

# 2023 NAIC Climate Risk Disclosure Survey – Equitable Response

The disclosures below are specific to Equitable, the financial advice, protection and retirement subsidiaries of Equitable Holdings, Inc., unless otherwise noted.

Governance		
Disclosure Focus Area	Disclosure	Response
<p><b>Disclose the insurer’s governance around climate-related risks and opportunities</b></p> <ul style="list-style-type: none"><li>Identify and include any publicly stated goals on climate-related risks and opportunities.</li><li>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.</li></ul>	<p>A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities</p> <p><i>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:</i></p> <ul style="list-style-type: none"><li>Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks</li></ul>	<p>In accordance with their charters, the Equitable Holdings and Equitable <b>Nominating and Corporate Governance Committees</b> (the “NCG Committees”) oversee, among other matters, Equitable’s strategy regarding environmental stewardship, sustainability and corporate social responsibility, including climate-related matters. The NCG Committees meets at least quarterly and report to their respective Boards. The Boards may also receive direct reports from management on these matters. Climate-related risks and opportunities are also addressed at other Board and subsidiary board committees, including as follows:</p> <p><b>Compensation and Talent Committee:</b> oversight of compensation arrangements, including consideration of any ESG-related goals.</p> <p><b>Finance and Risk Committee:</b> oversight of enterprise risk management, including physical and transition risks of climate change.</p> <p><b>Investment Committee:</b> oversight of investment risk within the General Account portfolio, including Equitable’s ESG investment philosophy and guiding principles, ESG integration, impact investing activities as well as Funding Agreement-Backed Note (FABN issuances).</p> <p>In 2022, the Board and its committees met regularly to discuss opportunities and risks across Equitable’s ESG framework, including those related to climate.</p>
	<p>B. Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>At Equitable, the ESG framework is managed by a cross-functional ESG Steering Committee, overseen by executive sponsors who report directly to the Chief Executive Officer. As climate-related strategies are integrated throughout Equitable’s operations, members of the Equitable management committee, including the Equitable Chief Risk Officer, consult with senior managers responsible for managing financial and non-financial risks.</p>

		The ESG Steering Committee members are responsible for overseeing production of the annual Equitable ESG report; coordination with AllianceBernstein on our ESG reporting; aligning disclosures to certain ESG reporting frameworks, including SASB and TCFD; and ongoing monitoring and management of ESG-related matters, including climate-related commitments and policies. The recently appointed Head of ESG Strategy and Operations sits at the heart of our ESG operating model and collaborates closely with Equitable’s CEO, ESG Executive Sponsors and the ESG Steering Committee to help build, grow and evolve our ESG strategy and deliver on our commitments. The Head of ESG works in partnership with internal working groups to execute on the company’s climate strategy.
	Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N)	No.
	Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N)	Yes.
	Does management have a role in assessing climate-related risks and opportunities? (Y/N)	Yes
	Does management have a role in managing climate-related risks and opportunities? (Y/N)	Yes.
Strategy		
Disclosure Focus Area	Recommended Disclosure	Response
Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer’s businesses, strategy and	A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.  • Define short, medium, and long-term, if different than	Equitable takes climate risk issues seriously and strives to ensure that climate risks are adequately identified, measured and mitigated. As a financial advice, protection and retirement services provider with no property and casualty operations, the majority of our exposure to environmental factors lies within our General Account (GA) investment portfolio. Our \$96bn General Account represents the most significant portion of our carbon footprint and greatest exposure to climate-related transition risk. We currently calculate the carbon intensity of our public corporate bonds and sovereign bonds within our General Account. We are in the process of exploring additional calculation methodologies.

