

Task Force on Climate-Related Financial Disclosures Report

August 2023



Nationwide®

Introduction

Nationwide has been managing aspects of climate risk as part of our business for a long time. However, this risk and the insurance landscape are evolving, and as our understanding of climate risk changes, our response must also mature. Doing our part to manage climate risk requires a disciplined approach based on our company values, sound business principles and an established risk management framework.

Defining Climate Risk

Nationwide defines climate risk as the potential for negative impacts resulting from:

- Damage to physical property insured, or held as investments, due to increased extreme weather events.
- Financial losses or decreased revenues resulting from the transition to a low-carbon economy.
- Legal- and regulatory-related losses attributable to climate change or failing to manage climate risk factors.

These risks could manifest across our assets and liabilities. This report discusses our approach to managing climate risk consistent with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD). In alignment with our mission and vision, we will:

Protect Our Members and Communities

Nationwide provides protection solutions for our members, where economically feasible, while at the same time advocating for increased focus on community development, appropriate building codes and regulations in line with learnings and science by:

- Aligning product prices with the risk being insured while rewarding proactive consumer behaviors that help mitigate future loss.
- Restoring our members' and their communities' livelihoods in the wake of catastrophes.
- Promoting research, mitigation and resiliency strategies for combating severe weather and natural disasters.
- Engaging with state regulators on new products, greater understanding of risks and pricing by leveraging our subject matter expertise
- Partnering with government, trade associations, farm bureaus and/or national organizations on advocacy efforts.

Ensure Our Viability by Managing Our Company's Climate Risk

Nationwide is committed to fulfilling the promises we make to our members, associates, external stakeholders and regulators while managing the impact of climate risk to our earnings and capital by:

- Leveraging our diverse portfolio of products and extensive experience managing risk to generate the capital needed to pay claims, meet other obligations. and reinvest in our businesses to promote profitable growth.
- Leveraging risk-management approaches to assess climate risk in both our assets and liabilities, as well as developing appropriate and reasonable disclosures as regulatory requirements emerge.
- Establishing and maintaining policies that consider sustainability factors and align to Nationwide values.
- Taking steps to reduce Nationwide's carbon footprint.

Governance of Climate Risk

The organization's governance around climate-related risks and opportunities.

Board Oversight

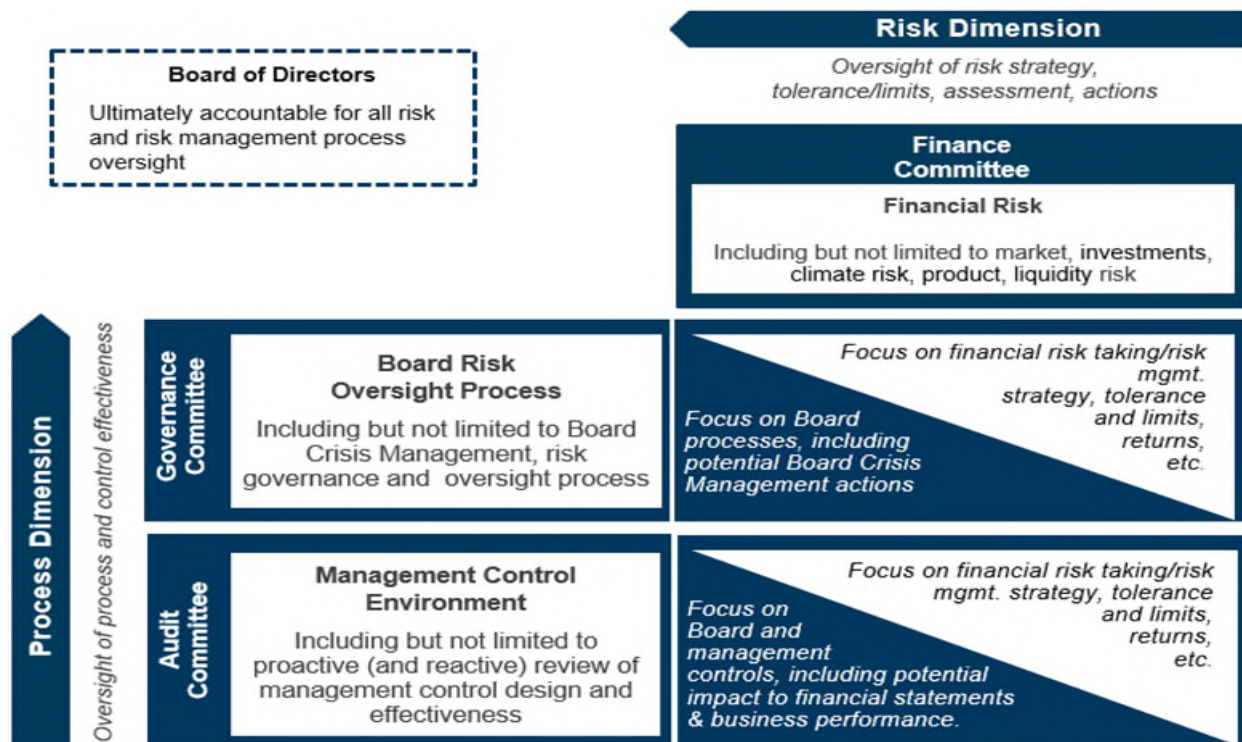
Nationwide's Board of Directors and its committees play an important role in overseeing risk-management practices and strategies, including climate-related risks and opportunities. The Board of Directors is ultimately accountable for oversight of the company's risk profile and uses a distributed risk oversight model to ensure both broad and deep coverage of risk. This structure allows for open communication surrounding enterprise top risk initiatives, including climate risk, between senior management leaders and the Board of Directors.

Additionally, Nationwide utilizes a comprehensive risk committee structure to monitor the effectiveness of risk management practices for specific risks against the Board approved-appetite to determine tolerances and/or limits for specific risks, delegate responsibilities, and escalate issues when they arise.

