



WESTFIELD®

Task Force for Climate-Related Financial Disclosures (TCFD) Report

Reporting Year 2023

Introduction

Westfield considers climate change to be a significant and evolving risk topic within our Enterprise Risk Management framework. As you will read throughout this report, risks associated with a changing climate are managed across the organization in a variety of settings and contexts.

Westfield's risk management practices around climate change enable the organization to mitigate risk while embracing opportunities. These practices manifest themselves in a variety of ways.

- **Governance**
 - ✓ OFIC Board of Directors and Management governance climate related activities
- **Strategy**
 - ✓ Westfield's core values
 - ✓ Corporate Sustainability Initiative
 - ✓ Investment Portfolio
 - ✓ Underwriting and Product enhancements
- **Risk Management**
 - ✓ Climate Change within the ERM framework
 - ✓ Climate change risk assessment
 - ✓ Catastrophe management
- **Metrics**
 - ✓ Sustainability metrics around power, waste, and water
 - ✓ Reporting of Scope 1 and 2 emissions

This report aims to broadly illustrate Westfield's key activities related to climate change. It is not an exhaustive list of specific actions being taken across the company.

I. Governance

Climate change is addressed by members of various management and board-level committees within our ERM governance structure. These committees and working groups include but are not limited to:

- **Ohio Farmers Insurance Company (OFIC) Board of Directors**
- **Enterprise Risk Management Committee of the OFIC Board**
- **Enterprise Risk Management Leadership Committee**
- **Finance Committee**
- **Emerging Risk Panel**

OFIC Board of Directors Climate Related Activities

Climate change is addressed across multiple OFIC Board related activities and responsibilities, examples include the following:

- Annual business plans and quarterly operating results reviews consistently incorporate the effects of an increase in frequency of severe weather events, the impact on our operating results and management’s actions to manage the impact of these events on results.
- Board meeting agenda time dedicated to enhancing the Board’s knowledge and understanding of climate change, including climate change experts sharing thought leadership as guest speakers.
- Board engagement in strategy development includes contemplating the risks and opportunities presented by climate change within strategy.
- At least annually, the ERM Leadership Committee meets to discuss climate change related risks. This includes a review of our Climate Change risk report (found in Section III of this report). The ERM Leadership Committee reports up through the ERM OFIC Board Committee. This ERM OFIC Board Committee reviews the minutes from ERM Leadership Committee meetings, as well as the Climate Change risk report. The ERM OFIC Board Committee shares reports with the full OFIC Board in quarterly Board meetings.

More broadly, risks and opportunities associated with climate change are managed across the business in a variety of settings. The disciplines of Reinsurance and Catastrophe Management, Actuarial, Investments, Underwriting, Claims, and Product Research & Development are embedded in decision making impacted by a changing climate. Various weather models are utilized by leaders across the organization to predict loss activity, develop appropriate rates, enhance our view of risk, and in reinsurance purchasing.

II. Strategy

Westfield’s Core Values

Core
Values

GUIDING PRINCIPLES
BY WHICH WESTFIELD
NAVIGATES

Respect

Nurture relationships with mutual respect and shared values

Knowledge

Dedicate ourselves to pursuing knowledge and sharing what we know

Integrity

Act with consistent character and stand accountable as honest, fair and ethical

Stewardship

Protect the assets entrusted to us and enhance them for future generations

Trust

Deliver on promises

Corporate Vision

***Our outstanding team of inclusive, diverse, and caring people
will leverage innovative and superior risk insight
to create customer value through a portfolio of P&C businesses
that consistently produce excellent operating results.***

Corporate Sustainability Initiative

Climate change is viewed as both a risk and an opportunity. The organization takes many actions to conserve energy, minimize waste, and protect the environment. Westfield has implemented several initiatives and projects which reduce emissions in the physical environment.

Examples of specific actions include:

- Ongoing identification and evaluation of facility components that consume energy; development of strategies to reduce consumption over the short and long term.
- \$1.5 million investment in more efficient HVAC equipment throughout the Home Office campus.
- 6 electric vehicle charging stations installed at the Westfield Home Office.
- Separation, collection and recycling of paper.
- Separation, collection and recycling of comingled plastics and metal.
- Use of biodegradable water treatment chemicals for cooling tower applications.
- Use of environmentally friendly cleaning chemicals in our housekeeping and food service operations.
- Utilization of organic fertilizers and recycling organic waste.
- Use of recyclable building materials and low volatile organic compound (VOC) materials where appropriate.
- Substituted battery powered hand tools replacing combustion engine hand tools in our grounds operations.
- Replaced vacuum cleaning equipment with Green certified equipment with HEPA filters to provide healthier work environment.
- Renewable Energy Credit (REC) certificates for the powering of owned home office facilities.

Investment Portfolio

The primary objective of the Westfield investment portfolio is to provide a stable and growing stream of income to diversify the underwriting results and support our insurance operations. Westfield has considered the impact of climate change on its investment portfolio. However, given the long-term time horizon, high-quality, highly liquid and diversified nature of our portfolio, climate change continues to be an insignificant factor in the overall risk-return profile.

