Climate Risk Disclosure Survey Guidance
Reporting Year 2022

Governance – Narrative

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.

Company Response

The governance and disclosure activities for Western & Southern Financial Group, Inc. (the Company) are managed at the group level within the financial group's risk management function. The Company's Senior Vice President, Chief Actuary, Risk and Data Officer (Chief Risk Officer) leads the Enterprise Risk Management Committee (ERMC) and periodically reports to the group level Board and Audit Committee regarding key risks, which now includes the financial risks from climate change. The Company's Audit Committee is responsible for reviewing, approving, and overseeing the group level policies and perspectives regarding risk management and climate change, while the Chief Risk Officer is responsible for enforcing the policy and managing the risk in conjunction with various senior officers of the Company.

At its May 2022 meeting, the ERMC approved the reclassification of climate change from an emerging risk to a current material risk. As such, the Company has developed explicit risk management responsibilities, communications and controls associated with the reclassification. As a current material risk, climate change also has risk owners as well as a battery of Primary Risk Metrics, each with a threshold and target range. At its August 2023 meeting, the ERMC approved risk owners of threshold and target ranges for Key Risk Indicators (KRIs) that reference and assess: MSCI ESG ratings for the Company's total fixed income portfolios; MSCI ESG ratings for the Company's total equity portfolios; and Moody's Climate Stress Value at Risk for the Company's real estate portfolios. Climate change appeared in the 2022 ORSA Summary Report in the "Special Considerations and Disclosures" section, and will appear in the 2023 and later ORSA Summary Reports in sections 1 and 2, and potentially in the solvency testing of section 3.

Strategy – Narrative (Address climate risks and opportunities strategically)

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.*i
• 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.

Company Response

The Company employs a robust business planning process. Work commences annually in June to build plans for the following year. Each business unit, as well as each shared service operation, builds their respective plan in consideration of, among other factors, threats to their organization. Risks are identified by unit management as well as staff associates, and also from external sources.

Although the Company does not have a formal plan to assess, reduce or mitigate emissions in its operations or organizations, it seeks opportunities to do so as a matter of course, and therefore has not identified a need to promulgate a formal plan. For example, the Queen City Square building developed by the Company, which is 665 feet tall and 41 stories, is a LEED Gold Certified building and Cincinnati's first and largest "green" office tower. The Lytle Park Hotel, Autograph Collection developed by the Company in 2020 and adjacent to its campus is LEED Silver Certified. The Company's real estate investment affiliate, Eagle Realty (Eagle), has also provided mortgage financing for properties that have achieved various levels of LEED Certification; LEED Certification is considered a significant benefit to a property in Eagle's review process.

Emissions reduction and mitigation is also a consideration in the Company's ongoing operational and administrative efficiency initiatives, including the installation and use of high-efficiency pumps, motor drives, heat-recovery chillers, thermal storage systems and high-efficiency boilers to conserve energy and resources. The Company has also implemented several LED projects, including the use of daylight harvesting on floors that have undergone a restoration whereby LED bulbs adjust based on available daylight, the use of 100% LED lighting in the Company's new print facility, and the use of LED lighting for the floodlights on its headquarters *and for all holiday lighting. As remaining floors are renovated, daylight harvesting technology will be deployed on those as well. In 2020, the Company replaced the power conversion equipment at its backup data center with significantly more efficient equipment that requires 50% less power. In our Agency field offices, the majority of our new and renovated offices utilize LED lighting, water conserving plumbing fixtures, occupancy sensors and efficient HVAC systems.*

The Company has identified current or anticipated risks that climate change poses to it. The Company sells life, health and annuity products throughout the United States. A significant increase in average mortality and morbidity rates in any geographical area of the United States for the Company could potentially result in a decrease in profit. We are unaware of any study or analysis, however, that has determined that climate change is expected to increase mortality or morbidity in a specific geographical area of the US, which is where the Company's mortality and morbidity risks predominately exist. We currently anticipate that climate change is more likely to pose a potential risk to our assets (investments) than to our mortality-based liabilities. If climate change has a significant impact on a specific security issuer, sector, or the economy in general, the Company recognizes that investment losses or a reduction in sales/revenue could potentially occur. The Company therefore seeks appropriate opportunities to integrate E, S and G metrics (which can include the risks of climate change) into the risk management of its public equity, private equity and fixed income investments, which represent the majority of the Company's assets.

