



2023
SUSTAINABILITY
REPORT



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IMPORTANT LEGAL INFORMATION

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 is material to Arch, please see our 2023 Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2023, filed with the SEC on Feb. 23, 2024 (2023 Annual Report). Moreover, this report may use certain terms, that others may refer to as “material,” to reflect the issues or priorities of the company, its subsidiaries and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities, or other laws, or as used in the context of financial statements and reporting.

This report may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (PSLRA), which reflect our current views with respect to future events, risks and uncertainties. All statements other than statements of historical fact included in or incorporated by reference in this report are forward-looking statements. Forward-looking statements, for purposes of the PSLRA or otherwise, can generally be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe” or “continue” and similar statements of a future or forward-looking nature or their negative or variations or similar terminology. Actual events and results may differ materially from those expressed or implied in these statements. Important factors that could cause actual events or results to differ materially from those indicated in such statements include, among other things, those factors discussed in Item 1A, pages 40-59 of our 2023 Annual Report, and our quarterly reports on Form 10-Q filed with the SEC. These forward-looking statements speak only as of the date of this report. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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Marcy Rathman

Executive Vice President, Chief ESG Officer

Celebrating Five Years of Sustainable Practices and Commitment to a Better Future

This is our fifth year reporting on Arch's commitment to incorporating sustainable practices into our business operations and decision-making processes. Over this time, we have made progress in intentionally integrating our core Environmental, Social and Governance (ESG) principles across our operations. Our actions have resulted in impactful outcomes for our business, investments, shareholders, customers, employees and communities — building a foundation to help drive Arch's long-term success.

Throughout 2023, we focused on initiatives that facilitate and contribute to a more secure and sustainable future.

Advancing the Global Energy Transition

The insurance industry plays an important role in facilitating the global energy transition. A key facet of our approach involves providing coverage for entities dedicated to expanding access to renewable and alternative energy technologies, including initiatives such as power generation, solar, wind, battery storage, biofuels and carbon capture and storage. These businesses are driving innovation and spearheading the research and development necessary for the advancement of these technologies. Our approach is pragmatic — not all or nothing — and we believe in supporting innovation in cleaner energy solutions while concurrently mitigating associated risks.

Offering Innovative Insurance Solutions

We prioritize social and economic growth to promote resilience in the communities we serve. Our support extends to high-need infrastructure in underserved areas, to promoting environmental sustainability, to offering accessible mortgage insurance products that give lenders the flexibility to approve mortgage loans even with home affordability being challenged by the economy.

Our partnerships with top-tier multilateral organizations enable government financing for projects in developing countries and emerging economies. Strengthening ties results in projects such as providing clean drinking water, constructing hospitals and expanding transportation infrastructure. Additionally, we contribute to global humanitarian efforts through our cargo insurance initiatives, addressing hunger and providing essential health and social aid in extreme poverty and war-torn areas. These partnerships are core to Arch's Values and embody our employees' commitment to creating a positive impact.



“

As we look back at these past five years, I am proud of how our sustainability journey has not just been about compliance but also about creating long-term value.

We will continue to drive innovation and forge partnerships to help address global challenges. We are committed to creating a better future for our company, our collaborators and our global communities.

”

Marc Grandisson
Chief Executive Officer

Sustaining a Strong Workplace Culture

We endeavor to create an inclusive culture where our people feel valued and respected. We continue challenging ourselves to build a healthy, inclusive and supportive workplace for all. Our biennial employee engagement survey* revealed that 94% of employees feel treated with dignity and respect, and 85% feel comfortable voicing their ideas and opinions. Overall, my colleagues are satisfied with Arch as a place of employment, with an 88% overall engagement score for the company — 10 points above an industry benchmark of financial and insurance companies. This feedback speaks volumes about the strides we have made in creating a positive work environment.

Creating Meaningful Social Impact and Community Engagement

Our commitment to supporting the communities where we live and operate has made a meaningful and positive impact for more than two decades. In 2023, our corporate donations surpassed \$7 million, including grants made by the Arch Group Foundation, marking Arch’s highest year of charitable giving. Adding to that community dedication, in 2023, our people volunteered 12,200 hours supporting more than 1,600 charitable organizations in 13 countries and over 700 communities. We are proud of these undertakings and look forward to continuing this important work.

While we celebrate our achievements, it is important to reflect on the global challenges and devastating violence that marked 2023 — a year that also included record-breaking temperatures and extreme weather events that disrupted families and communities globally. As we all try to understand the realities of conflict and the implications of climate change, the interconnectedness of our world underscores the need to acknowledge and address the impact of these events on the well-being of our communities and the broader global environment.

We remain committed to building upon our foundational ESG principles and recognize our responsibility to our valued partners. We appreciate your continued support as we strive to contribute to building a more sustainable and responsible future together.

Thank you for being a valued part of our community.

MARCY RATHMAN
Executive Vice President, Chief ESG Officer

* Our 2023 anonymous employee survey was conducted by Workforce Science Associates (WSA). Survey results provided represent the percentages of those who responded.

Our ESG Reporting

We believe in the value of transparency regarding our sustainability initiatives, and we are pleased to share our 2023 progress through the following annual reports:

2023 Sustainability Report

- **Target Audience:** All stakeholders and the general public.
- **Contents:** Provides an overview of our ESG strategy and priority disclosure areas.

2023 SASB Report (Sustainability Accounting Standards Board)

- **Target Audience:** Investors.
- **Contents:** Addresses disclosures around the financial impacts of sustainability. [Click here to view the report>>](#)

2023 TCFD Report (Task Force on Climate-related Financial Disclosures)

- **Target Audience:** Stakeholders interested in climate governance, strategy, risk management and metrics and targets.
- **Contents:** Outlines our approach to climate governance, strategy, risk management and metrics and targets. [Click here to view the report>>](#)



Our ESG Framework

Our ESG strategy is structured around five core impact areas that drive our ESG initiatives. By organizing our strategy under these pillars, we seek to encompass Arch’s collective ESG progress and achievements across our operations.



BUSINESS

We offer services and insurance coverages that support our clients through major loss and improve their resiliency; we integrate ESG factors into our underwriting to reduce risk and capture opportunities for stakeholder benefit.

OPERATIONS

We actively manage ESG risks and embed compliance, transparency, cybersecurity and resilience across our operations, protecting our people and customers who entrust us with their personal information and business interests.

INVESTMENTS

We believe incorporating certain nonfinancial ESG factors into investment selection and risk management can potentially enhance long-term investment returns.

PEOPLE

We are committed to investing in the personal and professional success of our employees and creating long-term sustainable growth for our organization.

COMMUNITIES

Striving to make a meaningful impact by investing in our communities is ingrained in Arch’s core Values, woven into the fabric of our corporate culture.

Our ESG Priorities

In 2023, we continued to focus on empowering teams to drive progress collaboratively. We integrate sustainability-driven thinking and decision-making into the fabric of our company and reinforce the role of sustainability in our operations.

The topics identified below are ESG priorities aligned with the expectations of our stakeholders. We are committed to strengthening across each dimension and will continue to evaluate against our ESG strategy based on evolving trends and valuable stakeholder feedback.

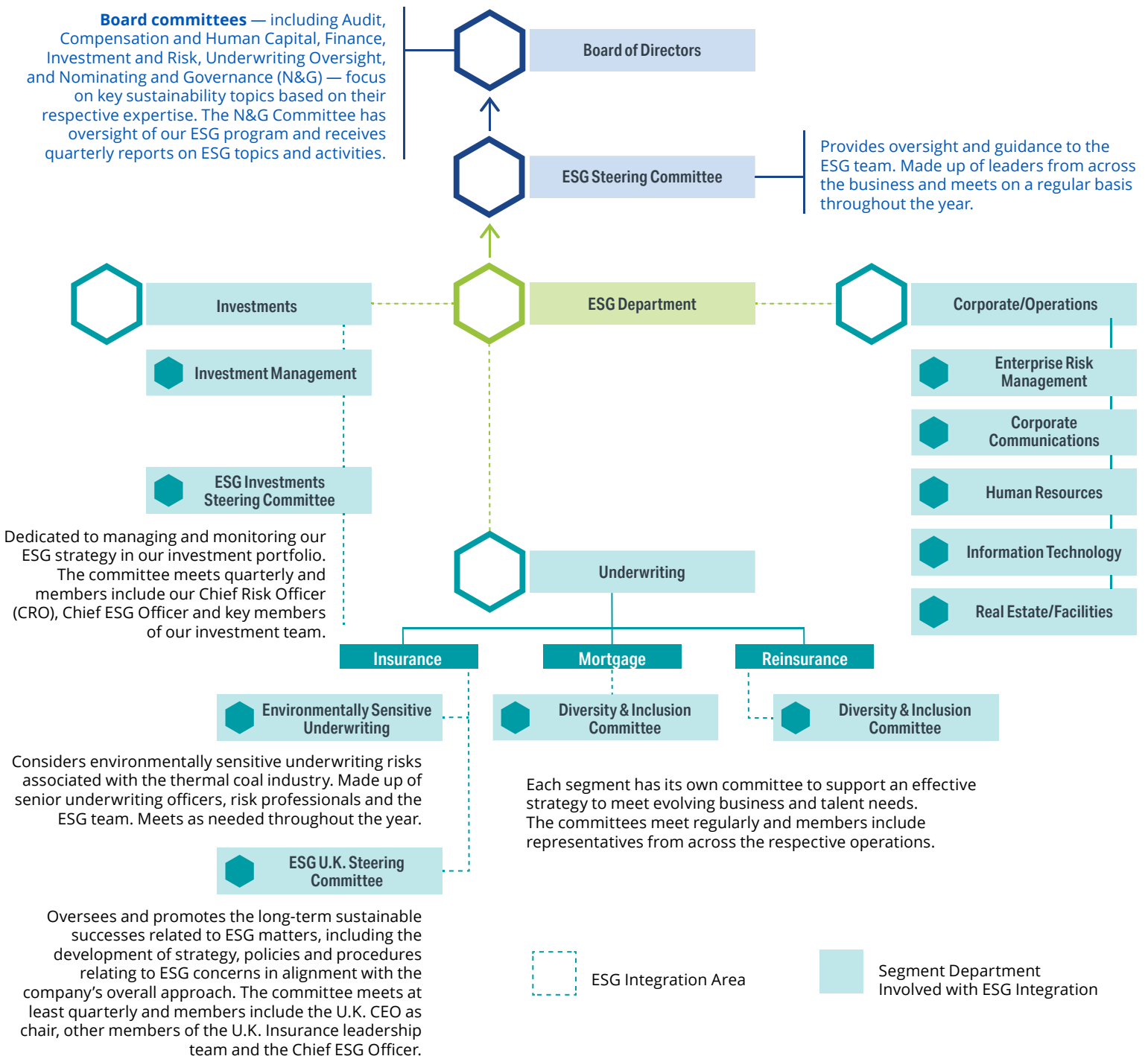
E	S		G
	<i>Social Capital</i>	<i>Human Capital</i>	
Carbon Emissions (Operations)	Access to Finance & Special Product Development	Diversity & Inclusion	Business Ethics & Standards
Climate Risk & Climate Change Management	Community Relations/Engagement/Philanthropy	Employee Health & Safety	Corporate Governance
Financing Environmental Risks & Opportunities	Responsible Investing	Professional Learning & Development	Data Privacy & Cybersecurity
Sustainable Real Estate	Supply Chain Value		Systemic Risk Management

Our ESG Governance

Workflow and Integration

Sustainability at Arch is not a stand-alone endeavor. It is a component of our business ethos and embedded into our daily operations, decision-making processes and our commitment to support and build resilience in global communities.

