NAIC CLIMATE RISK DISCLOSURE SURVEY TCFD-ALIGNED QUESTIONS UPDATED 2022

GOVERNANCE

1. *Disclose the insurer's governance around climate-related risks and opportunities.*

In disclosing the insurer's governance around climate-related risks and opportunities insurers should consider including the following:

• Identify and include any publicly stated goals on climate-related risks and opportunities.

• Describe where climate-related disclosure is handled within the insurer's structure, e.g., at a group level, entity level, or a combination. If handled at the group level, describe what activities are undertaken at the company level.

A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.

In describing the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks, insurers should consider including the following:

• Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks.

B. Describe management's role in assessing and managing climate-related risks and opportunities.

On February 8, 2023, Argo Group entered into an Agreement and Plan of Merger with Brookfield Reinsurance Ltd. The merger was completed on November 16, 2023. Argo's approach to climate risk is evolving due to this change.

The Board of Directors has the ultimate responsibility for overseeing and approving the company's ESG strategy. Prior to the transaction with Brookfield, the Nominating and Corporate Governance Committee of the Board was responsible to oversee ESG matters to assist with the integration and embedding of ESG within the organizational strategy and processes. Post transaction with Brookfield Reinsurance, the Board's Audit & Risk Committee took over the responsibility of ESG governance and oversight.

The Argo Group risk management function has oversight of Climate-related risk and reporting. The risk management function is typically consulted if an environmental issue may impact Argo Group's business operations and/or insurance products. The CRO reports to the Audit and Risk Committee of the Board on any material issues that may arise. Our Sustainability Working Group (SWG) maintains a specific ESG/ sustainability threat and opportunity register, covering all aspects of climate change risk. This register is reviewed at least twice per year.

The Chief Risk Officer has executive responsibility and oversight of the Group's ESG program, supported by the Sustainability Working Group, and meets at a minimum on a quarterly basis. This is a cross-functional committee that oversees and champions the adoption of ESG-related initiatives and the company's external disclosures. The SWG provides operational oversight of developments in sustainability policy and implementation. Responsibilities include:

- Provide ongoing project management for sustainability efforts, including policy and reporting requirements.
- Review the material threats and opportunities facing Argo with respect to sustainability.
- Consider outcomes of ESG index rating reports produced about Argo and actions required.
- Review progress with existing action plans and set appropriate priorities, including monitoring Sustainability Key Performance Indicators (KPIs).
- Review regulatory and other external reporting commitments related to sustainability.

- Receive progress updates regarding sustainability initiatives and performance metrics including compliance training completion rate.
- Raise awareness, build stakeholder trust and identify collaborative opportunities throughout the organization.

Additionally, a detailed threat and opportunity analysis of major sustainability risks facing the organization is reviewed by the SWG with key issues escalated to the senior management and/ or Audit & Risk Committee of the Board. A risk assessment then considers both upside (opportunity) and downside (threat) risks that could impact Argo Group and measures the potential risk and exposure with controls and action plans documented and implemented, where appropriate.

From 2021, Argo Group has maintained an ESG Action Plan/ Dashboard which includes action items, owners and key performance indicators. This internal tool is reviewed and updated on a quarterly basis via the SWG and continues to track our progress against ESG-related metrics on an ongoing basis with relevant reporting shared with the senior management.

Argo Group's Exposure Management function is tasked with considering the influence of any climate change-related modelling on its property insurance portfolio and making recommendations.

Argo Group's Investment function is tasked with considering ESG factors, including Climate-related risks, related to investment portfolio exposures and overseeing quarterly ESG engagement with specific investment managers.

ESG-Related Policies

The Board approves corporate policies that serve as the rules and guidelines on ESG related matters across the lines of business and functions of the Group. Currently, there are 13 active policies and/or guidelines supporting various ESG subcategories i.e. Responsible Investment, Sustainable Underwriting, Diversity & Inclusion, Environmental Sustainability & Management, etc.

