amendments to the company's byelaws to reduce the board size to a maximum of nine directors (previously the maximum was 12), and to introduce nine-year term limits for directors of the company.

In line with these byelaws, four incumbent directors did not stand for election to the board, as they exceeded the nine-year term limit. In their place, Equilibria's nominees, Sergio Muñoz, Cole Simons and Christian Anderson were elected as directors of the company.

Argus' Board of Directors and management team are committed to acting in the best interests of all Argus shareholders and its policyholders.



OUR ACHIEVEMENTS AND PRIORITIES

2023-2024 ACHIEVEMENTS

Established a dedicated Customer Experience team to work within a dedicated customer pillar to advance our customer experience vision

Expanded Voice of the Customer (VoC) programme: broadened the scope to include real-time interactions and usability studies, deepening our understanding of customer needs

Improved customer insights: launched new dynamic dashboards for better accessibility and integration of customer insights, driving actionable change

Maintained high standards of patient care

Enhanced staff training for customer service

Introduced new customer experience benchmarks

Advanced patient communication

Increased spending for talent development (over 50% increase year over year)

BELONG BLAC initiatives (reverse mentoring, Black History Month activities and volunteer commitment at the charity, HOME)

Dr. Eva Naomi Hodgson Racial Justice Awards (Bermuda) for BELONG BLAC Committee and the Committee's Chair Phil Davis

Analysis of materiality assessment results to include results of internal and external surveys

Completed analysis to support selection of voluntary ESG framework to aid future reporting

Completed installation of solar panels in our Bermuda headquarters

Initiated capture carbon footprint data capture for Scope 1 & Scope 2 emissions

Continuous implementation of climate change framework actions

2024-2025 PRIORITIES

Improve member education of Argus health benefits and eligibility

Improve phone communications for patients

Improve relationship and account management

Continue to enhance customer intelligence reporting and dissemination and use of customer insights in our initiatives

Educate and bring awareness to our staff on matters of racism/anti-racism, equality, and equity

Reinforcing connection among staff members through social activities and volunteerism in local communities

Monitoring legislative and regulatory developments, including those related to climate change mandatory disclosures and being PIPA ready

Conduct discovery exercises for incorporating climate change considerations (through climate change roadmap) into our operational strategies

Discovery exercise and planning for alignment of future reporting with selected ESG framework

Regularly assessing both physical and transitional risks associated with our underwriting portfolio



CONCLUSION

Our sustainability journey so far has been one of listening, learning and action. By listening to our colleagues, customers, patients, and other stakeholders, we are learning what matters most to them and where we can improve their experience with us. By acting on their input, we are aligning our interests with theirs and charting a course for continuing long-term value creation. The process sharpens our awareness of the opportunities and threats we face, building resilience into our business. Embedding sustainability principles is a natural fit for our people-centric organisation. We are working to do right by people and planet, to be an excellent corporate citizen. And we will continue to strive to be a powerful force for sustainable wellbeing, making physical, financial, and mental wellbeing meaningfully better in our connected communities.

“We are working to do right by people and planet, to be an excellent corporate citizen.”



BELONG BLAC Committee members receiving the Dr. Eva Hodgson Racial Justice Award



Image: The Argus Bermuda Summer Party featuring H&H Gombeyes

Image credits: With thanks to Jayde Gibbons, Shawn Simmons, Ferenc Horvath, Ishan @seefromthesky, Kenrick Mills, and Ryan Wilson on Unsplash.com, and shutterstock.com

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

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