Our sustainability work requires ongoing collaboration across various Arch departments and business segments to drive the development, integration and disclosure of sustainability best practices. This chart offers a visual overview of Arch's sustainability workflow.



Awards and Recognition

Best Place to Work — U.S. News & World Report

Arch Capital Group was named a U.S. News & World Report Best Place to Work.

America's Most Honored Companies — Institutional Investor

Institutional Investor once again recognized Arch as one of America's Most Honored Companies. Additionally, Arch placed top-three overall in every category — Best CEO, Best CFO, Best IR Professional, Best Investor Relations, Best IR Team, Best Company Board of Directors, Best Analyst/Investor Event and Best ESG.

Outstanding Internship Program — RISE Professionals Elite 5.0 Internships

Arch Insurance was recognized on the 2023 list of RISE Professionals Elite 5.0 Internships for an outstanding internship program that provides an exceptional networking experience. We are dedicated to investing in the future of the insurance industry and feel privileged to be acknowledged as one of the nation's leading programs.

Five-Star Carrier — Insurance Business America

Arch Property & Casualty (P&C) Programs was honored as a five-star carrier for the second consecutive year by Insurance Business America. This recognition underscores our commitment to innovation in P&C programs and highlights our long-term dedication to identifying opportunities for growth through leveraging Arch's competitive advantages.

Best Places to Work — Business Intelligence Group

The Arch Insurance Group, Travel, Accident & Health Unit, was recognized as one of the Best Places to Work by Business Intelligence Group. The recognition is based on evaluations that assess workplace culture, employee engagement, benefits, work-life balance and professional growth opportunities.



Five-Star Diversity, Equity and Inclusion Award — Insurance Business UK

Arch Insurance was recognized as a Five-Star Diversity, Equity and Inclusion award winner by Insurance Business UK for its ongoing commitment to building a supportive and inclusive culture.

Bench Strength Fastest Riser — Insurindex

Arch Insurance International received London's Bench Strength Fastest Riser award winner for demonstrated improvement to underwriting service by Insurindex.

Commercial Lines Insurer of the Year — Insurance Times Awards

Arch U.K. Regional was awarded Commercial Lines Insurer of the Year at the Insurance Times Awards.



Top Insurance Employer — Insurance Business Australia

Arch Insurance Australia received the Top Insurance Employer award by Insurance Business Australia. The team is committed to fostering an environment for employees to thrive and perform.

Five-Star Professional Liability and D&O Insurer — Insurance Business Magazine

Arch Insurance Canada was recognized as a five-star professional liability and D&O insurer by Insurance Business Magazine.

Top Insurance Employer — Insurance Business Canada Magazine

Arch Insurance Canada was named a Top Insurance Employer by the Insurance Business Canada Magazine.

Five-Star Diversity, Equity and Inclusion Award — Insurance Business Australia

Arch Insurance was recognized as a Five-Star Diversity, Equity and Inclusion award winner by Insurance Business Australia for its ongoing commitment to employee well-being and maintaining a supportive and inclusive workplace culture where all employees can thrive.

Top Insurance Employer — Insurance Business UK

Arch Insurance was named a Top UK Insurance Employer by the Insurance Business UK Magazine.

We offer specialty risk solutions, property and casualty (re)insurance, and housing sector products in communities worldwide. The services and insurance coverages we provide protect our clients, allow them to rebuild after major losses and help families build wealth through homeownership. Helping our clients manage uncertainty begins with assessing and addressing risks and collaborating to build resilience in a changing world that includes heightened climate perils and evolving societal demands.

Our Enterprise Risk Management Strategy

Strategic risk management enables us to optimize risk-adjusted returns, resulting in strong financial performance. To effectively manage risk across our organization, we employ a “Three Lines of Defense” risk-governance framework that identifies risk-management responsibilities across the organization. This framework, strengthened by key controls, helps limit risk. [See page 4 of our 2023 TCFD Report for a detailed description of our “Three Lines of Defense” framework.](#)

Our Enterprise Risk Management (ERM) team formally identifies and integrates ESG performance, including climate change and climate-related risks, into our Risk Register and extends that analysis to specific climate-related business risk evaluations in line with the recommendations of TCFD. [See page 6 of our 2023 TCFD Report. We review these evaluations and validate the underlying data at least annually.](#)

Modeling and Assessing Natural Catastrophe Risk

We take the risks of climate change seriously and recognize that a continued rise in average global temperatures has the potential to significantly impact weather-related losses.

We use multiple methods of natural catastrophe modeling, including proprietary and leading third-party computer models, to inform our underwriting decisions with a continued focus on the quality of our data and accuracy of our tools. We actively manage our aggregate exposure to climate change, climate-related risk and catastrophic events as we evaluate near and long-term natural catastrophe risk at the location and portfolio levels. Specific areas of research and focus in 2023 included U.S. severe thunderstorm, model-based storm surge, Hurricane Ian post-loss assessments and wildfires. In addition, we completed a European Union (EU) windstorm review and an assessment of the impact of climate change on EU secondary perils (floods/wildfires/severe thunderstorms).

The ERM team keeps management informed of peak high-risk zones and exposure to risk for a substantial loss from a catastrophic event. Natural catastrophe risks in our portfolio are geographically diversified and generally do not have material concentrations. We report our natural catastrophe aggregate exposures quarterly in our external financial reporting. For additional information regarding our natural catastrophe exposures, [see item 7, pages 64-95, of our 2023 Annual Report.](#)

The impact of climate change and climate-related risk also extends to capital, as reflected in our Own Risk and Solvency Assessment, which includes current and forward-looking evaluations of capital in expected and stressed conditions.



Governance

Our Board of Directors (Board) is responsible for governing the organization, overseeing its operations and assessing the performance of executive management in implementing corporate strategies. We have identified and integrated ESG-related risks and controls within each of our key risk categories. These risks are documented within our risk policies, which identify the roles and responsibilities of Board committees for ESG-related risks.

On a quarterly basis, our Board reviews information from senior management, including our CRO. These reviews evaluate material risks, including those related to natural catastrophes and the potential implications of climate change, investments and market risk, as well as general economic factors that may impact our financial results. The discussions are generally focused on our ability to withstand adverse events given our current capital position.

RISK CATEGORY	RISK DESCRIPTION	LEAD BOARD OVERSIGHT COMMITTEE
Group	Strategy development	Board
	Governance	Nominating and Governance
	Capital management	Finance, Investment and Risk
Insurance/ Underwriting	Product line performance	Underwriting Oversight
	Risk aggregation	Underwriting Oversight
	Reserving	Audit
Credit	Reinsurance/Investment counterparty risk	Audit
Investment/Market	Investment portfolio guidelines	Finance, Investment and Risk
	Investment portfolio management	Finance, Investment and Risk
Liquidity	Liquidity	Audit
Operational	Rating agency	Finance, Investment and Risk
	Reputational	Board
	Legal/Legislative/Political	Audit
	Talent management	Compensation and Human Capital
	Business disruption and System failures	Audit

Evaluating Environmental Exposures

The insurance industry is positioned to play a role in facilitating the transition toward decarbonization. At Arch, we are taking steps to address the climate challenge and support our insureds in their efforts to adapt and strengthen their resilience.

Thermal Coal Policy

As a global insurer, we take a proactive approach to reducing risk and taking advantage of opportunities in our underwriting for the benefit of our stakeholders. Through our Thermal Coal Policy, we integrate environmental considerations into our underwriting processes for thermal coal-related business accounts. This policy, which applies to our global insurance underwriting, outlines the key considerations designed to fully evaluate risk and trigger escalations as necessary for further consideration. These considerations include:



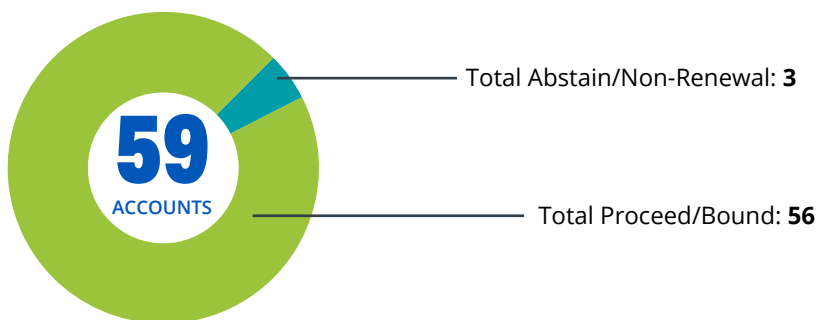
1. Screen and evaluate all thermal coal transactions against the risk threshold set at 30% of an account’s revenues derived from thermal coal mining and/or coal power production.
2. Refer accounts that exceed the threshold to the relevant escalation committee.
3. Conduct additional assessments of these transactions through Environmental Risk Oversight Committees (EROCs).
4. Provide quarterly reports on the findings and outcomes of EROC’s assessments to the N&G Committee.

2023 Submissions

Since implementation of our Thermal Coal Policy, we have decreased our underwriting of thermal coal accounts for various reasons including:

- Account had no climate-related transition plan.
- Insured was benefiting from deforestation.
- Insured was a stand-alone coal mine.

2023 Total Escalations



This chart represents our 2023 worldwide escalations, including global coal escalations (none from the U.S. underwriting group) and 13 referrals from our U.K. business related to oil sands and Arctic energy exploration and drilling (all proceeded/bound). Our U.S. underwriting groups phased out the majority of coal accounts at the end of 2021.

