



2021 Environmental, Social and Governance Report



CSAA Insurance Group,
a AAA Insurer



From Our CEO
03

Environmental
04

Social
10

Governance
20

A Personal Perspective:
Craig Clements

A Personal Perspective:
Sayde Brooks

A Personal Perspective:
Owen Blackford

Helping Build a Greener World

Empowering Our People

**Mitigating Risk,
Ensuring Compliance**

- Reducing Our Carbon Footprint
- Smarter Use of Resources
- Fleet EVolution
- Supporting Environmental Efforts
- Supplier Sustainability
- What's Next?

- Recruitment and Opportunity
- Cultural Connections
- Supplier Diversity
- A Positive Force in Our Communities**
- Financing Community Growth

Taking Care of Our People

- Sound Body
- Sound Mind
- Managing COVID-19
- What's Next?

- Code of Conduct
- Our Board
- Compliance
- Enterprise Risk Management
- Regulatory Oversight
- Data Privacy and Security
- What's Next?



Last year we shared with you our intent to fully transition to an ESG (Environmental, Social and Governance) framework for measurement and goal setting to ensure we are good stewards on behalf of our constituencies—employees, customers, suppliers, communities and the environment.

I’m proud to share that we made tremendous progress on all fronts, despite the ongoing challenges of the COVID-19 pandemic. This year’s report details our progress across

existing programs and a number of new initiatives, including purchase of renewable energy; analysis of our efforts to promote equity, inclusion and belonging; and a Community Investments Program that funds development initiatives in low-income communities.

I am very excited about our momentum on the environment and the great strides we have made in that area. We have made it a strategic goal to establish a leadership position in the industry on environmental issues, reducing our emissions as much as possible on our journey to achieving carbon neutrality by 2025.

We want to lead by example and respond to the climate crisis with a sense of urgency. Our employees, our customers and the communities we serve are being impacted, as they experience more severe weather and the increased severity and frequency of wildfires. It is an ambitious target,

and we have put in place tangible milestones and actions that we believe will get us there.

When you look at the totality of our efforts, I believe you’ll share my confidence in our ability to achieve our goals.

Here are a few of our initiatives covered in this year’s report:

- Enlarging our fleet of electric vehicles
- Quadrupling our investment in the Forest Resilience Bond
- Investing in technology to reduce business travel and to support employees working from home
- Surveying vendors’ commitment to reducing their carbon emissions
- Reaching our goal of 100% green electricity in 2021

We also recognize areas where we need greater improvement.

For example, while CSAA has built a great culture of inclusion, we have not made the progress we would like to see on increasing ethnic diversity among senior management and leadership. This is an important issue that our entire leadership team is focused on in 2022 and where we are dedicated to employing new strategies to achieve our goals.

More important to our success than these plans, however, are the people bringing them to fruition. Every day I am impressed by how much our people are invested in making CSAA a great company that they are proud to work for, and that our customers, partners and stakeholders are proud to work with. That pride and dedication gives me every confidence we will reach our goals and set new standards for our industry.

Thomas M. Troy
President and Chief Executive Officer

Environmental

A Personal Perspective:
Craig Clements

Helping Build a Greener World

Reducing Our Carbon Footprint

Smarter Use of Resources

Fleet EVolution

Supporting Environmental Efforts

Supplier Sustainability

What's Next?





Environmental



A Personal Perspective:

Craig Clements

Director of the Wildfire Interdisciplinary Research Center (WIRC)
San Jose State University



The Wildfire Interdisciplinary Research Center (WIRC) is an interdisciplinary research center doing modeling and predictive work that will help forecast smoke impacts, where a fire is going to go and its behavior, and the effects of weather and climate change on these fires. We aim to build higher-resolution prediction and risk models that will be huge for insurance because of the growing frequency of large wildfires and the volume of fire- and smoke-damage claims.

