



AMERISAFE[®]

**AMERISAFE 2022 TASK FORCE
ON CLIMATE-RELATED FINANCIAL
DISCLOSURES (TCFD) REPORT**

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)



The Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD) has developed a voluntary, consistent climate-related financial risk disclosure for use by companies in providing information to investors, lenders, insurers and other stakeholders. AMERISAFE's TCFD report is organized around the framework's four main pillars, which are governance, strategy, risk management, and metrics and targets.

GOVERNANCE

Describe the board's oversight of climate-related risks and opportunities.

Our Nominating and Corporate Governance Committee is primarily responsible for oversight of risks and opportunities presented by ESG matters, including climate-related risks. Where appropriate, the Nominating and Governance Committee coordinates with the Risk Committee with respect to climate-related risks and opportunities. Comprising all of AMERISAFE's Board of Directors, the Risk Committee is responsible for assessing risks and challenges the company is facing. While the Board generally considers climate impacts to be indirectly related to AMERISAFE's operations and business strategy, we recognize that climate change impacts industries in which our policyholders operate and may therefore indirectly affect our business and operations.

Describe management's role in assessing and managing climate-related risks and opportunities.

Our Enterprise Risk Management (ERM) program, led by our Chief Risk Officer, assesses climate-related risks in terms of the potential impact on the industries of our policyholders. These industries include construction, trucking, logging and lumber, manufacturing, agriculture, maritime, and other industries.

STRATEGY

Climate-related risks and opportunities identified over the short, medium, and long term

Compared to other lines of business, workers' compensation insurance is largely unaffected by natural disasters. We do not write property risks, and workers in the industries we insure are unlikely to be working during catastrophic weather-related events.

Presently, we are determining whether to use scientific modeling to assess how physical climate-related risks – including extreme weather events that will grow in frequency, intensity, and duration as the effects of climate change intensify – may impact our policyholders and their employees. We are currently determining how to quantify the indirect impacts of climate-related risks on our business and our policyholders' businesses.

With respect to our operations, we recognize that our headquarters in DeRidder, Louisiana is exposed to hurricane risks. As part of the annual report we file with the State of California, which highlights our organization's exposure to climate change risks, we report our office's distance from the Gulf of Mexico alongside other climate risk factors.

Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Our internal Disaster Recovery Plan helps AMERISAFE mitigate climate-related risks to our business. The Disaster Recovery Plan ensures the restoration of our Information Technology (IT) platform following a disaster. This plan establishes protocols and critical business continuity measures to guide AMERISAFE IT personnel and employees before, during, and after a disaster. Our Disaster Recovery Plan allowed our business operations to continue functioning in critical areas, even after our main DeRidder, Louisiana location was disrupted by two major storms in 2020 and one major storm in 2021.

We recognize that climate-related risks may also provide an opportunity for AMERISAFE to share resources that can innovate worker safety and education around climate risks as they affect our policyholders' industries, and in the future, we may explore these opportunities with our safety training providers and partners.

Resilience of strategy using a 2C or lower scenario

As we write workers' compensation, we have no property-related exposure, and are therefore yet to conduct a climate-related scenario analysis.

RISK MANAGEMENT

Processes for identifying and assessing climate-related risks

The Nominating and Corporate Governance Committee has responsibility for oversight of ESG risks, including those indirectly raised by climate-related issues, and coordinates with the Risk Committee on such risks as appropriate. The Risk Committee has responsibility for the identification of current and emerging risks broadly across organizational and functional boundaries.

Processes for managing climate-related risks

When AMERISAFE's strategic, operational, and physical risks are identified, including those indirectly impacted by climate-related issues, risk mitigation plans are developed as part of our ERM program. The Chief Risk Officer is primarily responsible for the administration of the ERM program and supports periodic risk management training to ensure both employees and the Board are appropriately informed of their responsibilities and have plans to manage AMERISAFE's top risks. Because of the nature of our business, climate change is not one of our top ten risks at this time.

Integration of risk processes into overall risk management

We maintain a risk universe of strategic, operational, and physical risks that are assessed on an annual basis to determine what the most significant risks are to the company, what controls are in place to address these risks, and what their potential impacts are. Our department heads are responsible for executing on plans throughout the year to address or mitigate our key, identified risks.

METRICS AND TARGETS

Metrics used to assess climate-related risks and opportunities

AMERISAFE is exploring operational and geography-based metrics for managing climate-related risks and opportunities. In terms of operational metrics, we track our main office's electricity usage and our printed paper usage by department, with an aim to reduce our paper consumption. As a result of our efforts, paper usage across AMERISAFE has fallen 60% over the past five years.

In terms of broader climate-related risk exposures from our policyholders, we are evaluating whether geography-based metrics can help us assess the risks of weather-related events to our policyholders. We currently account for earthquakes in assessing our PMLs and may expand this to other weather-related perils.

Scope 1 and 2 GHG emissions

We currently do not track our Scope 1 and 2 emissions, but we are planning to undertake an inventory of our operational GHG emissions for the 2022 calendar year.

Targets used to assess climate-related risks and opportunities

AMERISAFE has not currently established such targets. As we continue to assess the risks that climate change directly or indirectly presents to our business and operations, we may do so in the future.

We have established other operational sustainability goals, such as reducing our paper usage. To achieve this, we have instituted a recycling initiative to track how much paper is being printed by each department (which is in turn converted into a trees and emissions consumed metric to raise awareness), ensure that recycling bins for paper are clearly marked and available in all breakrooms, and that our waste hauler comes to recycle all of our shredded paper. We are also investigating ways to make our business operations use less paper but are somewhat limited by regulatory barriers such as state guidelines requiring policyholders to affirmatively choose to not receive information in paper form.



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