

Governance

1. Disclose the insurer's governance around climate-related risks and opportunities.

In disclosing the insurer's governance around climate-related risks and opportunities insurers should consider including the following:

- Identify and include any publicly stated goals on climate-related risks and opportunities.
- Describe where climate-related disclosure is handled within the insurer's structure, e.g., at a group level, entity level, or a combination. If handled at the group level, describe what activities are undertaken at the company level.

A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.

In describing the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks, insurers should consider including the following:

- Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks.
- B. Describe management's role in assessing and managing climate-related risks and opportunities.

Response:

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

Goals: UHA is dedicated to understanding, addressing, and mitigating climate-related risks and opportunities. Our goal is to contribute to a sustainable and resilient healthcare ecosystem while minimizing the potential adverse impacts of climate change on our operations and the communities we serve. UHA is also committed to developing and implementing a Health-Related Social Needs (HRSN) benefit by 2024 to promote climate emergency preparedness and address the health impacts of climate events for our members.

Climate Disclosure Structure: UHA's approach to overseeing climate-related risks and opportunities is led by its Emergency Management Task Force (EMTF), entrusted with the development and administration of the Emergency Action Plan (EAP).

UHA has taken an additional step by instituting a temporary Health-Related Social Needs (HRSN) Climate Response Workgroup. This workgroup holds the responsibility of crafting a comprehensive Climate Response Program, strategically positioned to effectively administer the HRSN Climate benefit, slated for commencement in 2024. The focal point of this program is to provide essential climate control equipment to individuals with high-risk clinical needs, residing in areas impacted by extreme weather events. The program aims to provide medically necessary air conditioners, heaters, air filtration devices, Portable Power Supplies (PPS), and refrigeration units. Key stakeholders in the development and administration of this program include Decision Support, Care Coordination, Utilization Management, Community Engagement, Communications and Finance.

Climate-Related Disclosure: Climate-related disclosure is made to UHA's employees and members who may be impacted by a climate-related event. This is accomplished through geo-mapping and SMS technology. Additionally, such disclosures are made to UHA's owners and other board members on a case-by-case basis. Recommendations and actions generated by the EMTF and the Executive Team are presented at Board meetings.

Management's Role: In collaboration with the EMTF and the HRSN Climate Response Workgroup, UHA's management plays a crucial role in assessing and managing climate-related risks and opportunities. The Executive Team is responsible for overseeing:

- **Risk Assessment:** Regularly evaluating the potential impacts of climate-related events, such as extreme weather events and changing disease patterns, on our operations, finances, and the healthcare services we provide to our Medicaid beneficiaries. In addition, leadership works to improve our carbon footprint, renewable resources, innovation, and adaptation.
- **Integration of Climate Considerations:** Incorporating climate-related factors into our business planning, investment decisions, and resource allocation to enhance resilience and sustainability. For example, UHA installed electric vehicle charging stations in 2023 to promote the use of renewable energy.
- **Collaboration:** Collaborating with the Climate Response Workgroup, the EMTF and the ODHS Office of Resilience and Emergency Management (OREM) to ensure alignment between strategic goals and risk mitigation efforts.

- **Reporting:** Providing transparent and accurate reporting on our progress towards achieving climate-related objectives and managing associated risks.
- The UHA Board is responsible for making decisions, based upon recommendations by the Executive Team, related to climate-related financial risks.

Strategy

2. Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy, and financial planning where such information is material.

In disclosing the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy and financial planning, insurers should consider including the following:

- Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency.
- Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations.

- A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.

In describing the climate-related risks and opportunities the insurer has identified over the short, medium, and longer term, insurers should consider including the following:

- Define short, medium, and long-term, if different than 1-5years as short term, 5-10years as medium term, and 10-30years as long term.

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

In describing the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider including the following:

- Discuss if and how the insurer provides products or services to support the transition to a low carbon economy or helps customers adapt to climate-related risk.
 - Discuss if and how the insurer makes investments to support the transition to a low carbon economy.
- C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

Response:

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

- **Engaging Key Constituencies:** UHA has undertaken proactive steps to engage with key stakeholders on the matter of climate risk and resiliency. Regular communications, workgroups, and collaborations with local authorities, healthcare providers, community organizations, and members are pivotal in identifying and addressing climate-related concerns. This ongoing dialogue enables UHA to align its strategies and responses with the evolving needs of the community.
- **Greenhouse Gas Emissions Management:** UHA is committed to reducing its greenhouse gas emissions associated with its operations. Our strategic plan includes a targeted approach to assess, reduce, and mitigate these emissions. This involves enhancing the energy efficiency of our facilities, promoting the use of renewable energy sources, and adopting sustainable practices within our organization. For example, UHA installed electrical vehicle charging stations in 2023 to promote the use of renewable energy.

Climate-Related Risks and Opportunities: Over the short, medium, and long terms, UHA has identified a spectrum of climate-related risks and opportunities. In our context, short-term refers to the next 1-5 years, medium-term spans 5-10 years, and long-term spans 10-30 years.