The Governance Committee of the Board is the primary governing body for climate risk and the Finance Committee of the Board has oversight of financial risks, which is inclusive of climate-related financial risks. Nationwide also anticipates aspects of climate risk will be covered in other Board committees as developments warrant. The Chief Risk Officer and other senior risk leaders provide regular and ad-hoc risk reports to the Board committees on a wide range of risk- and capital-related topics. Climate risk has been deemed an elevated top risk for the organization. Hence, the Governance Committee of the Board receives an annual deep dive of the risk as well as any applicable updates throughout the year.

Distributed Risk Model

Below is an illustration of Nationwide's Board of Directors and the risk committees that oversee risk strategy, process and control effectiveness, tolerances/limits and related actions.



Nationwide's Risk Committee Structure

In addition to the oversight provided at the Board level, management-level oversight is provided through Nationwide's risk committee structure. Since climate risk has been deemed an elevated top strategic risk and due to the broad nature of the risk, Nationwide relies on a comprehensive risk committee structure to identify and escalate manifestations of climate risk and climate risk opportunities. The Enterprise Strategic Risk Committee (ESRC) is charged with managing top strategic risks. To mitigate strategic risks, the ESRC regularly monitors changes within each top strategic risk, which also includes an annual deep dive into each risk area.

In addition to the ESRC, the Corporate Sustainability Council incorporates climate risk into its senior level management coverage of the Company's four pillars of sustainability. The Enterprise Financial Risk Committee (EFRC), a subcommittee of the ESRC that focuses on financial risks, is regularly provided climate risk related updates, such as catastrophe loss monitoring and related investment activities.

Nationwide publicly issues an annual Corporate Sustainability Report that highlights actions taken by the Company in four key areas, including environmental sustainability. Furthermore, Nationwide's Own Risk Solvency Assessment (ORSA) report, annually reviewed by the Board, includes a climate risk overview similar to how other top risks are captured within the report. These disclosures occur at the enterprise level, consistent with how risks are managed in the aggregate. Activities at the business unit level, described in more detail later in this report, focus on key fundamentals at the asset and liability level.

Risk Committee Structure Illustration

Below is an illustration of Nationwide's senior management level risk committee structure and risk responsibilities and oversight, which includes climate related risks.



Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning, where such information is material.

Protecting People, Businesses, and Futures with Extraordinary Care

Our mission is to protect people, businesses, and futures with extraordinary care. To fulfill that mission and the promises made to our stakeholders, Nationwide should be prepared to protect our members from the adverse effects of climate risk and ensure the company is well-capitalized to honor those promises today and for years to come.

As climate risk evolves, Nationwide is learning more about the impact on our business and how to better prepare our members for its continuous evolution. As is common in the industry, climate risk is segmented into three categories, allowing for a more holistic understanding of the risk Nationwide faces:

Physical Risk	Transition Risk	Liability Risk
The potential negative financial impacts that may arise from an increase in the severity and/or frequency of extreme weather events (acute risks) or the long-term shifts in climate patterns (chronic risks) caused directly or indirectly by climate risk.	The potential negative financial impacts that may arise from a transition to a low-carbon economy.	The risk of climate-related claims under liability policies, regulatory actions, as well as direct actions against insurers, for failing to manage climate risks.

Engaging Key Stakeholders

Nationwide engages associates (employees), members and business partners (customers), other insurers, and policymakers on topics related to climate risk using several different strategies. Some examples of Nationwide’s engagement with key stakeholders include:

Members and Associates

Nationwide believes that action should be taken to make homes and businesses stronger and more resilient. Incentives for members like building permit rebates, state level tax incentives, and state and federal grants could lead to more resilient communities by offsetting some of the costs.

Nationwide works with agents and members to provide information and resources for better understanding and managing climate-related risks, including the mitigation of losses and building code enforcement. Ongoing Company actions include forming strategic partnerships and supporting nongovernmental organizations; achieving formal certifications and designations from organizations assessing the impacts of our buildings and operations (e.g., LEED, Energy Star, USGBC); supporting research; formulating public policy decisions that drive our decision making; providing education/communication to associates and members to raise awareness; and creating incentives for members to influence behavior. In 2021, Nationwide published its first Corporate Sustainability Report (CSR). The report continues to be published yearly, highlighting our efforts in reducing carbon emissions, increasing landfill diversion and reducing waste and water usage.

Industry

The insurance industry continues to play a unique and critical role in the disaster mitigation and recovery process, serving as a leader in promoting pre-disaster loss prevention techniques, and standing shoulder-to-shoulder with the federal government and emergency responders to make victims whole after a catastrophe.

Nationwide recently partnered with the Insurance Institute for Business & Home Safety (IBHS) to develop materials to educate policymakers on steps that can be taken to improve the resilience of America's homes, businesses, and communities. Nationwide associates at different levels of the company continue to partner with IBHS to learn about and influence the latest research to better protect communities in the face of natural disasters.

Federal & State Legislation

Nationwide continues to advocate at the federal and state level for legislation that provides incentives for consumers, home builders and contractors to build or reinforce homes and small businesses using IBHS construction and retrofit standards to mitigate the impacts of climate risk. Nationwide has long been an advocate for sustainability and long-term thinking when it comes to climate.

Nationwide was instrumental in working with Congress and the Federal Emergency Management Association (FEMA) in passing the Disaster Recovery Reform Act of 2018 (DRRA), a national strategy for investing in disaster mitigation as a means of addressing our nation's increasing number of severe and costly weather events. Nationwide continues to work within the industry and with the IBHS to continue to implement the DRRA.

Climate Related Risks and Opportunities

Nationwide has identified climate related risks and opportunities over various time horizons (short-term, medium-term, and long-term) that could impact Nationwide's business strategy and financial planning. These risks and opportunities take into consideration different climate related scenarios and are described in more detail in the following sections. Additional opportunities and activities, such as modeling efforts, can be found in the Risk Management section of this report.

