

Sustainability and Our Environmental Commitment

Overview

ProAssurance's mission states that **We Protect Others**. We strive to achieve that mission by adhering to a set of core values, unbending **Integrity, Leadership** that works, superior **Relationships** and infectious **Enthusiasm**. As we apply these values to achieve our mission in business, we also apply them to our stewardship of the environment. We are committed to policies and practices that demonstrate our concern for the environment and the impact our operations will have today and into the future. We are attentive to the environmental effects of the materials we use in our daily operations, the systems we use to efficiently serve our customers, and our facilities management.

The environmental impact of ProAssurance is minimal because of the nature of our business. Nevertheless, we will work within our operations to mitigate our environmental impact and promote a respect for our environment within our workforce.

ProAssurance Environmental Policy

ProAssurance must balance the needs of many stakeholders, ranging from our policyholders to our distribution partners to our shareholders and our employees. The decisions we make about energy use, the purchase of consumables and supplies, and workplace practices all must take into account our environmental footprint. We are committed to continually improving the environmental sustainability of our operations and business activities. Our Nominating and Corporate Governance Committee has responsibility for Environmental, Society and Governance impact.

We pledge to comply with relevant environmental regulations wherever we operate. We will continue to work to implement energy-efficiency initiatives and will consider the conservation/environmental features of buildings where we rent or lease space and will utilize and promote environmentally sustainable construction practices and building features when renovating existing spaces where we operate in order to produce healthy, sustainable workplaces for our employees and onsite contractors.

We continually work, to reduce our energy consumption through efficiency initiatives that address energy use associated with lighting and other energy consuming systems.

As a non-manufacturing company, our water usage is limited to personal consumption and hygiene. Because of the variability of water consumption and use, we are unable to reliably report total water use by location or at the enterprise level. We do not monitor wastewater discharge given the non-manufacturing nature of our consumption. We are unable to recycle water consumed personally or used in hygiene, and thus cannot report on the percentage of water recycled or reused.

Also as a non-manufacturing company, we do not generate industrial-scale emissions of nitrogen oxides (NOx), sulphur oxides (SOx), hazardous air pollutants (HAPs) or particulate matter (PM) and other significant air pollutants, but we recognize that our employees' commuting and business travel do produce such emissions. We believe our expanded commitment to telework programs and the reduction of travel through video conferencing and teleconferencing will continue to mitigate such personally-created emissions. As an enterprise, we do not produce non-methane volatile organic compounds (VOCs), and are committed to the use of non-VOC products, especially paint and coatings, in our buildings as a matter of employee and contractor and environmental health.

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Further, because of the nature of our business, we do not produce hazardous waste. Each of our facilities provide containers for the proper disposal of personally-created hazardous waste such as needles used for prescribed injections (e.g., insulin).

We do not have any projects in areas of high biodiversity, and we are committed to the use of external standards or guidelines to identify areas of high biodiversity before embarking on any new or expansion projects, which we believe to be highly unlikely at this point.

Environmental Actions

We are reducing our use of paper and increasing our efficiency and time-to-market through the use of technology that promotes a paperless transaction flow to reduce the amount of paper we purchase. By moving toward a paperless transaction environment, we expect to increase the quality and efficiency of the services provided to our insureds, our distribution partners and our employees. In addition to saving on paper costs and reducing our waste stream, the creation and delivery of documents electronically will have the added benefit of reducing a variety of direct costs including those for photocopier supplies and postage as well as reducing the need for storage space and filing equipment.

We are already ensuring that sensitive data that is printed and no longer used for a legitimate business purpose, or documents of that nature that have reached the end of their required/allowable retention period are shredded and recycled.

As we adapted our work practices to respond to the dislocations of the COVID-19 pandemic, we introduced highly flexible remote work options for virtually all employees whose jobs do not require physical presence in an office. Approximately 39% of our workforce is now entirely remote, and 56% work under hybrid arrangements. We thus have substantially reduced emissions associated with automobile commuting and carbon footprint associated with leased office space. By reducing the number of commuting days, we will positively affect the environment and provide a much-desired benefit to employees.

Further, since 2014 we have spent in excess of \$7.25 million installing teleconferencing and video conferencing equipment to link all our facilities. As a result, we have decreased travel costs and increased productivity by facilitating frequent communication as we have averaged approximately 8300 electronically-facilitated meetings per month.

Addressing Climate Change

ProAssurance recognizes the need for a sustainable environment as a fundamental requirement for a stable society and a strong economy, which benefits consumers and businesses alike. Regardless of how one interprets the science of climate change, the bottom line is that it is occurring and is one of the most significant risks facing our world right now. Thus, addressing climate change is an economic imperative as mitigation now will be exponentially less expensive than repairing the damage should society fail to act in the near term. We are cognizant of the need to do everything we can to ensure our business reflects environmentally-friendly practices.

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ProAssurance is committed to policies and planning that address cost-effective solutions to mitigating the risks associated with the threat of climate change. Where applicable, we are addressing potential outcomes in our strategic decision making by including the risks of climate change in our Enterprise Risk Management (ERM) process, both in our lines of business and at the corporate level. If potential risks are identified within our lines of business, we engage in a comprehensive evaluation process by involving relevant internal stakeholder groups. These risks are elevated, as appropriate, to our corporate-level ERM process, where they are considered alongside threats specific to corporate-level functions. The resulting report of ERM risk factors is reported to, and discussed with, the Board of Directors which serves as our corporate Risk Committee.

We believe climate-related issues are of special importance to our Lloyd's Syndicate operating segment, given their exposure to property damage claims resulting from their reinsurance business, which is global in nature. However, our recent reductions in participation in the Lloyd's Syndicate have significantly reduced our exposure to these losses.

Our Workers' Compensation and Segregated Portfolio Cell Reinsurance segments are also affected by changing climate conditions, as extreme weather has often been linked to a higher incidence of work-related accidents. As a further example of our response to identified threats, we have tightened our underwriting, addressed needed pricing changes and expanded our risk management programs to mitigate these potential risks.