NAIC Climate Risk Disclosure Survey

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 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 for Governance:

This submission includes information from The Progressive Corporation and its subsidiaries (collectively referred to as Progressive).

Forward-Looking Information:
This survey provides an overview of some of Progressive’s long-term commitments, targets, goals, and aspirations, and efforts in support of achieving them. Investors are cautioned that certain statements in this questionnaire, including those relating to our commitments, targets, goals, and aspirations, not based upon historical fact are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These statements often use words such as “estimate,” “expect,” “intend,” “plan,” “believe,” “goal,” “target,” “anticipate,” “will,” “could,” “likely,” “may,” “should,” and other words and terms of similar meaning, or are tied to future periods, in connection with a discussion of future operating or financial performance. Forward-looking statements are not guarantees of future performance, are based on current expectations and projections about future events, and are subject to certain risks, assumptions, and uncertainties that could cause actual events and results to differ materially from those discussed herein. For a discussion of the risks, assumptions, uncertainties, and other important factors that could cause actual events and results to differ materially from those discussed in this questionnaire, see our most recent reports and other documents filed with the United States (U.S.) Securities and Exchange Commission, including, without limitation, the Risk Factors section of our Annual Report on Form 10-K for the year ending December 31, 2023. Any forward-looking statements are made only as of the date presented. Except as required by applicable law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

Progressive has a well-established risk governance process. The Board of Directors (Board) oversees, and our executive leadership maintains, the risk governance process with a view towards continuous improvement to identify, monitor, and manage current and emerging risks.

Our Board is ultimately responsible for overseeing Progressive's risk profile and its risk management processes. To facilitate these responsibilities, the Board assigns certain risk oversight to each of its main committees through each committee's charter. The committees continue to undertake the increasingly detailed oversight work for which they are responsible, to interact with and oversee management, and to report back significant matters to the full Board. A few of these oversight responsibilities are highlighted below – please refer to Progressive's 2024 Proxy Statement for a detailed discussion.

- The Audit Committee oversees risks relating to financial statements, financial controls, internal and external audit functions, and external reporting. In addition, the Audit Committee oversees our Enterprise Risk Management (ERM) program which is conducted by our Management Risk Committee (MRC) and the full Board receives an update at least annually.
- The Nominating and Governance Committee is responsible for overseeing and addressing risks relating to the Board's and Progressive's governance practices, stakeholder concerns, and environmental (including climate change), and social factors and initiatives impacting us.

Our MRC coordinates our ERM program. Our ERM program is intended to maintain an effective process to identify, evaluate, mitigate, and report critical risk exposure information, including any significant gaps in our ability to manage risk, to executive management and the Audit Committee of the Board at least annually. The MRC is comprised of senior members of management representing a variety of business units and functions and may also include other senior leaders with functional expertise. The MRC supports the organization with clearly defined accountabilities and a culture that supports risk-based decision making.

We manage climate risks through our ERM program. Our MRC is charged with understanding certain operational risks such as climate change and our reinsurance programs, among other things. As part of our ERM program, we attempt to evaluate the longer-term effects of climate change and attempt to evaluate the impact on capital, pricing, our customers, and investments. Because we integrate this activity into our enterprise-wide risk framework, we believe climate risk assessment and all the other risks we assess, could affect the long-term strategy of the company as we continue to react to new information and adjust our plans.

As an insurer of weather-related losses, we take a serious interest in our climate and its changes. Changing climate conditions—whether due to global climate change or other causes—may change how often severe weather events and other natural disasters occur, how long they last, how much insured damage they cause, and where the events occur. Therefore, the possibility of increasingly frequent or severe weather events is part of our risk-based pricing process.

Our success depends on our ability to underwrite and price risk accurately, which is subject to a number of risks, including those related to changes in the frequency, severity, duration, geographic location, and scope of severe weather events, which may be becoming more severe and less predictable as a result of climate change. The risk management processes previously outlined include climate change. Having short durations for policy periods (6 and 12 months), our claims inventory, and our investment portfolio means we can assess our risks frequently (See our 2023 Annual Report on Form

10-K and any subsequent Quarterly Reports on Form 10-Q for a full discussion of risk factors).

We believe that managing climate change-related risks can help reduce expense and allow us to offer competitive rates while maintaining our obligations to our customers. We continue to encourage greater awareness of the impact of climate change and severe weather as noted in our 2023 Corporate Sustainability Report (CSR). We report our environmental efforts to inform our stakeholders of the efforts we are making, the initiative and steps taken, and the forward movement on our commitments. Our CSR describes our energy and carbon emissions management, including details on our carbon emissions reductions, our initiatives to reduce our fleet's carbon emissions, and our responsible waste management and paper reduction efforts.