[VIEW OUR THERMAL COAL POLICY >](#)

Arctic Energy Exploration/Production and Oil Sands Extraction Policies

Our U.K. insurance companies also apply sector-specific guidelines pertaining to Arctic energy exploration and production and oil sands mining and surface extraction. These policies set forth the scope and screening parameters for the assessment and escalation referral process for business accounts in these environmentally sensitive sectors.

Providing Environmentally Sustainable Insurance Solutions

Surety Bonds to Accelerate the Climate Transition

Our surety bond practice supports renewable energy development projects that accelerate the energy transition. Arch's dedicated team of surety underwriters specializes in the renewable energy industry, with a specific focus on solar, wind, battery/energy storage, biomass and hydro opportunities for financial assurance requirements. These requirements include surety bonds that guarantee engineering, procurement and construction contracts, power purchase agreements, interconnection agreements with utilities, decommissioning agreements of installed solar and wind assets and procurement contracts.

We've seen meaningful growth in renewable energy projects. For FY 2023, our surety bonds have supported over \$1.5 billion of guarantees in the renewable energy space, establishing us as a go-to surety credit market provider for our targeted agents and brokers.

Energy Transition — Opportunities in Alternative and Renewable Energy

- Arch participates in a consortium that offers coverage solutions for risks related to the transportation and storage of lithium-ion batteries, expanding access to renewable energy and facilitating the transition to a lower-carbon future. Coverage addresses the risks related to batteries including transit, stop-throughput, standalone stock and warehouse legal liability.
- We support sustainable global energy needs by covering onshore and offshore renewable energy and alternative energy technologies, including, solar, wind, battery energy storage systems, hydro, biofuel, geothermal and small nuclear reactors.

Global Energy — Supporting Denmark's Sustainable Energy Initiatives

- Arch extends underwriting coverage to a leading government-backed financial institution in Denmark through a reinsurance treaty. This government-supported financial institution guides companies worldwide as they incorporate energy efficiency practices and environmentally responsible technologies. These co-financing solutions enable businesses at different stages of development, supporting innovation and sustainability in low-carbon technologies.



Supporting Responsible Behaviors of Our Insureds

We are committed to identifying business opportunities associated with environmentally friendly practices that also incentivize responsible environmental behaviors.

Commercial Property

Green Building Coverage

- Policyholders can choose to reconstruct using sustainable materials, enlist certified design professionals to oversee sustainable renovations, and obtain or renew LEED® or comparable certifications.

Premium Credits

- Early fire detection and suppression systems are designed to reduce the frequency and severity of fires.

Retail Energy — Oil and Gas

Managing Well Control Events

- Access to a hotline that connects customers with a well control professional who can provide steps to manage well pressure and help prevent dangerous conditions and well control training offered to selected insureds to assist with their well incident prevention programs.

Controlling Spills

- Specific coverage enhancements for pollution events are written into our CornerstoneSM Commercial General Liability policy to allow our customers to clean up spills and mitigate potential environmental impacts promptly.



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Our risk control team's primary focus is to help safeguard our insureds' employees and the public they interact with on a daily basis. Our risk control team has over 25 years of experience on average, providing expertise and best practices to support our insureds and better manage their health, safety, environmental risks and exposures to loss. While we take pride in our current offerings, we are committed to expanding our services and technical resource offerings to provide meaningful support across our various business lines.”

”

Greg Stefan, ARM, ALCM, CSP
Senior Vice President, Risk Control

Environmentally Focused Risk Control Services

- Arch Risk Control service platform provides support and training to our insureds, including best practices for hot work (welding and flame cutting) and fire impairment protocols.
- Retail Energy's Risk Control division partnered with an ESG consultant to support our insureds in environmental reporting and governance.

Enabling Health, Safety and Optimal Outcomes for Our Customers

Our Risk Control service platform offers health and safety support and best practice recommendations for our insureds. This support includes:

- **Consulting on Work Site Safety, Employee Onboarding and Post-Injury Management Programs:** Helping customers develop and implement consistent workplace safety orientation and training programs and assisting our insureds in developing policies and systems to hold their supervisors accountable for these critical activities.
- **Consulting to Protect the Public:** Assisting clients in developing plans and implementing best practices to eliminate or minimize exposure to common hazards, including driving hazards, highway work zone accidents and slip/fall exposures in retail environments.
- **Safe Driving:** Helping customers properly screen and manage employee drivers of all types of vehicles to improve their on-the-road safety performance. For example, combating distracted driving, reinforcing defensive driving skills and providing access to continuous employee driver record monitoring so our customers can better assess their drivers' risk profiles.

We provide complimentary access to web-based platforms to keep our insureds informed with up-to-date industry news and insights, and equip them with supplemental resources to enhance our policyholders' safety, health, compliance and loss prevention programs. These resources include, training programs, policy and procedure templates, regulatory compliance bulletins, technical guides to improve our insureds' operations, safety program templates, compliance applications and an HR resource center with a dedicated hotline for 24/7 policyholder assistance.

We form strategic third-party alliances aimed at securing preferential pricing for Arch policyholders. We offer co-funding arrangements for specialized safety and loss prevention resources, which include:

- Crisis counseling and mental health consulting, encompassing post-traumatic event counseling through a global leader in behavioral health and workplace violence solutions.
- Active shooter training and facility security assessments.
- Access to online safety and health training modules.
- Monitoring services for motor vehicle records.
- Vehicle camera and telematics systems for driver monitoring and improvement.
- Cloud-based software systems for safety and quality management.
- User-friendly accident reporting applications.
- Pre-hire overt screening tools.

Providing Socially Sustainable Insurance Products

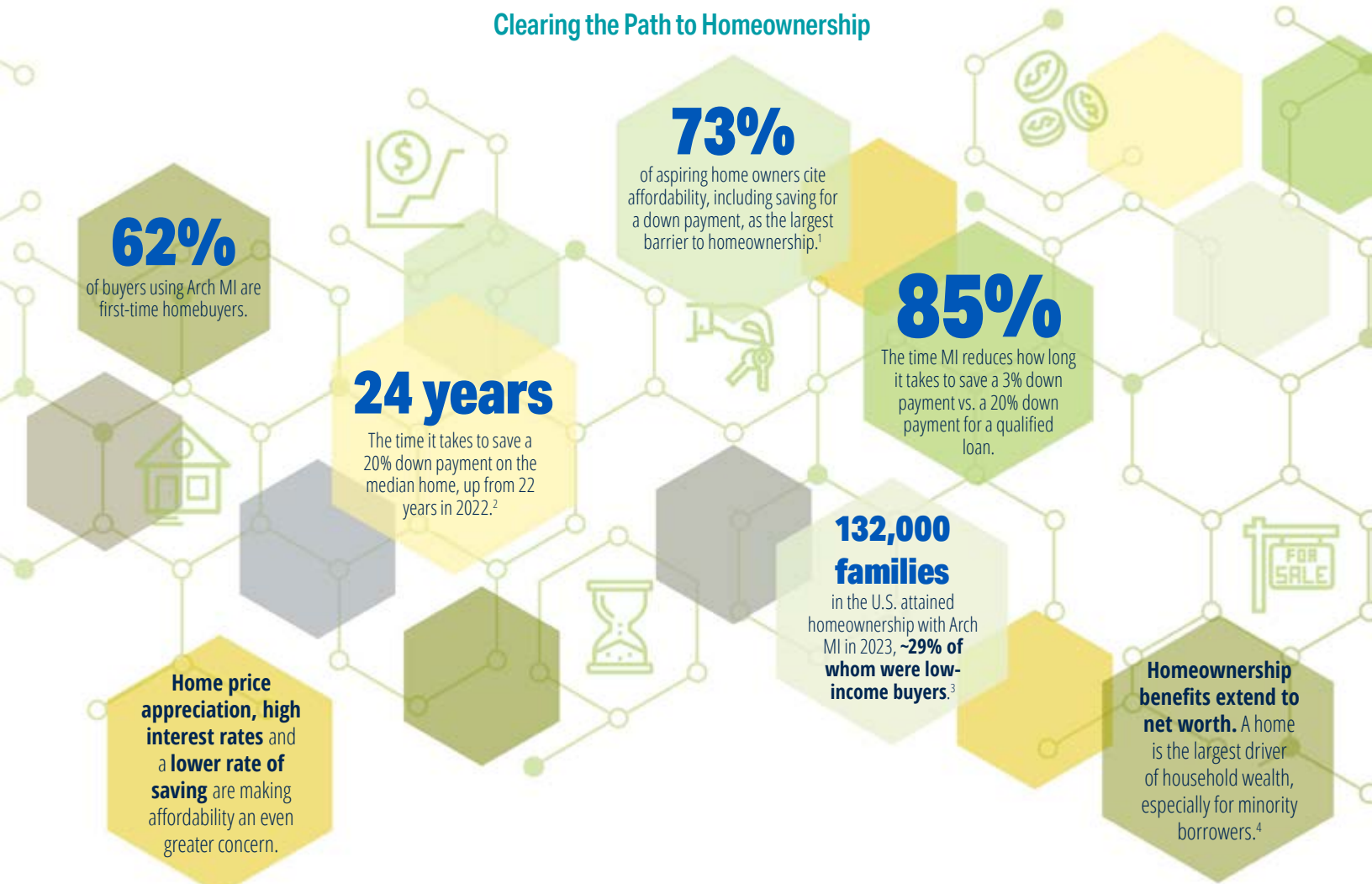
We are committed to ensuring a sustainable future for our insureds by offering a range of products and customer-oriented solutions that help build safer, stronger and more inclusive communities.

Our Mortgage Products

Through our mortgage insurance (MI) products, we enable families to purchase homes and accumulate wealth. The down payment required on a mortgage is often a significant hurdle to buying a home, particularly for lower-income families. MI helps borrowers qualify for loans with lower down payments. Our MI business gives lenders the confidence and flexibility to approve mortgage loans with a modest down payment, expanding opportunities for homebuyers, which in turn strengthens communities and promotes a healthy economy.

We are proud of our role in expanding responsible homeownership opportunities and helping homebuyers realize the long-term benefits of owning a home.

Clearing the Path to Homeownership



¹ Bank Rate survey: <https://www.bankrate.com/mortgages/homeownership-remains-centerpiece-of-american-dream/>

² Based on median renter household income, the median home price and a 6.2% average savings rate in 2023 and 7.5% in 2022.