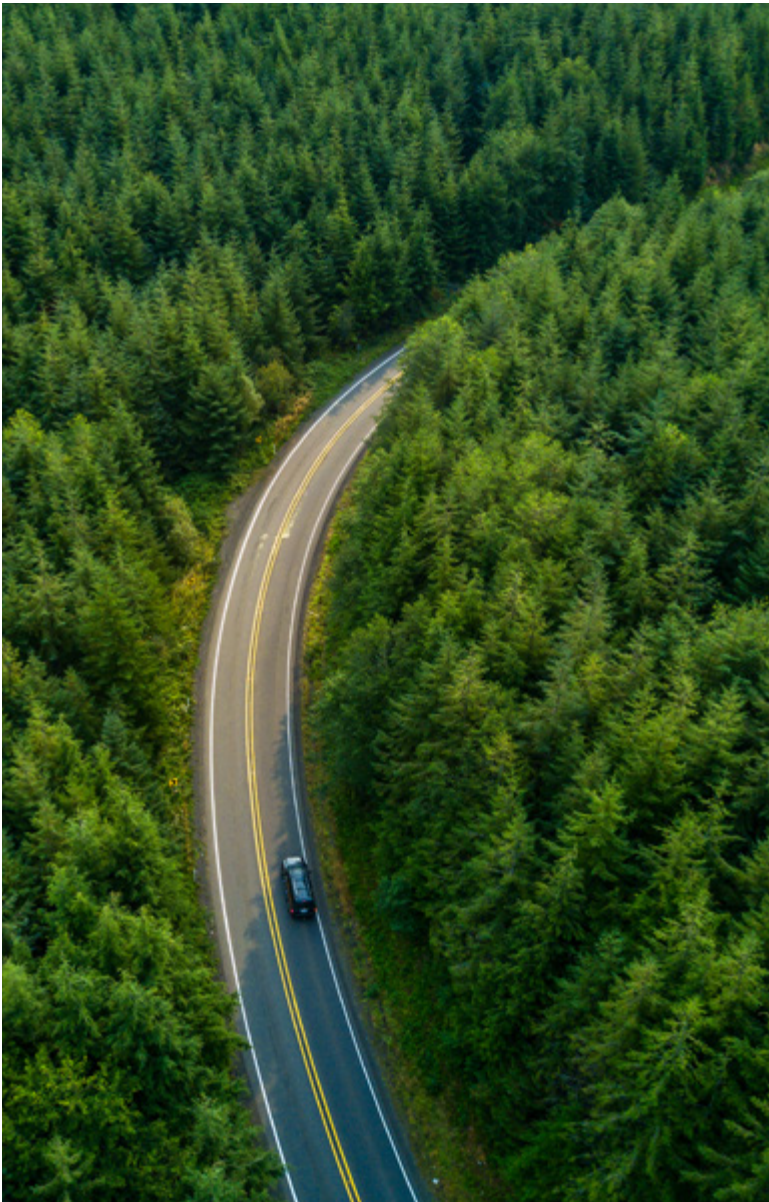
CSAA was an initial member of WIRC and joined the center in the summer of 2021 ahead of our official launch in August. CSAA was actively involved as we set up the center, started getting people on board and laid the foundation for our work.

We're also doing some really interesting things in the social science area. We're surveying perceptions of insurance, utilities and firefighters in affected communities, so that we can all work together productively.

CSAA has been a tremendous advocate as we work to bring in more universities and businesses to our center membership. They understand that the work we are doing can have huge benefit for the insurance industry and are helping us seek other insurance partners.



Environmental

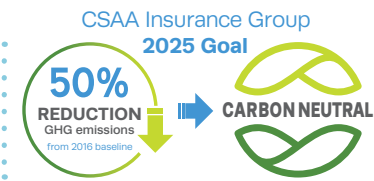


Helping Build a Greener World

CSAA's actions to become a "green" company began well over a decade ago, managing our real estate to reduce waste, minimize water use and conserve electricity. Building on that foundation, we launched an Executive Sustainability Council in 2019 to develop an environmental sustainability strategy that addresses the climate crisis.

Today, our Sustainable CSAA culture group has grown to include 121 employees—about 3.5% of employees—who share a passion for environmental sustainability. This team leverages their diverse perspectives to bring awareness to the problems facing our planet—and champions CSAA's efforts to address them. In addition to monthly meetings, an e-newsletter, and articles on the company intranet, in 2021 the Sustainable CSAA team promoted Earth Week, as well as company-wide Go Green, Meatless Monday and Sustainable Innovation challenges.

Reducing Our Carbon Footprint



To establish a leadership position in the industry, CSAA has committed to achieving a 50% carbon emissions reduction for **Scopes 1, 2 and 3** (employee commute and business travel) and carbon neutrality by 2025. We have been calculating our greenhouse gas emissions since a baseline of 2016. In addition, our annual emissions data inventories have been third-party validated. Our carbon reduction goals are data-driven and will continue to evolve in the years to come. CSAA is committed to transparency with our greenhouse gas emission reduction plans. For this reason, we are joining **CDP**, a global, environmental nonprofit that will rate and report our plans publicly—along with those of 10,000 other companies around the world.

Two of the ways CSAA will achieve its direct reduction targets is by reducing our electricity use and purchasing renewable energy certificates (RECs) that ensure the electricity we use is "green." With RECs, which fund the development of completely green energy projects, we were able to shift to green electricity in 2021. Further, CSAA is taking a variety of actions associated with its offices and facilities, corporate fleet, business travel and employee working situations. Many of the reductions will take advantage of the profound impacts the COVID-19 pandemic has had on the company, accelerating the uptake of web-based meetings and collaboration platforms like Zoom and Microsoft Teams, as well as a permanent shift toward home-based work. Over the next several years, this will enable CSAA to dramatically reduce energy use and lower emissions associated with employee commuting.

Environmental

Smarter Use of Resources

We look at every aspect of our operations to identify areas of waste and act quickly to optimize how we use resources across the business.

Energy

Hand in hand with emissions reduction is using less electric power. We reduced our annual electrical usage in 2021 by about 9% from 2020. And we saw a 38% reduction in natural gas consumption.

We have also consolidated our data operations for greater overall efficiency and built an energy-efficient data center to lower our carbon footprint. Our headquarters in Walnut Creek, California, is built to LEED Gold standards; our Las Vegas and Glendale, Arizona locations are built to LEED Silver; and both the Walnut Creek and Las Vegas offices have previously received Energy Star ratings.

LEED Gold+ Silver standards

Walnut Creek, California is a certified LEED Gold building. Las Vegas, Nevada and Glendale, Arizona locations are built to LEED Silver standards.