The Company's real estate portfolio includes mortgage loan and equity stakes in properties that could be impacted by climate change. Appropriate levels of insurance are required in areas exposed to wind storms (hurricanes) and/or flooding risks; these include Florida, which is approximately 10% of the Company's property exposure; Houston, coastal Texas and other Gulf Coast locations, which is less than 5% of its property exposure; and the Atlantic Coast, which is less than 5% of its portfolio. The Company has a minimal exposure to properties on the west coast of the US. The Company is paying relatively higher property insurance rates and experiencing higher wind deductibles for its Company-owned insurance agency properties that are considered to be wind exposed, such as in Florida and other coastal areas, but adds that there has been no issue with its ability to continue to obtain this coverage.

At its May 2022 meeting, the ERMC approved the reclassification of climate change from an emerging risk to a current material risk. As such, the Company has developed explicit risk management responsibilities, communications and controls. As a current material risk, climate change also has a risk owner as well as a battery of Primary Risk Metrics, each with a threshold and target range. At its August 2023 meeting, the ERMC approved risk owners of threshold and target ranges for KRIs that reference and assess: MSCI ESG ratings for the Company's total fixed income portfolios; MSCI ESG ratings for the Company's total equity portfolios; and Moody's Climate Stress Value at Risk for the Company's real estate portfolios. Climate change appeared in the 2022 ORSA Summary Report in the "Special Considerations and Disclosures" section, and will appear in the 2023 and later ORSA Summary Reports in sections 1 and 2, and potentially in the solvency testing of section 3.

The Company's Chief Risk Officer leads the ERMC and periodically reports to the group level Board and Audit Committee regarding key risks, which now includes the financial risks from climate change. The Company's Audit Committee is responsible for reviewing, approving, and overseeing the group level policies and perspectives regarding risk management and climate change, while the Chief Risk Officer is responsible for enforcing the policy and managing the risk in conjunction with various senior officers of the Company.

The Company's registered investment advisor, Fort Washington Investment Advisors, Inc. (Fort Washington), was an early (November 2016) signatory of the UN-supported Principles for Responsible Investment (PRI) and established a Responsible Investment policy in 2019. Climate change and related metrics are included in and considered in the context of the overall Responsible Investment policy. This policy outlines ESG integration practices for all public equity, private equity and public fixed income assets, which represent a majority of the Company's assets. Within each of these investment types, climate change may affect the Company if the issuer of a security is impacted by climate change to the extent that the value of its investment in that security is *impaired. The Company monitors risks and impairments to its investment portfolio on an ongoing and regular basis, and encourages, supports, and practices an investment philosophy that considers E, S, and G factors in assessing risk and the sustainability of future returns. The Company has also designated its Audit Committee and its Chief Risk Officer as being accountable for the assessment and management of the financial risks from climate change.*

Risk Management – Narrative (Address climate risks through existing ERM functions)

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.

Company Response

As noted elsewhere in this report, at its May 2022 meeting, the ERMC approved the reclassification of climate change from an emerging risk to a current material risk. As such, the Company has developed explicit risk management responsibilities, communications and controls. As a current material risk, climate change also has *a risk owner as well as a battery of Primary Risk Metrics, each with a threshold and target range. At its August 2023 meeting, the ERMC approved risk owners of threshold and target ranges for Key Risk Indicators that reference and assess: MSCI ESG ratings for the Company's total fixed income portfolios; MSCI ESG ratings for the Company's total equity portfolios; and Moody's Climate Stress Value at Risk for the Company's real estate portfolios.*

The Company's Chief Risk Officer is responsible for sourcing and calculating all Primary and Secondary Risk Metrics. The Chief Risk Officer is further responsible for publishing (at least) monthly the Company's Key Risk Indicator Report, a dashboard tracking all Primary Metrics. The Chief Risk Officer will monitor the Key Risk Indicator Report for non-compliance with established limits. When a Primary Risk Metric breaches the established limit, the Chief Risk Officer will notify the respective Risk Owner.

Each Risk Owner is responsible for managing those risk exposures identified and assigned to them by the ERMC. When notified by the Chief Risk Officer of a Primary Risk Metric breach, the responsible Risk Owner will prepare and present a remediation plan to the ERMC for approval at its next meeting. The Risk Owner will report quarterly to the ERMC on the progress of the plan's execution.

The ERMC is responsible for updating (at least) annually the Enterprise Risk and Capital Management Policy, as well as ensuring its consistency with other policy documents (e.g., the Investment Policy). The ERMC is further responsible for identifying the material risk exposures to the Company, assigning ownership of each material risk to a Risk Owner and ensuring the development of protocols to manage each risk within the Risk Management Framework. The ERMC is also responsible for articulating the Company's Risk Appetite Statement, associated Primary Risk Metrics and respective Limits, Targets and Secondary Risk Metrics.