Time Horizon	Time Horizon Considerations	Climate Risk	Climate Opportunities
Short Term: 1-5 years	Aligns with our short term goals and enterprise vision	<ul style="list-style-type: none"> Regulatory constraints for pricing and services Change in frequency and/or severity of weather-related catastrophic losses 	<ul style="list-style-type: none"> Investing in our members and communities
Medium Term: 5-10 years	Aligns with our development of our strategic planning	<ul style="list-style-type: none"> Catastrophic weather events impacting uncommon areas Different impacts of climate risk by industry 	<ul style="list-style-type: none"> Improving product offerings Loss control services and Member education
Long Term: 10-30 years	Aligns with anticipated long term changes due to potential climate risk impacts	<ul style="list-style-type: none"> Demographic shifts impacting market share Potential long-term changes to living conditions 	<ul style="list-style-type: none"> Preparing our business to respond to long term opportunities

Climate-Related Risks

As climate risk evolves, Nationwide needs to understand the short-, medium-, and long-term risks and opportunities for our company and our members. Nationwide is committed to integrating risk management findings into our pricing, product development and distribution planning, along with continued member education. The following sections outline identified climate risks over various time horizons.

Regulatory Constraints of Pricing and Services

Nationwide has property exposures in all 50 states and the District of Columbia, and the entire geography is subject to some potential consequence of climate risk. Nationwide's life and retirement solutions exposures also include all 50 states and the District of Columbia. While overall timing and severity trends and increased weather pattern uncertainty are being incorporated into long term planning, historical statistics (used in determining appropriate rates) do not reflect the quickly changing environment of climate risk. Regulatory constraints on charging an appropriate rate which consider possible weather changes and related losses, could negatively impact Nationwide's ability to continue doing business in a particular geographic area.

Change in Frequency and/or Severity of Weather-Related Catastrophic Losses

Potential changes to the frequency and/or severity of weather-related catastrophic losses pose a risk in both the short and long term. Activity has been observed in recent years that has differed from historical norms or modeled expectations.

With the quickly changing impacts of climate risk, catastrophe models should be updated at least every few years to consider recent climate and increase alignment with near-present climate risk. Outdated models may not provide an adequate view of risk for pricing and capital-based applications.

Each of the various regions of the United States where Nationwide writes business pose an increased risk in weather-related losses. Tropical cyclones, extra-tropical cyclones (winter storms), and severe thunderstorms, wildfires and floods have the potential to change in both intensity and frequency.

As weather-related catastrophic events could become more frequent and unpredictable, Nationwide maintains strategic partnerships to monitor recent developments from the scientific community regarding climate risk and the potential impacts. Nationwide has relationships with key catastrophe modeling vendors who monitor and implement potential impacts of climate risk into their models when warranted. As the impacts are implemented, Nationwide tends to adopt these impacts and uses them to help inform strategies going forward.

In addition, Nationwide maintains a relationship with The Ohio State University (OSU) to help keep abreast of the latest research regarding climate risk, and our associates and leaders continue to engage with the institute to stay up to date on current research and thinking related to climate risk.

Catastrophic Weather Events Impacting Uncommon Areas

As catastrophic weather events have the potential to become more frequent, catastrophic losses in areas historically not impacted may increase as well. For example, as hurricanes increase in intensity and frequency, not only might the impact to coastal lands increase, but the storms may have the potential of traveling further inland and impact areas not historically impacted by hurricanes. Additionally, other catastrophic events such as wildfires and tornadoes may occur in uncommon areas, leading to less impactful forecasting and traditionally beneficial geographic diversification.

Different Impacts of Climate Risk by Industry

Nationwide provides insurance products to various industries, however, there are certain segments that may be significantly impacted more than others, either directly or indirectly by climate risk (e.g., agriculture, transportation and heavy industries).

Nationwide also has a diversified investment portfolio with holdings in a variety of industries. Some of these industries will transition to a low-carbon economy more readily than others, and those that have not adequately prepared to transition may perform below expectations, which could adversely impact investment returns or company ratings.

Demographic Shifts Impacting Market Share

Geographic diversification is one of the best ways that Nationwide can maintain or decrease its climate risk exposure. As people move around the country there is a risk that a disproportionate growth of population and/or property along the coasts and in wildland urban interface (WUI) areas could impact Nationwide's ability to continue to grow in the marketplace.

As Nationwide goes to market with different initiatives, geographic diversification is one of the factors taken into consideration. As many types of climate risk cross boundaries, ongoing risk assessment and monitoring activities consider the correlation of the risk across the entire enterprise.

Potential Long-Term Changes to Living Conditions

Changes in the environment due to climate-related weather events have the potential to change the landscape of the world. With increased frequency and severity of storms, as well as the potential for rising sea levels, our members' living conditions and lifestyles may need to change to adapt to a new environment. The traditional ways of living may change over time, specifically in areas impacted by climate-related risks. As our members adapt to these new ways of living, this could influence changes in the insurance industry or market, specific product offerings and the way Nationwide manages evolving risks related to climate.

Climate-Related Opportunities

Although climate risk comes with many challenges, Nationwide is working to identify opportunities to invest in our communities, evolve our product offerings and encourage our members to be proactive in loss prevention measures to minimize potential losses. The following sections outline, over various time horizons, additional ways Nationwide is responding to the evolving impact of climate risks.

Investing in Our Members and Communities

Nationwide has long been an advocate for sustainability and long-term thinking when it comes to climate risk. In support of our mission and values, Nationwide is dedicated to finding new ways to invest in tools and partnerships that help to decrease the impacts of climate related risks for our members and in our communities. Some of the many ways Nationwide continues to invest is through our partnerships with organizations that aim to improve standards and investments in the necessary tools needed to better understand and prepare for climate related risks and impacts.

Advocating for Higher Standards

We are committed to continuing to work with representatives at the local and national levels to make homes stronger and more resilient against climate-related weather.

Nationwide also participates in various associations that aim to decrease the impact of events related to climate risk. Below are just a few examples:

- Ongoing membership of the National Fire Protection Association (NFPA) Wildland and Rural Fire Protection committee, which develops codes, standards, and recommended practices for fire protection infrastructure used in land development in wildland, rural, and suburban areas.
- Nationwide business units worked with Wildfire Defense Systems to add a layer of protection for our insureds when fires approach.
- Continuing to partner with the IBHS, which conducts objective, scientific research to identify and promote the most effective ways to strengthen homes, businesses and communities against natural disasters.