We plan to review and update our ESG related policies to align with our parent group where appropriate. We will continue to develop our Climate Risk Management framework across the Group in response to regulatory developments by the Bermuda Monetary Authority, the Securities and Exchange Commission and New York State Department of Financial Services, as well as developing global best practices.

STRATEGY

2. *Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy, and financial planning where such information is material.*

In disclosing the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy and financial planning, insurers should consider including the following:

• Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency. *

• Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations. *

A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.

In describing the climate-related risks and opportunities the insurer has identified over the short, medium, and longer term, insurers should consider including the following:

• Define short, medium, and long-term, if different than 1-5 years as short term, 5-10 years as medium term, and 10-30 years as long term.

B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.

In describing the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider including the following:

- Discuss if and how the insurer provides products or services to support the transition to a low carbon economy or helps customers adapt to climate-related risk.
- Discuss if and how the insurer makes investments to support the transition to a low carbon economy.

C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

As a US focused property and casualty insurer climate related risks are an extremely important consideration. Climate Risk is considered across Physical, Transition and Litigation risk types. At present Argo group does not formally partition risks into short term, medium term, and long-term risks.

Our commitment is to making improvements within our business operations while adopting a sustainable approach to caring for and safeguarding the environment.

We recognize climate change as a material emerging risk with potential impact on Argo Group's business operations, insurance products and clients. Argo maintains its own view of natural catastrophe risk informed by proprietary models, which is used to make underwriting and management decisions. It is based on a combination of third-party vendor models, plus our in-house adjustments specifically recognizing factors such as climate volatility.

As risk experts, we play an essential role in helping our stakeholders understand and adapt to the impacts of Climate-related risks. As such, the risk management framework captures the specific risk category of "Climate Risk," including within it three subcategories: Physical Risk, Transition Risk and Litigation Risk. The Group's Climate key risk indicators are identified under each sub-category, as part of our risk appetite framework.

Physical Risk

We recognize the physical risks from changing frequencies and intensities of weather-related perils. We take a balanced view of the potential underwriting opportunities for producing protection and resilience solutions to our clients in the face of climate risk. The Argo Group divested its reinsurance business and sold its Lloyd's operations which has significantly reduced catastrophe exposure, the group continues to evolve its own view of risk based on the latest modelling and climate science.

- Argo's end-to-end underwriting and exposure management platform provides live pricing and exposure data, enabling daily reporting against appetites and limits both gross and net of reinsurance.
- Regional optimization metrics allow the portfolio to be built on an account-by-account basis, targeting maximum return within approved limits.

Transition Risk

We consciously seek to contain our exposure to transition risk associated with a move to a low carbon economy by considering market changes in asset values, energy infrastructure and/or carbon regulation or taxation measures. Specifically, our alignment with the U.N. Principles for Responsible Investment ("UNPRI") offers guidance on ESG-related market practices and structures that help to inform future investment decisions.

- Argo's Responsible Investment Policy outlines our pledge to engage in proactive and collaborative communication for continued improvements of ESG-related business practices for positive financial returns.
- The company's Stewardship and Engagement Statement recognizes that we are responsible for exercising our rights to protect and enhance long-term investment value to generate the best yield on our returns by supporting sustainable value creation in our investments.
- Quarterly ESG performance reports from major investment managers help us understand ESG factors that could have a material impact on our investments. We evolve our portfolio based in part upon these reports. Investment performance is reviewed every quarter by the Investment Risk Review Group, with issues escalated as necessary to the Investment Committee of the Board.

- We have established key performance measures related to portfolio ESG rating and carbon intensity levels and set thresholds with our major investment managers to ensure we are not exposed to stranded asset risk associated with thermal coal and oil sands exposures.

Litigation Risk

We seek to avoid exposure to the impact of litigation associated with allegations of failure to mitigate or adapt to climate change risk or associated disclosure failures and therefore continue to monitor the ongoing regulatory developments relating to ESG and Climate Risk from the New York State Department of Financial Services and the U.S. Securities and Exchange Commission.

