

NAIC CLIMATE RISK DISCLOSURE SURVEY TCFD-ALIGNED QUESTIONS UPDATED 2022

Umpqua Health Alliance, LLC
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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.

Umpqua Health Alliance (UHA) Coordinated Care Organization (CCO) recognizes the importance of climate-related risks and opportunities in the healthcare industry.

Goals: UHA is committed to understanding, addressing, and mitigating climate-related risks and opportunities. Our goal is to contribute to a sustainable and resilient healthcare ecosystem while

minimizing the potential adverse impacts of climate change on our operations and the communities we serve. UHA is also dedicated to enhancing access to Health-Related Social Needs (HRSN) benefits through 2024 to support climate emergency preparedness and address the health impacts of climate events for our members.

Climate Disclosure Structure: UHA's approach to managing climate-related risks and opportunities is guided by its Emergency Management Task Force (EMTF), which develops and administers the Emergency Action Plan (EAP).

UHA has established a comprehensive Climate Response Program, which began in March 2024, to effectively manage the HRSN Climate benefit. This program focuses on providing essential climate control equipment to individuals with high-risk clinical needs in areas affected by extreme weather events. The program aims to supply medically necessary air conditioners, heaters, air filtration devices, Portable Power Supplies (PPS), and refrigeration units. Key stakeholders involved in this program include Decision Support, Care Coordination, Utilization Management, Community Engagement, Communications, and Finance.

Climate-Related Disclosure: UHA communicates climate-related information to employees and members potentially impacted by climate events using geo-mapping and SMS technology. Recommendations and actions from the EMTF and the Leadership Team are detailed in this report.

Management's Role: In collaboration with the EMTF and the HRSN Climate Response Workgroup, UHA's management plays a critical role in assessing and managing climate-related risks and opportunities. The Leadership Team oversees:

- **Risk Assessment:** Evaluating the impacts of climate-related events, such as extreme weather and shifting disease patterns, on our operations, finances, and services to Medicaid beneficiaries. Leadership also works on improving our carbon footprint, renewable resources, innovation, and adaptation.
- **Integration of Climate Considerations:** Incorporating climate-related factors into business planning, investment decisions, and resource allocation to enhance resilience and sustainability. For example, UHA installed electric vehicle charging stations in 2023 to promote renewable energy.
- **Collaboration:** Working with the Climate Response Workgroup, the EMTF, and the ODHS Office of Resilience and Emergency Management (OREM) to align strategic goals with risk mitigation efforts.
- **Reporting:** Ensuring transparent and accurate reporting on progress towards climate-related objectives and risk management.

The appropriate committees which include Medical Management, Quality Improvement Committee, which report to the board, are responsible for making decisions based on recommendations from the committees regarding climate-related financial risks.

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.

Umpqua Health Alliance (UHA) recognizes the pressing need to disclose both the current and potential consequences of climate-related risks and opportunities on its operations, strategy, and financial planning. The organization is actively engaged in several initiatives to ensure a comprehensive understanding of these impacts and to drive resilience within its operations.

Engaging Key Constituencies: UHA proactively engages with stakeholders on climate risk and resiliency through regular communications, workgroups, and collaborations with local authorities, healthcare providers, community organizations, and members.

Greenhouse Gas Emissions Management: UHA is committed to reducing greenhouse gas emissions associated with its operations. Our strategic plan includes assessing, reducing, and mitigating emissions by enhancing energy efficiency, promoting renewable energy, and adopting sustainable practices. For example, UHA installed electric vehicle charging stations in 2023 to support renewable energy use.

Climate-Related Risks and Opportunities:

- **Short Term (1-5 years):** UHA anticipates increased healthcare service utilization due to extreme weather events, which could strain resources. We plan to conduct a carbon footprint assessment, set clear carbon reduction goals, and continue reducing our footprint by operating fewer facilities and embracing remote work. UHA has successfully moved from four buildings in the Douglas County area down to one. By expanding our remote workforce, we not only decrease our energy consumption from office spaces but also significantly reduce emissions from employee commuting. We are also introducing a climate resilience toolkit for members, including resources and training on how to prepare for and respond to climate-related events.
- **Medium Term (5-10 years):** UHA will explore opportunities to improve energy efficiency in facilities, consider on-site renewable energy investments, and promote sustainable transportation alternatives. We will encourage remote work and support electric or hybrid vehicles.
- **Long Term (10-30 years):** UHA will focus on infrastructure resilience, report on carbon reduction progress, and continuously improve based on performance and new best practices. We will collaborate with industry peers and environmental organizations to share resources and explore carbon offset partnerships. We are also developing a long-term climate adaptation strategy that includes investing in climate-resilient healthcare technologies and exploring opportunities for community-wide climate adaptation projects.