Nationwide continues to not only help drive these types of changes within communities, but also advocate for stronger building codes and general improvements in managing risk with home builders, banks, consumers, IBHS and legislatures. Nationwide's efforts to reduce greenhouse gas emissions are outlined within the Metrics section of this report.

Investing in Necessary Tools and Programs

As Nationwide considers the potential impacts of climate risk over various time horizons, it is imperative to plan for the future through investments in necessary tools and programs that better support our business and members. As catastrophe risk increases in certain markets, Nationwide will continue to invest in the necessary tools to better understand climate risk, whether it be hurricanes, severe thunderstorms, or wildfires.

The use of catastrophe models allows Nationwide to measure potential exposure and develop a perspective on the potential size and likelihood of various catastrophes. These models also enable Nationwide to assess how various strategies will impact this risk, including changes to deductibles, changes to market share and geographic diversification. These models are described in greater detail in the Risk Management section of this report.

In addition to investing in the necessary tools, Nationwide continues to look for ways to invest in programs that support our members in a low-carbon economy. One example of this is Nationwide's \$43 million investment in solar energy with Renewable Energy Alternatives. This investment supports programs that allow members to share the benefits from solar power by subscribing to a portion of the solar project's output in exchange for credits on their utility bills.

Improving Product Offerings

Our mission is to protect people, businesses, and futures with extraordinary care, and we aim to create products and services that will best suit the needs of our members. One way of fulfilling this mission is offering incentives and monitoring programs that can provide peace of mind as weather related events occur and as member behaviors change in response to climate risk.

Loss Control Services and Member Education

Nationwide continues to find ways to support our members, from helping to prevent losses from occurring, to being there when they need us most. A few examples of mitigation efforts include:

- When an eligible roof needs replaced, Nationwide provides new endorsements focused on replacing the roofs with more stringent building requirements, resulting in a more weatherproof roof.
- Nationwide provides our commercial members with education and loss-control services to assist in identifying and mitigating risks.
- Nationwide partners with several vendors to offer services or discounts on mitigation devices for burglary, fire and water damage.

Preparing Our Business to Respond to Long-Term Opportunities

Changes in the environment have the potential to influence new ways of living such as changes to infrastructures, buildings or our members' lifestyle choices. By monitoring the impact and evolution of climate related risks, Nationwide can be ready to adapt our portfolio and business. Adapting to a new way of living could create additional opportunities such as investment opportunities, innovation of new products or services, new insurance markets or further partnerships with our communities. To continue to anticipate the needs of our members, Nationwide annually reviews macro trends as well as regularly reviews our business unit strategies to ensure alignment with member needs.

Risk Management

How the organization identifies, assesses, and manages climate-related risks.

Nationwide has a robust risk management framework for managing climate risk. Our capabilities within the framework include identifying and assessing risks, risk measurement, managing the risk and monitoring the risk environment. Our capabilities within the framework are at varying levels of maturity in their extensibility to climate risk and are consistent with the industry's ability to manage the risk and corresponding toolsets available. Nationwide's Enterprise Risk Management (ERM) program annually performs the Top and Emerging Risk Process to comprehensively identify, assess, categorize and prioritize those risks with the greatest potential to impact the achievement of Nationwide's objectives. Climate risk has been designated a top strategic risk and is integrated into the overall ERM framework. On an annual basis, all risks are reviewed through risk reviews, performed by management and risk committees, and adjustments are made, as necessary. Additionally, Nationwide has also developed external relationships and regularly avails itself of information from sources, such as trade associations, experts from modeling vendors, and reinsurers and brokers, as an integral part of the risk management program.

How Our Businesses are Managing Risk and Preparing for the Future

External Strategic Partnerships

Nationwide identifies climate-related risks and assesses the degree to which they could affect our business, including any financial implications. We also maintain strategic partnerships with the scientific community regarding climate risk considerations, as well as partner with modeling vendors to ensure the latest science is incorporated into modeling software. Nationwide engages with various entities to continuously evolve our management of climate risk. Nationwide continues to evaluate capabilities provided by existing vendors and evaluate new relationships, including the ability to produce forward-looking climate scenarios that can be integrated into our risk management processes.

Nationwide continues to partner with The Ohio State University in areas of agricultural science and risk research. Our collaboration with OSU led to the creation of the AgTech Innovation Hub, which seeks to develop new solutions to help the agricultural ecosystem while better understanding, managing, and mitigating climate risk. Additional financial support via grants from Nationwide Foundation helped to fund OSU's Waterman Complex, which is a high-tech greenhouse focused on food production research and opened in September 2022. Nationwide is also a founding member of The Risk Institute at The Ohio State University Max M. Fisher College of Business, which is a consortium of forward-thinking companies and academics seeking to help members consider risk from many perspectives.

Nationwide Financial

In Nationwide Financial, the focus on climate risk considers the impacts on the health and safety of our members. Our underwriting leaders and pricing actuaries are reviewing and discussing industry studies and the impact the results could have on Nationwide. Aspects discussed include, for example, the potential for an increase in occupational heat related deaths, particularly in agriculture and construction in the southeastern United States, and heat related deaths in heavily populated urban areas, especially for the elderly and people with pre-existing conditions.

Nationwide Investments

Nationwide Investments (NWI) manages the invested assets for the Nationwide Life and Mutual companies, as well as pension assets and some sub-advised mutual funds for Nationwide Financial. NWI's primary responsibility is to adhere to the investment and compliance policies established by its clients. In accordance with the investment policies of the clients, NWI has a duty to assess the risks and opportunities of potential and current investments, which include those arising from climate risk. NWI's investment teams consider both climate risk and environmental regulations and disclosures, along with many other factors, in its assessment of the business risks and opportunities of all current and potential investments. NWI also considers the effects of regulatory action at the portfolio level when allocating funds across asset classes.

