NAIC CLIMATE RISK DISCLOSURE SURVEY
TCFD-ALIGNED QUESTIONS
UPDATED 2022

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.

Our reporting aligns with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) and is handled at the parent level (i.e. Elevance Health). To view Elevance Health's latest Impact Report, which includes TCFD disclosures, please visit https://www.elevancehealth.com/content/dam/elevance-health/documents/ELV_2023_Impact_Report.pdf.

The Board's oversight of climate-related risks and opportunities

The Governance Committee oversees climate-related issues. Several Directors have experience with environmental, social, and governance matters, specifically contributing to the Board's understanding of leading corporate governance practices and environmental and social sustainability initiatives. Committee duties and responsibilities include monitoring Elevance Health's environmental sustainability initiatives and performance. Elevance Health's Chief Sustainability Officer (CSO) updates the Governance Committee twice annually on environmental, social, and governance related matters, including climate strategy. If climate-related issues are identified as a significant risk within the Enterprise's Risk Management (ERM) framework, then they would merit the attention of the Audit Committee. If climate-related issues meet ERM risk appetite thresholds, then mitigations, controls, and strategy will be reviewed by the Audit Committee. This includes the setting of key risk indicators/metrics to facilitate the ongoing monitoring and management of climate-related risks. The Chief Risk Officer (CRO) reports directly to the Audit Committee of the Board, with administrative reporting to the Chief Financial Officer.

Management's Role

Elevance Health's company-wide environmental policy, strategy, and goals are overseen by the Governance Committee of the Board of Directors. Elevance Health's CSO is responsible for establishing our strategy, reporting on environmental sustainability initiatives, and identifying climate-related risks and opportunities.

Elevance Health's CSO partners with the CRO and/or ERM team to identify potential climate-related risks via an ongoing risk assessment informed by independent external consultants. If any significant risks are found, those risks are elevated to the Enterprise Risk Council (ERC). The CRO provides a formal ERM update to the Audit Committee quarterly and to the full Board at least annually. The CRO is responsible for coordinating with risk owners in identifying, assessing, and recommending specific strategies to address the risk management challenges facing the organization, including climate-related risks. These risk strategies enable the organization to determine the most effective ways to avoid, mitigate, and/or communicate the critical risks faced. The ERC meets quarterly to govern the ERM program and identify the most significant risks. This also includes reviewing mitigation strategies and key-risk indicators. During each ERC meeting, the risk thresholds and company-wide risks are reviewed to consider if risks, including climate-related risks, require further inquiry and oversight.

STRATEGY

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

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

• Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency. *

• Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations. *

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

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

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

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

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

• Discuss if and how the insurer provides products or services to support the transition to a low carbon economy or helps customers adapt to climate-related risk.

• Discuss if and how the insurer makes investments to support the transition to a low carbon economy.

C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

Greenhouse Gas (GHG) Mitigation Strategy

In 2022, Elevance Health signed the Health and Human Services (HHS) Net Zero Pledge, committing to decrease our direct operational emissions by 50% by 2030 and to achieve net zero emissions by 2050. To accomplish this, we have implemented the following:

- We source 100% renewable electricity for all offices, data centers and clinics. We are a member of the global initiative, RE100.
- To address residual, direct GHG emissions that cannot be sourced renewably, Elevance Health purchases carbon offsets that support the conservation of managed forestland in northeast Tennessee.
- Indirect emissions associated with our value chain represent a large percentage of Elevance Health's total

GHG footprint. To mitigate indirect emissions, we engage with suppliers on climate protection and setting their own science-based reduction targets. We met our internal 2023 target to engage with 70% of our indirect spend suppliers on setting their own science-based greenhouse gas emissions reduction goals by year-end. Our most recent target is to ensure 75% of our indirect spend suppliers will have an approved science-based target (SBT) by 2028. Throughout 2024, we will continue to leverage the CDP Supply Chain module to further engage with suppliers on setting targets and disclosing other climate-related information as well as assessing value chain, climate-related risks, and opportunities. Additionally, in 2022 we assessed investments for carbon intensity including the implied temperature rise of the portfolio. As part of our Environmental Policy, we are committed to:

- Engage with appointed investment managers to ensure alignment with our values and long-term sustainability goals.
- Assess and monitor the general account for substantive climate-related risks and opportunities.
- Elevate identified, substantive risks to the Enterprise Risk Committee as part of the enterprise risk management process.
- Develop and implement a long-term transition plan for the general account in line with net zero by 2050.

The Impact of Risks and Opportunities on Business Strategy

Elevance Health defines short, medium, and long-term based on the financial growth plan.

- Short term (0-1 years): This aligns with Elevance Health's one-year financial plan.
- Medium-term (1-3 years): We consider medium term to be between one and three years into the future. This term captures risks and opportunities between the one-year financial plan and long-term financial growth plan.
- Long-term (3-10 years): This aligns with Elevance Health's long term financial growth plan.

