AXIS Capital Holdings Limited

Task Force on Climate-Related Financial Disclosures Report

For the year-ended December 31, 2022

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About AXIS

AXIS, through its operating subsidiaries, is a global specialty underwriter and provider of insurance and reinsurance solutions. AXIS has locations in Bermuda, the United States, Europe, Singapore and Canada. Our underwriting operations are organized around our global underwriting platforms, AXIS Insurance and AXIS Re. We provide our customers and distribution partners with a broad range of risk transfer products and services, and strong capacity, backed by excellent financial strength.

About This Report

This is AXIS' second report aligned with the Financial Stability Board's Task Force on Climate-Related Financial Disclosures ("TCFD") reporting framework. This report discusses (i) governance, (ii) climate strategy, (iii) risk management and (iv) metrics and targets. For additional information about our environmental, social and governance ("ESG") practices, please refer to our 2022 report aligned with the standards of the Sustainability Accounting Standards Board ("SASB Disclosure Report") and our other disclosures on our corporate citizenship website found at www.axiscapital.com.

This report contains information about AXIS as of or for the year ended December 31, 2022. The inclusion of information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information. For a discussion of information that may be material to AXIS Capital, please see our 2022 Annual Report on Form 10-K for the fiscal year ended December 31, 2022 ("2022 Form 10-K") filed with the U.S. Securities and Exchange Commission ("SEC") on February 27, 2023 and our periodic and other filings with the SEC, which are accessible on the SEC's website at www.sec.gov and our website at www.axiscapital.com. These sources may contain information which is more current than that contained in this report. This report should be read in conjunction with our filings with the SEC and the other information we publish. In this report, references to "AXIS Capital" refer to AXIS Capital Holdings Limited and references to "AXIS" "we", "us", "our", the "Group" or the "Company" refer to AXIS Capital Holdings Limited and its direct and indirect subsidiaries and branches. Climate-related disclosures are generally handled at the Group level, except where such disclosures are in response to regulatory requests covering a particular regulated entity.

Introduction

At AXIS, we strive to help people and organizations navigate and manage risk in an increasingly complex and uncertain world. Climate is a core focus of our Corporate Citizenship program. We believe that climate-related risks are among the most serious issues facing the world today and that the (re)insurance industry has an important role to play in enabling the transition to a low-carbon economy. AXIS continues to support the development of renewable energies and the transition to a low-carbon economy by offering comprehensive coverage and protection for renewable energy projects worldwide.

We continually monitor, assess and respond to the opportunities and risks posed by changing climate conditions to manage our long-term business objectives and to offer our customers relevant products catered to their needs. In addition, we assess our own operations, including our greenhouse gas (GHG) emissions, to mitigate our environmental footprint and to minimize our operational impact. This report discusses our approach to managing risk related to climate change consistent with the recommendations of the TCFD.

Our Progress

UPDATES AND ACTIONS SINCE 2022

We advanced our climate initiatives in several important ways in 2022. Below is a summary of key actions taken in fiscal year 2022 to address climate risk and the corresponding opportunities:

Governance

- Appointed Chief Underwriting Officer in 2022 and included consideration of climate exposure management in the position's remit

Strategy

- Reviewed our portfolio to ensure our climate exposure was within appetite and took action or repositioned the portfolio based on our assessments
- Announced our exit from new catastrophe and property reinsurance business as part of an overall approach to reduce the Company's exposure to volatile catastrophe reinsurance risk. The strategic exit was driven in part by the significant

change and the challenges faced by the catastrophe reinsurance market
and Governance Investment Policy Statement setting forth AXIS' ESG investment
f its asset manager selection and oversight processes
l Sustainable Supply Chain Pledge, part of the Sustainable Markets Initiative chaired by
orking group tasked with developing and implementing a global sustainable supply

lvocate on climate issues, including participation in organizations such as The Geneva
opment Forum and the Sustainable Markets Initiative Task Force, as well as initiatives
an Insurance Association and the University of Illinois' Office of Risk Management and

sis across our product lines and plan to use the results to inform our go-forward

Metrics and Targets

- Announced our commitment to a 50% science-based, absolute reduction in our Scope 1 and 2 emissions by 2030 across our global operations
- Disclosed assessments of our Scope 1, 2 and partial Scope 3 GHG emissions for 2020 and 2021
- Published our inaugural climate-related disclosure report aligned with the TCFD framework, addressing year-ended 2021, and continued annual disclosures aligned with SASB, the United Nations Global Compact and the Principles for Sustainable Insurance
- Received recognition from the Insurance Insider Honors for "ESG Initiative of the Year" for enhancing our climate initiatives and our Fossil Fuel Policy
- Earned top ranking for "Overall Commitment to ESG" in The Insurer's Lloyd's ESG Survey

Governance

We address climate-related risks through our risk oversight process. Our governance includes oversight by our Board of Directors, extensive involvement of senior executives and collaboration across the enterprise with staff-driven teams and committees. A summary of our governance structure is below and more detailed **information follows.**

Board Committees

Management Functions/Committees

Sub-Committees and Working Groups

Functional Teams

Board of Directors
(CEO is ultimately responsible for the company's ESG strategy)

Corporate Governance, Nominating and Social Responsibility Committee
Formulates and oversees the Company's corporate citizenship and ESG strategy, objectives and formal ESG reporting

Risk Committee
Oversees risks and opportunities related to the Company's climate change exposure and reviews and approves the Company's Enterprise Risk Management (ERM) framework

Executive Committee and Senior Leadership

Chief Investment Officer
is responsible for developing the Company's investment policies and guidelines and overseeing investment risks, including in relation to climate change

General Counsel
is Corporate Citizenship program sponsor and has management responsibility for ESG initiatives

ESG Director
is responsible for the implementation of our ESG initiatives, including climate

Chief Risk Officer
leads our Group risk function, oversight and implementation of the Group's ERM framework, and climate-focused committees including leadership of the climate pillar of Corporate Citizenship Committee

Chief Underwriting Officer
leads our underwriting office, which includes consideration of climate exposure management

Investment and Finance Committee
oversees the Group's investment activities, including receiving quarterly reports on the portfolio's compliance with ESG restrictions and the fixed income portfolio's aggregate ESG rating

Corporate Citizenship Committee
Committee Chair serves as dedicated lead. Pillar leads oversee priority areas including climate

Risk Management Committee
Chief Risk Officer chairs the Risk Management Committee and leads the ERM framework

Exposure Management including the Exposure Management Center of Excellence (EMCE)
owns, manages and embeds the Company's view of risk

Climate Change Working Group

Emerging Risk Working Group

Natural Catastrophe Committee

Functional Teams: Financial Reporting; Vendor Management; Facilities; Investments; Underwriting; Legal and Compliance; Marketing and Communications; Risk Management

Board Oversight

At AXIS, the Board of Directors oversees sustainability matters, including climate change strategy and climate-related risks and opportunities, and receives an annual update on climate risks as part of its standing agenda. In addition, our Board's committees (the Corporate Governance, Nominating and Social Responsibility Committee and the Risk Committee) assist the Board in overseeing AXIS' response to climate change.

Our Corporate Governance, Nominating and Social Responsibility Committee reviews AXIS' sustainability strategy and objectives, including those relating to the impact of climate change. In particular, the Committee oversees:

- Overall ESG strategy;
- Company programs;
- Formal reporting on ESG and sustainability matters; and
- Policies in specific areas such as environmental management.

The Committee receives quarterly updates from the Company's management responsible for ESG and sustainability matters and provides recommendations on ESG and sustainability strategy to the Board.

Our Risk Committee oversees the risks and opportunities related to the Company's climate change exposure and initiatives and receives biannual reports relating to climate change as part of its standing agenda. The Risk Committee also reviews and approves the Company's Enterprise Risk Management ("ERM") framework, including policies and limits to address risks – such as climate risk – facing the Company.