³ Loans where the qualifying income was less than 80% of the area median income in their census tract; includes both purchase and refinance.

⁴ Economists' Outlook: Single-family Homeowners Typically Accumulated \$225,000 in Housing Wealth Over 10 Years.

Facilitating Equitable and Affordable Housing Programs

Arch MI is a strong supporter of the equitable and affordable housing programs offered by our lender customers. Through 2023, Arch MI has approved more than 100 lender-specific programs that address equitable and/or affordable homeownership, including many programs that eliminate the down payment requirement, support special purpose credit programs (SPCPs), or allow for lender-funded grants for minority and low/moderate income borrowers. There was a sharp increase of requests related to SPCPs from lenders in 2023, a trend we anticipate will continue for the foreseeable future.



Providing Equitable and Sustainable Housing Is Core to Arch MI's Business Strategy

In 2023, Arch continued insuring mortgages under its innovative Equal Access insurance program that enables lenders to originate loans for low-income borrowers. Eligible borrowers, whose incomes are less than 100% of the area median income, can obtain financing with a modest down payment accompanied by reduced MI rates. The Equal Access program complements our Community Heroes programs that supports financing for essential workers — like teachers, emergency responders, police officers, firefighters and former military personnel.

Both programs feature reduced MI costs to promote homeownership among these professional segments in the communities in which they work. These programs are available to credit unions and commercial banks and are designed to help address the racial inequity prevalent across homeownership statistics.

In 2022, we formed two cross-functional teams to identify geographic regions with underrepresented numbers of minority borrowers and to conduct customer outreach to identify housing challenges, successes and proposed solutions. We also created an innovation lab to source ideas from across the organization for solutions to address underserved communities along with the challenges of home affordability and accessibility. The first major solution implemented is the addition of Loan Originator and Borrower State Housing Finance Agency (HFA) resources to our websites. The resources provide valuable information about state-specific affordable housing programs.

Educating Policymakers About Barriers to Affordable Homeownership

Arch MI facilitated Affordable Homeownership Roundtables in the congressional districts of three members of the U.S. House of Representatives to tackle obstacles and discuss the nation's housing affordability crisis. The meetings were co-hosted by U.S. Reps. Warren Davidson, R-Ohio, Erin Houchin, R-Indiana, and Wiley Nickel, D-North Carolina. Arch MI invited home builders, real estate agents, loan originators and appraisers to educate elected officials about the hurdles low-income families face in trying to achieve homeownership and workshop/generate ideas for potential solutions to the problem.

Creating and Partnering with an Informed Mortgage Industry Workforce

Arch MI also educates the nation's mortgage professionals and policy influencers through periodic [Capital Commentary newsletters](#) and its [PolicyCast](#) podcasts. Among the topics covered in 2023 were best practices to ensure fair lending, how regulators are addressing equitable housing through pricing changes and the increasing burden of rising homeowners insurance premiums on lower-income borrowers.

Arch MI regularly engages with industry leaders and coalitions to grow awareness about the need for and barriers of affordable, equitable and sustainable homeownership. Arch is represented on the Mortgage Bankers Association's Affordable Homeownership Advisory Council; Freddie Mac's Affordable Housing Advisory Council; and we created the North Carolina Housing Roundtable, which gathers periodically with policy influencers and mortgage professionals to discuss innovative solutions to housing more Americans.

[VIEW ARCH MI'S KNOWLEDGE CENTER >](#)

Other Insurance Products Generating Positive Social Impact

Sovereign Credit and Political Risk Underwriting Programs

Our sovereign credit and political risk team continues to support key clients with underwriting programs that enable financing for governments of developing countries and emerging economies. Through these programs, we are able to insure lenders against the risk of sovereign default and facilitate capital funds to governments for trade and development initiatives and improvement of debt sustainability (i.e., long duration and/or lower-cost debt portfolios). We are selective with the lending institutions we support and collaborate only with top-tier banks, exporters and multilateral organizations across emerging market regions with a focus on projects that deliver improved economic and social growth.

African Trade Insurance Agency

We continue to support the African Trade and Investment Development Insurance (ATIDI), formerly known as the African Insurance Agency. This pan-African insurer, owned by African member states, remains a key partner in vital developmental projects across the continent. Our collaboration began in 2019 by facilitating loans for projects aimed at enhancing access to clean water in Angola and contributing to the construction of hospitals and roadway infrastructure in Ghana. In 2023, our continued partnership with ATIDI assisted the Senegal Ministry of Finance in the syndicated financing of the country's Public Investment Program (PIP) for the years 2023-2025. The identified projects under the PIP included health, education and transportation initiatives.



The Islamic Corporation for the Insurance of Investment and Export Credit

We have a successful history with the multilateral entity, Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a member of the Islamic Development Bank. The corporation's mission is to facilitate foreign direct investment into its member countries, aiming to contribute to socio-economic development. In 2023, Arch partnered with ICIEC to finance the construction of a double high-speed electrified rail line connecting the Turkish cities of Yerköy and Kayseri. This project marks a significant step toward achieving Turkey's low-carbon transportation goals and demonstrates commitments following ratification of the Paris Agreement¹ after the COP26² climate conference.



Multilateral Investment Guarantee Agency

Since 2020, Arch participates in a growing partnership with Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank. MIGA's directive is to offer guarantees for a broad range of projects in developing member countries, aiding investors in securing funding sources with more favorable financial terms. The alignment of MIGA's guarantee and Arch's facultative reinsurance support played a pivotal role in financing urban investment in Colombia. This comprehensive development project supports sustainability objectives, climate change adaptation, biodiversity and environmental protection, disaster risk management and social inclusion for all genders. The project's anticipated impacts include: (1) improved community infrastructure, particularly in underserved areas of the city; (2) reinforcement of environmental and social capacity and institutions in Colombia; and (3) expanded reach through inclusive practices.



Cocobod (Ghana Cocoa Board)

Since 2019, we have played a key role in facilitating financing for Ghana's Cocoa Board, which aids smallholder cocoa farmers in Ghana, many of whom live in extreme poverty with limited opportunities for alternative income generation. The Ghana Cocoa Board has been instrumental in establishing a pricing mechanism to increase the farm-gate price and assist farmers in achieving a sustainable income. Our commitment to this initiative, demonstrated through the insurance of a receivables-backed loan facility, remains steadfast.

Contributing to Sustainable Agriculture and Resilient Economies through Micro-Insurance

Arch's agriculture team facilitates micro-insurance schemes in numerous developing countries, providing security for banks and local financial institutions to extend essential bank loans to smallholder farmers. By alleviating the stringent requirement of providing personal land as collateral, farmers gain access to credit, bolstered by insurance coverage, against natural disasters such as floods, frost, drought or landslides.

This risk mitigation contributes to the financial resilience of farmers and also aligns with a global recognition among governments that aiding smallholder farmers is necessary for curbing internal migration from rural to urban areas, bolstering food security and encouraging rural development. Our commitment lies in supporting our clients to devise innovative risk transfer schemes specifically tailored to safeguard vulnerable communities exposed to the impacts of severe weather events.

¹ Paris Agreement to the United Nations Framework Convention on Climate Change, Dec 12, 2015, T.I.A.S. No. 16-1104.

² United Nations Climate Change Conference in Glasgow, Scotland.

California Lawyers Economic Justice Program

In California, we provide cost-effective Lawyers' Professional Liability coverage to low-bono attorneys, a group that often serves clients from lower socioeconomic backgrounds. The majority of these attorneys are currently without insurance and have averaged less than \$100,000 of revenue over two of the last three years. As of Dec. 31, 2023, Arch bound 55% of applicants from our California Lawyer's Economic Justice Program and we renewed 100% of expiring policies.

Surety Group Apartment Rentals Program

Our lease rental bond program issues surety bonds to offer rent payment security for apartment leases throughout the U.S. This initiative aids individuals in securing housing in neighborhoods and properties with better opportunities and increased safety, while contributing to development of personal credit history.

Since its launch in 2019, this program has aided more than 61,000 individuals or families achieve their housing goals.

Marine Cargo Underwriting

Through our agency with the London Lloyd's Market, we participate in cargo insurance initiatives to help relieve various global humanitarian crises:

- To help alleviate hunger and the effects of severe poverty in developing nations, we participate in a Ukraine-based facility covering the secure shipment of food commodities such as wheat and corn from Ukrainian ports.
- We provide cargo insurance to global organizations such as UNICEF and UNHCR to support the transportation of essential health and social aid within humanitarian programs.

McNeil Emergency Services Programs

For more than 25 years, Arch subsidiary McNeil & Company, Inc. (McNeil) has insured firefighters and emergency responders, primarily through our leading ambulance and emergency services insurance programs. We also offer a risk management webinar series to help enhance the skills, safety and overall effectiveness of these first responders.

Webinar Courses

- In 2023, we provided 32 webinars to over 4,000 first responders.
- We hosted several guest speakers with specialties in fire service and hazardous materials.

E-Learning Platform for Firefighters and Emergency Responders

- Approximately 5,000 course offerings.
- More than 119,000 users from over 5,200 organizations.
- Over 2.2 million courses have been taken since its inception in 2009.



Strengthening our operations’ sustainability and ethical practices benefits all our stakeholders. Through proactive management of ESG risks and the integration of compliance, transparency, data protection and resilience throughout our organization, we are well prepared to safeguard the personal information and business of those who entrust us.



Our Data Protection and Cybersecurity Strategy

Ensuring the management of cybersecurity risk and the safeguarding of information across our organization is a high priority. We address these concerns at multiple levels, including Board oversight, executive commitment and employee awareness and training.

Maintaining a robust information security management program through policies, processes, technologies and controls is fundamental to our business’ success. We work to ensure that data protection and cybersecurity risk management are embedded in all of our operations.

