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 the following:

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

  Among our goal as a company is to achieve net zero emissions across all of our offices by 2050.

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

The Nominating and Governance Committee of the ultimate parent company, Everest Group, Ltd. ("Group"), formally oversees the group-wide ESG practices and reports on initiatives and compliance to the Group Board. The Group General Counsel has proactively led all aspects of our ESG initiatives, including the publication of our second Corporate Responsibility Report. Everest also has a dedicated ESG team responsible for keeping abreast of ESG trends, analyzing ESG issues and developing our ESG strategy, including attorneys, a paralegal and an ESG assistant. The Group Board maintains an active role in overseeing climate risk and how climate change considerations are incorporated into our business and operations.

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 oversight of managing the climate-related financial risks, insurers should continue the following:

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

The Nominating and Governance Committee of Group formally oversees the Company's ESG practices and reports on group-wide initiatives and compliance to the Group Board. The Group General Counsel has proactively led all aspects of our ESG initiatives, including the publication of our second Corporate Responsibility Report. Everest also has a dedicated ESG team responsible for keeping abreast of ESG trends, analyzing ESG issues and developing our ESG strategy, including attorneys, a paralegal and an ESG assistant. Our Board maintains an active role in overseeing our climate risk and how climate change considerations are incorporated into our business and operations.

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

The Group's Enterprise Risk Management ("ERM") framework is a group-wide systemic approach to managing and assessing all of the Group's key risks and opportunities. Overseen by our Group Chief Risk Officer, ERM is staffed and supported by seasoned and accredited actuarial, modeling and risk management staff. Quarterly, the Group Risk Committee reviews the status and plans of the ERM department. In addition, they review the risk appetite and risk position for four key risks: assets, property catastrophe, casualty reserves and mortgage to ensure that Everest remains within the Board-approved appetites.

As part of our ERM framework, we have an established Enterprise Risk Committee (ERC), which is comprised of various members of the executive leadership team, including our CEO and Chief Risk Officer. The ERC oversees additional aspects of risk management, including establishing our risk management principles, policies and risk appetite levels in collaboration with the Board. The Underwriting Risk Committee, Financial Risk Committee and Operational Risk Committee report to the ERC. These committees meet quarterly to review their status and plans, initiate new efforts and produce a quarterly risk management report disclosing key risks. Further, our Emerging Risk Committee identifies, analyzes, evaluates and monitors emerging risks that could generate opportunities or material adverse consequences for the group and then translates those insights into actionable strategic recommendations to senior management.

STRATEGY

2. Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's business, strategy and financial planning where such information is material. In a disclosing the actual and potential impacts of climate-related risks and opportunities on the insurer's business, strategy and financial planning, insurers should consider the following:

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

Everest became a signatory to the Principles for Sustainable Insurance ("PSI") in 2022. The PSI is a global sustainability framework of the United Nations Environment Programme's Finance Initiative. It serves as a global framework for the insurance industry to better understand, prevent and reduce ESG risks and better manage opportunities to provide quality and reliable risk protection. The PSI has led to the largest collaboration between the UN and the insurance industry. Over 200 organizations worldwide have adopted the four principles of the PSI, including insurers representing more than 30 percent of world premium volume and $14 trillion in assets under management. Everest will disclose our progress in implementing the PSI as a part of our annual ESG reporting.

Everest is active in various affiliations and memberships that help contribute to the advancement of our environmental policy. For instance, we have been a long-time active member of the Reinsurance Association of America ("RAA"). The RAA is an organization of property and casualty reinsurers in the United States, whose advocacy work includes efforts to identify ways the insurance sector can minimize the effects of climate change. Together with the RAA, we are committed to working with policymakers, regulators and the scientific, academic and business communities to assist in promoting awareness and understanding of the risks associated with climate change. The RAA's statement on climate change policy, which Everest supports, is located at www.reinsurance.org/Advocacy/RAA_Policy_Statements. Everest is also currently a member of the RAA's Extreme Events Committee, which focuses on catastrophe modeling improvements to reflect climate change.

As a demonstration of our commitment to responsible investment, Everest is also a signatory to the United Nations' supported Principles for Responsible Investment ("PRI"). The United Nations-supported PRI is a global leading proponent of responsible investment, with over 4,000 signatories representing more than U.S. $120 trillion in AUM. As a signatory of the PRI, we are continuing to make progress on reflecting these principles into our investment portfolio. As a result, nearly 85% of Everest's total assets are managed by other PRI members, including approximately 95% of its fixed-income assets, which comprise the majority of the company's investment portfolio.