Executive Committee and Senior Leadership Oversight

Our senior leaders are responsible for ensuring that our climate and other ESG and sustainability activities – including management of climate-related risks and opportunities – are consistent with our culture, values and business objectives.

- Our General Counsel serves as the sponsor of our Corporate Citizenship program and is responsible for oversight and implementation of the program and ESG activities. Our General Counsel oversees the progress on our ESG priorities and reports to the Company's Corporate Governance, Nominating and Social Responsibility Committee, the CEO and the Executive Committee on these initiatives.

- Our Chief Risk Officer leads our Group Risk function and is responsible for oversight and implementation of the Group's ERM framework, including risks relating to climate change. Our Chief Risk Officer chairs the Risk Management Committee and reports to the Board and Risk Committee on climate risk. The Chief Risk Officer leads the Climate Change Working Group and the Emerging Risk Working Group.

- Our Chief Investment Officer is responsible for developing the Company's investment policies and guidelines, monitoring compliance with those guidelines, and overseeing the Company's investment risks, including in relation to climate change. In addition, along with our Risk and Investments team, our Chief Investment Officer oversees compliance with our Environmental, Social and Governance Investment Policy Statement.
- Our Chief Underwriting Officer has management responsibility for executing the Group's global underwriting strategy in line with the enterprise portfolio goals, including oversight of exposure management and consideration of climate risk within the portfolio.
- Our ESG Director chairs the Corporate Citizenship Committee, which focuses on climate as a key pillar. Responsibilities also include implementation of the Committee's activities such as overall strategy, goal-setting and program execution.

Our senior leaders are supported by the following committees, management working groups and teams that are actively involved in identifying and assessing climate-related risks relating to underwriting and investments:

Corporate Citizenship Committee:

Day-to-day management of our Corporate Citizenship program is handled by our Corporate Citizenship Committee, a cross-functional and global committee tasked with overall strategy, policies and governance. Dedicated committee pillar leads for climate, DEI and philanthropy oversee staff working groups, including those climate-relevant groups listed below.

Risk Management Committee:

The Executive Committee has delegated some authority to the executive level Risk Management Committee ("RMC"), which consists of the Chief Executive Officer, Chief Financial Officer, Chief Underwriting Officer, AXIS Re CEO, Chief Risk Officer (Chair), Chief Information Officer, Chief People Officer, Group Chief Actuary and General Counsel. The RMC convenes quarterly and oversees the integrity and effectiveness of the Company's ERM framework and ensures that the firm's risk assumption and risk mitigation activities are consistent with that framework.

Emerging Risk Working Group:

The Emerging Risk Working Group is responsible for tracking emerging risks according to their potential impact and time horizon and coordinating the Company's response to emerging risks and opportunities, including those related to climate change. The Emerging Risk Working Group is comprised of senior representatives from across the business, including our Chief Risk Officer, Chief Investment Officer, Head of Digital, Chief Underwriting Officer, Head of Claims, Group Chief Actuary, General Counsel and Chief Data & Analytics Officer.

Natural Catastrophe Committee:

The Natural Catastrophe Committee oversees the firm's natural catastrophe risk management framework, including the validation of modeling and accumulation practices. The Natural Catastrophe Committee consists of the Head of Natural Catastrophe Exposure Management, Head of EMCE, Chief Underwriting Officer and Group Chief Actuary.

Climate Change Working Group:

The Climate Change Working Group, chaired by our Chief Risk Officer, oversees and coordinates activities and initiatives in relation to climate change.

The group is comprised of senior representatives from across the business, including our Chief Risk Officer, Head of EMCE, and representatives from Finance, Risk, Underwriting, Legal and Communications. Among other things, this group:

- Assesses climate-related risks and opportunities, including consideration of emerging risks associated with climate change;
- Promotes knowledge-sharing across the business on the topic of climate change;
- Leads research on climate change and provides information to senior decision makers involved with catastrophe risk management and underwriting decisions; and
- Informs the Emerging Risk Working Group of climate-related risks and considerations.

Investment and Finance Committee:

The Investment and Finance Committee, chaired by our Chief Investment Officer, receives quarterly reports on:

- the investment grade fixed income portfolio's aggregate ESG rating; and
- compliance with ESG restrictions.

In addition, the Investment and Finance Committee receives an annual report on relevant asset manager scorecards with ESG specific scores.

Exposure Management Team:

The Exposure Management Team, including the Exposure Management Centre of Excellence ("EMCE") advises on the exposure to risk, including climate risk.

Enterprise Functional Teams

At AXIS, the following teams work across the enterprise to execute on our climate strategy and report progress to senior management through the: (i) Corporate Citizenship Committee, (ii) Risk Management Committee and (iii) Investment and Finance Committee.

Financial Reporting Team

The Financial Reporting team assists with reviewing the Company's GHG emissions calculations.

Vendor Management Team

The Vendor Management team assists with implementing the Company's sustainable supply chain pledge.

Facilities Team

The Facilities team assists with initiatives to achieve AXIS' Scope 1 and 2 GHG reduction goals.

Investments Team

Along with our Risk Management team, the Investments team is responsible for ensuring compliance with our ESG Investment Policy Statement, as well as compliance with the investment elements of the Company's Fossil Fuel Policy.

Underwriting Team

The Underwriting team is responsible for pursuing new climate opportunities and adhering to ESG underwriting policies. The team's input is also taken into account is several of our management committees and working groups.

Legal and Compliance

The Legal and Compliance team is responsible for the Company's ESG reporting and policies, as well as ensuring compliance with our policies and applicable regulatory requirements.

Marketing and Communications

The Marketing and Communications team ensures clear internal and external communication of climate-focused policies and programs.

Risk Management Team

The Risk Management team is responsible for our Group risk function, oversight and implementation of the Group's ERM framework and climate-focused initiatives.

Climate Strategy

Our Approach

Our climate approach addresses climate-related risks, exposure management, underwriting, advancing the energy transition, climate and investment, the sustainability of our business operations and our advocacy on climate-related matters. We are proud of the progress we have made thus far in our climate initiatives, and we are committed to taking further actions.

Climate-Related Risks

As an insurance provider, AXIS has a long history of considering environmental risks at both the policy and firm levels. We take short-, medium- and long-term horizons into account when assessing environmental risks at both the policy (underwriting) and firm level (management of firm-level risks and capital adequacy). Our strategy for limiting risk is discussed in this report under "Risk Management."

Risk Category	Risk Type	Definition	Time Horizon	Potential Impact
Physical risks	**Acute**	Increased frequency and severity of natural catastrophe and weather-related events such as heatwaves, wildfires, extreme rainfall, flooding and droughts	Short-term: Material impacts already seen	High
	Chronic	Long term shifts in weather patterns, including increasing global average temperatures, reduced rainfall, shifting seasons and rising sea levels	Long-term: First material impacts expected within 5-10 years	High
Transition risks	**Policy and Regulatory**	Increased regulatory requirements, including reporting obligations, carbon pricing, and mandates on and regulation of existing products	Medium-term: First material impacts expected 1-5 years	High
	Technology	Technological developments may disrupt the characteristics of insured assets and require new risk assessments which do not have a pre-existing record of damage and loss	Medium-term: First material impacts expected 1-5 years	High
	Market	Shifts in supply and demand from changes in market dynamics related to climate change could affect the valuation of AXIS' assets and liabilities. Shifts in customer preferences due to climate change	Medium-term: First material impacts expected 1-5 years	High
	Reputational	Company reputation may be influenced by our climate change response and service and investment in carbon intensive sectors	Medium-term: First material impacts expected 1-5 years	High

Liability risks	**Claims**	Increased insurance claims liability due to the effects of climate change, including increased D&O claims liability resulting from greenwashing litigation	Medium-term: First material impacts expected 1-5 years	Medium
	Litigation	Increased litigation relating to GHG emissions or climate-related disclosure	Medium-term: First material impacts expected 1-5 years	Medium

Physical risks

Physical risks describe extreme weather-related events (acute) and longer-term shifts in climate patterns (chronic) and emanate primarily from underwriting of property insurance and reinsurance. Climate change may expose us to an increased frequency and/or severity of the weather-related losses which we might not have sufficiently captured in our catastrophe models, resulting in inadequate pricing, excess risk aggregation and capital destruction. Over the longer term, climate change may have an impact on the economic viability of certain lines of business if suitable adjustments in price and coverage cannot be achieved.