Potential Long-Term Effects of Climate Risk

The potential long-term effects of climate risk are considered in a number of ways across the asset classes where NWI actively invests on behalf of its clients. Some examples include:

- For real estate/commercial mortgage loan investments, the potential impact of climate risk factors into the evaluation/underwriting process by considering proximity to coastal areas and increased risk of tropical storm damage.
- For municipal bond investments, the ability of the bond issues (i.e., municipality) to repay debt is largely influenced by the health of its local economy and stability of its population (tax) base. Climate related events ranging from water scarcity in the Southwest to coastal migration in Florida are considered when evaluating potential investments.
- For corporate bond and equity investments, NWI reviews a company's policy and practice to manage climate risk and environmental risks to assess their potential impact on overall credit worthiness. NWI also actively monitors industry sectors that are more sensitive to climate risk and environmental risks.

When assessing and managing these risks, NWI considers overall Company financial exposure, including insured coverage, not just investment risk.

Scenario Analysis

In 2021, Nationwide partnered with Moody's Analytics to purchase climate adjusted expected default frequency data, to be used to conduct scenario analysis on the Corporate Credit portfolio. With the acquired data, Nationwide has developed the capability to conduct scenarios over both the short term (1 year) and long term (up to 30 years). This also provides the ability to conduct scenario analysis over a variety of climate scenarios. Current scenarios used were devised by the Network for Greening the Financial System (NGFS) and include:

- Early Policy / Orderly Scenario: Global carbon policy occurs immediately.
- Late Policy / Disorderly Scenario: Global Carbon Policy commencing in 2030, with the delay necessitating an accelerated pace of carbon reduction.
- No Policy / Hot House Scenario: No additional carbon policy implemented.
- Quick No Policy / Hot House 95 Percentile Scenario: Assumes 95 percentile upper-tail damage estimate reflecting tail physical risk.

Nationwide continues to expand the scenarios under review and the asset classes included in climate scenario analysis.

Property and Casualty

One of the best ways that Nationwide can manage the climate risk exposure within our Property and Casualty business is to focus on geographic diversification in our property portfolio and to understand the risk in each area of business.

Catastrophe Risk Measurement

Nationwide licenses software and support from external catastrophe modeling vendors to measure, manage and monitor our exposure to catastrophe risk. These vendors constantly review and update their models to incorporate the most recent science available. As models are updated, Nationwide evaluates the impacts and uses them to help inform strategies going forward.

These models allow Nationwide to develop a perspective on the potential size and likelihood of various catastrophes. Additionally, these models allow Nationwide to assess how various strategies will impact this risk including changes to deductibles, changes to market share, and geographic diversification.

Specific to the hurricane peril, the major catastrophe modeling vendors have developed alternative event scenario catalogs associated with increased sea surface temperatures which some scientists might attribute to global warming. Elevated sea surface temperatures are important because hurricanes are fueled by the warmth of the ocean. These alternative event catalogs, therefore, represent a climate conditioned view of risk. This alternate view is used to assess the sensitivity of insured risk to elevated sea surface temperatures.

To further understand the impact of climate risk related events on our business and our members, Nationwide has developed an internal view of risks for the perils where climate-related impacts currently appear to be the largest. This is driven by a combination of modeling results and internal loss experience and is most evident for the wildfire and non-hurricane weather perils. These internal views of risk are reviewed and approved annually. In 2023, Nationwide will expand our internal view of risk to include the hurricane peril.

Beyond the direct output from the models, measurement and sensitivity analysis can be informed by maintaining external partnerships in academia, trade associations, experts from the modeling vendors and reinsurers and brokers. Additionally, Nationwide uses monitoring and risk reports that include exposure, capital risk, and earnings volatility risk metrics to monitor the current and near-term impacts of climate risk.

Catastrophe Risk Management

Our focus continues to be geographic diversification of our property portfolio and determining how best to match rate to risk. To accomplish this, Nationwide takes both pricing and underwriting actions. From a pricing perspective, Nationwide is working to implement more sophisticated rating algorithms and receive approval for updated rate filings to ensure we achieve rate adequacy. From an underwriting perspective, Nationwide has taken the following risk management actions to mitigate catastrophe risk from the wildfire peril:

- Nationwide has implemented underwriting guidelines to manage our exposure to wildfires in California and properties within a certain distance to a coastline.

- Beginning in the fourth quarter of 2020, Nationwide reduced exposure levels in some of the highest hazard wildland urban interface areas in California.
- Nationwide business units worked with Wildfire Defense Systems, a national leader in insurer wildfire services, to provide federally certified emergency response wildfire suppression services to add a layer of protection for our insureds when fires approach.

Additionally, underwriting guidelines have been put in place prohibiting writing properties within a certain distance to the coastline to mitigate against hurricane risk. More targeted hurricane risk mitigation actions are being finalized and will start by year-end 2023.

Effective measurement, management and monitoring of catastrophe risk is critical to the long-term viability of the organization. Catastrophe events will occur, but the risk originates from a few sources: over concentration of business by geography, not properly matching rate to risk, and potential inaccuracies in modeling the risk to understand its true long-term potential. Catastrophe risk modeling, including loss evaluation by product, peril and geography within the P&C Group Property Risk reports produced by the Enterprise Catastrophe Risk Management Department. As part of the catastrophe risk evaluation process, Nationwide compares modeled loss output to actual historical catastrophe losses. A modeled view of weather and climate variability helps inform Nationwide underwriting and pricing decisions.

The table below includes modeled exposure data as of September 2022 that outlines the likelihood that estimated losses from one occurrence of a specific peril within a one-year timeframe could equal or exceed the indicated loss amounts in dollars. This table also provides the likelihood of potential aggregate catastrophe losses occurring in a one-year timeframe for the specific peril.

Likelihood ¹	Dollars (in Billions)							
	Hurricane		Severe Thunderstorm		Winter Storm		Wildfire	
	Occurrence	Aggregate	Occurrence	Aggregate	Occurrence	Aggregate	Occurrence	Aggregate
2.0% (1-in-50)	\$1.4	\$1.7	\$0.6	\$1.8	\$0.3	\$0.5	\$0.4	\$0.6
1.0% (1-in-100)	\$2.1	\$2.3	\$0.8	\$2.1	\$0.4	\$0.6	\$0.5	\$0.7
0.4% (1-in-250)	\$3.1	\$3.4	\$1.0	\$2.4	\$0.6	\$0.7	\$0.6	\$0.9
0.1% (1-in-1000)	\$5.0	\$5.5	\$1.4	\$3.0	\$0.8	\$1.0	\$1.0	\$1.3

(1) An event with 2% likelihood can be described as a "1-in-50-year event". Probabilities in the table reflect the likelihood of losses from a single event that could equal or exceed the loss amount in a one-year timeframe.

