SURVEY QUESTIONS

The insurance underwritten by Assured Guaranty Municipal Corp. (hereafter referred to as "AGM" or the "Company")[1] protects holders of debt instruments and other monetary obligations from defaults by obligors on scheduled payments, including scheduled interest and principal payments. AGM's insured portfolio consists primarily of financial guaranty insurance (and reinsurance) on debt obligations issued in the public finance and infrastructure markets, including municipal bonds issued by United States ("U.S."), United Kingdom ("U.K.") and other state and governmental authorities and notes issued to finance infrastructure projects. AGM also has a small legacy portfolio of insured structured finance obligations. As a guarantor of these lines of business, AGM does not take direct insurance exposure to the occurrence of natural hazards. AGM, however, does face the risk that the ability of an insured obligor to pay scheduled debt service may be impaired by (i) climate-related events, including disruption of operations due to storm damage, rising sea levels, extreme temperatures, or wildfire, (ii) costs of the obligor associated with managing both chronic and acute climate risks, such as maintaining insurance and reinforcing infrastructure, and (iii) other consequences of the increasing frequency, severity and duration of natural hazards, such as out-migration and transition risk.

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.*

Governance: AGM is an indirect subsidiary of Assured Guaranty Ltd., a Bermuda-based holding company ("AGL" and, together with AGM and its other affiliates, "Assured Guaranty") that provides, through its insurance subsidiaries, credit protection products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets. Assured Guaranty also participates in the asset management business through its ownership interest in Sound Point Capital Management, LP and certain

[1] On August 1, 2024, AGM merged with and into its affiliate Assured Guaranty Inc. (f/k/a Assured Guaranty Corp.) ("AG"), with AG as the surviving entity. Upon the merger, by operation of law, AGM-insured bonds, notes and other instruments became guaranteed obligations of AG, remain in full force and effect, and have the same terms as when they were issued. The only difference is that claims, if any, will be paid by AG. This survey response is being submitted on behalf of AGM for Reporting Year 2023. The merger does not materially affect or alter any of the responses provided herein because AG, like AGM, is (i) a financial guarantor of municipal, infrastructure and structured finance transactions, and (ii) a member of the Assured Guaranty group and, as such, subject to the same group-level, enterprise-wide approach – and stand-alone, company-level approach – to managing risks, including climate-related risks, as AGM was prior to the merger. See further below under "Governance".

of its investment management affiliates.

Assured Guaranty employs a group-level, enterprise-wide approach to managing risks, including climate-related risks. Climate-related risks are integrated into Assured Guaranty's broad existing enterprise risk management framework and processes, rather than being isolated or *"siloed"* as a stand-alone issue to be considered independently and outside of Assured Guaranty's general risk management framework.

At the group level, the AGL Board of Directors ("AGL Board") and certain of its committees oversee the assessment and management of risks (including climate-related risks) conducted by AGL's Chief Executive Officer and other members of the senior leadership team. The Environmental and Social Responsibility Committee and the Risk Oversight Committee of the AGL Board have primary responsibilities to oversee environmental risks (including climate-related risks), opportunities and stewardship. Other AGL Board committees (e.g., Audit and Finance) oversee environmental risks to a more limited degree as and to the extent these risks extend within such committee's purview.

At the Company level, AGM's Board of Directors ("AGM Board") is ultimately responsible for overseeing the management of climate-related risks within AGM's particular business strategy and risk appetite. For this purpose, the AGM Board receives and reviews presentations at each of its quarterly meetings that reflect the collaborative work of the Underwriting, Credit, Surveillance and Risk Management groups in identifying, assessing, and managing the impact of environmental risk, including developing objective risk measures, metrics, and methodologies. AGM's Chief Risk Officer is designated as the AGM Board member and member of AGM senior management responsible for overseeing AGM's management of climate-related risks.