Physical risks may affect our investment portfolio as a result of direct damage to assets or due to valuation changes from shifts in supply and demand for certain products and services. Physical risks are most likely to affect equity investments.

Transition risks

Transition risks to a lower-carbon economy include changes in technology, governments and regulators putting in place measures to encourage and support efforts to prevent climate change, and society as a whole adapting to a lower-carbon economy, and losses in our investment profile as a result of the impacts of climate change. Our principal transition risks are discussed below.

AXIS could be exposed to transition risks if it fails to manage increased demand for low-carbon products and services. Over the short- and medium-term, a change in customer needs may result from repricing of carbon-intensive assets, increased interest in the low-carbon industry due to reputational concerns or new regulatory constraints. A failure to appropriately respond to increased demand may adversely affect our business. AXIS must also manage risk that certain products may cease to be viable as a result of society’s transition to a lower-carbon economy.

New laws and regulations may limit our ability to engage in capital or liability management, require us to raise additional capital, and impose extensive requirements and additional costs. Changes in regulatory requirements could include net-zero policies, carbon taxes, or laws prohibiting insurers from reducing exposures or withdrawing from catastrophe-prone areas.

The primary objectives of our investment strategy are income, preservation of capital, liquidity management and growth of surplus. We may be exposed to losses in the value of our investments arising from the impacts of climate change on the companies and securities in which we invest, including impacts resulting from transition risks. Transition risks are most likely to affect equity investments.

Liability risks

Liability risks relate to losses or damages suffered by our insureds from physical or transition risks, such as losses stemming from climate-related litigation in liability lines. These risks could arise from companies not fully considering or responding to the impacts of climate change, or not appropriately disclosing current and future risks. In addition, new regulatory developments, increased litigation activity and subsequent liability issues associated with climate change or greenhouse gas emissions may lead to losses under environmental liability, product liability and directors and officers or professional liability, particularly where the emitter is deemed to have misled investors. In addition, there is a link between liability risk and transition risk (described above) as the failure of companies to shift towards a low-carbon future and mitigate the impacts of climate change may lead to losses incurred by insureds.

In recent years, our industry has experienced an overall increase in various climate-related litigation claims. These include a perceived contribution to climate change, or for insufficient disclosure around material financial risks. As the value of loss and damage arising from climate change grows, it is plausible that litigation risk of this kind may increase. For example, there have been shareholder securities suits brought against companies and their directors and officers, as well as derivative actions brought against directors, for various allegations of failing to disclose and/or manage climate change risks. Although to our knowledge litigation to date has not resulted in any material amounts of loss, this may change in the future, and an increase in such litigation could lead to higher defense costs. Litigation seeking to compel companies to remedy their perceived impact on climate change may, if successful, also lead to an increase in claims. Based on our monitoring, while the overall volume of litigation activity has increased, past litigation seems to have largely been unsuccessful on numerous grounds.

Exposure Management

We review our portfolio to ensure our climate exposure is within appetite and adjust our business strategy based on our assessments. In 2022, AXIS announced its exit from its catastrophe and property reinsurance business as part of an overall approach to reduce the Company's exposure to volatile catastrophe risk. The strategic exit was driven by factors such as the significant and increasing effects of climate change and the challenges faced by the catastrophe reinsurance market.

For information on how we use scenario testing to mitigate climate-related risk, refer to “Risk Management – Identifying and Assessing Climate-Related Risks – Physical risks – Scenario analysis” and “Risk Management – Approach to Managing Climate-Related Risks Within Overall

Risk Management Framework – How we manage climate-related risk – Stress and scenario testing" in this report.

Underwriting

We consider climate in how we underwrite, what we underwrite, and incentives we provide. Throughout, we strive to engage with brokers and customers on climate issues and actively seek to identify and act on climate-related opportunities. To inform next steps in our climate underwriting strategy, in 2022 we completed a focused review of our global portfolio's climate risks and opportunities across product lines. Other key initiatives in support of the energy transition relate to (i) climate-focused products, (ii) customer incentivizes and (iii) underwriting restrictions.

Products

We offer a range of climate-focused products. AXIS is committed to providing insurance products and ancillary risk control services that support the market transition to a low-carbon economy. Climate-related regulations and changing consumer interests may lead to increased demand for our renewable energy products, environmental insurance, design professional liability insurance, credit insurance and reinsurance solutions. Descriptions of these potential areas for growth are below.

Renewable energy products

As a leading carrier in renewable energy insurance with extensive experience and an in-depth understanding of the risks faced by the industry, we believe AXIS is well positioned to provide value and service to this growing market. We provide specialized property and casualty coverage for every stage of wind, solar and energy storage projects, from development through operation, on risks ranging from stand-alone projects to utility-scale portfolios. Our gross premiums written for renewable energy have grown each year for the last four years, making us a leader in the renewable energy space. As U.S. domestic and international renewable energy industries continue to expand, our renewable energy practice analyzes industry trends, market data and loss trends to design and develop insurance products tailored to the specific needs of renewable energy businesses. In connection with its renewable energy products, AXIS may provide its customers with a risk mitigation assessment based on a survey of the insured risk. These risk assessments are intended to educate customers on their renewable energy projects' risk landscape and how to reduce their projects' technical,

> **Spotlight:**
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> **AXIS Explores**
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> As part of our thought leadership, the AXIS Renewable Energy team wrote several reports exploring failures, defects and damages surrounding renewable energy topics. In 2022 topics include ground mount solar, onshore wind and battery energy storage systems.
>
> Learn more about AXIS Renewable Energy thought leadership here.

environmental and operational risk exposure. Recommendations may include improvements to the customer's maintenance practices or investments in additional safety features.

Environmental insurance

Our environmental insurance helps property owners, industrial and commercial facility operators and specialty and general contractors address the uncertainties that come with environmental projects, including solar. Our environmental insurance offers innovative coverage against environmental risk exposures and provides versatile solutions to safeguard against pollution- and hazardous waste-related risks. In addition, our environmental insurance policies may cover the clean-up of hazardous waste and the restoration of sites that present a hazard to health and the environment. Insurance solutions include contractor pollution liability, pollution legal liability, remediation management, specialty package policy and special package policy for manufacturers.

Clean energy

Our underwriting teams regularly collaborate and partner to provide insurance coverage to support the development of clean energy assets. Recently AXIS' Construction and Upstream Energy teams partnered to develop a London market insurance line slip that will support the construction and operation of:

- Onshore Erection All Risks (EAR) for carbon capture and storage facilities;
- Onshore operational coverage for carbon capture and storage facilities, including transmission and distribution; and
- Carbon capture and storage within onshore wells.

Design professional liability insurance

Our design professional liability insurance protects architectural and engineering professionals from potential liability relating to contractual requirements, including contractual requirements relating to sustainability. In addition, we offer risk management services to reduce the likelihood of claims.