Water

An important part of our commitment to the environment is conserving water wherever possible. Our California-based headquarters building implements low-irrigation landscaping techniques, auto faucets, and low-flush toilets, which are designed to save nearly 800,000 gallons of water annually versus conventional office buildings. From 2009 to 2020, this resulted in savings of nearly 5 million gallons of water. The continuation of remote work reduced water usage across all of our office locations by nearly 30% over pre-pandemic levels.

Low irrigation, auto faucets, low-flush toilets

which save nearly 800,000 gallons of water annually

Paper

CSAA recognizes that emissions from paper use are likely to be added to our reduction targets in the future, and we took steps to remove workstreams. As a result of our actions, we reduced printed marketing materials by more than 50% from 2019 to 2021 and are making further reductions this year as we continue to focus more on digital distribution. We are also hard at work on strategies to reduce significant paper usage associated with policyholder communications, including efforts to increase customer adoption of paperless communication.

Reduced printed marketing materials

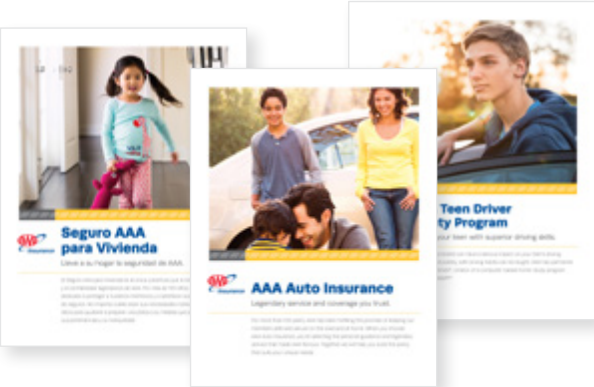
by more than 50% from 2019 to 2021

Electronics

Transitioning from paper to digital comes with increased use of IT assets in our offices and data centers, and CSAA has implemented an eWaste program to manage this. Recycling and remarketing efforts have saved more than 60,000 pounds of CO2 and nearly 70 barrels of oil.

eWaste program

helps manage the recycling and remarketing efforts



Above: Print brochures are now redesigned for digital delivery to reduce paper waste.



Environmental

California Resilience Challenge

Awarded \$2.07 million in climate adaptation planning grants

Forest Resilience Bond

Invested \$4 million in the Forest Resilience Bond

Bay Area Council Economic Institute

Measure the impact of wildfires due to climate change

Wildfire Interdisciplinary Research Center

Research on both physical & social aspects of wildfire science

Fleet EVolution

CSAA has made excellent progress in transitioning our fleet to high fuel efficiency vehicles, resulting in a vehicle emissions reduction of nearly 20% from 2016 to 2021. As of 2021, 92% of our active fleet comprised hybrid electric vehicles. To further reduce emissions associated with our fleet, we plan to phase out gasoline-powered vehicles and transition to zero-emission vehicles (ZEVs) over time as ZEV infrastructure becomes more abundant and accessible.



In addition to our fleet of modern, hybrid vehicles, we developed a Green Repair Network to recognize auto repair facilities that meet or exceed our program requirements, which include strict standards around emissions, pollutants, water and electricity usage, and the disposal of hazardous waste. Recently, we also rolled out the program for homeowners, with CCA Global as the program's first certified home vendor partner.

Supporting Environmental Efforts

We know there is only so much that we can do alone, which is why we are happy to provide financial support to like-minded leaders in the fight for a stronger environment.

In 2021, we supported the [California Resilience Challenge](#), a statewide initiative to directly support climate adaptation planning in under-resourced communities. The 2021 California Resilience Challenge Grant Program began on July 12, 2021 with the opening of a two-month competitive request-for-proposals application period. In December, the Challenge's Steering Committee awarded \$2.07 million in climate adaptation planning grants to 13 communities across California—from Humboldt County in the north, to the Central Valley, to Los Angeles in the south.

Wildfires are a major and growing climate issue, as made clear by the [nearly 59,000 wildfires in 2021 that destroyed 7.1 million acres of land](#). To do our part to prevent deforestation, we invested \$4 million in the [Forest Resilience Bond](#), which finances forest management in 15,000 acres of the North Yuba River area of

Tahoe National Forest. This followed an initial investment of \$1 million in 2018 after we saw the impressive environmental and safety goals achieved through reforestation and accelerating restoration efforts.

We also partnered with the Bay Area Council Economic Institute (BACEI) to measure the impact of wildfires that are increasing in frequency and severity with climate change. In November 2021, BACEI published a CSAA-sponsored report, "[The True Cost of Wildfires: Analyzing the Impact of Wildfires on the California Economy](#)," which assesses costs and proposes key strategies to manage this growing risk.

Additionally, as a sponsor of the [Wildfire Interdisciplinary Research Center \(WIRC\)](#) at San Jose State University, CSAA supports community resiliency through exciting new research focused on both physical and social aspects of wildfire science. WIRC's high-impact wildfire research identifies improved tools and policies that can be provided to the community and industry stakeholders around the world.



Environmental

Supplier Sustainability

CSAA procures products and services in a way that supports our efforts to reduce our environmental impact in the communities where we operate. This extends to our suppliers, and we strive to take into account their policies and behavior to ensure the ecological impact of our procurement activities is minimized to the greatest extent possible. We are currently conducting an environmental assessment of all our suppliers to better understand the sustainability practices of our supplier base.

