



## **Governance**

ELCO sells life insurance and annuities and does not anticipate substantial financial exposure resulting from climate change due to the nature of ELCO's business. ELCO has an ERM committee that meets regularly and climate change risks are included in ELCO's overall risk management program. ELCO's risk management program is reviewed by the Audit Committee of ELCO's Board of Directors at least annually. ELCO uses an outside investment manager that considers a variety of factors, including climate change, as it actively maintains ELCO's investment portfolio.

## **Strategy**

ELCO does not anticipate any climate-related risks or opportunities because ELCO only sells life insurance and annuities. ELCO has taken steps to reduce energy consumption at its Home Office, including installing energy saving light fixtures, upgrading the HVAC system, and beginning to transition data systems and storage to cloud-based systems.

## **Risk Management**

ELCO's Chief Risk Officer and Chief Compliance Officer are primarily responsible for identifying risks which could substantially impact ELCO's business. Climate-related risks are assessed and evaluated as part of ELCO's ERM process. Climate-related risks do not have a direct impact on ELCO's operations. However, ELCO has business continuity and disaster recovery plans in place should a climate-related event impact ELCO's Home Office.

ELCO considers the impact of climate-related risks on its underwriting portfolio to be minimal as ELCO primarily writes life insurance and annuities. For this reason, ELCO has not utilized climate scenarios to analyze underwriting risk. Likewise, ELCO has not taken specific steps to encourage policyholders to reduce the losses caused by climate change influenced events because such losses do not directly affect ELCO's business.

## **Metrics and Targets**

ELCO is not significantly exposed to climate change-based risks. For this reason, ELCO does not use metrics and targets in connection with climate-related risks or perform catastrophe modeling to manage climate-related risks. ELCO's ERM program assesses potential risks based on publicly available information, which is updated regularly. ELCO does not have any Scope 1, Scope 2, or Scope 3 GHG to report/monitor.

ELCO's outside investment manager does use climate-related metrics to monitor the performance of ELCO's investment portfolio.