Credit risk insurance

We provide credit risk insurance on project finance loans used to build renewable projects which are critical to the global renewable buildout. These cover wind, solar, geothermal, carbon capture and energy storage renewable projects. This includes AXIS's recent provision of credit insurance coverage to the African Development Bank to help accelerate the mobilization of private capital and investment in renewable and clean energy projects in Africa. We also provide surety bonds covering the installation of electric vehicle charging stations.

Reinsurance solutions

On the reinsurance side, AXIS extends reinsurance coverage to cedants that target customers that can demonstrate a credible pathway to low carbon production. AXIS provides reinsurance coverage to a consortium of clients whose intended customers must be able to evidence the ability and desire to deploy capital to either: improve the carbon efficiency of their current operations, reduce emissions through operational improvements, invest in new technology to lower carbon emissions, or compensate for hard to abate emissions by offsetting. The consortium uses a third-party emissions monitoring tool in its underwriting procedures to measure and track the above, which enables them to evidence their clients' improved carbon efficiency over time using quantifiable metrics. The insured's ESG-favorable business model was a factor in AXIS' underwriting decision and continues to be a consideration in our reinsurance business.

We also provide reinsurance solutions for the increasingly complex world of crop perils. Crop insurance allows farmers to collect insurance when crop yields or market prices are lower than expected, an increasingly common occurrence due to rising global temperatures, weather volatility and more frequent and severe extreme weather events resulting from climate change. In doing so, crop insurance helps protect farmers from the effects of climate change and consumers from a shortage of food supply and extreme prices.

Incentivizing sustainable behavior through customer initiatives

In addition, AXIS has identified opportunities to incentivize customers to engage in environmentally friendly behaviors and to make smarter decisions regarding environmental responsibility. Some of these incentives are discussed below.

Property insurance climate-related discounts

On the property side, we use models that are sensitive to building characteristics. These models result in discounted pricing for building codes that are more resilient to climate-related risks.

Chemical, petrochemical, oil and gas and energy customers

Our customers include specialty businesses in the chemical, petrochemical, oil and gas and energy industries. These types of insureds typically experience significant exposures to environmental hazards and accidental chemical and petrochemical spills and releases. Subject to our Fossil Fuel Policy (available on our website at www.axiscapital.com), we provide cover for third party bodily injury and property damage arising from pollution events caused by risks and operators within these industries. We also provide environmental insurance and specialty cover related to pollution and hazardous waste, as described in "Environmental insurance" above, and a limited pollution coverage on an excess basis that supplements excess coverage provided for general liability, automobile liability and employers liability. Our underwriting and pricing practices are designed to benefit and reward those insureds who are best able to manage their environmental and pollution exposures through sound risk management, safety practices, loss prevention and ultimately the prevention of spills and releases of pollutants.

Risk control service

Alongside our underwriting operations, AXIS utilizes risk control services that carefully identify exposures in our property and casualty business through loss-control inspections and reviews. Identifying the hazards and providing solutions to mitigate or eliminate such hazards ultimately makes the policyholder's business safer. AXIS periodically meets with policyholders and provides detailed guidance to help policyholders identify potential areas of loss before an event or circumstance giving rise to a loss can materialize. Examples include the following:

- Property business: In our property line of business, losses result from the release of contaminates from fire (smoke and heat), water damage, destruction of property and other environmental exposures. Our risk control service works with policyholders in this area to make recommendations that, if implemented, may greatly limit the likelihood of devastating damage to property and the surrounding environment.
- Green endorsements: AXIS offers green endorsements or add-on components to commercial property policies. These green endorsements may include coverage for "green" construction, materials and equipment and may potentially cover the higher cost of environmentally certified materials, equipment, design and engineering.
- Casualty business: On the casualty side of the business, inspections identify injury hazards or exposures in the commercial space, and we recommend solutions and improvements aimed at eliminating the potential for injury. These efforts provide employees with safer workplaces and in some cases may improve the public environment.
- Premium credits: AXIS may offer premium credits for behaviors such as management cooperation in matters of safeguarding and proper handling of covered property and particular care being given to insured premises, to insureds with "green" buildings, or to those conducting energy efficiency upgrades on their current buildings. We offer premium credits for properties for which state-approved fortification improvements have been made and for qualifying structures built, rebuilt or retrofitted to better resist hurricanes and other catastrophic windstorm events. Premium credits are also given to customers that maintain smart devices that monitor temperature, fire and water leakage. Additionally, AXIS offers premium credits to landscape industry customers in almost all states who have obtained nationally recognized safety designations.

Advancing the Energy Transition

We are committed to supporting the energy transition through our underwriting and investment policies and guidelines. As thermal coal and oil sands are among the most carbon-intensive fossil fuels, AXIS developed and implemented a Fossil Fuel Policy limiting our exposure to these industries. In particular, the policy limits our provision of (re)insurance to new thermal coal plants or oil sands infrastructure and, subject to limited exceptions (including an exception for companies with credible transition plans in place), our provision of (re)insurance to, and investment in, the companies that build, own or operate such enterprises. Through the policy, we also aim to encourage environmentally responsible business practices among our current and prospective insureds by, among other things, encouraging them to commit to mid- to long-term transition plans away from thermal coal or oil sands business. This is part of AXIS' broader strategy to invest in growth areas such as renewable energy insurance.

In addition, through our Fossil Fuel Policy, AXIS has committed to fully phasing out thermal coal from its insurance and facultative reinsurance portfolios no later than 2030 in OECD countries and 2040 globally. Additionally, by the end of 2025, AXIS has committed to phase out any existing investments in companies in the thermal coal or oil sands industries that exceed its policy thresholds.

Climate and Investment

In addition to AXIS' Fossil Fuel Policy discussed above, which restricts AXIS' investments in certain industries, in 2022 AXIS adopted an Environmental, Social and Governance Investment Policy Statement (the "ESG Investment Policy") to incorporate ESG concerns into investment decisions to better manage risk and achieve long-term profits. The ESG Investment Policy sets forth the principles governing AXIS' responsible investment strategy, asset manager selection and oversight, stewardship and engagement as well as ESG investment governance and responsibilities.

With respect to asset management selection and oversight, the ESG Investment Policy details how AXIS evaluates its investment managers and its ESG performance through an annual scorecard process. Each year, AXIS asks relevant investment managers to complete a due diligence questionnaire which covers, among other things, ESG policy updates, ESG resources, ESG investment practices, ESG affiliations and ESG reporting. Based on their responses to the due diligence questionnaire, managers receive a summary ESG score which is factored into its broader manager assessment score. AXIS monitors the annual scores of its investment managers and takes the ESG scores into account when considering whether to redeem or sell all or a portion of the investments managed by a particular investment manager.

AXIS is also focused on providing capital in order to promote a sustainable future. More specifically, AXIS has committed $45 million to investments primarily focused on clean energy, infrastructure, and energy transition.

Sustainable Operations

In addition to the above climate risk management, underwriting and investment initiatives, AXIS acknowledges that doing our part means being environmentally friendly at the office and within our teams. Key priorities in the reporting year included:

- GHG measurement and goal-setting: We continued to actively track Scope 1, Scope 2 and select Scope 3 GHG emissions in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. In 2022, we published our Scope 1, Scope 2 and partial Scope 3 greenhouse gas emissions for years 2020 and 2021 and we announced science-based aligned greenhouse gas reduction targets in line with the goals of the Paris Agreement. We are using the data to identify opportunities to mitigate our carbon footprint and meet our stated goals. See GHG data, including our emissions for 2022, in the "Metrics and Targets" section of this report.

Spotlight:

SolarBuddy

As part of our 2022 Global Giving Rally, a few AXIS offices participated in WWF's SolarBuddy volunteer event. Colleagues came together to build solar powered lights for children in developing countries. From our events, colleagues were able to assemble 580 lights for kids in the Dominican Republic, Africa, and Cambodia.