What's Next?

<ul style="list-style-type: none">● We are filing our detailed plans and metrics for review and grading by CDP to add transparency to our efforts and identify new opportunities to make a positive impact.	<ul style="list-style-type: none">● We will further integrate sustainability into our culture to engage employees, solicit ideas and encourage action.	<ul style="list-style-type: none">● We are adding dedicated staff to support and drive our environmental sustainability efforts across the organization.	<ul style="list-style-type: none">● We will continue to reduce our carbon footprint to achieve our 2025 goals.
<ul style="list-style-type: none">● We will continue to focus on emission reductions—including emissions from paper use.	<ul style="list-style-type: none">● We will continue sponsoring the California Resilience Challenge, a statewide initiative to help communities improve their resilience to climate change.	<ul style="list-style-type: none">● We will leverage our supplier survey to identify new courses of action to meet our goals.	<ul style="list-style-type: none">● Alongside these actions for impact, we are looking at how climate change will affect our business and strategizing ways to address risks and identify opportunities in the new, green economy.

Social

A Personal Perspective:
Sayde Brooks

Empowering Our People

Recruitment and Opportunity

Cultural Connections

Supplier Diversity

A Positive Force in Our Communities

Financing Community Growth

Taking Care of Our People

Sound Body

Sound Mind

Managing COVID-19

What's Next?





Social



A Personal Perspective:

Sayde Brooks

IT Analyst, Claims Application Analysis
CSAA Insurance Group



During the pandemic, CSAA has done a great job developing new paths for virtual volunteering.

Our Legal Division's pro bono team facilitated a clinic with an organization called Root & Rebound that restores power and resources to families and communities harmed by mass incarceration. CSAA team members from the Legal Division as well as non-legal volunteers, like myself, worked with 26 non-violent offenders to get their records expunged so they could move forward and lead productive lives. We interviewed the previously incarcerated people and helped write their declarations for presentation to a judge.

Another great program was a partnership with the University of Central Oklahoma. We began working with their Black Student Association to provide internship opportunities with CSAA and to help lessen the learning curve of students with respect to financial literacy and well-being as they enter the working world. We're expanding the program in 2022 to work with their Asian, Hispanic, Pride and Native American student groups.

I think it's great to work with a company that has the same values I have. I like to use my platform to help others, and having that support from CSAA makes me want to come to work every day and be a part of something bigger than me.



Social



Empowering Our People

Our 3,400–employee workforce covers a wide range of backgrounds, interests, perspectives and experiences. We believe this diversity is what makes CSAA great and better enables us to serve our customers, so we devote significant resources to not only building diversity at all levels of the business, but also building the programs and infrastructure that make everyone across our spectrum of talent feel welcome and valued.

Recruitment and Opportunity

While we continue to make progress on increasing representation for people of color and for women, and are committed to mirroring the U.S. labor market, we have not achieved our goals—especially at the upper levels of the company. Female representation is getting close at the supervisor and manager levels (three percentage points shy of matching the U.S. labor market), but with a larger gap at the executive level.

In late 2019 we met parity for People of Color in leadership roles compared to the U.S. labor market. That encouraged us to challenge ourselves by getting race– and ethnic–specific. We have room to improve for Black/African American and Hispanic/LatinX representation in our leadership ranks. We have long–term incentive plan goals for vice presidents and above, focused on leadership representation for these groups, and we are experimenting with a wide variety of other strategies.

In 2021, we completed our inaugural Accelerators program that focused on internal mobility for underrepresented groups, measuring the ability to grow their careers and achieve promotions or new roles at CSAA. Ninety–three percent of the first cohort either saw a promotion or role change, or experienced a temporary developmental assignment in another department. We launched our second cohort in September 2021 and are standing up an alumni program to continue momentum for the previous cohort.

We also proactively engaged an outside consultant to do a full equity analysis of all talent–related programs. The analysis found that CSAA has taken many steps to embed inclusion and belonging into its culture and systems, with an advanced level of maturity in processes. It also highlighted areas for improvement in how those processes are implemented, and helped us identify priority actions to take in the next year, as well as additional actions to address in the long term. For example, we are more clearly defining target populations (Black & LatinX) and expanding our talent sourcing strategy to include universities that graduate a larger pool of diverse top talent.

Social

Cultural Connections

CSAA fully supports a wide variety of Employee Resource Groups (ERGs) that bring together employees based on ethnicity, religion, gender and sexual identity, life experiences and other criteria. These ERGs, each of which has an executive sponsor, support our diversity by helping to ensure we are an inclusive organization meeting the needs of our employees and customers, identifying areas for improvement, and celebrating the differences among us.