<p><b>financial planning where such information is material.</b></p> <ul style="list-style-type: none"><li>Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency</li><li>Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations</li></ul>	<p>1-5 years as short term, 5-10 years as medium term, and 10-30 years as long term</p>	<p>Our climate risk analytical framework computes provisional stress losses to measure the potential impact of climate change. Specifically, Equitable developed a stress testing and limits framework for certain investments in our GA, with a focus on major asset classes most exposed to climate-related risks. The stress testing and limits framework considers both (a) physical risks and (b) transition risks. The physical risk assessment considers the risk to investments with first order (direct) exposure to the effects of climate change, such as rising sea levels or exposure to extreme weather. This assessment evaluates physical risks over the medium to long term.</p> <p>The transition risk assessment considers the risk to an investment due to the speed of transition away from carbon — including the risk of both more rapid or more gradual transitions to a low-carbon economy than markets anticipate. The transition risk assessment limits exposure to enterprises sensitive to a transition to a low-carbon economy, including both swift and slow or delayed transitions.</p> <p>This year, Equitable measured and disclosed Scope 1 and Scope 2 GHG emissions covering 2019, 2020, 2021 and 2022 for its corporate and branch office locations. Our flexible work model has allowed us to continue our long-term focus of optimizing our real estate footprint. We are on track to reduce our occupancy square footage across our corporate office locations by approximately 50% by 2024.</p> <p>Over the last few years, we have shifted our perspective on what is considered essential travel, focusing on increased adoption of our digital collaboration tools. Looking forward, we intend to begin the process of measuring business travel emissions.</p> <p>For more information on Equitable Holdings’ approach to managing climate risk, please reference the Equitable Holdings <a href="#">Climate Change Statement</a>.</p> <p>For more information on AllianceBernstein’s approach to managing climate risk, please reference its <a href="#">Climate Change Statement and TCFD report</a>.</p>
	<p>B. Describe the impact of climate-related risks and opportunities on the insurer’s businesses, strategy, and financial planning.</p> <ul style="list-style-type: none"><li>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</li></ul>	<p>Stress testing analysis as conducted by Equitable’s Risk Management function demonstrated that climate risks does not constitute a material portion of our risk profile in comparison to the economic capital required to be held against investment risk. Specifically:</p> <ul style="list-style-type: none"><li>Our analysis indicates that: (1) less than one quarter of the General Account corporate bonds portfolio’s exposure is subject to climate relevant sectors, and (2) the potential loss across any climate-relevant sector and in aggregate is well below the alert / limit levels defined in the Equitable Holdings’ Risk Policy under three climate scenarios that reflect different future climate policy pathways. These include (1) a sudden, disorderly transition, (2) a long-term, orderly transition and (3) no transition with continuation of current policies.</li><li>For commercial mortgage loans, our analysis focuses on the portfolio’s susceptibility to flood risk events in the United States arising from river, rainfall, storm surge and costal sources based upon the most common statistical methods leveraging flood risk maps. Our analysis demonstrated that flood risk does not constitute a material portion of our investment risk profile.</li></ul> <p>We recognize that expertise in modeling climate-related risks remains in its infancy and that our climate stress tests will be further refined as industry standards become available.</p>

	<ul style="list-style-type: none"><li>Discuss if and how the insurer makes investments to support the transition to a low carbon economy</li></ul>	
	C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.	<ul style="list-style-type: none"><li>Equitable selected three climate scenarios to explore the vulnerability of our current public corporate bond portfolios to future climate policy pathways and the associated changes in global warming. The three scenarios are plausible representations of what might happen based on different future paths of governments' climate policies including (a) a sudden, disorderly transition, (b) a long-term, orderly transition and (c) no transition; continuation of current policies. Hence, the first scenario maximizes transition risks, while the third scenario maximizes physical risks. The first two scenarios assume that the Paris Agreement targets are broadly achieved, although through different means while, in the third scenario, it is assumed that the targets are not met, resulting in a significant impact on the global climate. Each of these scenarios considers the speed of transition to a lower carbon economy and consequent financial impact to various sectors, both positive and negative.</li><li>For purposes of physical climate stress testing on commercial mortgage loans, we rely on flood risk maps that quantify the frequency of flooding events from river, rainfall, storm surge and costal sources for a defined return period, and our approach integrates environmental considerations to capture changes in flood risk over the next 30 years under the 4°C conservative climate change scenario defined in our existing stress test framework.</li></ul>
	Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N)	Yes.
	Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk? (Y/N)	No
	Does the insurer make investments to support the transition to a low carbon economy? (Y/N)	Yes.
	Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N)	Yes.