While ESG, including climate change, is not a primary investment consideration, we do review our portfolio on an annual basis to measure our ESG standing within the Morningstar S&P 500 index. In addition, Westfield reviews an annual ESG BlackRock report to evaluate its investment portfolio relative to that of its insurance peer group. These reviews are key indicators that inform the investment portfolio exposure to climate change at Westfield.

III. Risk Management

Climate Change within ERM Framework

Our ERM Framework aims to identify, monitor, and report on all risks which could impact the enterprise. Part of this process includes an evaluation of the likelihood and impact of each risk and its accompanying scenarios. As such, risks associated with climate change are captured in a variety of contexts across the ERM Framework. In

2023, climate change was established as a key risk in the enterprise risk inventory, which prompts an annual update to the risk. The following section is a breakdown of our most recent assessment of climate change risk to US operations of OFIC.

Climate Change Risk Assessment

Climate Change is defined as any significant change in the Earth's climate over an extended period of time (typically decades or longer), whether due to natural variability or as a result of human activity. This includes changes in temperature, precipitation, and other weather-related factors. These long-term changes could impact Westfield for several decades due in part to the below-listed scenarios. (Source: NOAA, EPA)		
Updated State of the Risk – Concerns, Gaps, and Initiatives		
<ul style="list-style-type: none"> Climate Change and Catastrophe Risk Management Working Group continues to meet quarterly to address this risk. Alignment on Westfield’s View of Risk (see below) 		
Trend – Consider the next 12 months. What is the relationship between the overall residual risk and our ability to respond?		
Selection (insert X)	Trend Options	Definitions
	Increasing	The residual risk is likely increasing faster than our ability to respond
X	Stable	The residual risk is likely in step with the actions we are taking to respond
	Decreasing	The residual risk is likely decreasing, potentially due to actions we have taken to respond
Provide your reasoning: The trend is stable over the next 12 months but could be increasing if we think about a longer-term horizon.		
Risk Scenarios		Risk Responses
Natural Hazard <ul style="list-style-type: none"> Climate change may increase the frequency and/or severity of major weather events impacting property insurance (tropical cyclones, inland and coastal flooding, wildfires, and extreme temperatures) Increased heavy precipitation events will lead to more frequent high-severity flooding events. The severity of North Atlantic tropical cyclones is expected to increase, leading to more costly catastrophe losses, primarily in coastal regions but also in inland regions, as well. Rising sea levels will likely lead to flooding complications in many coastal regions. More frequent heat waves and droughts may lead to water scarcity, affecting daily life and the economy in particular regions, as well as leading to increased wildfire risk. Wildfires are becoming more common in the western United States due to faster water evaporation due to the warming climate. Judicial, Legislative, and Regulatory Environment <ul style="list-style-type: none"> Increased regulatory and compliance expectations, such as insurers being required to lead the way in building codes and zoning changes with built in insurance policy incentives (similar to automobile safety advancements) Rate regulation and competition will suppress adequate product pricing until after increased losses materialize. 		<ul style="list-style-type: none"> Property catastrophe modeling and other analysis to quantify the impact of longer-term climate change trends. Climate Change and Catastrophe Risk Management Working Group, which meets quarterly, is a cross-functional team whose purpose is to assess and quantify the impact of climate change - through gaining alignment on Westfield’s View of Risk - for each peril and sub-peril to manage catastrophe risk and achieve profitable growth. Underwriting and portfolio management actions to contemplate the impact of natural hazards, including the impact of climate change.

<ul style="list-style-type: none"> Legal theories of liability as to who is to blame trickling down beyond coal/oil-based companies (similar to asbestos) <p>Investment Portfolio</p> <ul style="list-style-type: none"> Investment holdings that don't account for climate change risks (positive or negative) could be impacted. <p>Claims</p> <ul style="list-style-type: none"> Business continuity/interruption claims related to severe weather (i.e., utility outages) may become more common due to an increase in severe weather events. For Westfield employees, short term business continuity issues could arise from remote work outside of an office with backup generator power. 	
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Assessment of Likelihood, Onset, and Impact

PERIL	FREQUENCY	SEVERITY	CONFIDENCE	KEY TAKE-AWAYS
HURRICANE	No change	Increase	High	<ul style="list-style-type: none"> Data do not indicate changes in hurricane physics yet. Future change likely material, not expected for 20-30 years
COASTAL FLOODING	Increase	Increase	High	<ul style="list-style-type: none"> Increased likelihood of future flooding events in coastal cities from compounding effects of higher sea level rise, more intense hurricane
WILDFIRE	Increase	Increase	High	<ul style="list-style-type: none"> More frequent fire weather - hot, dry, and windy conditions
INLAND FLOODING	Increase	Increase	Medium-High	<ul style="list-style-type: none"> Changes likely occurring, future change likely material Heavy precipitation events may increase in frequency and intensity
SEVERE CONVECTIVE STORM	Uncertain	Uncertain	Low	<ul style="list-style-type: none"> Uncertain evolution No scientific consensus has yet to emerge
WINTER STORM	Uncertain	Uncertain	Low	<ul style="list-style-type: none"> Uncertain evolution