- Black Employees Association
 - Christian ERG
 - Family Unity Support Encouragement
 - Military Appreciation Group
 - Native American Employee Association
- Pan Asian Connection
 - Pride (LGBTQ+)
 - ¡Somos Unidos! (Hispanic/LatinX)
 - Supporting and Empowering Employees with Disabilities
 - Women’s Professional Network



Today, more than 400 CSAA employees count themselves members of one or more of these ERGs, and together they are driving a wide variety of exciting programs. The ERGs are supported by and coordinate with a company-wide Inclusion & Belonging team that oversees diversity initiatives across the company. Here is just a snapshot of what happened in 2021:

- **The Pan Asian Connection** ERG collaborated with the Inclusion & Belong and Community Impact teams to present “Building Community During a Global Pandemic: Coronavirus-Related Racism and the Asian American Experience.” The event provided historical contextualization of recent anti-Asian racism and educated colleagues on how Asian American and Pacific Islander (AAPI) nonprofits are addressing community needs.
- **The Black Employees Association** partnered with [Health Advocate](#), our Employee Assistance Program provider, for training on race-based traumatic stress (RBTS)—how it is defined, who is impacted, symptoms experienced, and how and why it has continued. This training provided tools to those impacted for coping, rehabilitating and rebuilding.
- **Family Unity Support Encouragement (FUSE)** hosted “Parenting in a Pandemic,” a three-part series of parenting support discussions centered on empowerment and solutions. Speakers participated in a panel discussion about parenting during the pandemic and beyond.
- **Supporting and Empowering Employees with Disabilities (SEED)** partnered with [Disability Rights Advocates \(DRA\)](#) to host a panel discussion around advancing equal rights for people with all types of disabilities. They explored the relationship between DRA and CSAA, discussed what leading employers are doing in the disability space, and how employers can be inclusive of employees with disabilities.



Social

In September 2021, CSAA – in collaboration with the ERGs–hosted Inclusion Week, an annual celebration of togetherness and recognition of inclusion in all its forms. The event included discussions hosted by the **Black Employees Association** and **¡Somos Unidos!**, guest speakers that addressed TransAdvocacy and conversations on diversity best practices. It also included collaborations with CSAA's Wellness and Community Impact teams to facilitate conversations centered on health advocacy and a discussion with [Trust for Public Land](#).

CSAA formed a partnership with [Language & Culture Worldwide \(LCW\)](#) to engage company leaders and employees in analyzing the inclusion experience across differences at CSAA by examining systems and policies to determine opportunities to advance equity, inclusion and belonging. CSAA community members contributed through an Equity Audit Survey and by participating in focus groups to take a deeper dive into these topics. The LCW team found that CSAA has taken many steps to embed inclusion and belonging into the company's systems and culture, and also identified areas where further progress can be made.

CSAA has achieved a 100% score since 2005 on the Human Rights Campaign's Corporate Equality Index, the national benchmark for corporate policies and practices pertinent to LGBTQ+ employees, and 2021 was no different. In addition, CSAA was recognized by diversity, equity and inclusion (DE&I) expert Seramount for our high-quality diversity and inclusion work in three areas:

- 1 Recruitment, retention and advancement of people from underrepresented groups
- 2 Creating an inclusive culture through leadership, accountability, communications and employee engagement
- 3 Workforce demographic data

Seramount also recognized CSAA as one of the 2021 Best Companies for Multicultural Women.

The employee's experience is critical to our business success. A work environment in which employees are highly engaged and feel they can bring an authentic version of themselves to work fosters a strong commitment to the organization and a positive impact on our ability to deliver on our goals and visions. The employee experience is primarily measured through a "pulse survey" process that tracks employee sentiments throughout the year.

Supplier Diversity

We believe supplier diversity encourages the growth of diverse businesses overall, adding new business opportunities, tax revenue and income that positively impact the community. In 2021, we spent \$109 million with more than 510 diverse suppliers, with 15% of our total 2021 spend on diverse suppliers. We continued to expand our base of diverse suppliers in 2021 by engaging with 57 additional diverse suppliers to provide services and products. We also participated in supplier development and matchmaking opportunities throughout the year to continue to look for diverse suppliers to add to our base.

spend
\$109 million
with more than
510
diverse suppliers



Social



A Positive Force in Our Communities

At CSAA, we are proud to support equitable, resilient and vibrant communities where our employees and customers work and live with a focus on the most vulnerable. This is exemplified through our strong multifaceted partnerships with [The American Red Cross](#), [Junior Achievement](#) affiliates, local food banks in each of our site locations, and more than 90 other nonprofit and community organizations nationwide. This commitment is underscored by an additional \$500K of philanthropic support in 2021. But CSAA believes strongly in going “beyond the check” and provides holistic support through various volunteering opportunities for our employees with these partners.

Our corporate-level impact is augmented by the individual actions of our employees, made possible through CSAA’s Enrichment Time policy, which now provides each employee with 40 hours to use for volunteering, personal development, culture and wellness activities.

In addition, our pro bono program in partnership with [Taproot](#) and 72 of our employees provided \$556K of in-kind support to 20 nonprofit organizations in 2021—an increase of more than \$230K and an additional 15 nonprofit partners served from 2020. In total, CSAA employees completed almost 14,000 hours of volunteering during a year when in-person volunteering was greatly limited by COVID-19 restrictions.