Risk management		
Disclosure Focus Area	Recommended Disclosure	Response
<p><b>Disclose how the insurer identifies, assesses, and manages climate-related risks</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable.</li> <li>Describe how the insurer has considered the impact of climate-related risks on its</li> </ul>	<p>A. Describe the insurer’s processes for identifying and assessing climate-related risks.</p> <ul style="list-style-type: none"> <li>Discuss whether the process includes an assessment of financial implications and how frequently the process is completed</li> </ul>	<p>Equitable expanded its established processes for managing our climate change risk in 2022. Our risk management function completed the development of a stress testing and limits framework for assessing climate-related risks related to our investment portfolio of public corporate bonds and commercial mortgage loans. The stress testing and limits framework was integrated in the Equitable Holdings’ Risk Policy. We intend to examine whether to expand the scope of stress testing to other asset classes, based on the pragmatism of the modeling and ongoing assessment of the materiality of the risk.</p> <p>Equitable is working with our investment management partners (including AllianceBernstein) to examine climate change risk further, however potential exposures are expected to be relatively modest given the generally shorter-term maturity and modest size of our energy and real estate loan portfolios.</p>
	<p>B. Describe the insurer’s processes for managing climate-related risks.</p>	<p>Equitable employs various strategies with the objective of mitigating risks inherent in our business and operations, including climate change risks.</p> <p>In addition, Equitable maintains a de minimis owned real estate portfolio, and our core products/services (life and annuity products) are generally not climate sensitive. Our Risk Management function assesses that Equitable’s principal climate change risks are concentrated in our investment portfolio as described in the response to the Strategy: section (a). Analyses are underway to examine these risks further, but potential exposures are expected to be relatively modest.</p>
	<p>C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer’s overall risk management.</p> <ul style="list-style-type: none"> <li>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.</li> <li>Discuss the climate scenarios utilized by the insurer to</li> </ul>	<p>Equitable believes integrating ESG factors into our investment process enhances the quality of our investment portfolio.</p> <p>Equitable takes a two-pronged approach to ESG investing within our General Account:</p> <ul style="list-style-type: none"> <li><b>ESG Integration:</b> ESG considerations are integrated into our investment process for approximately \$65bn of our General Account assets using AllianceBernstein’s proprietary rating system and integration methodology. We explicitly consider an issuer’s ESG rating as part of our evaluation of the risk and return of the investment opportunity. Our ESG integrated portfolio is comprised primarily of our corporate credit portfolio, which is the largest allocation within the General Account, and, to a lesser extent, our structured credit and U.S. treasury, government and agency bonds. As a signatory to the Principles for Responsible Investment (PRI), we are committed to continuing to evaluate and improve our ESG integration practices.</li> <li><b>Impact Investing:</b> In 2021 we announced our goal to commit \$1-2bn towards impact investments by the end of 2023. As of Q2 2023, we have committed c.\$1.5bn towards this goal. Although we have surpassed our minimum commitment amount, we continue to seek additional impact investment opportunities.</li> </ul> <p>Equitable’s investment portfolio also benefits from AllianceBernstein’s investor-driven engagement process. AllianceBernstein’s investment professionals – research analysts and portfolio managers – understand the companies and industries they cover in depth. Working in partnership with the Responsibility Team, this puts them in the best position to determine which ESG issues are material for a particular company, to determine the financial impact of an ESG issue and to incorporate that insight into their credit models. This also means AllianceBernstein is well suited to engage with company management teams. Investor-led engagement sends a clear message that both AB and Equitable believe incorporating insights from</p>

investment portfolio, including what investment classes have been considered.	<p>analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.</p> <ul style="list-style-type: none"><li>• 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.</li></ul>	ESG engagements can lead to better portfolio construction and we can prompt companies to take prudent actions, which reduce ESG risks and expand ESG opportunities.
	<p>Does the insurer have a process for identifying climate-related risks? (Y/N)</p> <ul style="list-style-type: none"><li>• If yes, are climate-related risks addressed through the insurer’s general enterprise-risk management process? (Y/N)</li></ul>	<p>Yes.</p> <p>Yes.</p>
	<p>Does the insurer have a process for assessing climate-related risks? (Y/N)</p> <ul style="list-style-type: none"><li>• If yes, does the process include an assessment of financial implications? (Y/N)</li></ul>	<p>Yes.</p> <p>Yes.</p>
	<p>Does the insurer have a process for managing climate-related risks? (Y/N)</p>	<p>Yes.</p>

	Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/NA)	No.
	Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N)	No.
	Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N)	Yes.
	Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N)	No.
	Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N)	Yes.
Metrics and targets		
Disclosure Focus Area	Recommended Disclosure	Response
Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such	<p>A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <ul style="list-style-type: none"><li>Consider the amount of exposure to business lines,</li></ul>	<p><b>Operations</b></p> <p>At Equitable, we are committed to improving the sustainability of our operations and business practices, which includes reducing our carbon footprint. In 2022, we completed our inventory of Equitable’s greenhouse gas (GHG) emissions, for the years 2019,2020, 2021 and 2022, marking a critical step in our efforts to understand and account for the environmental impact of our operations. Scope 1 emissions reported include direct emissions from stationary combustion of natural gas. Scope 2 emissions reported include indirect emissions from the generation of purchased electricity.</p> <p><b>Investment Portfolio</b></p>