Operationally, we consider and quantify loss scenarios across all lines of business with respect to Climate-related litigation and incorporated these within our internal capital model as non-modelled risk ("NMR"). This ensures that climate litigation is factored into our view of economic capital for the business and therefore influences key metrics and outputs of the internal model.

RISK MANAGEMENT

3. *Disclose how the insurer identifies, assesses, and manages climate-related risks.*

In disclosing how the insurer identifies, assesses, and manages climate-related risks, insurers should consider including the following:

- Describe how the insurer considers the impact of climate related risks on its underwriting portfolio, and how the company is managing its underwriting exposure with respect to physical, transition and liability risk. *
- Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable. *
- Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered. *

A. Describe the insurers' processes for identifying and assessing climate-related risks.

In describing the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:

- Discuss whether the process includes an assessment of financial implications and how frequently the process is completed. *

B. Describe the insurer's processes for managing climate-related risks.

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.

In describing how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management, insurers should consider including the following:

- Discuss whether climate-related risks are addressed through the insurer's general enterprise-risk management process or a separate process and how frequently the process is completed.
- Discuss the climate scenarios utilized by the insurer to analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.
- Discuss the climate scenarios utilized by the insurer to analyze risks on its investments, including which risk factors are utilized, what types of scenarios are used, and what timeframes are considered.

A key overarching priority for 2024 is to continue to further integrate ESG best practices within our ERM framework, taking into consideration any material and regulatory developments, such as the BMA (management of climate risk for insurers), the SEC (standardization of Climate-related disclosures) and the New York State Department of Financial Services (management of financial risks from climate change). We will continue to consider our ESG KPIs across the business including Underwriting, Investments, Operations, Human Capital and Giving Back.

Physical Risk Appetite and KRI

Our underwriters are equipped with risk selection, aggregation monitoring tools and licensed RMS's proprietary climate change models which allows us to make climate risk physical scenarios both tangible and routinely reportable to help inform our Climate Risk strategy.

We consider and track four Intergovernmental Panel on Climate Change ("IPCC") recognized Representative Concentration Pathways ("RCPs") to be tracked against Argo Group's portfolio over different time horizons. We have chosen to set Board-level KRIs related to the RCP 4.5 (representing likely 2-degree temperature rise) and RCP 8.5 (likely 4-degree temperature rise) scenarios and report on these against 2030 and 2050 timelines. Our KRI defines an acceptable level of Cat exposure above the current level for the two scenarios with key threats being noted as 'acute'. The notional threshold of 125% of current exposure does not exceed RCP 8.5 by 2030 and RCP 4.5 by 2050.

Transitional Risk Appetite and KRI

Our Investment Guidelines contain a series of ESG performance metrics including Carbon Intensity limits, which are defined as the weighted average Carbon Dioxide equivalent discharges in tonnes per $1mm of income. Our Investment Managers apply proprietary MSCI analytical data feeds and report on our ESG performances on a quarterly basis using a Red, Amber, Green (RAG) escalation model against our (transitional) Climate Risk threshold. Should an Investment Manager report they have breached their investment ESG and carbon intensity limits within their portfolio and/or are unable to provide respective compliance reports (Red and Green status), this would then be escalated.

Litigation Risk Appetite and KRI

Our Litigation Climate Risk KRI ensures our claims/ complaints are within our threshold limits using a Red, Amber, Green ("RAG") escalation model. Argo's Emerging Risk Working Group periodically scans the external climate environment and emerging trends against Argo Group's portfolio. Management judgement that may be interpreted as accepting liability for any specific cases is then captured within a qualitative report by the Chief Claims Officer. Initial oversight of the KRI remains with the Chief Claims Officer and Emerging Risk Working Group. Any claims which may evidence climate litigation impacting Argo's claim portfolio or where there are one or more Climate-related cases within the specialty insurance market are escalated. This KRI helps to identify and limit the exposure associated with allegations of failure to mitigate or adapt to climate change risk and/or failures to disclose.