Climate-related Disclosure: AGL is a public company whose shares trade on the New York Stock Exchange; AGL is subject to the reporting requirements of the U.S. Securities and Exchange Commission ("SEC"). In its SEC filings and on its public website, AGL provides information at both the group level and for its individual financial guaranty insurance subsidiaries, including AGM. AGL's public disclosures relating to its identification, assessment, and management of risks, including climate-related risks, are the result of a collaborative and cross-functional process that involves review and input from across the organization. AGL has a Disclosure Committee whose members include the following members of AGL senior management and/or other AGM officers: the Chief Executive Officer, Chief Financial Officer, General Counsel, Chief Credit Officer, Chief Risk Officer, Chief Surveillance Officer, Chief Accounting Officer, Chief Investment Officer, Chief Compliance Officer, Chief Actuary, Senior Managing Director, Investor Relations and Corporate Communications, Treasurer, Counsel, Corporate and Regulatory, and Senior Managing Director, Financial Reporting and Controls.

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.

Senior Management: The Company has a network of management committees that meet regularly and are tasked with establishing and guiding the execution of the Company's risk management philosophy, strategy, and culture, including with respect to climate-related risks. These committees are comprised of senior management members from across the organization who are responsible for the underwriting, credit approval, surveillance, legal, risk management and actuarial functions of the Company. These committees are the key decision-making bodies for AGM.

The cross-functional membership of these committees provides a forum for the Company's senior management to collaborate and coordinate on the Company's objectives and align its risk appetite with the Company's business strategy, including the identification, assessment, and management of climate-related risks.

AGM's Chief Risk Officer is designated as the AGM Board member and member of AGM senior management responsible for overseeing AGM's management of environmental risks.

In addition to the above-described management committees, an Environmental Risk Task Force, which brings together senior members of the Company's Underwriting, Credit, Surveillance and Risk Management departments, meets bi-weekly to review the continued development and implementation of additional capabilities and enhancements made to the Company's climate risk assessment framework. Members of this task force combine their respective expertise and collective experience in reviewing and surveilling public finance and infrastructure transactions, with the goal of enhancing and refining the Company's strategy for assessing environmental risk by integrating qualitative analysis with quantitative metrics to develop underwriting criteria and determine risk limits.

Does the insurer have publicly stated goals on climate-related risks and opportunities?
(Y/N) **Yes**

• Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk?
(Y/N) **Yes**

• Does management have a role in assessing climate-related risks and opportunities?
(Y/N) **Yes**

• Does management have a role in managing climate-related risks and opportunities?
(Y/N) **Yes**

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.*

As noted above, as a financial guarantor of public finance, infrastructure and structured finance transactions, AGM does not take direct exposure to the occurrence of natural hazards, but does face the risk that its insured obligors' ability to pay scheduled debt service may be impaired by (i) climate-related events, including disruption of operations due to storm damage, rising sea levels, extreme temperatures, or wildfire, (ii) costs of the obligor associated with managing both chronic and acute climate risks, such as maintaining insurance and reinforcing infrastructure, and (iii) other consequences of the increasing frequency, severity and duration of natural hazards, such as out-migration and transition risk.

Global climate change and climate-related regulation may affect general economic conditions and may disproportionately impact particular sectors, industries or regions. The geographic location of an existing or prospective insured obligor, therefore, is an important consideration in the Company's U.S. municipal finance underwriting and surveillance processes, as an issuer's locale often defines its service area and determines its revenue source. It is possible that flooding, sea level rise, storm surge, heat/drought or wildfire may disrupt the operations of an obligor in a particular region or location and/or adversely affect the obligor's financial condition, either in the immediate aftermath of an extreme weather event or for an extended period of time.[2]

The Company is also exposed indirectly and to a limited degree to climate-related trends and events that might impair the performance of securities in its investment portfolio. Environmental issues, including regulatory changes, changes in supply or demand characteristics of fuels, and extreme weather events, may impact the creditworthiness of specific issuers and industries and, therefore, could affect the value of any securities in AGM's investment portfolio issued by such issuers and/or members of such industries. AGM's investment portfolio, however, is comprised predominantly of fixed-income U.S. government, U.S. agency and U.S. municipal bonds and the Company generally has the practical ability through security sales to adjust its investment exposure, as necessary, to sectors and/or geographical areas that face severe risks due to climate change or climate-related regulation.