Learn more about the SolarBuddy project here.

- Office space: We continued to decrease global office square footage overall relative to 2019; global square footage in December 2022 was approximately 38% less than our square footage at the same time in 2019. We optimized existing square footage by continuing to transition to open office configurations in some locations.
- Supply chain: AXIS signed the Global Supply Chain Pledge launched by the Sustainable Markets Initiative Insurance Task Force. The Sustainable Markets Initiative Insurance Task Force was convened by HRH the former Prince of Wales and is chaired by Lloyd's of London as part of the Sustainable Markets Initiative. Through the Global Supply Chain Pledge, AXIS has committed to take action to encourage and support supply chain partners to make the green transition. As a first step to address this pledge, AXIS launched a working group tasked with developing and implementing a global sustainable supply chain approach for the Company.
- Employee benefits: To incentivize employees to reduce emissions, AXIS launched electric vehicle benefits for AXIS staff in the United Kingdom through a government-backed salary sacrifice scheme. As part of the program, AXIS provides colleagues in the United Kingdom with access to discounted lease options for electric and hybrid vehicles. In addition, AXIS allows these colleagues to purchase at-home charging equipment using either a flexible benefits allowance or through a pre-tax payroll deduction.

Partnership and Engagement

AXIS is a signatory or member, as applicable, of the following frameworks and organizations. We leverage the work of these organizations and initiatives to support our climate risk governance:

- The Principles for Sustainable Insurance, a global sustainability framework and initiative of the U.N. Environment Programme Finance Initiative.
- The U.N. Global Compact, a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support U.N. goals.

We are also participants in a variety of climate-focused organizations:

- Member of the IDF, a partnership among the United Nations, the World Bank and members of the insurance industry
- Member of the Sustainable Products and Services Workstream of the Sustainable Markets Initiative Insurance Task Force, convened by HRH the former Prince of Wales and chaired by Lloyd's, and a signatory to the Global Supply Chain Pledge
- Member of The Geneva Association, the international think tank of the insurance industry

Spotlight:

Hosted Future of Insurance Webinar Series

AXIS was proud to partner with the University of Illinois' Office of Risk Management and Insurance Research to host the Future of Insurance webinar series in 2022, where experts discussed the latest trends in climate change and the challenges and opportunities it presents for the (re)insurance industry.

In addition, our partnership with the University of Illinois' Office of Risk Management and Insurance Research continued in 2022. The partnership is part of AXIS' longstanding commitment to promote research and education in areas relevant to the insurance industry and provide a platform to address areas like climate risk. In addition, in 2022 AXIS participated in the National African American Insurance Association's annual kickoff event on insurers' role in building a sustainable future as a thought leadership opportunities on sustainability.

Impact of Climate-Related Risks and Opportunities on Businesses, Strategy and Financial Planning

Since its inception, AXIS has been offering protection against weather-related risks such as hurricanes, storms, wildfires and floods, helping businesses and individuals proactively manage their exposure to such risks, and, when the need arises, recover from their aftermath. We therefore have a long history of considering physical environmental risks.

AXIS has taken measures to incorporate climate-related factors across our business and to consider climate within the strategic planning process. Our approach considers climate in underwriting and pricing to manage climate-related risks and uses product offerings to respond to climate-related opportunities. Climate considerations are also incorporated into our investment process. Our climate strategy also includes advocacy on climate-related matters within the industry and understanding the environmental impact of our own business operations. For information on climate-related risks and opportunities, refer to “Climate Strategy – Climate-Related Risks.”

For information on how we use scenario testing to mitigate climate-related risk, refer to “Risk Management – Identifying and Assessing Climate-Related Risks – Physical risks – Scenario analysis” and “Risk Management – Approach to Managing Climate-Related Risks Within Overall Risk Management Framework – How we manage climate-related risk – Stress and scenario testing” in this report.

Risk Management

Identifying and Assessing Climate-Related Risks

As part of our consideration of environmental risks, we specifically seek to identify and assess climate-related risks relating to our portfolios by geography and line of business. These risks include physical, transition, and liability risks. Aspects of our process for identifying and assessing these risks are discussed below. We are continuously working to enhance our climate risk assessment framework. In addition, in 2022 we completed a transition risk analysis of our global insurance and reinsurance portfolio, including exposures to certain carbon-intensive sectors. We intend to use the results to develop new products, identify increased coverage demand or extend coverage within existing products. In addition, we are using the results to potentially reduce exposures in carbon-intensive areas.

Physical risks

Catastrophe models

Catastrophe modeling is critical to our climate risk strategy and is the primary tool that we use to assess the potential financial impact of catastrophe risk. Catastrophe models help assess our exposure to specific catastrophe events in peril regions, and we use our catastrophe model results, together with judgment and our estimate of non-modeled perils, to calculate our net Probable Maximum Loss ("PML") for defined regional zones, such as the U.S. Southeast, Gulf of Mexico and California.

Our PML estimates are based on assumptions that are inherently subject to significant uncertainties and contingencies. These uncertainties and contingencies can affect actual losses and could cause actual losses to differ materially from PML estimates. We aim to reduce the potential for model error in a number of ways, the most important of which is by ensuring that management's judgment supplements the model outputs. Models are continuously validated at the line of business level and at a group level, including through the EMCE. These validation procedures include sensitivity testing to understand the models' key variables and, where possible, back testing the model outputs to actual results.

For examples of our PML calculations, please refer to "Metrics and Targets." Our validation procedures also take climate change into account and in some cases we adjust the model to represent current climate conditions. Catastrophe models results and PMLs are then used to mitigate and manage physical risks through portfolio management, product pricing, capital allocation, estimation of losses, strategic planning and reinsurance purchasing decisions.

Scenario analysis

We perform scenario analysis to understand how climate-related risks and opportunities may evolve over time and to ensure compliance with solvency and liquidity requirements in stressed conditions.

Through our EMCE, AXIS has devised a set of 2°C global warming climate change scenarios to inform our business strategy. Scenarios have been devised for U.S. Hurricane, European Windstorm, U.S Wildfire and Japan Typhoon. These climate change scenarios are based on relevant reports by the Intergovernmental Panel on Climate Change ("IPCC"), which sets out potential future climate scenarios and other scientific literature, and are compared against scenarios developed in collaboration with a third-party firm to facilitate a deeper understanding of risk exposure. The scenarios have been reflected in our catastrophe modeling by modifying the event sets. The results illustrate that, across all return periods, climate change is modelled to increase losses at varying degrees, depending on the return period and peril region.

In addition, in 2022 we conducted enhanced climate change stress testing to understand how climate-related risks and opportunities may evolve over time and to assess the impact of long-term climate trends on the Company's current portfolio. As part of our 2022 climate change stress and scenario testing, we voluntarily conducted scenario testing based off the Prudential Regulatory Authority (PRA) Climate Biennial Exploratory Scenario and participated in the International Monetary Fund Climate Stress Test.

The EMCE team also reviews our modeling approach and identifies and conducts reviews of peril regions most likely to be affected by climate change (such as regions subject to wildfires). If a peril region is affected by climate trends, we check if the model has been calibrated to a shorter period and if the model losses are in line with our recent loss experience. If this is not the case, we may adjust our view of risk by applying additional loadings or by adjusting return periods of benchmarking events to reflect an increased frequency of catastrophe events. The EMCE summarized the scientific findings in an interactive Climate Change Atlas that serves to inform other stakeholders within the company (e.g., underwriters, risk managers, actuaries) about the potential impact of climate change on a certain peril region.