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

As a (re)insurance organization, we have a modest ecological footprint. Nonetheless, we strive to be proactive and forward looking in improving our sustainability in a changing climate. We continue to monitor, control and reduce our ecological impact where possible. Among our goals as a company is to achieve net zero emissions across all of our offices by 2050.

We adopted a greenhouse gas ("GHG") emissions inventory project in 2021. For the 2021 calendar year, we tracked scope 1, 2 (U.S. offices only), and 3 (business travel only) emissions.

For the 2022 calendar year, Everest expanded its inventory to collect Scope 1 and 2 emissions from its U.S. and international offices. In addition, Everest collected Scope 3 emissions for employee commuting, business travel and purchased goods and services.

Everest also plans to continue to design investment, underwriting and supply chain strategies to incorporate ESG and climate-related risks and opportunities into our core business operations.

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.

We are exposed to climate-related risks on both sides of the balance sheet—as risk carriers, as well as institutional investors, including physical and transition-related risks, which may result in short, medium and/or long-term impacts to the (re)insurance industry.

In the short- and medium- term, the physical risks include increased severity of extreme weather events, such as cyclones, hurricanes and floods. Longer-term risks include shifts in climate patterns, such as sustained higher global temperatures that may cause sea level rise or chronic heat waves. For the insurance industry, the potential for increased frequency and severity of extreme weather-related events in the long-term will impact both the volatility of losses as well as the magnitude of potential losses in insured locations. Furthermore, climate events may also disrupt insurers' business continuity and their global supply chain. Insurers' investments which are highly dependent upon physical assets could also be harmed by extreme weather events.

We have already seen insured losses from natural catastrophes have steadily increase on average for the last two decades, due in large part to human population growth, urbanization, economic development and a higher concentration of assets in climate-vulnerable areas. There is also a trend of increasing losses from secondary perils from localized small and/or mid-sized events. In the long-term, these trends could continue and climate change could cause more frequent and severe natural catastrophes.

Risks and opportunities will also result from the global transition to a low-carbon economy, including short-, medium- and long-term risks and opportunities. These include regulatory developments, climate-related litigation and reputational risks, as well as opportunities to invest in new technologies.

Everest continues to evolve its underwriting strategies to properly respond to the transition to a low-carbon economy, including restricting its participation to certain industries with consideration to climate-related risks. Everest is also committed to supporting the development of new technologies and industries that will accelerate the transition to a low-carbon economy resulting in long-term benefits.

Furthermore, in the short- and medium- term, Everest acknowledges that we must take a responsible approach and prevent a disorderly transition from dependence on carbon-intensive industries to green business opportunities. Doing so will prevent harmful economic and social consequences, particularly in those parts of the world less able to reduce their reliance on fossil fuel power generation.

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

1. 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.

Our risk portfolios are expanding to provide broad insurance and reinsurance protection for renewable energy programs and environmentally sound private and public construction projects, which will influence changes in behavior to improve the environment and mitigate the human impact on climate change. Everest has provided significant support to the renewable energy industry in the U.S. and abroad through our insurance coverage portfolio and has seen a growing demand in this area in recent years. These actions and initiatives include:

- Credit risk insurance for wind energy projects in the North Sea and Taiwan, hydropower projects in South America and solar energy projects across the globe, with a specific focus on emerging economies. This enables financers to provide additional credit for renewable energy development.
- Providing capacity to Vineyard Wind in connection with a significant offshore wind project on the outer continental shelf south of Massachusetts that will be the first utility-scale offshore wind energy project in the U.S., as well as providing capacity to SOLV Energy, a leading solar services provider serving the utility, high voltage and energy storage markets in North America, which has helped build over 8 GW of solar energy projects since 2008.
- Reinsurance support for the New Energy Risk program, which provides insurance coverage for companies developing breakthrough technologies, including fuel cells, energy storage, carbon capture, renewable fuels and waste-to-energy solutions. This coverage helps project developers access capital to accelerate the deployment of these technologies to address global challenges.
- Reinsurance support for the Clean Energy Risk Solutions program, which provides performance warranties for renewable energy projects and enables debt financing. This protects the development and global distribution of clean energy technology that delivers value to the renewable energy markets, including solar, waste-to-energy and energy storage.
- Partnership with Associated Electric & Gas Insurance Services, a mutual insurance company, to offer an array of property and casualty products designed for the clean energy industry, including solar energy, battery storage facilities and wind assets.
- Partnership with one of the largest underwriters of renewable energy projects in North America to provide property coverages for wind and solar energy facilities.
- Expanded tax liability insurance coverage to protect against the loss of investment or production tax credits for renewable energy projects, which can mean the difference between a project receiving sufficient investment and commencing start-up, or not. We expect further opportunities in this area as governments encourage the growth of the renewable energy sector.