Our pro bono program in partnership with [Taproot](#) and **72 of our employees**

provided **\$556K** of in-kind support to 20 nonprofit organizations in 2021



Social

\$335K

total 2021 donations on behalf of our employees

\$600K

to community development, arts & culture organizations

Dollars for Doers

National Association
of Latino Arts and Culture

The Asian Pacific Fund

CSAA matches its employees’ sweat equity with financial support through our Dollars for Doers program, which gives employees \$10 to donate for every eligible hour volunteered—up to \$600 per employee in 2021, and increased to \$1,000 per employee in 2022. In addition, we match charitable donations of employees and Board members to support eligible nonprofits they care about, matching donations dollar-for-dollar up to \$1,000 per employee and \$2,500 per Board member each calendar year, and, for our employees who serve on a nonprofit organization’s board of directors, we also provide an annual grant of \$1,000 to such organizations. In November, we also gave employees the opportunity to donate \$25 to a nonprofit of their choice. Total 2021 donations on behalf of our employees through these programs was more than \$335K, in addition to the \$171K donated by our employees. More than 66% of employees participated to direct \$506K to causes they are passionate about.

2021 saw inequities among communities of color persist as the pandemic continued. We provided more than \$1.6 million in grants to nonprofits, including more than \$600K to community development and arts and culture organizations supporting primarily people of color. This includes previous partners such as the [Equal Justice Initiative](#), the [First Nations Development Institute](#), the [National Association of Latino Arts and Culture](#), the [Asian Pacific Fund](#) and [Race Forward](#) as well as new partners like [Stop AAPI Hate](#), the [Thurgood Marshall College Fund](#) and the [United Negro College Fund](#). We also increased our support for our local food bank partners, provided these grants as early as possible in 2021, and partnered with our Wellness team on a “Move for Food” initiative, which provided an additional \$30K to our food bank partners based on employee participation.

We also increased our giving to, and engagement with, organizations supporting those with disabilities in 2021, providing funding as a main sponsor for [Best Buddies](#) and [Disability Rights Advocates](#) annual galas and connecting a CSAA leadership team member to serve on the Board of Directors for Best Buddies California.

Financing Community Growth

CSAA’s Community Investments Program (CIP) invests in low-income and underserved communities by investing in projects that are responsive to community needs, qualify as green investments, and have a significant positive impact on the economic welfare of the community. The CIP operates with a Board of Directors–approved allocation of 1% of investments.

To date, \$52 million in CIP funds have been committed to increase low-income housing in California and Colorado, including \$7 million in 2021. The funding supported the creation of more than 750 units set aside for low-income families, seniors and veterans. The developments offer community services to support residents on their path toward economic stability and well-being. A further \$21 million of CSAA’s CIP funding supports environmental and community development in California, Nevada, Connecticut and Oregon through programs that spur private business growth in low-income areas.



Social



Taking Care of Our People

At CSAA, we are committed to promoting the health and well-being of our employees. A healthy “you” can translate into a happy, healthy community, inside and outside the company.

We recognize the importance of encompassing the broader holistic dimensions of well-being, rather than solely focusing on the absence of injury and disease, and offer a comprehensive, equitable and competitive benefits and well-being package to employees and their families. Our award-winning Living Healthy at AAA well-being program is built around Four Pillars of Well-Being: Social, Mental, Physical and Financial.

To support our employees in their personal development, philanthropic passions, and overall health, in 2021 we introduced Enrichment Time, expanding the available time employees can devote to volunteering, personal development, and well-being from 24 to 40 hours. This has allowed employees to participate in well-being events, educational opportunities and preventive care while still getting paid.



40
hours of
Enrichment
Time

for well-being events
educational opportunities
and preventive care



Social



Sound Body and Finances

CSAA employees can access a wide variety of health and well-being support to encourage healthy behaviors, such as completing preventive care, biometrics and vaccines, using virtual visits, setting healthy goals and more. Some highlights include:

- A nationally recognized Well-Being Program that engages employees to design and follow a custom well-being plan to improve, and be rewarded for health and lifestyle behaviors.
- Additional health support and company-funded health reimbursement programs that meet the diverse needs of our employees, such as fertility, LGBTQ+ and cancer support services, and no-cost weight loss and diabetes coaching programs.
- Subsidized cost for a fitness app that allows participants to work out anytime and anywhere. This is in addition to expanding our virtual programs to include all employees, regardless of work location.
- Tier 1 preventive drugs at no cost, and expanded health

coverage that includes treatments for acupuncture.

- Programs that support the financial health of employees, such as offering a rich 401(k) match of up to 6% of eligible pay; profit-sharing plan; 1:1 sessions with retirement counselors; company-paid life and disability insurance programs; and student loan repayment, scholarship and tuition reimbursement programs.
- Family-friendly programs such as adoption assistance, car seat reimbursement, parental pay for bonding.

Sound Mind and Connections

Mental well-being is a focus for CSAA, and we've continued our partnership with [One Mind at Work](#), a global employer-led coalition that works to improve mental health in the workplace.

- To support our employees, we hosted a panel of experts to talk about what they're seeing with trends as the pandemic continues, and to share resources.
- We offered weekly mini-retreats that allowed employees to connect

with one another as we led them through a journey of self-care and resilience.

- Our well-being team continues to work closely with our ERGs to address mental well-being for specific populations.
- We've trained employees across the company in Mental Health First Aid to help them understand and identify signs and symptoms of mental health conditions, lend a supportive ear, and direct employees to professional help.
- Our Employee Assistance Program (EAP) facilitated by Health Advocate supports employees, spouses, dependents, parents and parents-in-law with personal, family and work-related concerns. CSAA provides up to 10 free counseling sessions per issue.
- Listening sessions, where employees gather to share their struggles and discuss coping strategies to overcome life's inevitable challenges.