Impact on Business, Strategy, and Financial Planning: Climate-related risks and opportunities impact UHA's operations, strategy, and financial planning. UHA supports the transition to a low-carbon economy by promoting healthier lifestyles, investing in social determinants of health, updating facilities for environmental sustainability, and advocating for sustainable practices. We are also integrating climate risk assessments into our financial planning and investment decisions to enhance long-term sustainability.

Climate Change Resilience Strategy: UHA's strategy integrates various climate-related scenarios, including extreme heat, cold weather, wildfires, flooding, and power outages, into our planning. This approach enhances our adaptability and prepares us to improve the HRSN benefit to support members during climate events. Additionally, we continue to improve on a community climate resilience plan that includes creating local partnerships for emergency response and resilience-building initiatives tailored to the specific needs of our service areas.

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.

Umpqua Health Alliance (UHA) employs a rigorous process to identify, assess, and manage climate-related risks, integrating them into its overall risk management strategy for the current year.

Underwriting Portfolio: UHA evaluates the impact of climate-related risks on its underwriting portfolio, including physical risks (such as extreme weather events affecting member health), transition risks (changes in healthcare demand due to climate policies), and liability risks (legal implications from inadequate climate response). We manage underwriting exposure by adapting coverage options, educating members on climate resilience, and collaborating with care

providers and community partners to address climate-related health impacts, focusing on practical solutions suited to rural settings.

Policyholder Engagement: UHA empowers members to manage climate risks through education and resources provided by our Care Coordination, Case Managers and Care Navigators, along with our member newsletter and other communications. We offer practical guidance on climate resilience, share best practices for adaptation, provide support for home modifications, and promote preventative actions to safeguard health, tailored to the unique needs of rural communities.

Investment Portfolio: UHA assesses the impact of climate-related risks on its investment portfolio as part of a strategy to maintain sufficient Risk-Based Capital to handle future climate events. This includes considering the resilience of investments and supporting projects that align with sustainability goals and rural needs.

Identifying and Assessing Climate-Related Risks: UHA utilizes geo-mapping tools to assess the location of each member and determine their proximity to potential climate hazards. We project membership demand for support services, home modifications, and climate control devices based on historical data and rural-specific needs.

Managing Climate-Related Risks: UHA employs proactive strategies such as scenario analysis, disaster planning, and member preparedness initiatives. We provide education on climate resilience, support home modifications, and facilitate device procurement. In response to emerging events, we utilize real-time data and mass communication tools like SMS messaging to keep members and stakeholders informed and supported.

Integration into Overall Risk Management: Climate-related risks are seamlessly integrated into UHA's enterprise-risk management process. This integration ensures that climate risk considerations are embedded in our overall strategy, aligning with our objectives, and enhancing our commitment to managing climate impacts effectively.

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.

Umpqua Health Alliance (UHA) actively monitors and evaluates metrics and targets to manage climate-related risks and opportunities, guiding strategic decisions and risk management practices.

Catastrophe Modeling and Climate-Related Risks: UHA utilizes disaster preparedness planning and catastrophe modeling to manage climate-related risks that could impact its operations. These models help assess the potential impacts of extreme weather events, wildfires, and flooding. By quantifying potential losses and evaluating risks, UHA can develop robust strategies to enhance resilience. The use of these models informs decision-making, particularly for high-impact events such as wildfires and severe storms.

Metrics to Assess Climate-Related Risks and Opportunities: UHA employs a metrics to evaluate climate-related risks and opportunities, aligning with our strategic goals and risk management framework. These metrics include:

- **Exposure Quantification:** UHA measures its exposure to climate-related physical risks by assessing the number and percentage of members vulnerable to such risks. This analysis provides a clear picture of potential impacts and helps prioritize response efforts.
- **Climate Scenario Analysis:** UHA aligns its metrics with various climate scenarios, including assessing probable maximum loss (PML) for extreme events. This approach ensures that risk assessments are thorough and account for a range of outcomes.
- **Greenhouse Gas (GHG) Emissions and Related Risks:** UHA is committed to transparently disclosing its greenhouse gas emissions, including Scope 1 and Scope 2 emissions. Scope 1 emissions come from direct activities like heating systems, while Scope 2 emissions are related to electricity consumption. We focus on minimizing these emissions through regular maintenance and sustainability practices, including a proactive approach to managing our HVAC systems.
- **Climate-Related Targets and Performance:** UHA sets clear targets for emissions reduction, energy efficiency, and resilience enhancement. We regularly track and

evaluate our performance against these targets to ensure alignment with our sustainability objectives and strategic goals.

By integrating these metrics and targets into our climate response strategy, UHA aims to enhance resilience, reduce environmental impact, and effectively manage climate-related risks and opportunities.