Strategy Element	Privacy and Data Security Program Protocols
<p style="text-align: center;">Board Oversight</p>	<ul style="list-style-type: none"> ■ Arch’s Audit Committee, comprised of independent directors from our Board, oversees the Board’s responsibilities relating to the operational (including information technology (IT) risks, business continuity and cybersecurity) risk affairs of the company. ■ Our group Chief Operating Officer, with input from our Chief Information Security Officer (CISO), provides quarterly reports (or more frequently if appropriate) to the Audit Committee on key metrics, including our external security ratings score, the effectiveness of key security measures to help defend, identify and respond to cyberattacks and any material security incidents.
<p style="text-align: center;">Organizational Controls and Governance</p>	<ul style="list-style-type: none"> ■ Our CISO oversees compliance of our information security/cybersecurity (IS) standards and mitigation of IS risks. ■ Arch’s Privacy and Security (P&S) Committee meets bi-monthly and is co-chaired by the CISO and Deputy General Counsel, bringing together IT security, legal, compliance, human resources and other functional leads. ■ The P&S Committee serves as an important forum to: <ul style="list-style-type: none"> ■ Address emerging cybersecurity risks. ■ Review and address cybersecurity and privacy regulations. ■ Approve policies and standards, such as our privacy and data handling, access control, operational security and records management policies. ■ Promote cross-functional cooperation to manage cybersecurity and privacy risks across the enterprise and regularly update policies. ■ Our Operational Risk Committee (ORC) is comprised of senior IT, operations, risk, legal and compliance leaders from across our business segments. The ORC meets quarterly to address operational risks. ■ The IT Steering Committee meets quarterly and includes our group Chief Information Officer and executive leadership to vet critical IT initiatives, taking into account cybersecurity risk mitigation in our planning.

Strategy Element	Privacy and Data Security Program Protocols
Policies	<ul style="list-style-type: none"> Our privacy and security policies govern all business lines and subsidiaries. We monitor and adhere to the various privacy and security regulations in the regions where we do business. We monitor proposed privacy and security regulations and emerging risks to ensure appropriate policies and procedures are implemented in a timely manner.
Training	<ul style="list-style-type: none"> We hold annual mandatory employee trainings on privacy and information security, records and information management and General Data Protection Regulation. We conduct regular phishing tests; employees who fail phishing tests are enrolled in additional training. We promote awareness of cybersecurity risks through communications and education of our employee population on best practices in this area and security trends.
Vendor Risk Management and Third-Party Relationships	<ul style="list-style-type: none"> Arch's Vendor Risk Management group performs a risk assessment of new vendors to determine the level of due diligence required based on aspects of the relationship. Vendors are assessed on their ability to protect data from unauthorized access. Vendors are required to adhere to minimum privacy and security measures through contractual obligations.
Evaluation and Testing	<ul style="list-style-type: none"> We annually undergo external evaluation, including penetration testing. Our infrastructure team undergoes annual SSAE 18 SOC 2 exercises.

Business Continuity



Incident Response Planning and Preparedness

To safeguard personal data and digital assets we embed data protection and technology programs across our operations. Controls focus on our ability to prevent, detect and quickly respond to security events that may affect our operations.

At Arch, our commitment to cyber incident response planning and preparedness is evident through regular maintenance and testing of our cyber incident response plan. This preemptive approach is designed to ensure we are prepared for cybersecurity incidents, natural disasters and other potential business disruptions within stated thresholds. Should such challenges arise, our Crisis Incident Management Team (CIMT), will be mobilized.

The CIMT, comprised of senior executives across the company, conducts quarterly exercises to validate its notification plan. These exercises ensure our ability to promptly notify Arch management, meet as a team to assess the event and consider response options in the event of an actual crisis. To further enhance preparedness, tabletop exercises are conducted regularly, simulating specific scenarios to clarify roles and responsibilities during a crisis.

For governance and oversight, the ORC manages risks that arise primarily from business continuity matters and third-party oversight. The ORC's objective is to mitigate disruptions to Arch's business operations. The committee meets quarterly to review information security, third-party risk, vendor management, facilities, unplanned downtime, business disruption, business continuity and disaster recovery programs.

Conducting Business Ethically

Honesty, integrity and trustworthiness are core values that define our culture and drive our relationships with customers, employees and business partners. We uphold and reinforce these values through our company policies, including our Code of Business Conduct (Code). Our Code requires attestation by all of our employees and Board members, including external directors, and drives our ethical decision-making. Additionally, we extend the expectations set forth in the Code to our external network through the implementation of a Supplier Code of Conduct for our vendors.



Key Areas Covered by Our Code:

1. **Ethical Commitment:** Honesty, fairness and ethical dealings with customers, suppliers, competitors and colleagues.
2. **Inclusive Workplace:** Cultivating diversity, supporting inclusivity and maintaining a discrimination-free workspace.
3. **General:** Addressing conflicts of interest, guidelines for gifts and entertainment, and ensuring the protection of confidential information.
4. **Business Integrity:** Upholding accurate record-keeping, transparent reporting and effective communication practices.
5. **Compliance and Governance:** Adhering to political, copyright, antitrust and competition laws, and economic sanctions regulations globally.
6. **Securities and Insider Trading:** Guidance on trading securities and preventing insider trading.
7. **ESG Strategy:** Arch's ESG strategy and collaborative successes for a sustainable future.
8. **Anti-Bribery and Anti-Corruption:** Compliance with anti-bribery and anti-corruption laws.
9. **Safety and Environment:** Ensuring a healthy, safe work environment and complying with laws regarding designated countries.
10. **Money Laundering Prevention:** Programs to combat attempts to facilitate money laundering.

We have a series of separate but related governance and policy statements that, together with our Code, set forth decision-making standards consistent with our regulatory and ethical frameworks. These frameworks include policies on:

- Insider trading and confidential information.
- Use of our company network and electronic communications.
- Privacy and data handling.
- Records and information management.
- Social media and communications.
- Sanctions awareness.

Policy Against Discrimination and Harassment

We are committed to creating a welcoming, inclusive culture where employees feel safe and empowered. Our anti-harassment policy addresses our commitment to protecting our employees. All Arch employees (including part-time, seasonal or temporary workers) and New York-based independent contractors are required to take training on sexual harassment prevention.

[VIEW OUR CODE OF BUSINESS CONDUCT >](#)



Reporting Concerns and Suspected Violations

We encourage our employees and vendors to report questions or concerns to their group compliance officers or, if someone prefers to place an anonymous report, to use our 24-hour compliance hotline or online portal, hosted by a third party. The hotline can be reached through local telephone numbers for all of Arch’s global locations and multilingual staff is available at the call centers.

Annual Renewal Training

All employees must complete mandatory compliance training that includes our Code, privacy and information security awareness, anti-harassment, sanctions awareness, records management and social media.

Governance/Reporting Structure

Oversight of the Compliance Program by the Audit Committee includes quarterly reports, or more frequently as needed.



Responsible Sourcing

Sourcing sustainable products and services and respecting human rights are important to Arch's sustainability efforts and vision to build purposeful growth across our global operations. To support sustainable growth, we recognize the benefit of conducting supplier outreach and sustainability assessments to confirm our suppliers share these priorities. In addition, during 2023, we activated a supplier diversity program to provide vendor opportunities for qualified businesses owned by people of diverse backgrounds.

Risk Management and Compliance

Arch strives to engage with suppliers that align with our values, ethics and ESG standards. We encourage both new and existing vendors to commit to our Supplier Code of Conduct (Supplier Code). During 2023, 144 vendors acknowledged our Supplier Code, agreeing to adhere to the following guidelines:

- Comply with all applicable fair trade, anti-boycott, antitrust and competition laws, anti-money laundering, anti-corruption and anti-bribery laws.
- Refuse kickbacks, bribes, political contributions, inappropriate gifts, favors, or anything of value when dealing with government officials or other people to obtain or retain business.
- Comply with data privacy, data protection, security laws and regulations, and copyright laws.
- Comply with all applicable U.S. and international sanctions laws and regulations.
- Report violations if they see any.
- Comply with all applicable labor, health and safety, anti-discrimination, anti-retaliation and other workplace laws.
- Comply with all applicable laws in the services they provide.
- Incorporate principles of supplier diversity when making their own contracting decisions.
- Comply with environmental laws and minimize negative environmental impact from operations.

[VIEW OUR SUPPLIER CODE >](#)

Evaluating ESG in Our Supply Chain

At the end of 2023, we engaged a third-party vendor to conduct our supplier outreach and facilitate sustainability assessments. These assessments will provide insight into several sustainability topics including environment, labor and human rights, ethics and procurement. Our goal is to better manage and assess supply chain risks through greater insight into our suppliers' ESG performance and progress. In 2024, we plan to collaborate with our procurement teams to provide greater transparency about suppliers with lower sustainability assessment scores and to work with our sourcing teams to improve sustainability practices with these suppliers.

Promoting Supplier Diversity

Our commitment to broadening opportunities for businesses owned by historically underrepresented groups is reflected in our supplier diversity program. We are dedicated to enabling an innovative and inclusive supply chain that prioritizes competitive sourcing and selection while generating long-term value for our customers, employees and communities.

Throughout the past year, we educated and trained our teams on sourcing diverse suppliers, and we provided access to a directory of millions of globally registered and certified businesses. Our teams worldwide recognize the advantages of sourcing from underrepresented groups and expanding our network of qualified suppliers. In 2024, we are committed to promoting internal awareness of the program through regular discussions, education and training.

[VIEW OUR SUPPLIER DIVERSITY PROGRAM >](#)

Our Environmental Impact

Arch continues to identify opportunities to reduce our global environmental impact. We recognize the importance of doing our part to decrease greenhouse gas (GHG) emissions, taking strategic steps to achieve our goals in this arena and engaging our employees to encourage sustainable actions and thinking.

Areas Where We Drive Sustainable Impact

Sustainable Data Centers

Data centers require energy-intensive equipment that generates significant heat and draws lots of power. Arch's Enterprise Data team works diligently to enhance the company's data center infrastructure. By taking steps to operate more efficiently and remove system redundancies, we not only secure updated technology but also decrease the company's carbon footprint.

Carbon Offset Projects

Arch identifies carbon offset projects that undergo rigorous verification, auditing and certification from accredited organizations to offset our operational emissions. These certified offset projects help us pursue carbon neutrality in our operations, while supporting energy efficiency programs that benefit communities in developing areas.

Efficient Buildings

Our global facilities team prioritizes leasing office spaces accredited with Leadership in Energy Environmental Design (LEED®), Building Research Establishment Environmental Assessment Methodology (BREEAM) and other comparable green building certification to maximize energy efficiencies that enhance our operational resiliency and benefit our carbon footprint. Additionally, maintaining a structured central sustainability database, our global facilities team tracks and assesses the sustainability impacts of Arch's office space renovations and improvements. These efforts include the installation of LED lighting, Energy Star-certified appliances, energy efficient heating control systems and the incorporation of repurposed materials into our workspaces — ensuring a thoughtful approach to sustainable practices across our global operations.