The Company has identified current risks that climate change poses to it. The Company sells life, health and annuity products throughout the United States. A significant increase in average mortality and morbidity rates in any geographical area of the United States for the Company could potentially result in a decrease in profit. We are unaware of any study or analysis, however that has determined that climate change is expected to increase mortality or morbidity in a specific geographical area of the US, which is where the Company's mortality and morbidity risks predominately exist. We currently anticipate that climate change is more likely to pose a potential risk to our assets (investments) than to our mortality-based liabilities. If climate change has a significant impact on a specific security issuer, sector, or the economy in general, the Company recognizes that investment losses or a reduction in sales/revenue could potentially occur. The Company therefore seeks appropriate opportunities to integrate E, S and G metrics (which can include the risks of climate change) into the risk management of its public equity, private equity and fixed income investments, which represent the majority of the Company's assets. In particular and as noted elsewhere in its response, in August 2023 the ERMC approved risk owners of threshold and target ranges for Key Risk Indicators that reference and assess MSCI ESG ratings for the Company's total fixed income portfolios and MSCI ESG ratings for the Company's total equity portfolios.

The Company's real estate portfolio includes mortgage loan and equity stakes in properties that could be impacted by climate change. Appropriate levels of insurance are required in areas exposed to wind storms (hurricanes) and/or flooding risks; these include Florida, which is approximately 10% of the Company's property exposure; Houston, coastal Texas and other Gulf Coast locations, which is less than 5% of its property exposure; and the Atlantic Coast, which is less than 5% of its portfolio. The Company has a minimal exposure to properties on the west coast of the US. In particular and as noted elsewhere in its response, in August 2023 the ERMC approved a risk owner of threshold and target ranges for Key Risk Indicators that reference and assess Moody's Climate Stress Value at Risk for the Company's real estate portfolios. The Company adds that it is paying relatively higher property insurance rates and experiencing higher wind deductibles for its Company-

owned insurance agency properties that are considered to be wind exposed, such as in Florida and other coastal areas, but adds that there has been no issue with its ability to continue to obtain this coverage.

The Company has not taken steps to encourage policyholders to reduce the losses caused by climate change-influenced events. Losses incurred by the Company's policyholders are generally the result of death. To our knowledge, attempts to measure the influence of climate change on mortality remain highly speculative at this point. In light of this dynamic, the Company has not specific taken steps to "encourage [its life insurance] policyholders to reduce the losses caused by climate change-influenced events." As noted elsewhere in its response, the Company requires flood or wind insurance where appropriate to reduce its mortgage partners/borrowers' potential losses caused by climate change-influenced weather events; note that these partners/borrowers are considered stakeholders rather than policyholders. The Company adds that as part of its sustainability efforts, it encourages policyholders to elect to conduct business electronically instead of by paper (e.g., by encouraging payment of premiums via electronic funds transfer instead of paper bills sent through the mail).

The Company considers the potential impact of climate change on its investment portfolio, but the Company has not formally altered its investment strategy in response to these considerations. Investment decisions are based on an assessment of risk-adjusted return, and we believe a comprehensive risk management program includes an assessment of ESG factors, including the financial risks presented by climate change. For public equity, private equity and public corporate fixed income, which represents the majority of the Company's assets, our investment teams use MSCI ESG research at the company, portfolio, and security level to integrate quantitative ESG factors into the investment process. It is the responsibility of each analyst to integrate these factors into buy and sell decisions, coupled with monthly Portfolio Manager overlays to analyze the portfolio as a whole with respect to ESG factors and considerations. Exposures to ESG factors are reported quarterly to the Risk Management and Responsible Investment Committees. Internal governance is important to ensure the Company's investment processes are consistent and policies and procedures are followed. Eagle gives strong consideration to the risks of wind storms and flooding on the Company's real estate investment portfolio and requires appropriate insurance for potentially impacted properties. When evaluating coastal flooding risks, Eagle considers not only the direct risk to the property, but also the indirect risks that nearby flooding could have on the property. Eagle has declined to offer financing on properties that are expected to be impacted (directly or indirectly) by rising sea levels and coastal flooding.