We define substantive financial or strategic impact as risks and/or opportunities that have a moderate possibility of occurring and are of importance to the achievement of Elevance Health's business objectives and strategies, and complying with applicable laws, regulations, contractual requirements, and policies. Factors that may have a substantive impact and may be influenced by climate change include, but not limited to, major legislation changes, macroeconomic issues, competition, financial variance due to unanticipated or adverse economic conditions, or operational events.

We have business continuity and resource recovery plans in place to mitigate physical climate-related risks as they currently exist. In the context of climate-related issues and this disclosure, a substantive impact, related to financial variance, can be defined as a measurable impact that may be on the order of $500 million, further evaluated against tempering factors. These factors may include time horizon of the event occurring, the range of uncertainty of the magnitude of the impact, the likelihood of occurrence, and our ability to mitigate the risk.

Elevance Health has not identified any inherent climate-related risks or opportunities with the potential to have a substantive financial or strategic impact on our business.

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.

Enterprise Risk Management

Elevance Health's risk management processes and execution are managed and enabled by strong governance and risk framework. Risks of varying levels of significance are managed at the appropriate level of management, coordinated between the different risk management functions, and escalated rapidly when appropriate based on well communicated thresholds. There are a diverse number of channels for which risks may be identified. Formal risk identification and assessment is conducted at all lines of defenses and included in key risk functions (e.g., IT, Sustainability, Information Security, Corporate Security, Compliance, Internal Audit, etc.) on an ongoing basis and shared both horizontally across the organization as well as vertically to the appropriate stakeholders.

The outputs of these and other risk assessments also serve as inputs to the ERM program. Regular coordination is facilitated through a formal risk working group (with environmental, social, and governance representation), which includes a standing agenda item of risk identification and prioritization. Identified enterprise risks are assigned formal owners, who have clearly communicated responsibilities, which include defining the appropriate response strategy, relevant metrics/key risk indicators, and ongoing monitoring and reporting for the risk. The potential long-term impacts of the top enterprise risks are quantified and analyzed against the growth plan and objectives. Climate-related risks and opportunities are treated the same as any other risk/category and may be identified through the formal and informal risk processes. Furthermore, the ERC has Sustainability leadership representation. Led by the CRO, the ERC oversees our ERM program execution and activities and is composed of members of our leadership team. The CRO serves as the head of the enterprise risk management function and reports to the Audit Committee of our Board of Directors.

To further establish enterprise resiliency, we have a robust global business resilience and continuity program. Our Business Continuity and Disaster Recovery Programs are designed to provide recovery from major unplanned business disruptions to critical services and protect against data and technology loss. Several types of plans ensure that critical business functions can be maintained. The Enterprise Emergency Management Program supports overall response and recovery management across the enterprise, providing command, control, communications, and strategic decision-

making. The Business Continuity Plan (BCP) provides for recovery of critical business functions and operations. The Disaster Recovery Plan (DRP) provides for the recovery of system infrastructure, data, and applications. The BCP aligns the business requirements of the operating units and the deliverables of the support areas so that we are assured that we can meet our stakeholder commitments following an "unplanned event," which includes events related to or compounded by climate change. The program identifies business process critical paths, documents the recovery strategies and resources required to support those critical paths, defines roles and responsibilities, and links the critical path business processes with the resources, systems and vital records required to support our response, recovery, and survival. Remedial action is taken, as necessary, to assure mission-critical resource availability.

Additionally, we previously engaged an external consultant specializing in climate-related matters to conduct a climate-related risk assessment including: (1.) Assessment of ERM: Facilitated discussions with ERM team, reviewed past and current risk assessment materials, identified & documented existing definitions of "materiality." (2.) Stakeholder Engagement: Discussed climate risk with applicable internal business units, including the Business Continuity, Product Pricing, and Investments business units to identify whether physical and transitional climate risks were included in their assessment processes and if so, how. (3.) Screening Assessment: Worked to determine if current physical and transitional climate-related risks were deemed material to the business units and whether future climate scenarios were being considered in this determination. (4.) Gap Analysis: Analyzed our current risk process across ERM and the business units relative to the TCFD recommendations and identified gaps and made recommendations for improvement. Elevance Health has not identified any inherent climate-related risks or opportunities with the potential to have a substantive financial or strategic impact on our business.

Investment Portfolio Assessment

In 2022, Elevance Health engaged an external consultant to assess the investment portfolio for climate-related risks. The consultant utilized two processes to help identify and evaluate climate-related risks. The first took a bottom-up, total portfolio approach to evaluate the climate transition capacity of the portfolio. The analysis provided Elevance Health with a comprehensive view of the portfolio's exposure to stranded asset risk as well as exposure to sustainable solutions. The second assessment provided simulated return impacts of Elevance Health's current asset allocation against different potential future climate warming scenarios that are built upon the Network for Greening the Financial System (rapid, orderly, and failed transition). The top-down climate scenario assessment incorporates macroeconomic drivers such as GDP, real and nominal interest rates, to perform stress testing for potential pricing implications based on additional transition and physical risk outcomes.