Risk Scenarios

Nationwide uses larger event catalogs to provide a greater range of scenarios to identify new or significantly larger catastrophe risks. Nationwide is a long-term user of large event catalogs (100,000 years versus the more standard 10,000 years).

Nationwide also uses the Warm Sea Surface Temperature (WSST) hurricane catalog view of risk, which accounts for above average sea surface temperatures which are associated with climate risk. The weather models also reflect the current and near future climate.

Nationwide conducted scenario testing using Verisk's Miami Hurricane Climate Change Event Set. The event set consists of approximately 80 scenarios reflective of different scenarios applicable to the Miami area that capture various climate change assumptions applicable to year 2050. The scenarios consider variations in central pressure, atmospheric moisture, rise in sea level and changes in forward speed.

Preparing and Supporting our Members

Nationwide works with agents and members to provide information and resources for better understanding and managing climate related risks. We encourage our members to reduce their exposure to risk by taking the appropriate actions, where needed. In addition to the activities described in the Strategy section of this report, additional incentives and resources are in place to support our members in decreasing their potential impact of climate-related risks including:

- The IBHS has developed fortified standards, a nationally recognized building method. As part of this program, mitigation credits can be earned by our members thus reducing the premium Nationwide charges along with reducing the potential future losses due to weather-type events.
- Nationwide partners with vendors to provide offerings/discounts on mitigation devices. Discounts are provided for members who participate in SmartMiles®, which is a pay-per-mile telematics program available in 37 states offering lower insurance premiums for fewer miles driven. In the property market, consumer demand continues to grow for products that secure and protect members' homes, including a focus on asset protection through efficient monitoring of utilities, fire mitigation and security. Nationwide has several partnerships in place to provide discounts or services to P&C members who seek to proactively protect their personal property.
- Nationwide believes that proper hazard mitigation is an effective way to address the increasing threat from wildfire. Nationwide is also in the midst of a multi-year process of reinspecting our portfolio and making risk reduction recommendations to our members on how to mitigate their wildfire hazard.
- To continue driving more awareness around the benefits from risk mitigation, increased risk sharing through the utilization of wind/hail and hurricane deductibles is used to help encourage consumers to proactively mitigate weather claims.

Nationwide works with vendor partners to provide innovative solutions to mitigate climate related risk. The use of innovation plays an important role in reducing exposure by providing knowledge of issues to members before they become larger issues. Nationwide will continue to empower our members to participate in actions that will mitigate their exposure to climate risk by providing incentives, guidance, and education.

Metrics and Targets

Metrics and targets used to assess and manage relevant climate related risks and opportunities, where such information is material.

Nationwide monitors various climate related metrics and establishes Green House Gas (GHG) targets that measure our operational efforts of meeting those targets. Nationwide maintains a cross functional group with a focus on sustainability efforts in our operations. This organization is known as the Energy and Environmental Committee. This Committee includes six key business unit and departmental leaders from across Nationwide. Its initiatives are reviewed and ratified by the Corporate Sustainability Council comprised of C-Suite and senior leadership members.

Monitoring Earnings Volatility Risk and Capital Risk

Nationwide desires to have a geographically diverse property portfolio to meet its financial obligations and support its business objectives. In support of this goal, Nationwide has established two P&C group catastrophe risk limits:

- Earnings Volatility Risk Limit: the earnings risk from all perils (as measured by 1 in 10 Probable Maximum Loss less the average annual loss) is measured and monitored against target property underwriting income.
- Capital Risk Limit: the tail risk from any one peril (as measured by 1% conditional tail expectation less the average annual loss) is measured and monitored to ensure alignment with Nationwide's corporate capital risk appetite.

Nationwide regularly monitors these risk measures to understand key drivers so that we can better diversify our portfolio and mitigate our concentration risk. Our businesses develop go-to-market strategies to achieve these objectives utilizing tactics such as reinsurance, new and renewal business eligibility guidelines, deductibles, and targeted rate action. These risk limits are reevaluated and updated annually. Additionally, the Enterprise Financial Risk Committee receives updates on these results quarterly and offers guidance to support the success of the business.

These limits can be evaluated to include the impact from climate risk as Nationwide matures its view of climate-risk-effected catastrophe losses.

Operational Efficiency Targets

Nationwide strives to constantly improve operational efficiency and meeting our commitments. Nationwide is dedicated to protecting our environment in many ways, such as investing in sustainable farming and renewable energy, recycling, and reducing waste and water use. Progress is tracked on our long-term targets and programs that help us address our overall environmental impact. As a mutual insurance company, the largest amount of generated Scope 1 & 2 emissions are a direct result of associate activities within an office setting. Nationwide works to reduce our emissions as well as improve the experience of our associates and members by implementing the practices listed below.

Commitments to Greenhouse Gas and Carbon Reduction

In 2004, the World Business Council for Sustainable Development and the World Resources Institute published the Greenhouse Gas Protocol standards designed to provide a framework for businesses, governments, and other entities to measure and report their greenhouse gas emissions in ways that support their missions and goals. Nationwide is committed to making changes to support reducing our carbon footprint, including constructing new office spaces to LEED and/or Energy Star standards. As of 2021, Nationwide owns or occupies seven LEED certified facilities and six facilities that qualify for the Energy Star rating. Developments that impact our carbon footprint include:

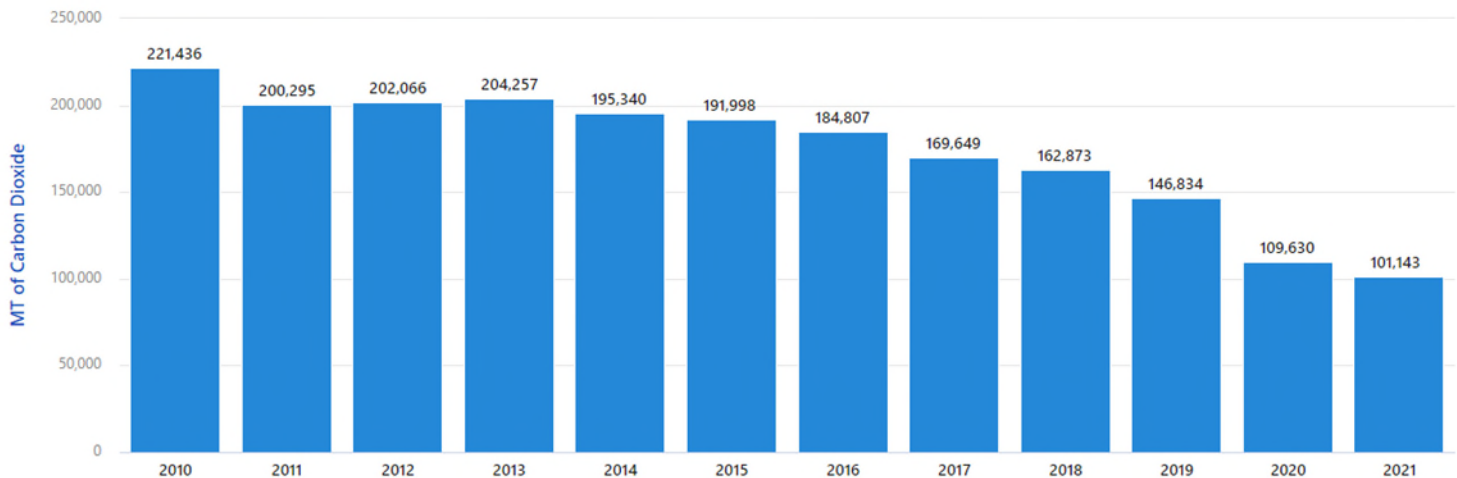
- Nationwide's LEED Certified Cavasson East office building in Scottsdale, Arizona incorporates environmentally-friendly design principles including solar power, high efficiency glass, occupancy sensors, water efficient fixtures, electric car chargers, and sustainable materials such as 100% carbon neutral flooring. In addition to LEED certification, a solar array featuring 3,000 solar panels covering more than 86,000 square feet has been installed on the offices and parking structures. Based on metered data, these panels save approximately \$330,000 and 2.1 million kilowatt-hours annually.
- Nationwide Realty Investors (NRI) Grandview Yard development is the first in Ohio to be awarded LEED Neighborhood Development Certification, and the largest in the U.S to receive this designation. The 125-acre mixed use development integrates principles of smart growth, urbanism, and green building for sustainable neighborhood design, and achieved full certification in 2022.

Decreasing Scope 1 & 2 Emissions

In 2010, Nationwide began the completion of an annual carbon footprint assessment, which includes Scope 1 and 2 emissions. Since then, Nationwide has reduced our carbon footprint by 41% per square foot through Energy Star and LEED-certified building practices, replacement of inefficient systems, and decreasing overall emissions from vehicular travel.

- Standard light bulbs have been replaced with LED bulbs in all offices, which will save an estimated \$161,000 and 1.8 million kilowatt-hours annually.
- Improvements to industrial HVAC systems in our office buildings between 2018-2022 will generate an estimated savings of \$474,000 compared to the baseline in 2018.
- As of 2018, Nationwide's offices in downtown Columbus, Ohio and Grandview Yard include 26 electric vehicle charging stations.

Nationwide continues to improve the customer experience and decrease the need for car travel by claims associates and vendor partners through the implementation of virtual tools. The ability to leverage mobile applications for vehicle damage and drone surveillance for home and commercial damage review has lessened the need for in-person inspections. In addition, Nationwide has been shifting to cloud storage solutions for business data retention, leading to reduced dependence on data centers and a gradual reduction in our carbon footprint over time.



Since 2010, Nationwide has reduced our carbon footprint by 41% per square foot.

Reducing Waste and Increasing Office Efficiency

Water Awareness: Nationwide has a goal to lessen the total water consumption per square foot by 10% by the year 2026. Several of the initiatives that have led to this decrease include:

- Reducing water usage by 3.1M gallons in 2022 through low building occupancy and installation of low-flow bathroom fixtures.
- Continued use of water bottle refilling stations in our offices. Nationwide was an early adopter of water bottle reduction initiatives and began installing stations in our existing offices in 2018, as well as including refilling stations in all new building design.

Waste Diversion: By 2026, Nationwide aims to reduce the amount of waste generated per square foot by 10% and increase landfill diversion rate to 60%. Since 2017, landfill diversion has increased from 39% to 46%, leading to an overall reduction of 2,629 tons of waste.

- Nationwide partners with E-Cycle to offer free recycling of cell phones and tablets for our associates, with all funds raised from the recycling process donated to local charities.
- Our offices provide household battery collection stations to assist with responsible recycling.
- Nationwide participates in ReEntry, which is a closed-loop recycling program developed to completely recycle corporate carpet back into new carpet.
- Nationwide provides in-office document and media shredding for both business and personal documents for associates at all office locations to ensure appropriate handling.

Associate Education and Engagement: Nationwide fosters an associate resource group comprised of approximately 1,100 associates focused on ensuring a sustainable future. The group seeks to educate and activate Nationwide Associates with a focus on sustainability and environmentalism by presenting a monthly broadcast with leaders from Nationwide and the community, as well as hosting Earth Week events with guest speakers and educators to address challenges in water conservation, intersectional environmentalism, and renewable energy.

Sustainable Investments

Nationwide leverages Bloomberg's green bond flag to guide our decisions on acquisition of public corporate bonds, as well as sustainability designations provided by third parties for any private corporate bonds. Our overall investment in green bonds that promote environmentally sustainable outcomes and support efforts related to climate change mitigation totaled 688 million in 2022. Nationwide also invested 108 million in renewable energy in the past year.

In addition to the metrics included within this report, Nationwide issues an annual public Corporate Sustainability Report that highlights actions taken by the Company in four key areas, including environmental sustainability.