Since 2019, the Company's investment guidelines have included material environmental factors to enhance the quality of AGM's investment decisions. AGM's investment managers, who are required to adhere to the Company's investment guidelines, rely on their respective corporate investment philosophy statements and use information regarding sustainability and responsible business practices, along with a variety of other economic factors, including risk and valuation metrics, when conducting research and due diligence on new investments, and again when monitoring investments for AGM's investment portfolio. On an annual basis, the Company requests and reviews reports from its primary investment managers on any material non-financial risks that may adversely impact returns. Since 2016, the Company's investment guidelines have also curtailed any new investments in thermal coal enterprises. As a consequence, AGM does not make any new investments in (i) thermal coal enterprises that generate 30% or more of their revenue from either the ownership, exploration, mining, or refining of thermal coal, and (ii) utilities that generate 30% or more of their electricity from thermal coal.

Climate-related Opportunities: A changing climate also presents opportunities for the Company. The increasing importance of climate resilience, curbing greenhouse gas ("GHG") emissions, and providing the funding necessary to support the transition towards environmental sustainability presents strategic opportunities for AGM to create value while addressing important economic and environmental issues. As communities continue to become more climate resilient, regulators pass clean energy mandates, and governments undertake to curb emissions, issuers will likely access the capital markets to finance infrastructure improvements, renewable energy generation and new technologies. This expected increased bond issuance provides AGM opportunities for enhanced financial guaranty revenue given

[2] The cited examples of climate events or conditions are provided for illustrative purposes and should not be interpreted as characterizing the materiality, probability, or financial impact of such risks. For a discussion of risks that Assured Guaranty has determined could be material, please refer to the "Risk Factors" disclosure in Assured Guaranty's SEC Form 10-K, dated February 28, 2024 (https://d18rn0p25nwr6d.cloudfront.net/CIK-0001273813/26db8d8e-8fec-4219-b73f-7c4274924028.pdf).

AGM's knowledge and experience in public and project finance. For example, in 2023, the Company insured bonds whose proceeds were used to finance (i) electric system gird improvements to allow for increased use of renewable energy and infrastructure reinforcements to withstand extreme weather events, (ii) capital projects to assist in meeting mandates to reduce GHG emissions, and (iii) construction of waterworks wastewater and storm drainage improvements.

In addition to bond insurance opportunities a changing climate may present for AGM, the Company's affiliate, AG Analytics LLC, is exploring possibilities with a geospatial data analytics company specializing in climate change/risk analysis and its effect on cities and states, for the possible development of a data-centric analytic approach for participants in the municipal bond market.[3]

> *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. *

Engaging Key Constituents: As a regulated insurer and subsidiary of a public company, AGM has several stakeholders who may have an interest in the Company's climate risk management and resiliency, including:

- *Regulators:* AGM is regulated by the New York State Department of Financial Services ("NYDFS"). The NYDFS in November 2021 issued its *"Guidance for New York Domestic Insurers on Managing the Financial Risks from Climate Change"* (the "Guidance") outlining the NYDFS' expectations for the insurance industry's approach to managing the financial risks associated with climate change. The Company continually monitors regulatory developments and/or reporting requirements applicable to it, including, but not limited to the Guidance, and works to satisfy its regulatory obligations.

- *Investors/Policyholders:* As a publicly traded company, AGL actively engages with equity shareholders as well as fixed income investors in order to obtain stakeholder feedback. During these discussions, which are typically facilitated by AGL's Investor Relations group, AGL provides shareholders and investors an opportunity to discuss sustainability matters that are relevant to Assured Guaranty. The Investor Relations groups also fields inquiries from policyholders.

- *Employees*: Employees are another important constituency. Assured Guaranty realizes that its employees are a valuable resource and critical ally in furthering its environmental stewardship objectives. Assured Guaranty encourages employees to use resources such as energy, paper, and water more responsibly, and enables employees to recycle by providing ample recycling bins at workstations and in common areas. Assured Guaranty also supports employees in reducing their

[3] The foregoing examples of strategic opportunities are provided for illustrative purposes and should not be interpreted as characterizing the materiality, probability, or financial impact of such opportunities.

environmental impact by offering mass transit incentives for commuting and green cars for corporate travel.