Transition risks

We monitor and assess the potential future impacts that political and regulatory developments may have on our business. In particular, our Compliance team performs ongoing monitoring and assessment of any planned or actual changes in legislation pertaining to the insurance sector, including those related to climate change, and engages with impacted business areas to ensure compliance. The regulatory focus on how businesses in the financial services industry, including insurance companies, manage climate risk in both their business operations and investment portfolios is increasing.

We monitor changes in technology and societal adaptation to a lower-carbon economy that may change demand for particular products and present new product opportunities. AXIS also closely monitors scientific literature on climate change, including reports by the IPCC, to identify transition risks to our business.

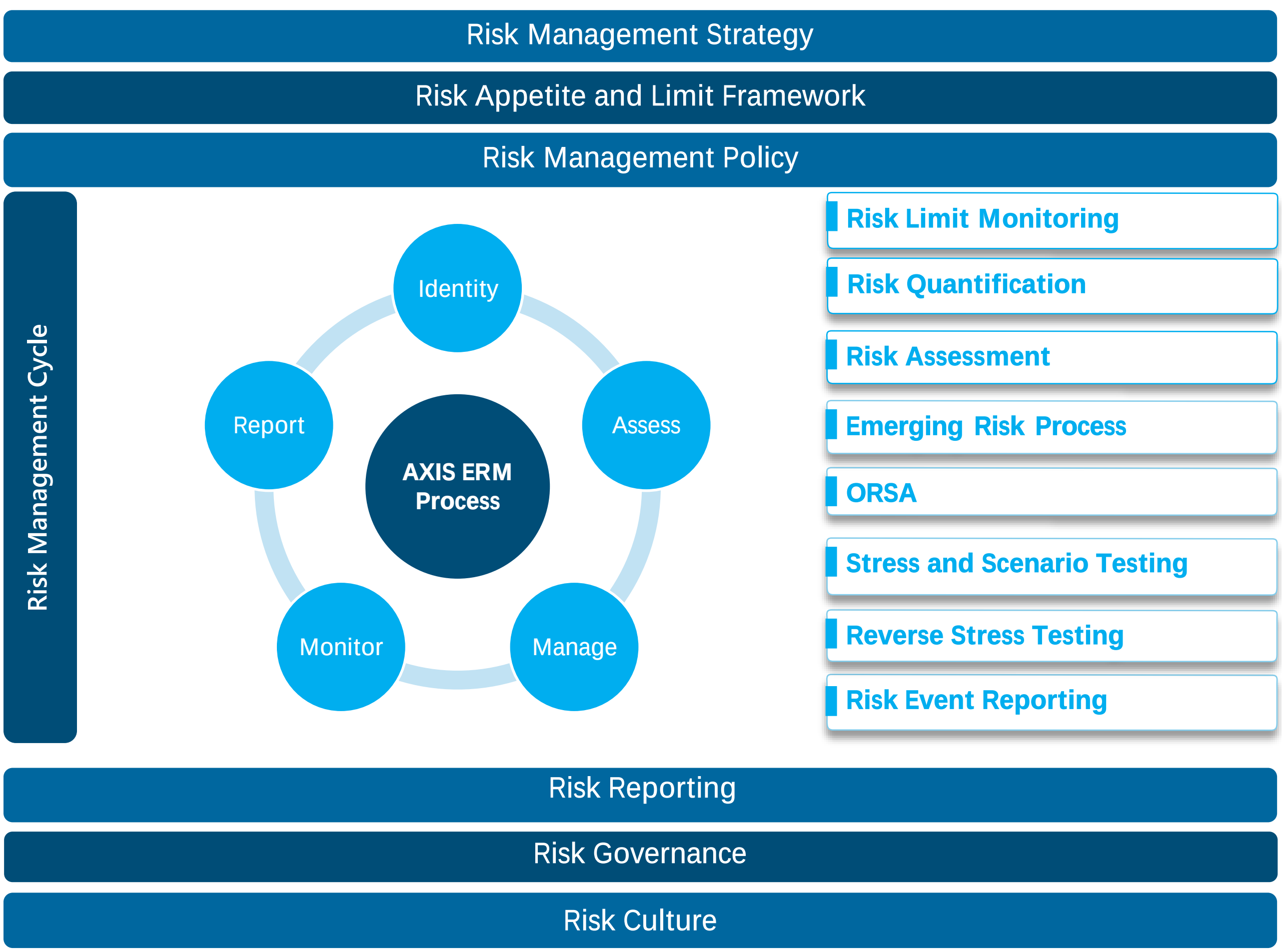
Liability risks

Liability risks relate to losses or damages suffered by our insureds from physical or transition risks, such as losses stemming from climate-related litigation in liability lines.

Although our liability exposure is considered limited at present, as the outlook for climate change litigation is highly uncertain, we monitor litigation trends to assess the potential impact of any developments on our businesses and overall risk mitigation strategies. In particular, we track ongoing litigation in the United States that seeks to compel companies to remedy their perceived contribution to climate change (i.e., mitigation costs, third-party property damage, etc.).

Approach to Managing Climate-Related Risks Within Overall Risk Management Framework

Process for risk management



Our ERM framework is evolving and responds to changes in the Company's internal and external environment to enhance value creation and remain relevant to the business. The implementation and oversight of the framework is the responsibility of the Risk Management team, which is led by our Chief Risk Officer.

The above diagram shows all the components of the Company's ERM framework. Climate-related risks and opportunities are overseen and managed as part of our ERM framework. For example, specific climate risk appetites are devised as part of our risk appetite framework, climate risks feature in our risk policies, we perform risk assessments and deep dives of climate risks and use stress and scenario testing to assess the impact of certain events on our portfolio.

How we manage climate-related risk

Firm-level

Our ERM framework manages environmental risks at the firm level over short-, medium- and long-term horizons and provides the Chief Risk Officer and Executive Committee with a consolidated view of AXIS' key risks. Our ERM approach includes a distinct climate change risk management framework and a framework to create a holistic approach for managing climate-related risks. Environmental risks identified by the ERM framework are used to determine business lines and products, capital needs and reinsurance decisions.

Catastrophe models, as described above, assist in managing our aggregate exposure to natural catastrophes and climate risk. These models assist us in monitoring our portfolio's exposure to risks for specific catastrophic events in peril regions.

Our catastrophe models also are taken into account in setting our long-term financial strategies and business objectives, including new product development. For example, AXIS is investing in growth areas such as renewable energy insurance, an area in which we have maintained our position as a leading global insurer, particularly for wind, solar and battery storage facilities.

As mentioned previously in this report, AXIS may adjust or reposition its portfolio based on its assessments of climate-related risk. In 2022, AXIS announced its exit from its catastrophe and property reinsurance business as part of an overall approach to reduce the Company's exposure to volatile catastrophe risk. The strategic exit was driven in part by the significant and increasing effects of climate change and the challenges faced by the catastrophe reinsurance market.

Policy- and portfolio-level

At the policy level, environmental risks, along with other relevant perils, are taken into account in pricing, coverage limitations, duration and other policy terms. Our catastrophe models inform our underwriting decisions, pricing and policy terms and reinsurance purchasing decisions.

The underwriting process, along with the environmental risk assessment, is specific to the risks to be insured. Our underwriting process factors in natural catastrophe exposure, along with any relevant risks. If the drivers of a risk change, upon renewal we may update pricing, add contract endorsements or include exclusions to reflect the updated risk. As the majority of our insurance contracts are renewable annually, we are able to quickly respond to any such risk change. Return on capital is a key metric incorporated into our underwriting decisions. Policies with more risk require a higher return on capital, along with higher premium levels.

Reinsurance

AXIS buys reinsurance and retrocessional cover (insurance against losses experienced within our insurance or reinsurance portfolio) to mitigate the financial impact of any covered weather and catastrophe events. We cede catastrophe risk generally on a treaty basis (i.e., covering a portfolio of risks), buying both proportional and non-proportional coverages.