<b>information is material.</b>  • Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please specify for which climate-related risks lead the insurer uses catastrophe models to assess, if any.	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)	ESG considerations are integrated into our investment process for approximately \$65bn of our General Account assets using AllianceBernstein’s proprietary rating system and integration methodology. Our ESG integrated portfolio is comprised primarily of our corporate credit portfolio, which is the largest allocation within the General Account, and, to a lesser extent, our structured credit and U.S. treasury, government, and agency bonds.																				
	B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<p>Equitable quantifies greenhouse gas (GHG) emissions from operationally controlled, leased corporate and branch offices in the United States. Emissions were calculated using actual usage data from third-party invoices provided by the utility company where data was available; where data was unavailable, Equitable estimated emissions. Equitable collects usage data for natural gas and purchased electricity. Equitable did not collect usage data or make estimates for any other emissions sources.</p> <p>Our formal inventory process uses the operational control approach per the World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Protocol to define our organizational boundary and account for Scope 1 and Scope 2 emissions.</p> <table><tr><th>Scope</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>Scope 1</td><td>3,232</td><td>3,085</td><td>3,143</td><td>2,949</td></tr><tr><td>Scope 2</td><td>8,670</td><td>7,772</td><td>7,945</td><td>7,286</td></tr><tr><td>Total</td><td>11,902</td><td>10,857</td><td>11,088</td><td>10,235</td></tr></table> <p><b>Definition of metric:</b> Scope 1 - Direct emissions from stationary combustion of natural gas Scope 2 - Indirect emissions from the generation of purchased electricity (location-based)</p> <p>Equitable engaged PricewaterhouseCoopers LLP (PwC) to perform a limited assurance engagement over our 2021 and 2022 Scope 1 and Scope 2 (location-based) emissions data. Please refer to PwC’s Report of Independent Accountants and our management assertion letter in this report.</p> <p>In regard to Scope 3 Category 15, Equitable partners with AllianceBernstein to use MSCI’s climate data to calculate our portfolio emissions on a carbon intensity basis for certain assets within our General Account (public corporate bonds and sovereign bonds). In 2022, Equitable evaluated our processes and controls to ensure this capability is developed in line with the industry’s best practices.</p>	Scope	2019	2020	2021	2022	Scope 1	3,232	3,085	3,143	2,949	Scope 2	8,670	7,772	7,945	7,286	Total	11,902	10,857	11,088	10,235
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C. Describe the targets used by the insurer to manage	Equitable manages climate-related risks and opportunities in both our operations and investment portfolio. We developed an internal Inventory Management Plan (IMP) that includes institutional, managerial, and technical procedures and processes to collect and manage reliable, quality GHG																					



	climate-related risks and opportunities and performance against targets.	data on an annual basis. We have not set any climate-related targets at this time. As we develop our understanding of climate-related risks and their associated impacts, we will continue to analyze key climate metrics that are relevant to our business.  In 2021, we announced our goal to commit \$1-2bn towards impact investments by the end of 2023. As of Q2 2023, we have committed c.\$1.5bn towards this goal. Although we have surpassed our minimum commitment amount, we continue to seek additional impact investment opportunities.
	Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N)	Yes
	Does the insurer use metrics to assess and monitor climate-related risks? (Y/N)	Yes
	Does the insurer have targets to manage climate-related risks and opportunities? (Y/N)	No
	Does the insurer have targets to manage climate-related performance? (Y/N)	No

Equitable Holdings, Inc. (NYSE: EQH) (“Equitable Holdings”) is a financial services holding company comprised of two complementary and well-established principal franchises, Equitable and AllianceBernstein. Founded in 1859, Equitable Financial Life Insurance Company (Equitable Financial) provides advice, protection and retirement strategies to individuals, families and small businesses. AllianceBernstein is a global investment management firm that offers high-quality research and diversified investment services to institutional investors, individuals and private wealth clients in major world markets. Equitable Holdings has approximately 12,000 employees and financial professionals, \$754 billion in assets under management (as of 12/31/2022) and more than 5 million client relationships globally.

*Equitable is the brand name of the retirement and protection subsidiaries of Equitable Holdings, Inc. including Equitable Financial Life Insurance Company (NY, NY) (“Equitable Financial”) , Equitable Financial Life Insurance Company of America, an AZ stock company (“Equitable America”), and Equitable Distributors, LLC. Equitable Advisors is the brand name of Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI and TN).*

*Equitable Holdings owns an approximate 61% economic interest in AllianceBernstein. Equitable Holdings’ indirect, wholly-owned subsidiary is the General Partner of AllianceBernstein with the authority to manage and control AllianceBernstein, and accordingly, AllianceBernstein is consolidated in Equitable Holdings’ financial statements. AllianceBernstein trades on the NYSE under the ticker symbol “AB”.*