Short Term: In the short term, UHA anticipates the potential for increased utilization of healthcare services due to extreme weather events, exacerbating health conditions among its members and straining medical resources. In addition, to the short term for

our members, UH as an organization will also incorporate a plan in the next five years that will do the following:

Assessment and Baseline Measurement: Conduct a carbon footprint assessment to understand the organization's current emissions across scopes 1, 2, and 3 (direct emissions, energy-related emissions, and other indirect emissions). Determine the sources of emissions, such as energy use, transportation, waste, and supply chain activities. Lastly, establish a baseline to measure progress against.

Reduction Goals: We will be able to define clear and measurable carbon reduction goals which could be specific emission reduction targets.

Current Reductions Include: UHA had a carbon footprint that included four locations and all staff worked on site in the facilities. Since 2020, UHA has been able to reduce our footprint to one facility along with the ability of our workforce being a combination of onsite, hybrid and remote has improved our climate related risks in the following ways:

- **Energy Consumption:** Operating office spaces requires lighting, heating, cooling, and other energy-intensive activities. By reducing the number of physical facilities, UHA directly cut down on energy consumption.
- **Heating and Cooling:** Office buildings require heating or cooling to maintain a comfortable environment. With fewer buildings, energy demand for temperature control decreased.
- **Equipment Use:** Computers, servers, and other office equipment contribute to energy consumption. We are nearly paperless in many departments.
- **Transportation Emissions:** Employees commuting to the office contribute to transportation-related emissions, including vehicle emissions and fuel consumption.
- **Traffic Congestion:** Reducing the number of commuters can help alleviate traffic congestion, leading to smoother traffic flow and reduced idling, which contributes to emissions.
- **Business Travel:** Remote work also leads to fewer business trips, reducing emissions from air travel and long-distance commuting. In addition, we take full advantage of virtual events when available.
- **Water and Materials:** Fewer facilities mean reduced water consumption, as well as less demand for building materials and maintenance resources.
- **Waste Generation:** Reduced facilities can lead to lower waste generation, as remote workers are less likely to generate the same amount of office-related waste.
- **Sprawl:** By reducing the demand for office spaces, our organization contributes to containing sprawl and preserving green spaces.

- **Air Quality:** Fewer vehicles on the road and reduced energy consumption from buildings can contribute to improved local air quality.
- **Employee Well-Being:** Remote work offers employees flexibility, which can lead to improved work-life balance and job satisfaction.
- **Reduced Commute Stress:** Eliminating the daily commute can reduce stress and improve overall employee well-being.

Medium Term: Over the medium term, changing disease patterns and the potential for increased morbidity due to climate-related factors could impact UHA's service demand and cost structures. As to the UH infrastructure we may include the following in years 5-10:

- Continue to identify opportunities to improve energy efficiency within facilities that may include upgrading lighting, HVAC systems, insulation, and other energy-consuming equipment.
- Consider investing in on-site renewable energy sources such as solar.
- Explore options for purchasing renewable energy from external sources.

Transportation and Mobility:

- Promote alternatives to single-occupancy vehicles, such as carpooling, public transportation, cycling, and walking.
- Encourage remote work or flexible schedules to reduce commuting.
- Support electric or hybrid vehicles for company transportation needs by way of including charging stations.

Long Term: In the long term, infrastructure vulnerabilities and shifts in population health dynamics could present significant challenges, requiring robust adaptation and resilience strategies. Throughout the short, medium, and long term UHA will implement the following strategies:

Reporting and Communication:

- Regularly report progress toward carbon reduction goals to stakeholders, including employees, investors, and customers.
- Highlight achievements and challenges to maintain transparency and accountability.

Continuous Improvement:

- Regularly review and update the carbon reduction plan based on performance and changing circumstances.
- Stay informed about new best practices, technologies, and regulations related to carbon reduction.

Collaboration and Partnerships:

- Collaborate with industry peers, local communities, and environmental organizations to share knowledge and resources.

- Explore partnerships with organizations that focus on carbon offset projects.

Impact on Business, Strategy, and Financial Planning: The impacts of climate-related risks and opportunities extend across UHA's spectrum of operations. UHA is actively engaged in supporting the transition to a low carbon economy by promoting healthier lifestyles, investing in social determinants of health, updating facilities to be more environmentally friendly, and advocating for sustainable practices among its members and communities.

Climate Change Resilience Strategy: UHA's strategy is underpinned by its commitment to resilience, considering a range of climate-related scenarios, including excessive heat, cool and freezing weather, wildfires and air quality, flooding, power outages. By incorporating these scenarios into our strategic planning, UHA aims to enhance its adaptability and minimize potential vulnerabilities associated with climate-related risks. It also allows us to prepare to implement the HRSN benefit to provide support to members experiencing climate events.

Response to Risk Management

3. Disclose how the insurer identifies, assesses, and manages climate-related risks. In disclosing how the insurer identifies, assesses, and manages climate-related risks, insurers should consider including the following:
 - Describe how the insurer considers the impact of climate related risks on its underwriting portfolio, and how the company is managing its underwriting exposure with respect to physical, transition and liability risk.
 - Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable.
 - Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered.
- A. Describe the insurers' processes for identifying and assessing climate-related risks. In describing the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:

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

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

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.