Through this support for renewable energy development, Everest is adapting its business to confront the challenges posed by climate change. We intend to help advance the transition to a low-carbon economy while protecting communities against the harms that could be caused by a haphazard transition. Everest will continue to work with its partners and stakeholders to seize opportunities to invest in this transition and address the threats posed by climate change.

Everest has also been at the forefront of developing advanced insurance solutions and products related to environmental risks for our clients. Everest offers various types of pollution and remediation liability insurance products for industrial and commercial manufacturers, environmental consultants and engineers and recycling and waste management site owners and operators.

2. Discuss if and how the insurer makes investments to support the transition to a low carbon economy.

As a demonstration of our commitment to responsible investment, Everest is a signatory to the United Nations' supported Principles for Responsible Investment ("PRI"). As a signatory of the PRI, we are continuing to make progress on reflecting these principles into our investment portfolio. We employ a principles-based investment strategy designed to diversify our global portfolio by identifying emerging opportunities across various sectors that contribute long-term value to society while acting in compliance with certain regulatory restrictions on the composition of our investment portfolio. Our investment strategy assumes a proactive and measured approach to transition, where we can, investments from heavy carbon-emitting industries to eco-friendly and value-generating opportunities across our various asset classes. This includes renewable energy, government-sponsored green bonds, public works projects and companies that utilize environmentally friendly materials and demonstrate support for human rights in their supply chain operations.

We also work with our asset managers from time to time to produce periodic reports to Everest to measure the ESG qualities of our in-force portfolio, including where possible identifying exposure to "ESG leaders" and "ESG laggards" against relevant benchmarks so we can better track our progress in this area.

Additionally, we are refining our ESG performance indicators and risk factors for our investments. This process will help ensure our investments align with our values, including mainstreaming ESG risks and opportunities and climate considerations into our global investment portfolio. To further integrate this process into our strategy, the investment team under the direction of our Chief Investment Officer has expanded to include specialists to focus on ESG aspects of the portfolio and PRI reporting and identify investment opportunities in the global green and renewables sectors.

As of year-end 2022, less than $20 million of our fixed income portfolio is exposed to companies that derive greater than 25% of their revenues from coal-related businesses, while our public equity portfolio had approximately $2 million of coal-related exposure, and our private equity portfolio had less than $100,000 of exposure, which represent a significant decrease in investment exposures to coal over the past few years.

Currently, Everest has invested over $200 million in green bonds, which are fixed-income instruments specifically designed to fund projects with environmental and/or climate or other social benefits. We also hold nearly $20 million of investments in three ESG-related exchanged-traded funds ("ETFs") helping enable the production of renewable energy in various areas of the world.

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

Everest is aligned with MSCI's Implied Temperature Rise metric, which is designed to show the temperature alignment of companies, portfolios and funds with global climate goals. With this tool, a company's projected emissions are translated to how much the temperature of the world would increase if the whole economy had the same carbon footprint as the company in question. Under the MSCI analysis, as of August 2023, Everest has an Implied Temperature Rise of 1.3°C, which is compliant with the goal of keeping warming well below 2°C by 2100, as delineated by the Paris Climate Agreement. In addition, Everest is rated as a “Climate Outperformer” by ISS Corporate Solutions, a major ESG ratings provider.

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.**

We recognize that sustained shifts in atmospheric and climate dynamics could increase the probability and severity of extreme events. Thus, we take a proactive approach to incorporating climate and weather metrics into our underwriting and actuarial procedures through skilled underwriting and catastrophe modeling departments. We remain vigilant regarding market trends, including climate change, supply constraints and social and material inflation. We have identified areas prone to more frequent and severe natural hazards, and as a result, have diversified and reduced volatility across our global portfolio using parametric risk products. Our underwriting, actuarial and catastrophe modeling teams work in unison to research and analyze external raw climate and meteorological data in conjunction with our internal proprietary claims and loss information data. This allows us to assess the geographical impacts of climate risk and develop predictive analytics models to refine our pricing tolerances and product development.