The assessment included three climate scenarios that were projected out 40 years with a year-by-year projection. For short-term time horizon the assessment used five years, for medium-term time horizon 10 years, and 30 years for long-term horizon.

- *Rapid Transition (1.5°C): Average temperature increase of 1.5°C by 2100. Sudden divestments across multiple securities in 2025 to align portfolios to the Paris Agreement goals which have disruptive effects on financial markets with sudden repricing followed by stranded assets and a sentiment shock. Following this shock there is a partial recovery.*
- *Orderly Transition (2°C): Average temperature increase of less than 2.0°C by 2100. Political and social organizations to act quickly and predictably to implement the recommendations of the Paris Agreement to limit global warming to below 2°C. Transition impact do occur but are relatively muted across the broad market.*
- *Failed Transition (>4°C): Average temperature increase above 4°C by 2100. The world fails to co-ordinate a transition to a low carbon economy and global warming exceeds 4°C above pre-industrial levels by 2100. Physical climate impacts cause large reductions in economic productivity and increasing impacts from extreme weather events. These are reflected in repricing events in the late 2020s and late 2030s.*

The climate scenario analysis showed that in the short, medium, and long-term under a Rapid Transition and Orderly Transition there would not be a substantive financial or strategic impact. We recognize that transition risks can shift as new legislation is passed. We intend to complete the scenario analysis every few years to ensure effects of climate-related risks on the portfolio are reflective of the latest science and policies.

METRICS AND TARGETS

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

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

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

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

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

• In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions.

B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

* Asterisks represent questions derived from the original Climate Risk Disclosure Survey.

Targets

- We are committed to the global corporate energy initiative known as RE100, with the goal of using 100 percent renewable electricity by 2025. We achieved this goal in 2021, four years ahead of schedule, and maintain this status.
- In 2022, Elevance Health signed the Health and Human Services (HHS) Net Zero Pledge, committing to decrease our direct operational emissions by 50% by 2030 and to achieve net zero emissions by 2050. We currently maintain carbon neutral status for operational emissions.
- We met our internal 2023 target to engage with 70% of our indirect spend suppliers on setting their own science-based greenhouse gas emissions reduction goals by year-end.
    - Our most recent target is to ensure 75% of our indirect spend suppliers will have an approved science-based target (SBT) by 2028.

Emissions metrics

	2023	2022	2021
Scope 1 emissions (fuel and refrigerants) MT CO_2e	18,854	15,725	11,800
Scope 2 emissions market-based (electricity) MT CO_2e	0	0	0
Scope 2 emissions location-based (electricity) MT CO_2e	86,057	81,290	73,700
Scope 1 and 2 emissions intensity MT CO_2e per billion	0.11	0.1	.09

dollars revenue			
Scope 3 emissions MT CO_2e	7,076,415	9,573,461	947,300
Business travel	17,312	10,794	4,900
Associate commuting	55,415	26,007	2,900
Capital goods	58,362	30,837	16,400
Purchased goods and services	2,643,518[1,2]	4,676,825[2]	838,100
Upstream transportation	62,399	45,690	64,100
Investments	4,203,704[3]	4,749,723	-
Other (waste, leased assets, FERA)	35,705	33,585	20,900

Supplier Environmental Assessment

	2023	2022	2021
Percent of in-scope supplier spend establishing GHG reduction goals	80%[4]	40%[5]	23%

Energy Management

	2023	2022	2021
Total global electricity consumption MWh	190,323	188,071	186,000
Renewable energy certificates retired MWh	190,323	188,071	186,000
Renewable electricity as a percentage of total electricity	100%	100%	100%

*note that all 2023 metrics have gone through an independent, third party assurance process providing reasonable assurance for Scopes 1 and 2 and limited assurance for Scope 3.

[1]For reporting year 2023, Elevance Health utilized a greater percentage of supplier actual GHG emissions data versus estimated values based on spend. This resulted in an overall decrease in GHG emissions for this category.

[2]This data includes cost of goods sold (the cost of pharmaceuticals dispensed by CarelonRx for unaffiliated PBM customers).

[3]For reporting year 2023, the Elevance Health general account included less unlisted business loans and listed corporate bonds resulting in an overall decrease in GHG emissions for this category.

[4]For reporting year 2023, in-scope suppliers included cost of goods sold (the cost of pharmaceuticals dispensed by CarelonRx for unaffiliated PBM customers). The total in-scope supplier spend was approximately $24 billion in 2023 vs. $7.2 billion in 2022.

[5]This data is based on in-scope supplier spend which was approximately $7.2 billion.