This survey uses certain terms, including "material," "significant," and other words and terms of similar meaning. Used in this context, these terms should not be confused with terms such as "material" or "materiality," as defined by or construed in accordance with U.S. securities laws or as used in the context of U.S. GAAP financial statements and financial reporting. Also see the response below to items 3 and 4. For additional information on these topics, refer to Progressive's 2024 Proxy Statement and 2023 CSR.

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 10-30 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 2 degree Celsius or lower scenario.

Response for Strategy:

We write personal and commercial auto insurance, personal residential property insurance, business-related general liability and commercial property insurance predominately for small businesses, workers' compensation insurance predominately for the transportation industry, and other specialty property-casualty insurance, and provide related services throughout the United States. Our physical facilities are located only in the U.S.

A vast majority of our policies are written for individual consumers. Our principal business is insuring autos and other vehicles (motorcycles, boats, RVs, etc.) owned by individuals. Our insurance policies are predominately issued with 6- to 12-month terms. Our non-vehicle commercial business, such as commercial property or business interruption insurance, constitutes a very small percentage of our business. We also do not insure large commercial companies whose businesses could be significantly impacted by climate related developments.

We use reinsurance in our Property business to reduce exposure to certain catastrophe events. We have also found that utilizing territory-level underwriting and product features, such as deductible and coverage limits, can help us to manage our underlying exposure.

As a property-casualty insurance company that operates its business throughout the U.S., our success depends on our ability to underwrite and price risks accurately, which is subject to a number of risks, including those related to changes in the frequency, severity, duration, geographic location, and scope of severe weather events. These severe weather events can lead to increased loss expenses and disruption to physical assets and can affect the cost and availability of reinsurance. These events may be becoming more severe and less predictable as a result of climate change. Catastrophe losses have had, and in the future could have, a material effect on our operating results.

At Progressive, insurance is understood as the pricing of risk. As such, the pricing of our products reflects the risks our customers face. We believe the pricing of our products works to reward customers who take less risk with their health and safety. Some examples of our pricing rewards include lower rates for fewer speeding tickets, lower rates for building a home in a less wildfire-prone area, and lower rates for following the rules of the Federal Motor Carrier Safety Administration.

We often provide customers who have lower loss frequency with lower rates than customers with higher loss frequency and the same loss severity. Less driving often means a lesser amount of greenhouse gas emissions and often lowers loss frequency. We also work to stay on top of emerging trends such as electric vehicle technology and next generation mobility. Progressive provides insurance for transportation network companies, which support alternative mobility concepts that reduce the reliance on personal vehicle ownership. We strive to match rates to behavior, which is why we look for ways to design our products to reward customers' environmental stewardship and commitment to sustainable practices. In addition to our primary product pricing benefits, Progressive products have distinctive features that reward our customers' good health, safety, and environmental stewardship behaviors as described in our 2023 CSR.

We continue to encourage greater awareness of the impact of climate change and severe weather in a variety of ways, including, but not limited to:

a) Informing policyholders who sign up for hail alerts about potential hailstorms near them based on their home address, giving them advanced notice to protect their vehicles.
b) Producing public service announcements before, during, and after certain severe weather events for use by local radio stations and on social media to reach broader audiences with safety tips.
c) Providing discounts in select areas to policyholders who take specific steps to better protect their home against weather-related losses. For example, we offer a discount to homeowner and business owner policyholders in certain areas who have homes or businesses that meet high building code enforcement construction. Discounts may even be available for older homes that have met the Insurance Institute for Business & Home Safety guidelines as a fortified hurricane designation.

We believe that managing climate change-related risks can help reduce expense and allow us to offer competitive rates while maintaining our obligations to our customers.

Additionally, we continue to make increasing efforts to reduce carbon emissions and operate efficiently in all aspects of our business. We believe that reducing our dependency on fossil fuels and pursuing energy efficient sources facilitates our corporate responsibility. Our Real Estate and Corporate Services team leads these efforts and guides our strategies to effectively manage our buildings, equipment, and fleet.

We continue to work to reduce our carbon footprint through several means, including investing in renewable energy, exploring fuel-efficient vehicle alternatives, and focusing on efficiency and conservation opportunities within our commercial real estate portfolio, an initiative started over 15 years ago. These efforts have included shifting from fluorescent to LED lighting in core campus locations. We also focus on calibrated automation efforts to optimize and conserve heating, cooling, and lighting and consider other ways to operate our facilities more efficiently given the reduced in-office presence due to the hybrid workforce model.

In 2022, we completed construction on a 1.8-megawatt solar array at one of our main campus locations near Cleveland, Ohio, which went live in 2023 and is contributing renewable energy to that location. We have a renewable energy agreement with a wind farm in Pennsylvania, which provided approximately 65,000 MWh of renewable energy in 2022 and 61,500 MWh in 2023.