In describing how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management, insurers should consider including the following:

- Discuss whether climate-related risks are addressed through the insurer's general enterprise-risk management process or a separate process and how frequently the process is completed.
- Discuss the climate scenarios utilized by the insurer to analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.
- Discuss the climate scenarios utilized by the insurer to analyze risks on its investments, including which risk factors are utilized, what types of scenarios are used, and what timeframes are considered.

Response:

UHA employs a rigorous process to identify, assess, and manage climate-related risks, integrating them seamlessly into its overall risk management approach.

Underwriting Portfolio: UHA evaluates the potential impact of climate-related risks on its underwriting portfolio. This includes an analysis of physical risks (extreme weather events affecting member health), transition risks (shifts in healthcare demand and delivery due to climate policies), and liability risks (potential legal implications from failure to address climate impacts). We actively manage our underwriting exposure by adapting coverage options, educating members on climate resilience, and collaborating with care providers and community partners to address climate-related health impacts.

Policyholder Engagement: UHA endeavors to empower its members to manage their physical and transition-related climate risks through education provided by our Care Coordination Case Managers and Care Navigators, and through our member newsletter and other materials. This involves disseminating information about climate resilience, sharing best practices for adapting to changing conditions, providing

support and care coordination, and encouraging members to take preventative actions to safeguard their health.

Investment Portfolio: UHA evaluates the potential implications of climate-related risks on its investment portfolio. UHA's investment portfolio is part of a larger strategy to maintain adequate Risk Based Capital to withstand any future climate events.

Identifying and Assessing Climate-Related Risks: UHA's process involves an assessment of both the financial and non-financial implications of climate-related risks. For example, UHA utilizes a geo-mapping tool which determines each member's location based on their physical address on file to outreach to members based on their proximity to inclement weather, natural disasters, or other climate events. UHA's finance department projects membership demand for funds, home modifications, and devices based on past experience.

Managing Climate-Related Risks: UHA employs a combination of strategies to manage these risks. These encompass proactive measures such as scenario analysis, disaster planning, and member preparedness through education, home modification and device procurement. Reactive measures include timely response and notification to emerging climate-related events, backed by real-time data and mass communication with members and stakeholders through SMS messaging.

Integration into Overall Risk Management: Climate-related risks are holistically integrated into UHA's enterprise-risk management process. This approach ensures that climate risks are not isolated but rather interwoven into the broader fabric of our risk management strategy. This integration reinforces the alignment of climate risk considerations with UHA's overall objectives and commitments.

Metrics and Targets

4. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.

In disclosing the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material, insurers should consider including the following:

- Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please specify for which climate-related risks the insurer uses catastrophe models to assess, if any.

- A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.

In disclosing the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process, insurers should consider including the following:

- In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions.
- B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
- C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

Response:

UHA proactively monitors metrics and targets employed to assess and manage pertinent collateralized climate-related risks and opportunities. These metrics and targets are pivotal in steering UHA's strategic decisions and risk management practices.

Catastrophe Modeling and Climate-Related Risks: UHA employs disaster preparedness planning and modeling techniques to effectively manage climate-related risks that could impact its operations. Disaster recovery plans are instrumental in assessing the potential impacts of various climate-related perils such as extreme weather events, wildfires, and flooding. These plans allow UHA to gauge potential losses, quantify risks, and devise robust strategies to enhance resilience. UHA leverages disaster planning models to assess its exposure to specific climate-related risks and to inform decision-making processes, particularly for events like wildfires and extreme weather.

Metrics to Assess Climate-Related Risks and Opportunities: UHA utilizes a range of metrics to assess climate-related risks and opportunities, which align with our overarching strategy and risk management protocols. These metrics encompass:

Exposure Quantification: UHA quantifies its exposure to climate-related physical risks by evaluating the amount of membership vulnerable to such risks. This assessment is articulated in both absolute amounts and percentage of total membership, enabling a comprehensive understanding of potential impact.

Climate Scenario Alignment: UHA's metrics are closely aligned with various climate scenarios, including those that assess probable maximum loss (PML) in a 1-in-100-year event. This alignment ensures that UHA's risk assessment is comprehensive and reflective of a broad spectrum of potential outcomes.

Greenhouse Gas (GHG) Emissions and Related Risks: UHA acknowledges the significance of disclosing its greenhouse gas emissions, encompassing Scope 1 and Scope 2 emissions. Scope 1 emissions pertain to direct emissions from UHA's operations, such as those emanating from heating systems. Scope 2 emissions entail indirect emissions resulting from electricity consumption. While UHA's emissions primarily originate from its HVAC systems, the organization maintains a maintenance schedule to ensure emissions are minimized, aligning with our commitment to sustainability.

Climate-Related Targets and Performance: UHA's approach to managing climate-related risks and opportunities is underpinned by clearly defined targets. These targets span emissions reduction, energy efficiency improvements, and resilience enhancement. Our performance against these targets is regularly tracked and evaluated to ensure ongoing alignment with our strategic goals.