Business Operations: Given the nature and scope of Assured Guaranty's business, Assured Guaranty believes that the direct impact of its operations on the environment is relatively small. Although Assured Guaranty is not a significant direct emitter of GHG emissions, Assured Guaranty has undertaken a number of initiatives to reduce its impact on the environment. Since 2016, over 95% of Assured Guaranty's employees work in office buildings which are U.S. Green Building Council's LEED or U.K. BREEAM certified. Assured Guaranty equips all of its locations with video conferencing capabilities to reduce the need for travel amongst offices and employs innovations such as hyper-convergence of IT infrastructure, cloud storage and virtual servers to reduce its carbon footprint. Assured Guaranty also endeavors to further minimize its environmental impact by employing best practices in facilities management in the areas of consumption, recycling and waste management, and procurement, where practicable. As discussed below in response to Question 4.B., Assured Guaranty measures and reports its GHG emissions.

The physical effects of climate change on Assured Guaranty's business operations are not likely to be material. Assured Guaranty leases its offices. Investments in technology and the regular testing of its business continuity plan allow Assured Guaranty to quickly pivot to remote work. As demonstrated throughout the Covid-19 pandemic, Assured Guaranty is able to conduct its business on a fully remote basis.

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 1-5years as short term, 5-10years as medium term, and 10-30years as long term.

Financial guaranties issued by AGM insure the credit performance of the guaranteed obligations over an extended period of time, in some cases over 30 years, and, in most circumstances, AGM has no right to cancel its guaranties.

Over the course of time, chronic physical risks associated with a changing climate, such as coastal erosion, drought related disruption of farming, intense heat waves and/or frequent flooding, and related consequences, such as out-migration due to the unavailability or affordability of insurance or aging infrastructure, may stretch and stress an obligor's financial resiliency. On the positive side, the long-dated nature of the Company's financial guaranties affords its insured obligors an opportunity to address climate change through adaptation and mitigation measures. Further, the obligations insured by the Company's financial guaranties amortize over time, thus reducing the Company's exposure to obligors over the life of the guaranties, and, in the event an obligation insured by a particular Company financial guaranty is accelerated, the Company cannot be forced to pay the accelerated amount under its guaranty except at the Company's sole option.

Examples of climate-related risks that can manifest in the short- or medium-term include disruptions caused by the aftermath of an extreme weather event, transition risk leading to asset or sector devaluation, and the potential impact of regulatory or other changes that could affect an insured obligor's ability to repay the insured obligation. Regarding the latter, when considering whether to guaranty a new bond issuance by an investor-owned or municipal electric utility and when monitoring the ongoing performance of such obligors within its existing insured portfolio, AGM takes into consideration the potential impact of regulatory changes mandating that electric utilities reduce carbon emissions or increase their use of alternative energy sources on such entities' profitability and viability.

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.

Please refer to the responses to Questions 2 and 2.A. above. AGM is a financial guarantor of public finance, infrastructure and structured finance transactions; AGM does not take direct exposure to the occurrence of natural hazards, but does face the risk that its insured obligors' ability to pay scheduled debt service may be impaired by the impact of climate related events.

As a financial guarantor, AGM does not provide consumer or retail insurance products or services.

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

Recent extreme weather events reveal the difficulty of calculating the probability, frequency, and severity of natural disasters due to the unpredictability of changes in climate trends. Although AGM does not take direct exposure to the occurrence of extreme weather, when underwriting a financial guaranty transaction located in a geographic area prone to environmental disruptions, the Company's underwriting process incorporates climate assumptions and probabilistic events for stress testing purposes. Internal and external data is used to model multiple scenarios, such as varying magnitudes of storm surges and sea level rise, to estimate potential losses associated with the occurrence of a catastrophic weather event that may have a financial impact on the insured obligor. In addition, when underwriting a financial guaranty transaction located in a geographic area prone to environmental disruptions, the Company's underwriting and credit teams may meet with an obligor's management and conduct site visits during the course of due diligence to better understand actions taken by the obligor to mitigate the impacts of climate change. Further, as noted above, Assured Guaranty's Environmental Risk Task Force, which is comprised of senior members of the Company's Underwriting, Credit, Surveillance and Risk Management departments, meets regularly to review and refine the Company's climate risk assessment tools and approach. The Company also continually updates its climate risk analysis as new data and modeling become available.

Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency?
(Y/N) * **Yes**

• Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk?
(Y/N) **No**

• Does the insurer make investments to support the transition to a low carbon economy?
(Y/N) **No**

• Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations?
(Y/N)* **Yes**

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.*

The Company has long considered environmental impacts as part of its underwriting process, in particular with regard to U.S. public finance transactions. AGM continues to enhance its approach to the consideration of climate risk in the underwriting, credit approval, and surveillance of its insured exposures and has integrated climate risk into its risk management and control functions, as described above.

The Company's assessment of how climate-related risks may impact a prospective insured obligor's ability to pay scheduled debt service is informed by its extensive experience in municipal finance, coupled with proprietary analytics and third-party data and insights. To improve the Company's understanding of climate change and to develop the analytical tools needed to assess, measure, and manage the related financial risks, the Company has been investing in both talent and technology. The Company's risk management resources include climate science expertise working to develop and continually refine an internal climate risk assessment framework. The Environmental Risk Task Force, which brings together senior members of the Company's Underwriting, Credit, Surveillance and Risk Management departments, meets bi-weekly to track, discuss and advance implementation of the Company's climate risk assessment framework. The climate risk assessment framework, which supports underwriting and credit approval, surveillance and risk management functions, categorizes and evaluates natural hazards by type (hurricanes, coastal/river flooding, droughts, tornadoes, earthquakes and wildfires), event frequency and severity, while taking into consideration mitigating factors such as infrastructure and economic resilience.

Underwriting and Credit Approval. Credit underwriting submissions are required to include an assessment of environmental and/or transitional risk factors as part of the underwriting analysis. Specifically, the vulnerability of obligors is evaluated with respect to climatic changes (e.g., sea level rise, droughts), extreme weather events (e.g., hurricanes, tornadoes, floods) or geological events (e.g., earthquakes, volcanoes) as well as resilience factors (e.g., mitigation capabilities, adaptation capacity) to determine if such environmental issues could materially impact an obligor's expected performance. As part of the credit underwriting process, AGM takes into consideration an obligor's potential exposure to various risks, including natural catastrophes such as earthquake, windstorm, or flooding (including future demographic changes, population shifts, infrastructure needs and the associated risks and costs), and how those risks might affect the obligor's ability to repay the insured debt. Because AGM insures long term risks that are non-cancellable, it could potentially be affected if climate change has a long-term effect on the economic viability of an entity whose obligations it insures.

Surveillance. In addition to informed and disciplined underwriting, the Company manages risk, including climate risk, in its insured portfolio through a robust surveillance process. The primary objective of the surveillance process is to monitor trends and changes in transaction credit quality, detect any deterioration in credit quality, and recommend remedial actions to management. The Company's Surveillance personnel are responsible for monitoring and reporting on the performance of each risk in its insured (and reinsured) portfolio. Municipal Surveillance uses screening criteria, such as size of exposure and credit quality, to select credits when evaluating the potential impact of natural hazards on debt service payments.

Risk Management. Assured Guaranty has established an enterprise level risk appetite statement, approved by the AGL Board, and risk limits, including single risk, sector, and country (geographic) limits, which govern Assured Guaranty's risk-taking activities, with similar documents governing the activities of each operating subsidiary such as AGM. Risk Management personnel monitor a variety of key risk indicators on an ongoing basis and work with the business units to take the appropriate steps to manage Assured Guaranty's established risk appetites and tolerances. Risk Management also uses an internally developed capital model to project potential credit losses in the insured portfolio as well as potential ultimate losses on alternative investments, and analyze the related capital implications for Assured Guaranty, and performs stress and scenario testing to both validate model results and assess the potential financial impact of emerging risks.