2023 Highlights

- Our total Scope 1, 2 and 3 emissions increased by 18% year-over-year, primarily driven by our increased vendor spending in conjunction with our company's growth. Our total operational footprint (Scope 1 and 2 emissions), however, decreased by 6% and 15% from our base year of 2020. This decrease is observed before accounting for the purchase of renewable energy credits, which further reduce our Scope 2 emissions and are a key facet of our efforts to source renewable energy for our operations.
- A driver of our emissions reduction centers around our efforts to right-size our operations. Our global square footage decreased by 7% while the emissions from our facilities dropped 9%, reflecting a 2% decrease in our facilities' emissions intensity by square foot.
- To progress toward our 2030 Scope 1 and 2 emissions reduction target in alignment with the Science-Based Targets initiative (SBTi), in 2022 we purchased 6,394 Renewable Energy Credits (RECs) from eligible renewable energy projects in the U.S. and Philippines to complement our facilities' existing efforts to source renewable energy, effectively reducing our 2022 Scope 2 market-based emissions by 2,261 metric tons. This reduction allows Arch to make progress against its 2030 Scope 1 and 2 targets. Arch expects sourcing renewable energy will remain a key component of its decarbonization strategy in the coming years.
- Despite an 11% increase in our global headcount, the intensity by FTE of our business travel emissions decreased by 1%.
- In addition to our efforts to decarbonize our operations, we also strive to neutralize our remaining Scope 1 and 2 emissions by purchasing carbon offsets from verified high-quality projects that generate positive impacts in local communities, including:
 - A **Gold Standard-certified project** in Uganda, centered on rehabilitating non-functioning boreholes to increase access to safe and clean water. This program in Uganda also carries a charitable function, where generated income is donated toward rhino protection.
 - A **Verra-certified project** in Malawi, targeted the distribution of improved fuel-efficient cookstoves across households. By burning wood more efficiently, these cookstoves save fuel, decelerate deforestation in Malawi and reduce health hazards associated with indoor smoke pollution.

GHG Reduction Targets

Aligning with the SBTi, we defined the activities, boundaries, timeline and scope of ambition for our GHG reduction targets. In 2022, we set the following targets:

1. Commit to reducing absolute Scope 1 and Scope 2 GHG emissions by 42% by 2030 from a 2020 base year.
2. Commit to achieving net zero operations by 2030 by purchasing carbon removal offsets for our remaining Scope 1 and 2 emissions.

Our decarbonization strategy continues to focus on promoting energy efficiency measures within our global facilities, sourcing renewable energy through utility providers, purchasing RECs and right-sizing our office and data center portfolio to fit the needs of our operations. We will adjust this strategy over time to meet our targets.

Measuring and Managing Our Carbon Emissions and Energy Use

We continue to measure our global emissions across Scopes 1, 2 and 3 (select categories). Our emissions are calculated in accordance with the Greenhouse Gas Protocol's¹ reporting standards. The data marks four years of GHG computations, covering reporting years 2020–2023. For a detailed summary of our Scope 1, 2 and 3 emissions, [see pages 12-13 of Arch's TCFD Report](#).

¹ World Resources Institute and the World Business Council for Sustainable Development. 2015. "The Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard, Revised Edition." WRI and WBCSD. [Click here to view online](#).

Focus on Our Global Facilities Program

We are committed to embedding environmental sustainability into our workplaces' design, functioning and maintenance to increase efficiency and reduce our Scope 1 and 2 emissions over time. Our global facilities team seeks energy efficiencies and, where feasible, undertakes initiatives to retrofit office spaces with energy-saving appliances, LED lights and other sustainable materials.

Project Spotlight

In 2023, Arch relocated to the Grace Building, a LEED Gold-certified skyscraper in downtown Manhattan, New York, situated across from Bryant Park. The global facilities team renovated the 44,000-square-foot area, prioritizing inclusivity and employee wellness. Sustainable practices were paramount throughout the project, with the use of tambour wood paneling, green walls, live plants and recycled content furniture. The team also purchased low-emitting and BIFMA LEVEL certified products. The furniture procurement alone resulted in the use of 6,713 pounds of recycled content and 959 pounds of ocean plastic.

Recognizing excellence in corporate real estate, Arch's new Manhattan office was awarded the 2023 Project of the Year by CoreNet, a global association. The office boasts a bold design, abundant natural light and soft textiles, creating a welcoming and productive environment for collaboration.



New York, New York



Blue Goes Green

Blue Goes Green (BGG), Arch's grassroots environmental stewardship committee, has been leading sustainability initiatives since its inception in 2019. Dedicated to building a culture of environmental responsibility, BGG is committed to educating our global workforce on sustainable practices that contribute to the preservation and enhancement of our environment. In 2023, BGG:

- Hosted the third annual Ecochallenge, a program that motivates and tracks individuals' sustainability efforts. In all, 103 employees across six countries and 22 states participated in the challenge with 33,396 minutes spent outdoors and 9,143 minutes learning. Arch placed in the top 5% of participating companies.
- Partnered and sponsored The Green Cause for the New York City Earth Day Festival; a nonprofit organization with a mission to raise environmental awareness among school-aged children.
- Facilitated volunteer events centered on local environmental projects, such as planting mangroves in Bermuda to removing invasive species from nature reserves/centers in Switzerland and New York to removing 180 pounds of garbage from beaches in New York City.
- Shared, during Plastics Free July®, personal commitments to reducing plastic waste and tips on how others can make small changes that lead to big results.
- Hosted an educational global webinar focusing on climate change and the contributing factors to climate-related risks.
- Celebrated our colleagues' green accomplishments by sharing stories featuring their outstanding sustainable practices and unique motivations to be environmentally conscious.



We believe integrating ESG factors into investment analysis may contribute to improved returns, reduces risk over the long term and aligns with our stakeholders' best interests. We consider ESG metrics for assets managed internally, and we monitor ESG policies of assets managed by third parties. We recognize the importance, relevance and significance of assessing ESG topics in the sustainability performance of the entities in which we invest.

Stewarding Entrusted Capital



We are responsible for investing and managing assets totaling over \$34.6 billion for our policyholders and shareholders as of Dec. 31, 2023. As careful stewards of the capital entrusted to us, we manage the investment portfolio to ensure the ongoing ability to pay claims when due and to deliver asset growth over investment cycles.

As a long-term asset manager and owner, we integrate ESG factors into investment analysis and decision making. Through our fundamental analysis, we incorporate investee companies' ESG risk ratings, which include factors such as corporate governance, climate risk exposure, carbon reduction and workforce policies. We aim to deliver total return for Arch while realizing the societal benefits of ESG investing.

The analysis of these factors across all asset classes leads to a more complete evaluation of an investment's sustainability and risk profile. See our [2023 TCFD](#) and [SASB](#) Reports for additional information on the financial impacts of climate change on our investment portfolio.





ESG Investments Steering Committee

We formed the ESG Investments Steering Committee to oversee the assessment of ESG risk in our investment strategy.

This committee governs policy, reporting and ESG-related initiatives and is dedicated to managing and monitoring our ESG strategy in our investment portfolio. The committee promotes communication between Arch's senior management, its ESG team and risk management team to drive company visibility and alignment. Committee members meet quarterly and include our CRO, Chief ESG Officer and key members of our investment team. Additional responsibilities include overseeing and receiving updates on ESG initiatives, strategies, budgets and regulatory matters. See also page 6 of our TCFD Report for a detailed description of our "ESG Investment Governance."

Responsible Investing Strategy

Our Responsible Investing (RI) Policy, adopted in early 2022, provides a framework for governance, investment strategy, engagement, reporting and communications. In developing the RI Policy, we considered the six principles set forth by the United Nations Principles of Responsible Investment (UN PRI). The RI Policy reflects our approach to sustainable value creation by considering ESG factors, including climate change, in the investment process for all asset classes under our management.

Our RI Policy framework requires that we:

- Hold quarterly meetings of our ESG Investments Steering Committee to further our responsible investing approach and promote effective communication and alignment between our investment team and our overall ESG approach and risk strategies.
- Consider ESG factors for internally managed assets to help mitigate ESG risks and expand ESG opportunities.
- Employ qualitative and quantitative ESG analysis to identify company- or manager-specific risks and opportunities.
- Review the portfolio for issuers with poor or weaker trending ESG ratings and seek to emphasize those with more favorable ESG risk profiles, where ratings and relatively attractive investment opportunities are available.
- Engage with external asset managers regarding ESG integration into their investment decisions.
- Consider and review ESG standards and metrics for externally managed assets.
- Consider ESG factors and ratings when assessing new investment opportunities, where reliable data is available.
- Carefully consider impacts of carbon-intensive industries and include carbon metrics in our investment decisions and reporting.
- Engage the investment team in ESG training. In 2023, employees completed 37 hours of training.

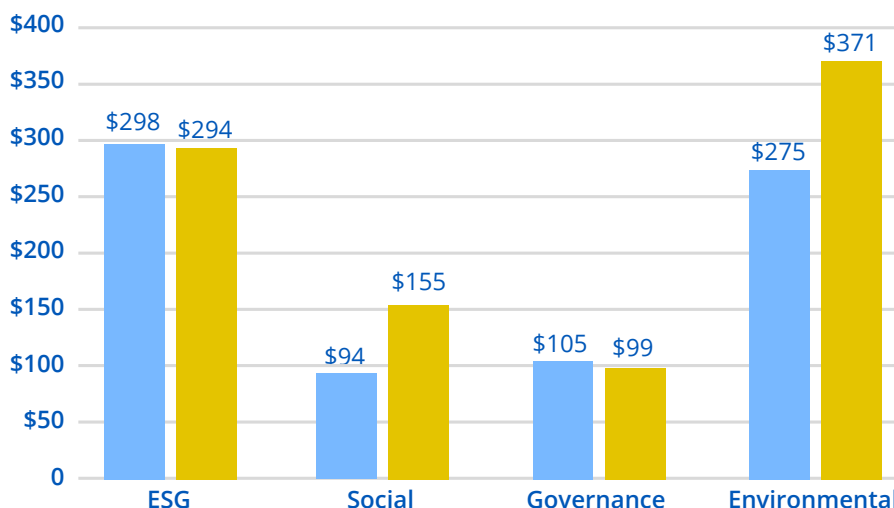
[VIEW OUR RESPONSIBLE INVESTING POLICY >](#)

Making Responsible Investments

A continued focus on ESG factors remains core to our decision-making and inclusion of responsible investments in the portfolio. As of Dec. 31, 2023, we had \$227 million invested in green bonds issued to fund green projects, activities that promote climate change mitigation or adaptation, or other environmental sustainability purposes.

As shown, our commitment to responsible investing remains stable year-over-year.