Under proportional treaties, AXIS cedes an agreed percentage of related premiums and losses and loss expenses on the policies underwritten. This generally includes both traditional quota shares with rated carriers and third-party capital quota shares that are capped at an upfront collateral amount. Under non-proportional excess of loss treaties, AXIS is covered for losses that exceed a specified threshold. In addition, AXIS periodically uses catastrophe bonds to protect against certain weather-related losses in Europe and North America and enters into swap deals with third parties to diversify AXIS' catastrophe risk profile.

AXIS has a centralized risk funding department, which coordinates external treaty reinsurance purchasing (including retrocession) across the firm, and a separate AXIS Insurance-Linked Securities ("ILS") team, which coordinates the sourcing and structuring of third-party capital and ILS vehicles to support AXIS underwriting. Risk funding and AXIS ILS are overseen by our Reinsurance Purchasing Group ("RPG"). The RPG, which includes, among others, our Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Underwriting Officer and representatives from the business leadership team, approves each large catastrophe treaty placement, and aims to ensure that our risk tolerance and appetite and counterparty credit metrics are met, and that appropriate diversification exists within our approved counterparty panels. From time to time we make changes to our catastrophe reinsurance coverage as appropriate and in line with our risk appetite and reinsurance purchasing strategy.

Investment process

AXIS ensures that our investment portfolio, which provides us with sufficient liquidity to meet our claims, is diversified by end-market, issuer, asset class, and type and duration of security. Our Investments team oversees asset allocation decisions and provides a consistent approach to building our investment portfolio and selecting our external asset managers. While our portfolio is generally short-dated (our fixed income securities had an average duration of three years as of December 31, 2022), we expect that the impact of climate change will be an increased factor in our investment decision-making over time, particularly with respect to longer-term asset classes. For additional information on how we consider ESG in our investment decisions, please refer to "Climate Strategy – Climate and Investment."

In addition, as noted above, AXIS has integrated ESG considerations into its due diligence process to evaluate investment managers. For information on our investment process and the integration of ESG considerations, please refer to “Climate Strategy – Climate and Investment.”

Stress and scenario testing

An important component of our ERM framework is our Own Risk and Solvency Assessment (“ORSA”) process, which assesses our ability to meet solvency and liquidity requirements in stressed conditions, including climate change scenarios. The purpose of this process is to support short-term decision-making and longer-term strategic management and ensure that AXIS has sufficient capital in line with the Company’s risk appetite and solvency targets. A stress test aims to assess the impact of single events by evaluating a number of statistically defined possibilities. Stress and scenario tests are complemented by reverse stress testing, which is designed to help us understand what could cause the business model to become unviable in the short- to mid-term.

The selected tests are reviewed and approved annually by the Risk Committee. The Risk function coordinates the stress and scenario testing exercise in conjunction with other key functions.

We also stress test our investment portfolios to account for various scenarios related to climate change. We use historical and hypothetical scenarios to analyze the impact of unusual market conditions and to ensure potential investment losses remain within our risk appetite.

Spotlight:

The Geneva Association: Climate Change & Environment Working Group

AXIS participates in the Climate Change & Environment Working Group for The Geneva Association. This group delves into pressing climate-related challenges and seeks to innovate risk management solutions and investment strategies for insurers and other stakeholders to expedite the transition to a more resilient, low-carbon and nature-positive economy.

Learn more here.

Metrics and Targets

AXIS is committed to accountability and transparency on ESG and climate-related matters. Since 2020, we have been proud signatories of the U.N. Global Compact and Principles for Sustainable Insurance and we report annually on our program to those organizations. We also publish an annual SASB Disclosure Report.

Metrics Assessing Climate-Related Risks and Opportunities

We use a variety of metrics to assess climate-related risks and opportunities in line with our overall business strategy.

Probable maximum loss

As earlier described, we use our catastrophe models, combined with our judgment and experience, to calculate our net Probable Maximum Loss ("PML") for a single natural peril catastrophe event for certain defined regional zones. We have developed PML estimates for various natural peril catastrophe events to assess our catastrophe exposure and inform our underwriting strategies.

The table below shows our net PML to a single natural peril catastrophe event within defined single zones that correspond to peak industry catastrophe exposures as of January 1, 2023 and 2022. The return period refers to the frequency with which losses of a given amount or greater are expected to occur. A zone is a geographic area in which the insurance risks are considered to be correlated to a single catastrophic event. Estimated losses from a modeled event are grouped into a single zone, as shown below, based on where the majority of the total estimated industry loss is expected to occur.

Estimated Net Exposures (millions of U.S. dollars)		January 1, 2023			January 1, 2022		
Territory	**Peril**	**50 Year Return Period**	**100 Year Return Period**	**250 Year Return Period**	**50 Year Return Period**	**100 Year Return Period**	**250 Year Return Period**
Single zone, single event							
Southeast	U.S. Hurricane	$ **74**	**96**	**125**	$ 131	186	262
Northeast	U.S. Hurricane	**11**	**35**	**72**	39	115	238
Mid-Atlantic	U.S. Hurricane	**26**	**59**	**99**	71	193	362
Gulf of Mexico	U.S. Hurricane	**67**	**86**	**121**	119	164	234
Europe	Windstorm	**39**	**57**	**77**	90	124	165
Japan	Windstorm	**39**	**106**	**146**	75	144	166

As indicated in the table above, our modeled single occurrence 1-in-100 year return period PML for a Southeast hurricane, net of reinsurance, is approximately $96 million. According to our modeling, there is a one percent chance that, on an annual basis, our losses incurred from a Southeast hurricane event could be in excess of $96 million. Conversely, there is a 99% chance that, on an annual basis, the loss from a Southeast hurricane will fall below $96 million.

PMLs are based on results of stochastic models that consider a wide range of possible events, their losses and probabilities. It is important to consider that an actual event does not necessarily resemble one of the stochastic events and the specific characteristics of an actual event can lead to substantial differences between actual and modeled loss.

Our PML estimates are based on assumptions that are inherently subject to significant uncertainties and contingencies. These uncertainties and contingencies can affect actual losses and could cause actual losses to differ materially from those set forth above. In addition, estimated net losses from peak zone catastrophes may change from period to period as a result of several factors, which include, but are not limited to, updates to vendor catastrophe models, changes in our internal modeling, changes in our underwriting portfolios, changes to our reinsurance purchasing strategy and changes in foreign exchange rates.

Catastrophe losses

AXIS monitors and evaluates natural, man-made and other catastrophe losses to identify changes in frequency and severity. Estimated pre-tax catastrophe and weather-related losses, net of reinsurance and restatement premiums, for our insurance and reinsurance segments for the last three years are set forth in the table below. These are loss estimates as of December 31 of each year for catastrophe events occurring in that year, including the Russia-Ukraine war and the COVID-19 pandemic, as reported in our Investor Financial Supplement which is available on our investor relations website at www.investor.axiscapital.com.