Finally, in addition to seeking ways to further our underwriting support of the zero-carbon energy transition, we undertook an analysis of the Group's exposures to fossil fuels within our underwriting portfolios. In 2022, insurance premium from companies that generate 25% or more of their revenue from coal represented less than .09% of Everest's overall 2022 gross written premium. Further, insurance premium from companies that generate 25% or more of their revenue from oil or natural gas represented less than 0.75% of our overall 2022 gross written premium.

- **Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable.**

We seek to influence change in behavior to improve the environment and mitigate the human impact on climate change. We have reduced our capacity and exposure to regions more susceptible to increased severity of climate change, thereby, proactively helping to curb the expansion of human activity into environmentally sensitive locations.

We work with our insureds to consider the impact of climate risk on their operations and property in conjunction with underwriting, engineering and loss mitigation services we provide. We provide insurance premium credits to policyholders that demonstrate sound environmental practices and adopt loss mitigating measures to protect their facilities and operations as an economic incentive to reduce their exposure to risk of loss associated with climate change.

- **Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered.**

As an investor, the Group assesses the impact of climate risks on our global investment portfolio and identifies investment opportunities in the green sector in anticipation of the shift to a low-carbon global economy. The Group's investment portfolio is also highly diversified by risk, industry, location, type and duration of security to further mitigate the impact of climate change. Moreover, as a signatory to the PRI, we review and update our investment guidelines annually to reflect these principles.

We employ a principles-based investment strategy designed to diversify our global portfolio by identifying emerging opportunities across various sectors that contribute long-term value to society and the environment, while acting in compliance with certain regulatory restrictions on the composition of our investment portfolio. Such a strategy does not eliminate or seek to withdraw from specific industries at the outset. Rather, our investment strategy assumes a proactive and measured approach in transitioning our portfolio from declining heavy carbon-emitting industries to eco-friendly and value generating opportunities including renewable energy, government sponsored green bonds and public works projects. We also endeavor to invest in companies that employ a strategy for expanding the use of renewable and sustainable materials in their production processes and ensure recognition and support of human rights in their supply chains.

We review the investment guidelines and actions of our pertinent third-party asset managers to ensure their compliance with the PRI in the context of the portfolios that they manage. Our main fixed income asset manager has had a policy in place since 2019 restricting any further purchase of bonds on behalf of Everest issued by companies that generate more than 25% of revenue from coal.

In late 2022, Everest engaged with MSCI to consider the positioning of our investment portfolio with respect to the transition to a low-carbon economy. This data is important for financial institutions to understand their carbon footprint and identify emission intensive hotspots in their investment portfolios and their climate-related risks.

As part of this initiative, Everest will conduct the first analysis of the carbon footprint of its investment portfolio. The carbon footprint calculation enables us to understand the current backward-looking climate impacts of our portfolio and the emissions associated with our investments, also known as “financed emissions.” The report analyzes these factors based on ownership criteria such that investors are responsible for the emissions equivalent to the percentage of the issuer they own. Using carbon footprint calculations will enable Everest to:

- Gain visibility into the carbon footprint of our total portfolio;
- Set emissions baseline and emissions reduction targets;
- Provide transparent reporting to stakeholders, such as regulators and investors on our financed emissions and climate risks associated with our investments;
- Inform climate strategies and actions to develop innovative products that support the transition toward a net-zero emissions economy.

In addition to backward-looking data, Everest also utilizes MSCI’s Climate Value-at-Risk (“VaR”) tool to provide a forward-looking and return-based valuation assessment of climate-related risks and opportunities. The TCFD recommendations highlight the importance of using scenario analysis to assess climate-related impacts within the financial sector. MSCI’s VaR offers insights into how climate change could affect company valuations utilizing a range of physical and transition risk scenarios. For example, transition risk scenarios estimate how new climate policies, regulations and green technologies might affect companies, positively or negatively. Additionally, physical risk scenarios evaluate the impact and financial risk relating to more extreme weather hazards caused by climate change. In 2023 and beyond, Everest will expand its capabilities in these areas. Moving forward, we will be strategic in managing climate-related risks from an investment perspective and capitalize on opportunities to invest in a low-carbon future.