Responsible Investing (\$M)



■ 2022 Total investment: \$772 million, which is approximately 3% of Assets Under Management (AUM) as of Dec. 31, 2022.

■ 2023 Total investment: \$919 million, which is approximately 3% of AUM as of Dec. 31, 2023.

Monitoring Exposure to Climate Impact and Carbon-Intensive Industries

The effects of carbon-intensive industries on climate change necessitates additional considerations when making investment decisions. Investing in companies making positive progress towards an energy transition allows us to capture the value created by these efforts while reducing our overall risk. Our exposure to thermal coal¹ as of Dec. 31, 2023, represents 1.8% (\$610 million) of the total portfolio. This is an increase over the 1.3% (\$359 million) exposure we had in 2022. Our exposure to fossil fuels² was \$1.7 billion as of Dec. 31, 2023, representing 5.1% of the total portfolio. This is an increase over the 3.8% (\$1.1 billion) exposure we had in 2022. The increases in 2023 are attributable to increasing our exposure to utilities, targeting issuers with decarbonization initiatives in place.

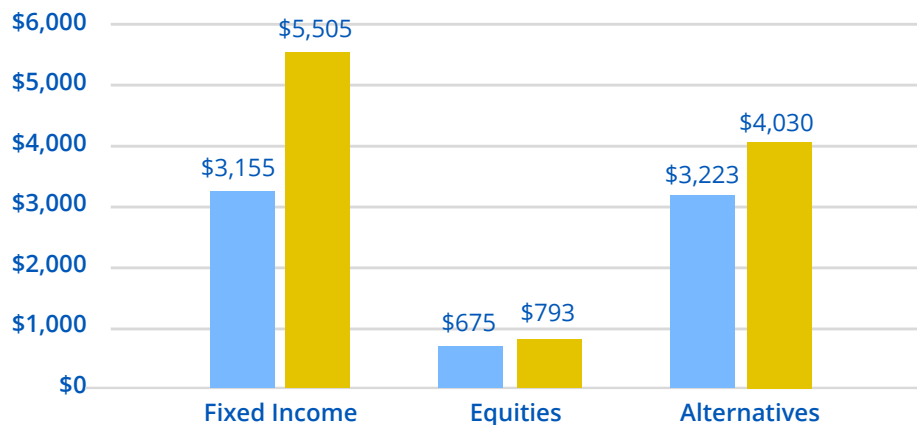
¹ In future reporting we will use the MSCI field “Thermal Coal - Involvement - 10%” which is defined as “Companies that derive ten percent or more of total annual revenues from thermal coal” to reflect the thermal coal exposure in the investment portfolio. We believe this field is more representative of exposure to climate impact than the field “Thermal Coal-Any Tie” we have used previously. As of Dec. 31, 2023, our exposure to companies that derive 10% or more of total annual revenues from thermal coal was modest at \$13.5 million (0.04% of the total portfolio), in line with the exposure as of Dec. 31, 2022, of \$13.7 million (0.05% of total portfolio).

² In future reporting we will use the MSCI field “Fossil Fuel Reserves” to reflect the fossil fuel exposure in the investment portfolio. This field identifies companies with evidence of owning fossil fuel reserves regardless of their industries, including companies that own less than 50% of a reserves field. Evidence of owning reserves includes companies providing the exact volume of reserves, and companies making a statement about their ownership of reserves. We believe this field is more representative of exposure to climate impact than the field “Fossil Fuels-Any Tie” we have used previously. As of Dec. 31, 2023, our exposure to companies with evidence of owning fossil fuel reserves was \$723 million (2.2% of the total portfolio). This is an increase over the \$454 million (1.7% of the total portfolio) exposure we had as of Dec. 31, 2022.

Assets with UN PRI Signatories

We recognize the commitment that becoming a UN PRI signatory requires and highlight our asset owners or asset managers that have achieved this distinction. Our assets managed by UN PRI signatories improved year-over-year, representing 30% of the total AUM and 84% of the total externally managed assets, approximately \$12.2 billion as of Dec. 31, 2023.

Investments with managers that are UN PRI Signatories (\$M)



- 2022 Total investment: \$7.1 billion, which is approximately 25% of AUM as of Dec. 31, 2022.
- 2023 Total investment: \$10.3 billion, which is approximately 30% of AUM as of Dec. 31, 2023.

“

Our people drive our success, and we take pride in nurturing their growth and development through a variety of programs and benefits, designed to address diverse needs. We value the talents and perspectives each person brings and remain dedicated to creating an environment where everyone can thrive.

”

Jennifer Centrone
Chief Human Resources Officer

At Arch, our people are our business. To empower our employees to achieve their potential, we dedicate resources to programs that support their physical, emotional and financial well-being. Arch enhances the employee experience by advancing our diversity and inclusion (D&I) efforts, sustaining a work environment where everyone can thrive and providing employees with the resources and opportunities for professional development. By enabling our team to lead with purpose and engage in thoughtful collaboration, Arch cultivates a workplace where individuals can connect, grow and build a fulfilling and rewarding career.

Accelerating Diversity and Inclusion

At Arch, our Purpose is to Enable Possibility by inspiring our clients, employees, investors and communities to achieve their greatest potential. No group embodies this Purpose more than our people. As a global workforce, we recognize that unlocking the full potential of every individual is essential to our success. To us, diversity encompasses the inherent and acquired traits that make each of us unique. We know assembling teams with various experiences, backgrounds and perspectives will allow us to tackle the business challenges of our changing world.

Creating an Inclusive Workplace

We take pride in building an inclusive culture where our people feel valued and respected. We encourage our employees to participate in workshops focusing on inclusive practices that can be applied in daily interactions. We've also implemented various initiatives and programs that celebrate diversity, promote understanding and recognize the value of unique contributions.

Workshops and Programs

- We hosted “Allyship Circles” throughout the year, offering a platform for participants to discuss workplace ally commitments, share insights, celebrate successes and exchange valuable advice. Our dialogue circles facilitate authentic discussions, building relationships and strengthening the sense of community within Arch.
- We celebrate diverse cultures through events like the Cup Match history session in Bermuda, which explores the annual cricket match introduced after the abolition of slavery.
- In collaboration with partners, including Lloyd’s of London, we participate in cultural events that offer unique insights into various backgrounds. Our “Women on the Move” series celebrates the achievements of our global female colleagues, building a spirit of unity.
- In February, we launched the Applause global recognition program. The platform allows employees to express gratitude and recognize exceptional contributions, cultivating an inclusive workplace culture. Employees can share a simple “Thank you” or offer a more substantial “Standing Ovation” award. To date, more than 42,000 awards have been given, redeemable for merchandise or gift cards, with many accompanied by congratulatory messages on the social feed, creating a supportive community.



Initiatives that Empower

- **Inclusive Leadership Trainings:** Over the past three years, over 740 employees completed a workplace inclusion course, learning practical ways to leverage the collective strengths and perspectives of all Arch employees.
- **Allyship Coursework:** In 2023 alone, more than 1,000 employees participated in an interactive course around cultivating inclusion. The course focused on best practices for connecting with colleagues with diverse backgrounds, empathizing with and respecting multiple perspectives and publicly acknowledging accomplishments.
- **Inclusion App:** More than 450 users adopted an innovative mobile app that offers content like “Words Matter,” “Creating Psychological Safety” and gaining insights into “Unconscious Bias.” These programs equip users with tools for meaningful engagement with colleagues.
- **LinkedIn Learning D&I Content:** Employees voluntarily spent over 19,000 hours accessing approximately 11,000 LinkedIn Learning courses. Of these courses, 75 focused on D&I related topics, from “Adding Value through Diversity” to “Cultural Humility and Agility” and “Strategies to Foster Inclusive Language at Work.”
- **Online D&I Webinars:** Over 300 employees voluntarily completed courses covering topics such as managing bias in the workplace, addressing microaggressions on teams, becoming an ally and identifying conflict styles.

Industry and Community Partnership

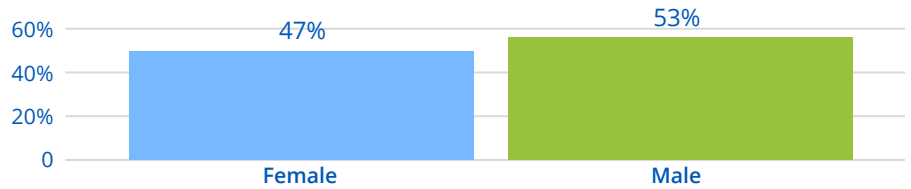
Arch maintains a number of strategic partnerships that aim to bring more diversity to our company and the insurance industry.

- Arch was a global sponsor of **Dive In** — one of the world’s largest D&I events — for the third consecutive year. This festival for the insurance industry focused on the theme of Unlocking Innovation. Events included multigenerational workplaces, gender and identity, social mobility, neurodiversity, multiculturalism, race and ethnicity and disability.
- In the U.K., we provided access to networking, development and mentoring for women across the industry through partnership with the **Insurance Supper Club** and leveraged our relationship with **Stonewall**, to help promote LGBTQ+ inclusion in the workplace.
- Through our partnership with The **Insurance Cultural Awareness Network**, we promoted multicultural inclusion and progression, celebrating the benefits of inclusion and diversity in the insurance industry.
- Together with Link, the **LGBTQ+ Insurance Network**, we supported the attraction and development of LGBTQ+ talent into, and within, the insurance industry.
- We partnered with **Moving Ahead’s Actuarial Mentoring Programme** to support the development of female actuaries and to increase minority representation in the industry.
- We continued our partnership with **Prospanica**, an organization that empowers and enables Hispanic professionals to achieve their full educational, economic and social potential. An Arch leader also serves as the President of Prospanica’s Connecticut chapter.