The Company does not currently have a formal stand-alone climate change policy with respect to risk management and investment management, though the Company notes that climate risk is incorporated within its Enterprise Risk and Capital Management Policy. The risks of climate change to the Company, which offers life insurance, health and annuity products, relate primarily to any resulting changes in the average mortality rate and to financial risks to its investment portfolio. Changes in mortality risks are monitored through existing risk management practices and measured against pricing assumptions.

The Company's registered investment advisor, Fort Washington, became a signatory of the UN-supported Principles for Responsible Investment (PRI) in November 2016 and established a Responsible Investment policy in 2019. Climate change and related metrics are included in and considered in the context of the overall Responsible Investment policy. This policy outlines ESG integration practices for all public equity, private equity and public fixed income assets, which represent a majority of the Company's assets. Within each of these investment types, climate change may affect the Company if the issuer of a security is impacted by climate change to the extent that the value of its investment in that security is impaired. The Company monitors risks and impairments to its investment portfolio on an ongoing and regular basis, and encourages, supports, and practices an investment philosophy that considers E, S, and G factors in assessing risk and the sustainability of future returns. The Company has also designated its Audit Committee and its Chief Risk Officer as being accountable for the assessment and management of the financial risks from climate change.

As part of its investment analysis process, Eagle considers climate change-related risks, and particularly wind storm, hurricane, wildfire, and flood risks. All properties that are subject to these risks are required to carry additional insurance to cover the risk. Additionally, for properties located in coastal areas, Eagle utilizes the National Oceanic and Atmospheric Administration's Sea Level Rise and Coastal Flooding Impacts Viewer to evaluate the potential impact of rising sea levels. In connection with its mortgage loan portfolio, Eagle has declined to quote loans due to the potential impact of rising sea levels demonstrated by this tool.

Metrics and Targets – Narrative

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.

Company Response

As noted above, at its May 2022 meeting, the ERMC approved the reclassification of climate change from an emerging risk to a current material risk. As such, the Company has developed explicit risk management responsibilities, communications and controls associated with the reclassification. As a current material risk, climate change also has risk owners as well as a battery of Primary Risk Metrics, each with a threshold and target range. At its August 2023 meeting, the ERMC approved risk owners of threshold and target ranges for Key Risk Indicators that reference and assess: MSCI ESG ratings for the Company's total fixed income portfolios; MSCI ESG ratings for the Company's total equity portfolios; and Moody's Climate Stress Value at Risk for the Company's real estate portfolios. Additionally, the Company is in the process of developing a holistic climate stress loss metric designed to analyze the impact of various climate scenarios on future solvency.

The Company does not explicitly use catastrophe modeling to manage climate-related risks, though it adds that its real estate subsidiary, Eagle, utilizes the National Oceanic and Atmospheric Administration's Sea Level Rise and Coastal Flooding Impacts Viewer for properties located in coastal areas to evaluate the potential impact of rising sea levels. The Company does not currently track Scope 1, 2, and 3 greenhouse gas emissions.

(Optional) **Closed-ended questions directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers. Closed-ended questions are voluntary for reporting year 2022 and individual states may elect not to request them.**

Governance

- Does the insurer have publicly stated goals on climate-related risks and opportunities? (Y/N)
- Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? (Y/N)
- Does management have a role in assessing climate-related risks and opportunities? (Y/N)
- Does management have a role in managing climate-related risks and opportunities? (Y/N)

Strategy

- Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? (Y/N)*
- 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)
- Does the insurer make investments to support the transition to a low carbon economy? (Y/N)
- Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? (Y/N)*

Risk Management

- Does the insurer have a process for identifying climate-related risks? (Y/N)
  - If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process? (Y/N)
- Does the insurer have a process for assessing climate-related risks? (Y/N)
  - If yes, does the process include an assessment of financial implications? (Y/N)
- Does the insurer have a process for managing climate-related risks? (Y/N)
- Has the insurer considered the impact of climate-related risks on its underwriting portfolio? (Y/N/Not Applicable)*
- Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? (Y/N)*
- Has the insurer considered the impact of climate-related risks on its investment portfolio? (Y/N)*
- Has the insurer utilized climate scenarios to analyze their underwriting risk? (Y/N)
- Has the insurer utilized climate scenarios to analyze their investment risk? (Y/N)

Metrics and Targets

- Does the insurer use catastrophe modeling to manage your climate-related risks? (Y/N)
- Does the insurer use metrics to assess and monitor climate-related risks? (Y/N)
- Does the insurer have targets to manage climate-related risks and opportunities? (Y/N)
- Does the insurer have targets to manage climate-related performance? (Y/N)

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