Source: Intergovernmental Panel on Climate Change, Verisk, Renaissance Re Risk Sciences, Karen Clark & Co

Catastrophe Management

Beyond our formal ERM program, our catastrophe management area conducts a thorough ongoing analysis of weather-related hazards and collaborates with other functional areas to formulate our view of risk and develop risk mitigation strategies. We use catastrophe models to identify weather related losses on our business and on how this may change over time and by type of event(s). We also use deterministic models to look at the short and long-term historical data, as well as future projections over various times to set return limits, influence underwriting guidelines, reinsurance purchases and programs, all to reduce policyholder impacts. We participate on various industry committees which monitor trends including climate change. We also regularly engage in dialogue with our business partners, including reinsurers, on the topic of climate change.

Our view of risk is formed using catastrophe models as well as other tools and methods that are independent of modeled results. We use multiple catastrophe models to develop loss estimates for the perils of hurricane, earthquake, severe convective storm, and winter storm. Our portfolio is modeled using several event sets representing varying climate conditions. In addition to the standard set of modeled output, we blend and adjust the modeled results to reflect a view of risk unique to our exposure. Modeled loss estimates are subject to

uncertainty and represent only one method of estimating loss. We recognize that the loss probabilities generated by the models are not predictive of future natural catastrophes and that they only provide estimates of the magnitude of losses that may occur in the event of such catastrophes.

Tools and methods that are independent of modeled results include the analysis of trends in historical catastrophe loss, deterministic scenario analyses, and case studies. We monitor exposure to non-modeled perils including flood and wildfire. Long-term demographic, sociological, and climate trends are also considered. The knowledge gained through these activities provides valuable insight that is used to help form our strategies related to catastrophe exposure management, capital deployment, reinsurance, coverage, and pricing.

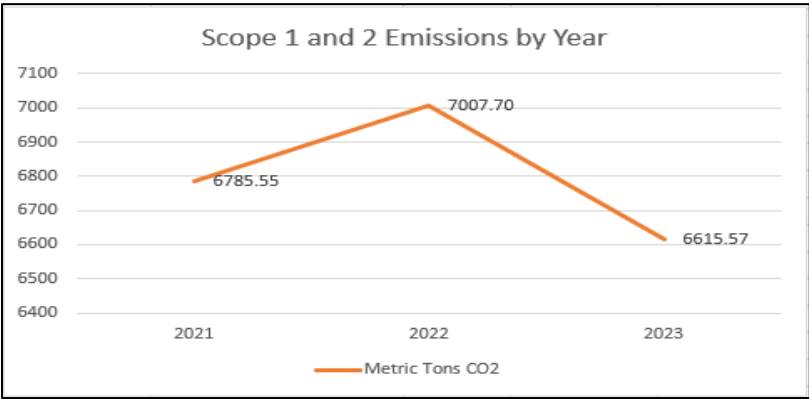
An increase in property insurance losses from weather-related hazards is one of the predominant risks that climate change may pose. We face this risk across all lines of business and in all of our operating territories to the extent that there is exposure to hurricane, severe convective storm, winter storm, wildfire, drought, and other related perils. Climate change may also increase loss from liability claims as new liability exposures emerge. Westfield also has reinsurance arrangements in place to support catastrophe events. We anticipate that our coastal exposures will most likely be impacted by events stemming from climate change, but areas which are prone to other convective storms could see outcomes outside of our expectations.

IV. Metrics

Greenhouse Gas Emissions

2023 Emissions (Metric Tons CO ₂ e)	
Scope 1	2,776
Scope 2	3,840

* Scope 1 Emissions are the sum of carbon emissions from all fleet vehicles and buildings owned by Westfield. Scope 2 Emissions are estimated CO₂ emissions from the production of electricity used by all buildings that Westfield owns.
** These figures do not account for the potential carbon output related to the natural resources of the Westfield Country Club.



The figures in the table above are Westfield’s carbon emissions estimates using the best available data involving fleet usage, building emissions, and electricity production data. Westfield’s fleet information is managed by a third-party vendor and was originally reported in pounds of CO₂ emitted. Electrical usage was originally reported in megawatt hours (MWH) and converted to metric tons through a conversion factor provided by the EPA’s “Emissions and Generation Resource Integrated Database” (eGRID) to estimate the most accurate carbon emission data associated with Westfield’s electricity usage.

V. Conclusion

Climate risk is managed across the enterprise by a variety of functions. We continue to make progress in sustainability, catastrophe management, enterprise risk management, investments, underwriting acumen, and risk governance. We view climate change as a slow-moving risk which will play out over a long period of time, bringing about both risks and opportunities. Moving forward, our ability to understand the various risks associated with climate change will be critical to our ability to achieve our business objectives.