Social

Managing COVID-19

COVID-19’s continuation made 2021 another challenging year for customers, employees and our communities.

For employees who tested positive for COVID-19, we expanded paid sick leave with an additional 80 hours to provide added peace of mind.

All of our buildings have received the WELL Building Standard certification, signifying our facilities positively impact human health and well-being. The WELL Health-Safety Rating is an evidence-based, third-party-verified rating focusing on operational policies, maintenance protocols, stakeholder engagement and emergency plans to address a post-COVID-19 environment.

We implemented our trainings from [Realized Worth](#) to completely revamp our volunteerism program to adapt to COVID-19. We refocused on trans-formative rather than transactional virtual events that supported both CSAA employees and participating nonprofits, and trained and equipped volunteer leads with the skills to facilitate and lead virtual teams.

We began our partnership with [Visit.org](#) to connect with non-profits and their clients to provide meaningful virtual volunteer experiences for both our employees and the clients of nonprofit partners.

What’s Next?

- CSAA is hosting its biennial multi-day Inclusion Summit with the company’s leaders and representatives from our ERGs, with the goal of celebrating inclusion and learning through networking, workshops and presentations by guest speakers. The 2022 summit theme is “Reflect. Connect. Act: Empowered Individuals for Collective Impact.”
- In 2022, the company is expanding paid holidays from 11 to 12, which includes all 11 [federal holidays](#) and the day after Thanksgiving. For those required to, or who volunteer to work on holidays, we’re introducing a holiday flex program, which enables employees to either be paid the holiday pay or bank the time and use to observe an alternative day off of their choosing. From an I&B perspective,

- the holiday flex program will give employees the flexibility to celebrate a cultural holiday that’s not among our 12 or take a day off for other reasons.
- We’re transitioning to a new well-being platform in 2022 that will be hyper-personalized and powered by AI and machine learning to create daily personalized content and enable employees to easily incorporate new healthy habits into their daily routines.
 - The new platform will also allow us to integrate diversity, equity and inclusion directly within our well-being program with content and tools across more than 38 channels.
 - It will also allow us to better support social well-being by allowing employees to connect with one another, add friends from outside the company, initiate challenges with others, and support social groups.
 - This year a group of employees will complete a Mental Health First Aid “Train the Trainer” course so that they can lead Mental Health First Aid training for more of our employees.

- This year we’ll also use One Mind at Work’s new technology-based program that will allow us to measure and improve our mental well-being programs, including an assessment tool and organizational benchmarking.
- We’re working with our health and benefit carriers to identify gaps in coverage and social determinants of health to achieve greater health equity and well-being for everyone.
- Initiatives created in response to our assessment of equity, inclusion and belonging will be shared with all employees, and leaders will prioritize the new actions necessary and define accountability measures to continue strengthening our efforts.

Governance

A Personal Perspective:
Owen Blackford

Mitigating Risk, Ensuring Compliance

- Code of Conduct
- Our Board
- Compliance
- Enterprise Risk Management
- Regulatory Oversight
- Data Privacy and Security
- What's Next?





Governance



A Personal Perspective:

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While it has long been an area of strength, the governance side of our business is currently undergoing some exciting developments. This is due in large part to climate change, which is impacting our business risk across a multitude of domains, including impacts to the risks we insure for our policyholders, and opportunities in how and what products and services we deliver.

In 2021 we began to consider our governance with the lens of TCFD (Task Force on Climate-Related Financial Disclosures, developed by The Financial Stability Board) reporting, which looks at climate change from the opposite direction as most ESG work. ESG generally says, “Here’s how we’re being good stewards to the earth and climate change.” TCFD looks at how we are preparing for climate change impacts to our business and policyholders, recognizing that climate change and environmental impacts are already here, and we know they are going to continue.

We consider climate change a top risk and are working to integrate climate impacts into our business planning across all aspects of our business. This work is reviewed by the Audit Committee four times a year, and goes to the Executive Leadership Team and the Board once a year.



Governance



Mitigating Risk, Ensuring Compliance

CSAA has established a well-developed corporate governance structure that incorporates sophisticated private and public corporate best practices to ensure not only compliance with all legal and financial regulations, but also ethical conduct in everything we do.

Code of Conduct

Good governance begins with our Code of Conduct, which sets out the basic principles of ethical conduct for all employees, contingent workers and Board members, and which serves as a guidepost to relevant policies that support our ethical culture.

Examples of the principles addressed in the Code of Conduct include:

- Upholding a Safe and Respectful Workplace
(Equal Employment Opportunity, Anti-Discrimination, Preventing Harassment and Violence, Diversity and Inclusion)
- Responsible Stewardship
(Accounting and Records Management, Conflicts of Interest, Gifts and Entertainment, Protecting Employee and Customer Information, Claims Handling)
- Corporate and Social Responsibility
(Board Service, Commitment to the Environment, Political Activity, Government Affairs)

To further promote an ethical culture and minimize the fear of retaliation, we have an integrated ethics reporting helpline (operated by a third party) for employees to anonymously report suspected misconduct and submit ethics inquiries. The helpline is promoted on our intranet, and any complaints are reviewed and investigated, as appropriate.