The Chief Risk Officer and other risk management personnel are separate from the business units and are responsible for developing the risk management framework, ensuring applicable risk management policies and procedures are followed consistently across business units, and for providing objective oversight and aggregated risk analysis. The Company's Internal Audit function provides independent assurance around effective risk management design and control execution.

Quarterly risk reporting keeps the AGL Board and its Risk Oversight Committee, senior management, the business units and functional areas informed about material risk-related developments. At least once each year, Risk Management personnel prepare an Own Risk and Solvency Assessment for AGM which reports the results of capital modeling, the status of key risk indicators and any emerging risks.

The Company's Risk Management group continually monitors developments and addresses risks strategically and according to the materiality of such risks. As data about climate-related financial risks evolves and matures, the Company adapts and adopts appropriate qualitative analysis and quantitative methodology and metrics. For example, the Risk Management team continues to review historical data and forward-looking projections to determine that, to the extent any such risks manifest, the Company's excess capital exceeds the stress case scenarios. In addition, the Company employs a climate risk professional to assist in the development of regional limits based on correlation and expected severity.

As a financial guarantor, AGM does not provide consumer or retail insurance products or services.

Please refer to the response to Question 2 above for a discussion of the consideration of ESG risks in the investment portfolio.

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.*

Please refer to the response above describing the consideration of climate-related risk in the Company's underwriting process.

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

Please refer to the response above describing the Company's risk management function.

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

Please refer to the response above describing the Company's risk management function.

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.

The Company's established risk management framework focuses on the identification, measurement, management and reporting of credit risks, as well as other enterprise risks, including, but not limited to, market, financial, investment, liquidity, legal, operational, and reputational risks and, climate-related risk. The Company, in short, has integrated climate-related risk into its broad existing risk management framework and processes, rather than isolating or "siloing" climate-related risk as a stand-alone issue to be considered independently and outside of the Company's general risk management framework.

As described above, the Company considers environmental risk in its insurance underwriting, credit approval, surveillance and investment processes and manages its insurance and investment risks by maintaining well-diversified portfolios of insurance and investments both geographically and by sector, restraining underwriting in high-risk areas or sectors, as appropriate, and monitoring these measures on an ongoing basis. While the Company can adjust its investment exposure to sectors and/or geographical areas that face severe risks due to climate change or climate change regulation, the Company has less flexibility in adjusting the exposure in its insurance portfolio because the financial guaranties issued by AGM insure the credit performance of the guaranteed obligations over an extended period of time, in some cases over 30 years, and, in most circumstances, AGM has no right to cancel such insurance. As noted above, however, obligations insured by the Company's financial guaranties amortize over time and the Company cannot be accelerated against.

Does the insurer have a process for identifying climate-related risks?
(Y/N) **Yes**

o If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process?
(Y/N) **Yes**

• Does the insurer have a process for assessing climate-related risks?
(Y/N) **Yes**

o If yes, does the process include an assessment of financial implications?
(Y/N) **Yes**

• Does the insurer have a process for managing climate-related risks?
(Y/N) **Yes**

• Has the insurer considered the impact of climate-related risks on its underwriting portfolio?
(Y/N/Not Applicable)* **Yes**

• Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks?
(Y/N)* **No**

• Has the insurer considered the impact of climate-related risks on its investment portfolio?
(Y/N)* **Yes**

• Has the insurer utilized climate scenarios to analyze their underwriting risk?
(Y/N) **Yes**

• Has the insurer utilized climate scenarios to analyze their investment risk?
(Y/N) **No**

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.

AGM is a financial guaranty insurer; it does not provide property insurance coverage or insure risks associated with the direct impact of natural disasters or extreme weather events. AGM, does, however, integrate environmental considerations, including the consequences and costs of physical, transition and regulatory risk, into its credit and underwriting process and ongoing surveillance review of its insured portfolio in order to understand and assess how climate-related risks may translate into financial risk. AGM maintains internal and statutory risk limits, including issuer, sector, and geographic limits.