A. Describe the insurers' processes for identifying and assessing climate-related risks. In describing the insurer's process for identifying and assessing climate-related risks, insurers should consider the following:

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

Climate impacts on insured loss are an inherent component in our modeling, pricing and accumulation processes. Our view of (re)insurance risk considers many sources of trended loss including long-term climate variability as well as recent differences from long-term averages. In some cases, these recent differences are attributable to climate change. As it is difficult to isolate climate change both from natural variability in climate and loss trends overall, Everest adjusts its view of risk holistically with reported loss experience, meteorological research, traditional actuarial analysis, statistical analysis and cat modeling.

In analyzing climate and environmental-related risks, Everest draws upon an array of external data sources such as research from the Intergovernmental Panel on Climate Change (IPPC), governmental agencies such as the National Oceanic and Atmospheric Administration (NOAA) and academic research. Everest also conducts independent research related to climate change risks using raw climate and weather data. Ultimately, such sources of climate and weather information are reviewed independently by Everest in conjunction with claims information received directly from Everest's (re)insurance clients and industry trade groups.

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

Our risk management strategies seek to minimize the impact of severe climate and weather events on our capital by, among other things, maintaining a diversified business portfolio – spread by line and geography – and by employing a tactical approach to managing risk, including, but not limited to, utilization of third-party capital to leverage opportunity and issuance of catastrophe bonds. Furthermore, we encourage and work with our insureds to consider the impact of climate risk on their operations and property in conjunction with underwriting, engineering and loss mitigation services we provide. Policyholders that demonstrate sound environmental practices and adopt loss mitigating measures to protect their facilities and operations receive insurance premium credits as an economic incentive to reduce their exposure to risk of loss associated with climate change.

As an investor, the Group assesses the impact of climate risks on our global investment portfolio and identifies investment opportunities in the green sector in anticipation of the shift to a low-carbon global economy. The Group's investment portfolio is also highly diversified by risk, industry, location, type and duration of security to further mitigate the impact of climate change. Moreover, as a signatory to the PRI, we review and update our investment guidelines annually to reflect these principles. We employ a principles-based investment strategy designed to diversify our global portfolio by identifying emerging opportunities across various sectors that contribute long-term value to society and the environment, while acting in compliance with certain regulatory restrictions on the composition of our investment portfolio. Such a strategy does not eliminate or seek to withdraw from specific industries at the outset. Rather, our investment strategy assumes a proactive and measured approach in transitioning our portfolio from declining heavy carbon-emitting industries to eco-friendly and value generating opportunities including renewable energy, government sponsored green bonds and public works projects. We also endeavor to invest in companies that employ a strategy for expanding the use of renewable and sustainable materials in their production processes and ensure recognition and support of human rights in their supply chains.

In addition to seeking ways to further our underwriting support of the zero-carbon energy transition, we undertook an analysis of the Group's exposures to fossil fuels within our underwriting portfolios. In 2022, insurance premium from companies that generate 25% or more of their revenue from coal represented less than .09% of Everest's overall 2022 gross written premium. Further, insurance premium from companies that generate 25% or more of their revenue from oil or natural gas represented less than 0.75% of our overall 2022 gross written premium.

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:

a. 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.

We strive to incorporate environmental risks, to the extent that they can be quantified, into our risk management profile. Our Enterprise Risk Management framework identifies key risks to which our Group is exposed and establishes tolerance levels and mitigation strategies to preserve the sustainability of our business. Environmental risks—especially those directly stemming from the global effects of climate change—feature prominently in this ERM system.

b. 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.

Climate impacts on insured loss are an inherent component in our modeling, pricing and accumulation processes. Our view of (re)insurance risk considers many sources of trended loss including long-term climate variability as well as recent differences from long-term averages. In some cases, these recent differences are attributable to climate change. As it is difficult to isolate climate change both from natural variability in climate and loss trends overall, Everest adjusts its view of risk holistically with reported loss experience, meteorological research, traditional actuarial analysis, statistical analysis and cat modeling.

No single or group of models is capable of projecting all possible catastrophe events caused by climate change. However, when combined with skilled underwriting judgement, these models are a useful tool to price catastrophe-exposed environmental risks and provide management with quantitative analyses of these effects. This system allows us to assess and project the role of environmental risk and extreme weather-related losses on our business model in order to ensure that we – and more importantly, our clients and customers – are prepared for the heightened impact of climate change.