Governance

Our Board

The CSAA Board of Directors is composed of 11 elected directors and three ex-officio voting members. Each director brings strong business leadership experience and strategic oversight expertise, as well as their diverse backgrounds, experience and perspectives.

The Board’s responsibilities include approving major policy decisions; selecting, evaluating the performance of, and approving compensation for, the CEO; approving the annual budget; defining decision-making authority for significant expenses, capital expenditures and substantive organization changes; providing expertise and counsel to management; and upholding and overseeing CSAA’s maintenance of an ethical business environment.

The Board has delegated authority to four standing committees: Audit Committee, Finance & Investment Committee, Compensation & Human Capital Committee, and Nominating & Governance Committee. The roles and responsibilities for each committee are defined by charter, and include oversight of a variety

of environmental, social and governance matters. For example, the Compensation & Human Capital Committee oversees management’s diversity and inclusion efforts and other human capital matters, and the Nominating & Governance Committee broadly assists the Board with all matters of corporate governance.

Compliance

Our Corporate Compliance function tracks ongoing compliance activities throughout the organization. We also have a separate, cross-functional Compliance Committee that provides oversight of the Compliance Program and sets the company-wide corporate compliance tone.

Corporate Compliance evaluates our compliance risk profile across a variety of compliance risk categories and reports to the Chief Legal Officer, who also serves as the Chief Compliance Officer reporting to senior management, the Audit Committee, and Board of Directors.

Enterprise Risk Management

Enterprise risk management (ERM) is ingrained in our culture and

organizational structure from the top down to ensure explicit risk decision-making. We have assigned clear ERM roles and responsibilities for the Enterprise Risk Office, led by the Chief Risk Officer; the Risk Committee, made up of C-suite members; the ERM Leadership Team; and management. Additionally, we have established a robust program to ensure appropriate oversight of top enterprise risks and traditional insurance company risks.

We use internal risk models to assess our risk profile and establish economic capital and solvency requirements, develop risk tolerance, allocate capital to individual products and geographies, establish targeted rates of return to be used in ratemaking, and aid in strategic and operational decision-making. The Audit Committee is responsible for overseeing the risk assessment and risk management process and structure, with the Board retaining visibility and involvement in the process.

Each year AM Best closely evaluates our balance sheet strength, operating performance, business

profile, and ERM program to rate our ability to meet our ongoing insurance obligations. In 2021 it determined that CSAA “has a well-established, formalized enterprise risk management process with strong to superior capabilities that are very well equipped to address its risk profile.” It also affirmed our financial strength rating of “A” and outlook of “stable”—a rating we have matched or exceeded for 92 years.

Regulatory Oversight

The lead insurer for CSAA (CSAA Insurance Exchange) is domiciled in California and licensed by the California Department of Insurance (DOI) as a property and casualty insurer. The insurance company subsidiaries that are part of CSAA Insurance Group are domiciled in Arizona, Indiana and New Jersey and are similarly licensed by the DOIs in each jurisdiction in which they are selling insurance.

CSAA Insurance Exchange and its insurance subsidiaries are subject to quarterly and annual financial reporting requirements and periodic examinations of financial status by



Governance

the DOIs in the states where they are domiciled.

In addition to the oversight exercised by domiciliary DOIs, each state in which an insurer does business exercises oversight of business practices conducted in the state. DOIs regulate the rates charged by insurers and review business practices using market conduct examinations.

CSAA Insurance Exchange and its insurance subsidiaries maintain good working relationships with insurance regulators in the jurisdictions where they do business and have had no material findings arising from financial or market conduct examinations.

Data Privacy and Security

We are committed to protecting the privacy and security of all personal information we maintain. All employees and contingent workers are required to comply with the company's privacy and security notices, policies, processes, and standards. In addition, we require employees and contingent workers to take an annual information security awareness course, as well as other role-based privacy and security training courses.

We continue to adapt to new privacy and security risks by introducing new trainings and updating existing training courses, policies, processes, standards, and technologies. During Cybersecurity Awareness month in October, we launched a month-long Cyber Expo, kicking off with a fireside chat led by the Chief Information Security Officer with an FBI field agent, followed by sessions on phishing, application security, data protection, privacy and incident response. In addition, we continue to implement privacy and security controls to reduce the likelihood of loss, misuse, or other inappropriate disclosure of personal information. Examples include ongoing testing and courses on email "phishing" and security best practices, and data classification and handling applications, among other initiatives.

2021 continued to present many challenges, including the COVID-19 pandemic and ongoing ways for our employees to work securely from home. While this continues to increase our cyber risk, our privacy and security teams continue to implement advancements in data privacy and security.

What's Next?

- We will continue to review and update our Board governance policies and processes to align with evolving governance best practices and the business needs of the organization.
- Privacy & Data Security
 - We will continue to monitor new and updated privacy laws to ensure compliance and update our privacy policies in the spirit of transparency with our customers.
 - We plan to do both general and targeted privacy trainings throughout the company, and we will continue to implement controls to continue to keep our customers' information confidential.
 - We will continue to conduct simulated privacy and data security exercises to prepare our cross-functional teams in case of an incident.
- Compliance
 - We will continue to incorporate compliance requirements into business planning and operations and facilitate advice and assistance to our business partners on the building of controls to address compliance risks.





CSAA Insurance Group,
a AAA Insurer