Appendix

Metric	Recommended Disclosure	Response Location
<p>Governance: Disclose the organization's governance around climate related risks and opportunities.</p>	<ul style="list-style-type: none"> • Describe the board's oversight of climate related risks and opportunities. • Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks. • Disclose the oversight and governance of climate-related risks by the registrant's board. • Describe management's role in assessing and managing climate related risks and opportunities. • Disclose the oversight and governance of climate-related risks by the registrant's management. • 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. 	<p>Governance of Climate Risk: Board Oversight, Nationwide's Risk Committee Structure, Pg. 2-4</p>
<p>Strategy: The actual and potential impacts of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<ul style="list-style-type: none"> • Describe the steps the company has taken to engage key constituencies on the climate risk and resiliency. • Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term. • Disclose how any climate-related risks identified by the registrant have had or are likely to have a material impact on its business and consolidated financial statements, which may manifest over the short-, medium-, or long-term. 	<p>Strategy: Engaging Key Stakeholders – Members & Associates sections, Climate-Related Risks, Pg. 5-8</p>

Metric	Recommended Disclosure	Response Location
<p>Strategy: The actual and potential impacts of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<ul style="list-style-type: none"> • Disclose how any identified climate-related risks have affected or are likely to affect the registrant's strategy, business model, and outlook. • Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. • Discuss if and how the insurer provides products or services to support the low carbon transition 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. • Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations. 	<p>Strategy: Climate-Related Opportunities, Pg. 9-10</p> <p>Risk Management: Preparing and Supporting our Members, Pg. 14</p> <p>Metrics & Targets: Pg.16</p>
<p>Risk Management: The processes used by the organization to identify, assess, and manage climate-related risks.</p>	<ul style="list-style-type: none"> • Describe the organization's processes for identifying and assessing climate-related risks. • Disclose the registrant's processes for identifying, assessing, and managing climate-related risks and whether any such processes are integrated into the registrant's overall risk management system or processes. • Discuss whether the process includes an assessment of financial implications and how frequently the process is completed. • Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered. 	<p>Risk Management: How Our Businesses Manage Risk and Prepare for the Future, Nationwide Financial, Nationwide Investments, Pg. 11-12</p>

Metric	Recommended Disclosure	Response Location
Risk Management: The processes used by the organization to identify, assess, and manage climate-related risks.	<ul style="list-style-type: none"> 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. 	Risk Management: Property & Casualty, Preparing and Supporting Our Members, Pg. 13-15
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities where such information is material.	<ul style="list-style-type: none"> 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. Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. 	Risk Management: Property & Casualty; Catastrophe Modeling and Risk Scenarios, Pg. 13-14 Metrics and Targets: Operational Efficiency Targets, Pg. 16-19

Survey Questions

To provide clear direction for achieving a robust, insurance-sector specific TCFD report, narrative and closed ended questions follow, grouped into the TCFD's four topics: governance, strategy, risk management and metrics and targets. Closed-ended questions directly correspond to the narrative, allowing for explanation and qualification of the yes/no answers.

Governance

- Does the insurer have publicly stated goals on climate-related risks and opportunities?
Yes. See supporting information in the Governance of Climate Risk section, pages 3-4.
- Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk?
Yes. See supporting information in the Governance of Climate Risk section, pages 3-4.
- Does management have a role in assessing climate-related risks and opportunities?
Yes. See supporting information in the Governance of Climate Risk section, page 4.
- Does management have a role in managing climate-related risks and opportunities?
Yes. See supporting information in the Governance of Climate Risk section, page 4.

Strategy

- Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency?
Yes. See supporting information in the Engaging Key Stakeholders section, pages 5-8.
- Does the insurer make investments to support the transition to a low carbon economy?
Yes. See supporting information in the Climate-Related Opportunities section, pages 9-10.
- Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk?
Yes. See supporting information in the Preparing and Supporting our Members section, page 14.
- Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations?
Yes. See supporting information in the Metrics & Targets section, page 16.

Risk Management

- Does the insurer have a process for identifying climate-related risks? If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process?
Yes. See supporting information in the How Our Businesses Manage Risk and Prepare for the Future, page 11, and Governance of Climate Risk section, pages 3-4.

Survey Questions

To provide clear direction for achieving a robust, insurance-sector specific TCFD report, narrative and closed ended questions follow, grouped into the TCFD's four topics: governance, strategy, risk management and metrics and targets. Closed-ended questions directly correspond to the narrative, allowing for explanation and qualification of the yes/no answers.

Risk Management

- Does the insurer have a process for assessing climate-related risks? If yes, does the process include an assessment of financial implications?
Yes. See supporting information in the Risk Management sections, pages 11-15, and Nationwide Financial and Investments sections, pages 11-12.
- Does the insurer have a process for managing climate-related risks?
Yes. See supporting information in the Risk Management sections, pages 11-15.
- Has the insurer considered the impact of climate-related risks on its investment portfolio?
Yes. See supporting information in the Nationwide Investments section, page 12.
- Has the insurer utilized climate scenarios to analyze their investment risk?
Yes. See supporting information in the Nationwide Investments section, page 12.
- Has the insurer considered the impact of climate-related risks on its underwriting portfolio?
Yes. See supporting information in the Property & Casualty section, pages 13-15.
- Has the insurer utilized climate scenarios to analyze their underwriting risk?
Yes. See supporting information in the Property & Casualty section, pages 13-15.
- Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks?
Yes. See supporting information in the Preparing and Supporting our Members section, page 15.

Metrics and Targets

- Does the insurer use catastrophe modeling to manage your climate-related risks?
Yes. See supporting information in the Property & Casualty section, pages 13-14.
- Does the insurer use metrics to assess and monitor climate-related risks?
Yes. See supporting information in the Operational Efficiency Targets section, pages 16-19.
- Does the insurer have targets to manage climate-related risks and opportunities?
Yes. See supporting information in the Operational Efficiency Targets section, pages 16-19.
- Does the insurer have targets to manage climate-related performance?
Yes. See supporting information in the Operational Efficiency Targets section, pages 16-19.