(in millions)	**Accident Year**		
Segment	**2022**	**2021**	**2020**
Insurance	207	175	443
Reinsurance	196	268	330
Total	403	443	774

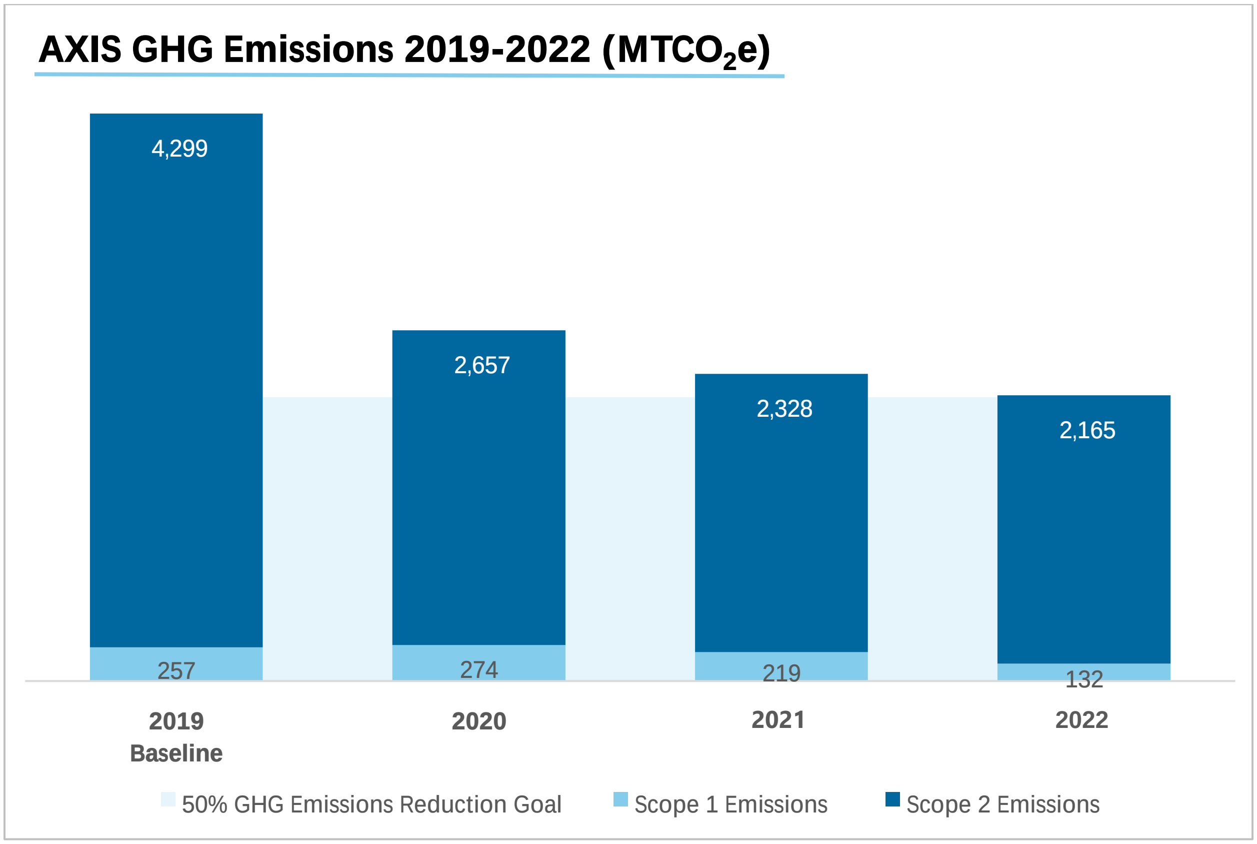
Climate scenarios

As discussed above, AXIS analyzes climate scenario tests covering various natural catastrophe perils (U.S. Hurricane, E.U. Windstorm, U.S. Wildfire and Japan Typhoon). The outputs from climate scenario testing are used by AXIS to understand and assess our climate risk exposure and the potential financial impact covered events would have on AXIS' results of operations. These climate scenarios are implemented using third-party models by modifying the event sets.

Greenhouse gas assessments

We track our Scope 1, 2 and select Scope 3 GHG emissions in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Our measured GHG emissions for 2022 are set forth below, as well as historical comparisons. Previous year GHG assessments are set forth in full at www.axiscapital.com.



*2019-2021 Scope 1 numbers have been restated to remove emissions from fugitive refrigerants due to immateriality and updated UK facility emissions.

2022 AXIS Emissions

	2022 $MTCO_2e$
Scope 1 Emissions	132
Scope 2 Emissions	2033
Scope 3 Emissions*	2621
Air/Business Travel	2433
Downstream Leased Assets	188
Total 2022 GHG Emissions	4786

* Scope 3 emissions resulting from employee commuting and waste are no

2022 Regional Breakdown

	United Kingdom	European Union	North America (U.S., Canada, Bermuda)	Asia Pacific
Scope 1 Emissions	23	40	69	0
Scope 2 Emissions	353	33	1633	14
Scope 3 Emissions	478	160	1926	57
Air/Business Travel	415	160	1801	57
Downstream Leased Assets	63	0	125	0
Total 2022 GHG Emissions	853	233	3628	71

Cumulative Scope 1 and 2 emissions have declined year over year since we started tracking in 2019. Significant Scope 2 emissions reductions were primarily achieved in 2020 because of changes due to the COVID-19 pandemic. Our Scope 2 emissions continue to decrease mainly as a result of office square footage reductions. Scope 1 emissions have remained relatively steady for the past four years. We expect to continue to see opportunities for Scope 1 and 2 emissions reduction through optimization of the AXIS global real estate portfolio and identification of efficiencies in facilities management. Our Scope 3 emissions resulting from air/business travel and downstream leased assets increased in 2022 primarily as a result of increased business travel after COVID-19 restrictions were lifted.

Targets Addressing Climate-Related Risks and Opportunities

We are committed to the transition to a low-carbon economy. Our targets include:

- Overall goal-setting: AXIS is dedicated to reducing the environmental impact of our operations, including our global greenhouse gas footprint. In 2022, AXIS committed to a 50% absolute reduction of its Scope 1 and 2 emissions by 2030, using a 2019 base year.
- Thermal coal exit goal: In response to the identification of the thermal coal and oil sands industries as particularly carbon intensive and susceptible to transition risk, AXIS created its Fossil Fuel Policy. As previously noted in this report, pursuant to this policy, AXIS committed to fully phase out thermal coal from its insurance and facultative reinsurance portfolios no later than 2030 in OECD countries and 2040 globally. Additionally, AXIS has committed to phase out by the end of 2025 any existing investments in companies in the thermal coal or oil sands industries that exceed its policy thresholds.

Important Legal Information

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial or other impact of that information. Please refer to our periodic and other filings with the SEC, which are accessible on the SEC's website at www.sec.gov and our website at www.axiscapital.com, for additional information concerning AXIS Capital, including information which is more current than that contained in this report. This report should be read in conjunction with our filings with the SEC and the other information we publish.

Certain of the metrics and other information contained in this report are derived from information provided by third parties. These metrics and other information include without limitation certain climate metrics and information. Although we are not aware of any inaccuracies in the third-party provided information, that information has not been independently verified by us. Therefore, actual results may differ from the metrics and other information contained in this report that are derived from third-party information. AXIS Capital has not and does not intend to independently verify third-party data contained in this report.

Certain of the metrics and other information contained in this report, including third-party derived information, are based on estimates and assumptions. These metrics and other information include but are not limited to metrics and other information relating to greenhouse gas emissions. In some cases, the methodologies underlying such estimates and the assumptions may in the future be revised. That may in the future result in the modification of metrics and other information contained in this report. AXIS Capital undertakes no obligation to update or revise publicly any such metrics or other information.

In addition, this report contains forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts included in this report, including statements regarding our estimates, beliefs, expectations, intentions, strategies or projections are forward-looking statements. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may”, “should”, “could”, “anticipate”, “estimate”, “expect”, “plan”, “believe”, “predict”, “potential”, “intend” or similar expressions. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond management's control. These statements include, among other things, statements about our product offerings, catastrophe losses, modeling, the physical, transition and liability risks of climate change, and environmental sustainability targets and goals. Results may differ materially from those expressed or implied by forward-looking statements. Factors that can cause results to differ materially include those described under “Forward Looking Statements” in AXIS Capital's most recent Form 10-K and Form 10-Qs filed with the SEC and available on our website. AXIS Capital undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.