The Company's Risk Management group uses an internally developed capital model to project potential credit losses in the insured portfolio and analyze the related capital implications for the Company and performs stress and scenario testing to both validate model results and assess the potential financial impact of emerging risks. Quarterly risk reporting keeps senior management, the AGM Board, the business units, and functional areas informed about material risk-related developments. At least once each year, Risk Management personnel prepare an Own Risk and Solvency Assessment for the Company which reports the results of capital modeling, the status of key risk indicators and any emerging risks.

With respect to its investment portfolio, the Company's investment managers rely on their respective corporate investment philosophy statements and use information regarding sustainability and responsible business practices, along with a variety of other economic factors, including risk and valuation metrics, when conducting research and due diligence on new investments, and again when monitoring investments for Assured Guaranty's investment portfolio. On an annual basis, the Company requests and reviews reports from its primary investment managers on any material non-financial risks that may adversely impact returns.

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)

Assured Guaranty establishes exposure limits and underwriting criteria for obligors, sectors, and countries, and for individual insurance transactions. Risk exposure limits for single obligors are based on Assured Guaranty's assessment of potential frequency and severity of loss as well as other factors, such as historical and stressed collateral performance. Moreover, these limits are further constrained by both regulatory limits and rating agency requirements. Sector limits are based on Assured Guaranty's view of stress losses for the sector and on its assessment of correlation. Country limits are based on the size and stability of the relevant economy, and Assured Guaranty's view of the political environment and legal system. All of the foregoing limits are established in relation to Assured Guaranty's capital base.

The Company continually monitors developments and addresses risks strategically and according to the materiality of such risks. As data about climate-related financial risks evolves and matures, the Company enhances its qualitative and quantitative methodology and metrics for assessing such climate-related financial risks and establishing criteria and/or limits.

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

As noted above, as a financial services firm with approximately 350 employees, the direct impact of Assured Guaranty's operations on the environment is relatively small. Assured Guaranty contributes to the global effort to combat climate change by monitoring its GHG emissions. Pursuant to the Greenhouse Gas Protocol, Assured Guaranty conducts internal data collection and analysis annually for its Scope 1, Scope 2 and certain key Scope 3 GHG emissions. In 2022, the most recent year for which data is available, Assured Guaranty's total GHG emissions (using location-based Scope 2) equaled approximately 3,147 total tonnes of CO_{2e}. Assured Guaranty's methodology and results are reviewed by an independent third party, which conducts a reasonable assurance review for Scopes 1 and 2 emissions and a limited assurance review for Scope 3 emissions, in accordance with ISO 14064-3 International Standards.

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

As a financial guarantor of public finance, infrastructure and structured finance transactions, AGM does not take direct insurance exposure to the occurrence of natural hazards, but does face the risk that its obligors' ability to pay debt service may be impaired by the impact of climate-related events. AGM assesses environmental risks in its financial guaranty business, including by requiring that underwriting submissions include a consideration of environmental factors as part of the analysis. Vulnerability to significant or unmitigated exposure to physical risks, such as the increased severity, frequency or duration of weather events or rising sea levels, or the emergence of transition risks, are considered alongside other relevant risk factors to determine if such environmental issues materially impact an obligor's expected performance. The nature of the Company's financial guaranty insurance business and its potential exposure to climate-related financial risk does not, at this time, warrant the use of quantitative metrics or targets specific to climate-related risks and opportunities. As described above, the Company utilizes exposure limits and underwriting criteria for obligors, sectors, and countries, and for individual insurance transactions based on its assessment of potential frequency and severity of loss as well as other factors, such as historical and stressed collateral performance.

Does the insurer use catastrophe modeling to manage your climate-related risks?
(Y/N) **Yes**

• Does the insurer use metrics to assess and monitor climate-related risks?
(Y/N) **Yes**

• Does the insurer have targets to manage climate-related risks and opportunities?
(Y/N) **No**

• Does the insurer have targets to manage climate-related performance?
(Y/N) **No**