Our renewable energy initiatives and investments in energy- and fuel-efficient facilities, equipment, and company vehicles create shared value for our business and stakeholders, supporting our efforts to reduce carbon emissions and pass along cost savings to our customers. To that end, we're excited to announce an additional aspirational goal to achieve 75% renewable energy for our owned buildings and data center locations by the end of 2027.

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 for Risk Management:

See the above responses to items 1 and 2.

Severe weather events can lead to increased loss expenses and disruption to physical assets, and can affect the cost and availability of reinsurance. To manage these risks, we measure changes in severe weather patterns, including frequency, severity, duration, and geographic location and scope to understand the potential business implications. We use catastrophe modeling tools to help estimate our exposure to weather-related losses and incorporate our findings in product design, policy pricing, and underwriting. These tools are based on historical data and other assumptions that limit their reliability and predictive value, and they may become even less reliable due to climate change.

How we choose to invest our capital is an important consideration for corporate responsibility at Progressive. For our investment team, we have laid out goals of first, protecting our balance sheet in order to support our operating business and second, earning a strong risk-adjusted total return. Our investment portfolio is comprised of a passive replication strategy of the Russell 1000 for our equity exposure and an actively managed fixed income portfolio. For our actively managed fixed-income portfolio, we believe that there is less risk in securities that score higher across various environmental, social, and governance factors, in addition to many traditional considerations of fixed-income investing. Therefore, we consider these assessments when evaluating investment decisions.

We believe that we need to have a strong understanding of the long-term risks associated with fixed-income investments that score low on dimensions of corporate sustainability. For example, we believe that companies with strong, diverse management teams tend to perform better over the longer term. To further our understanding of long-term risk related to corporate sustainability, we track our investment mix as it relates to ESG risk, where available.

We use MSCI ESG Research, a globally recognized leader in corporate ESG evaluation, to monitor our ESG corporate bond portfolio risk. MSCI ESG Research ratings consider several aspects of ESG, including corporate governance, climate-related environmental information, workforce and management diversity, and ESG controversies to provide a single score for an organization. Similarly, we track our investments in environmentally friendly buildings in our commercial-mortgage-backed securities (CMBS) portfolio. To evaluate these investments, we leverage the U.S. Green Building Council's LEED® green building program, which is the preeminent program for the design, construction, maintenance, and operations of high-performance green buildings. We recognize the evolving nature of tracking and evaluating ESG aspects in an investment portfolio and continue to monitor developments in this space. For additional details, see our 2023 CSR.

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 for Metrics and Targets:

See the above responses to items 2 and 3.

Climate risk may often manifest as weather risk and as part of our risk management practice, we run both internally-built and third-party vendor catastrophe modeling tools to help estimate our exposure to weather risk by line of business, as well as on a per-occurrence and aggregate basis. Our modeling process generates exceedance probability curves, and we evaluate our modeled net retained weather risk against specific probable maximum loss (PML) return periods.

Our Scope 1 and 2 GHG emission for 2023 are as follows as of 12/31/2023:

- Scope 1 GHG emissions = *+31,662 metric tons of carbon dioxide equivalent (tCO2e)
- Scope 2 GHG emissions (location-based) = *+42,849 tCO2e
- Scope 2 GHG emissions (market-based) = *+12,750 tCO2e

*All numerical figures corresponding to 2023 data, including, without limitation, those relating to emissions data, reflect methodologies and assumptions believed to be reasonable and accurate. All numerical figures, including any underlying methodologies and assumptions, corresponding to 2023 data are subject to change as a result of, among other things, new information, and subsequent developments and the pending finalization of our 2023 CSR, including our Scope 1 emissions and Scope 2 emissions (location-based and market-based), with an independent attestation report included on the Investor Relations website.

+Includes carbon emissions from electricity and natural gas consumption, fuel used by fleet vehicles, company aircraft, generators, and refrigerants. The volume of carbon emissions from these sources have been estimated using actual real estate portfolio information and industry standard calculation methods. Emission factors were adjusted for 2023 calculations to reflect updates to standards. Prior years were not retroactively updated. In 2021, Progressive began purchasing Renewable Energy Credits (RECs) to reduce emissions which has been reflected in the market-based figures. Emissions intensity factors were updated in 2023 to reflect U.S. Energy Information Administration (EIA) standards and will be reviewed annually as part of Progressive's emissions reporting efforts.

In 2020, we established an aspirational goal of carbon neutrality by the end of 2025 for Scope 1 and 2, which will help set the path to net-zero for Scope 1 and 2 in the following decade. We've introduced an additional aspirational goal to reduce by 40% our total Scope 1 and 2 emissions by 2030, when compared to the 2022 base year. Furthermore, starting with our 2024 Corporate Sustainability Report, we plan to begin to report externally on Scope 3 carbon emissions in select categories.

We're also excited to announce an aspirational goal to achieve 75% renewable energy for our owned buildings and data center locations by the end of 2027.