Everest focuses on climate change risks that have been generally accepted by the scientific community, as seen in reports from entities such as IPPC, NOAA and meteorological research organizations. Like these reports, our loss analysis shows that we are experiencing climate change impacts, such as extreme heat/cold and flood/drought. Additionally, given our exposure to North Atlantic Hurricanes as an important driver of climate loss potential, we also consider this a concentration area, despite the difficulty of showing a definitive climate trend in losses or hazards. We price and accumulate using a third-party vendor-based climate conditioned event catalog calibrated to the frequency and severity that has been experienced in prior years when the North Atlantic has been warmer than long-term averages – a condition that the scientific community sees now and predicts to persist. Accounting for warm sea surface temperatures leads to a 12% overall increase in our North Atlantic Hurricane model expected loss.

c. **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.**

See above at 2.B.1; 2.B.2; 3.A; 3.C.b

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.**

Our view of climate risk draws upon cedant data, internal claims and a diverse set of external data sources. We calibrate multiple vendor models and construct our in-house models and processes. While most models have been updated to incorporate claims information from recent catastrophic events, catastrophe model projections are still inherently imprecise. Uncertainties with respect to future climatic patterns and cycles could also add further uncertainty to loss projections from models based on historical data. Nevertheless, when combined with traditional risk management techniques and sound underwriting judgment, catastrophe models are a useful tool for underwriters to price catastrophe exposed risks. In addition, they provide management with quantitative analyses with which to monitor and manage catastrophic risk exposures by zone and across zones for individual and multiple events.

In analyzing climate and environmental-related risks, Everest draws upon an array of external data sources such as research from the Intergovernmental Panel on Climate Change (IPPC), governmental agencies such as the National Oceanic and Atmospheric Administration (NOAA) and academic research. Everest also conducts independent research related to climate change risks using raw climate and weather data. Ultimately, such sources of climate and weather information are reviewed independently by Everest in conjunction with claims information received directly from Everest's (re)insurance clients and industry trade groups.

We constantly update our view of risk in line with changes in loss and hazard trends. The continuous reevaluation allows us to be nimble and often quicker to react than vendor models. Climate change is an inherent component in these adjustments. To advance our loss decomposition efforts and hazard-level analyses for perils influenced by climate change, we prioritize research in areas that are most impacted for current and long-term underwriting. Our team approach to assessing the impact of climate risk ensures that we are most accurately and responsibly providing specialized coverage to our clients' environment-related risks.

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)

Everest is aligned with MSCI's Implied Temperature Rise metric, which is designed to show the temperature alignment of companies, portfolios and funds with global climate goals. With this tool, a company's projected emissions are translated to how much the temperature of the world would increase if the whole economy had the same carbon footprint as the company in question. Under the MSCI analysis, as of December 2021, Everest has an Implied Temperature Rise of 1.37°C, which is compliant with the goal of keeping warming well below 2°C by 2100, as delineated by the Paris Climate Agreement. In addition, Everest is rated as a "Climate Outperformer" by ISS Corporate Solutions, a major ESG ratings provider.

Projected catastrophe losses are generally summarized in terms of the probably maximum loss ("PML"). The Group defines PML as its anticipated loss, considering contract terms and limits, caused by a single catastrophe affecting a broad contiguous geographic area, such as that caused by a hurricane or earthquake. The PML will vary depending upon the modeled simulated losses and the make-up of the in-force book of business. The projected severity levels are described in terms of "return periods," such as "100-year events" and "250-year events." For example, a 100-year PML is the estimated loss to the current in-force portfolio from a single event which has a 1% probability of being exceeded in a twelve-month period. In other words, it corresponds to a 99% probability that the loss from a single event will fall below the indicated PML. It is important to note that PMLs are estimates. Modeled events are hypothetical events produced by a stochastic model. As a result, there can be no assurance that any actual event will align with the modeled event or that actual losses from events similar to the modeled events will not vary materially from the modeled event PML.

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

- Scope 1: 0
- Scope 2 (location based): 1,761.5 tCO_2e
- Scope 2 (market based): 1,786.4 tCO_2e
- Scope 3 – purchased goods and services: 50,899.9 tCO_2e
- Scope 3 – business travel: 659.1 tCO_2e
- Scope 3 – employee commuting: 4,117.6 (including homeworkers)

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

Among our goals as a company is to achieve net zero emissions across all of our offices by 2050.