Sustainable Underwriting Guidelines

In March of 2023, the Argo Underwriting Committee published a company-wide guideline for Sustainable Underwriting, establishing key principles for Argo underwriting activities in consideration of Environmental, Social, and Governance (ESG) risk factors. The guideline addresses key principles, definitions and business strategies to be followed. In addition, the Argo Underwriting internal communication site publishes a watchlist directing underwriters to exclude or refer carbon sensitive related risks, based on classes, location, or specific projects.

Responsible Investment Policy

Argo has committed to a Responsible approach to investment management and is a signatory to the United Nations Principles for Responsible ("PRI") scheme. It will therefore meet any associated disclosure requirements and consider mandatory PRI requirements in its management of assets and Investment Managers. Our KPIs are reinforced by our Group-wide implemented Responsible Investment Policy. We have advised our investment managers to not invest in any new investments that derive 30% of their revenue or more from either Coal Mining or Oil Sands.

ESG Materiality

Our Sustainability's Working Group (SWG) collaborates with and is informed by its Emerging Risk Working Group on a bi-annual basis noting any internal and external developments related to ESG matters, including climate change. The SWG has implemented and ESG and sustainability threat and opportunity register where any key or trending ESG-related activities are considered and a risk rating applied. This risk assessment considers both upside (opportunity) and downside (threat) risks that may impact Argo Group's business operations and reputation which is reflected via a threats and opportunities 'heat map'. Where applicable, any controls and action plans are considered and documented against our key areas of focus can be categorised as follows (by latest risk-rating):

1. Regulatory influence
2. NGO Pressures
3. ESG Ratings
4. Underwriting activities, trends and implications
5. Investments activities, trends and implications
6. Diversity & Inclusion matters (social)
7. Strategic developments
8. Environmental/GHG changes and trends

METRICS AND TARGETS

4. *Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.*

In disclosing the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material, insurers should consider including the following:

• Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please specify for which climate-related risks the insurer uses catastrophe models to assess, if any.

A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.

In disclosing the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process, insurers should consider including the following:

• In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions.

B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

* Asterisks represent questions derived from the original Climate Risk Disclosure Survey.

Refer to the Risk Management section above for further information on Argo's Climate Risks and KRIs.

Argo Group continues to work towards integrating climate risk scenarios analysis into our risk management framework, using the RMS climate change model representation of two recognized scenarios to define a threshold for an increase in Argo Group's catastrophe probable maximum loss and to ensure this is used to inform strategic planning. This model allows the impact of four IPCC recognized Representative Concentration Pathways (RCPs) to be tracked on Argo Group's portfolio over different time horizons and informs our Key Risk Indicators (KRIs) related to the RCP 4.5 (representing likely 2-degree temperature rise) and RCP 8.5 (likely 4-degree temperature rise) scenarios and report on these against 2030, 2050 and 2080 timelines. We look to support our underwriters with risk selection and aggregation monitoring tools and licensed RMS's proprietary climate change models which allows us to make climate risk physical scenarios both tangible and routinely reportable to help inform our Climate strategy.

Using the International Standard for Organization (ISO) 14064-1, we established organizational boundaries to collect and report on our greenhouse gas (GHG) inventory and have noted that GHG emissions across the Group continue to decline from 2019 (baseline). 2023 annual results over the 2019 baseline can be noted as follows:

- **GHGs**
  - -71% reduction in overall MTCO2e generated across Argo Group
- **Scope 2**
  - -34% reduction in energy consumption
- **Scope 3**
  - -77% reduction in business travel
  - -89% reduction in paper consumption
  - 85.5 MTCO2e across Argo's investment portfolio (out of MSCI's 150 benchmark, as calculated and reported by Argo Group's Investment Manager)

We continue to identify ways to reduce our operational impact and carbon emissions with a focus on:

- **Paperless environment.** Whenever possible, we keep printing to a minimum in all offices.
- **Recycling.** To divert waste from landfills, we encourage all employees to recycle, including our e-waste within our operations.
- **Greenhouse Gas Reductions.** With our corporate restructuring, our GHGs targets is currently being reassessed.