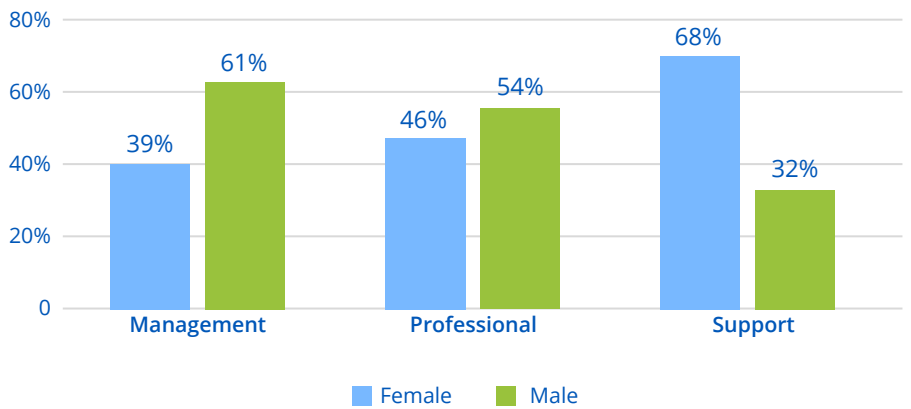
Workforce Demographic Data

At Arch, we embrace the richness of our global workforce and understand diversity is a cornerstone for developing innovative solutions within our industry. Recognizing the multifaceted nature of diversity, we acknowledge that, for the sake of standardized reporting, this disclosure will focus specifically on gender and U.S. race/ethnicity data, providing foundational insights into our commitment to transparency and accountability.

Gender

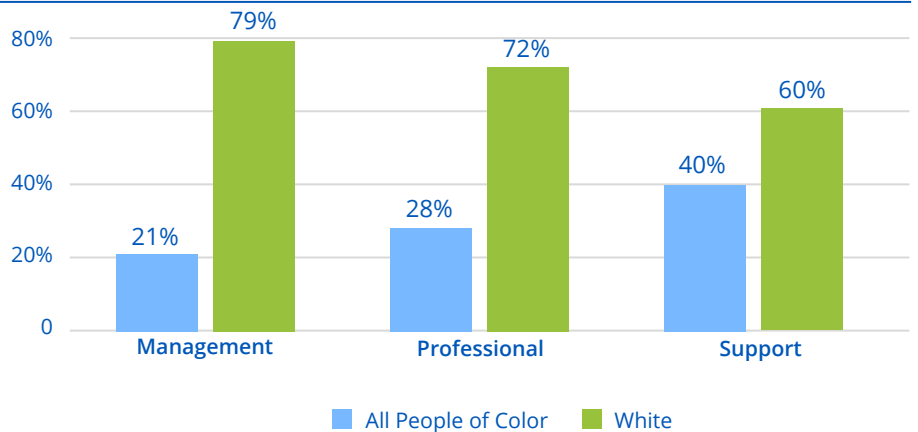


Gender by Occupation



Management = leads people and or business units
Professional = individual contributors
Support = administrative, operational and entry level professionals

Race/Ethnicity — U.S. Only

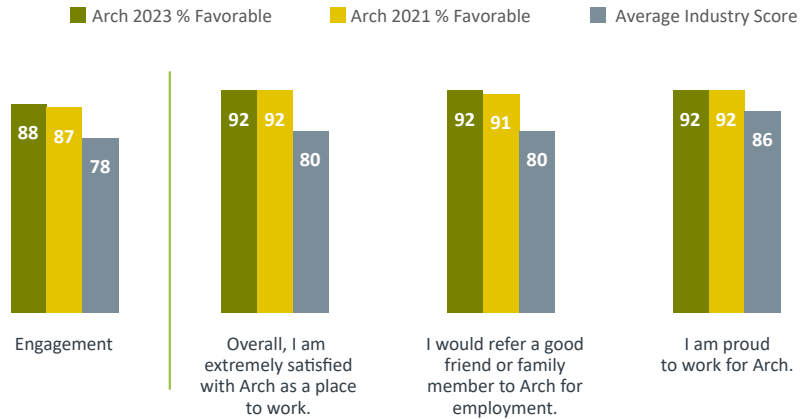


Management = leads people and or business units
Professional = individual contributors
Support = administrative, operational and entry level professionals

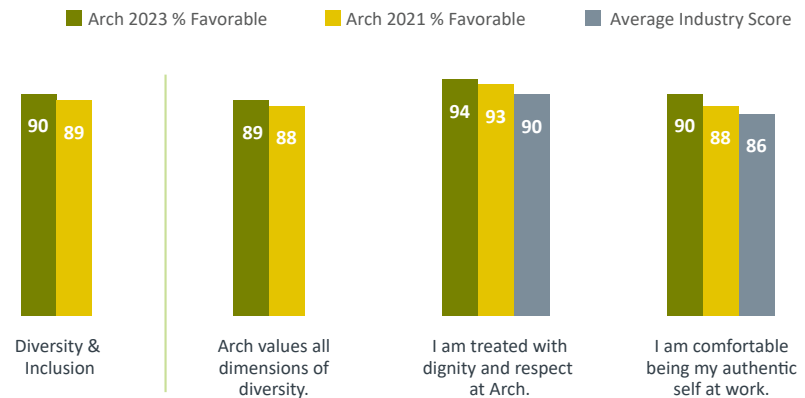
Employee Engagement Survey Results

Arch conducted its biennial all-employee survey with 85% of employees participating in 2023. This survey allows us to gather critical feedback from the people who know us best. Our employee engagement score was 88% (10 points above the industry average), up five points from our first all-employee survey in 2019.

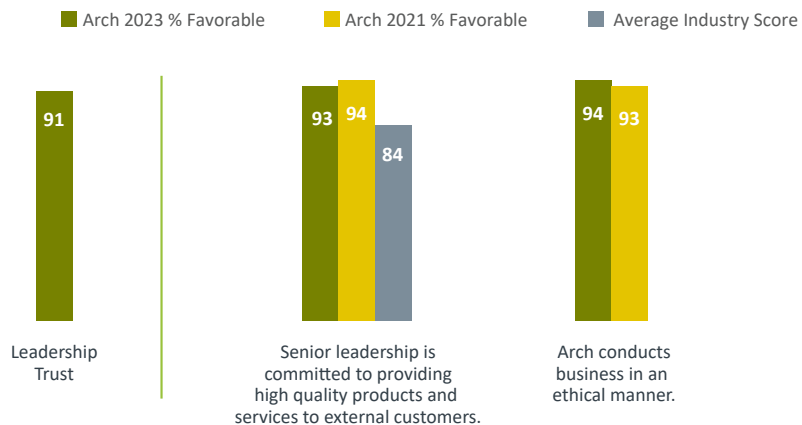
Engagement



Diversity & Inclusion



Leadership Trust



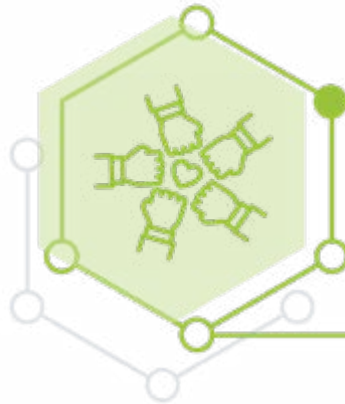
* Our 2023 anonymous employee survey was conducted by Workforce Science Associates (WSA). Arch's employee response rate in 2023 was 85%. Survey results provided in this report represent the percentages of those who responded.

Employee Networks

At the heart of advancing inclusion at Arch are our global Employee Networks. These networks are open to all employees and promote inclusion and allyship, represent diverse communities and help drive learning, visibility and networking. Each network is employee-led with an executive sponsor, leadership team, mission statement and set of annual objectives that connect to Arch's D&I strategy. Our networks not only offer a community within Arch's often virtual environment, but they also support volunteering and giving efforts. Driven by member feedback, our networks create space for learning, professional development and relationship-building.

“
To truly Enable Possibility for both our customers and employees, we must make space for multiple perspectives and ideas. Our Employee Networks are key drivers for building a culture of inclusion for employees and serve as a vehicle for continued progress at Arch. Leveraging member feedback, these networks offer targeted development opportunities, space to collaborate about important issues, access to senior leadership and a sense of community throughout the organization.
 ”

Buffy Morris
 Director, Diversity & Inclusion



26%

of Arch employees are network members — a 3% increase from 2022.

Network Accomplishments



Abled Not Labeled & Allies

- Tripled participation at the Victory Junction Walk, raising \$6,000 to support summer camp opportunities for children with serious medical conditions.
- Secured the second-highest overall fundraising position at the Success at NYC Autism Speaks Event, with Arch contributing \$7,000 before employer matching.



Black Professionals & Allies (BPAN)

- Curated career development and educational events throughout 2023, including webinars, to commemorate cultural observances such as Black History Month.
- Facilitated allyship conversations during Black History Month and hosted a Juneteenth panel discussion with Black leaders who shared personal experiences while emphasizing workplace authenticity and resilience.
- Hosted a three-part growth and development series highlighting leadership as a state of mind, rather than just a position or title.



LGBTQ+ Professionals & Allies

- Celebrated Arch's inaugural in-person presence at several Pride festivals.
- Hosted LGBTQ+ history and culture workshops, including a BPAN collaboration that facilitated a session on how to be a better ally to LGBTQ+ and Black, Asian and Minority Ethnic communities, led by Stonewall.
- Offered recurring LGBTea Time sessions as an open forum for community discussion.
- Celebrated National Coming Out Day by sharing members' personal journeys and anecdotes.



Veterans & Allies

- Celebrated Memorial Day by partnering with Carry the Load for a walking rally in Greensboro, North Carolina, and organized a team event to place flags on veterans' graves in New York City.
- Hosted a presentation by a U.S. Marine veteran and mental health researcher who shared his journey navigating the transition to civilian life and offered universal lessons on resiliency, perspective and acceptance.



Women & Allies

- Hosted a webinar for International Women's Day, exploring the impact of emotional intelligence, growth mindset and impostor syndrome on work performance.
- Offered a "Strengthening Self-Advocacy" professional development series that provided strategies to overcome barriers to successful self-advocacy.
- Facilitated a global webcast where female members of Arch's Board of Directors shared their backgrounds, professional journeys and career insights.
- Sponsored the "Everywoman in Insurance" event with the Insurance Cultural Awareness Network (iCAN), supporting an organization dedicated to building and sustaining strong, healthy organizational cultures.



Early Careers & Allies (ECAN)

- Hosted speed networking events and created a dedicated Microsoft Teams channel to enhance involvement, build connections and facilitate resource-sharing among members.
- Held annual "Advice to My Younger Self" event where members shared advice they would provide to their younger selves.
- Provided executive exposure events and small group sessions to facilitate networking with other Arch professionals.

“

Our goal is to be the center of recruiting excellence, with the in-house expertise that knows our business intimately and can scale to accommodate our customers' needs.

”

Phaedra J. Grove
Vice President, Talent Acquisition,
North America

Talent Acquisition and Career Management

Centralized Recruitment Strategy

In 2023, we implemented a centralized recruitment strategy across North America, aligning our Talent Management and HR teams with business units to incorporate inclusive practices throughout our talent life cycle. This approach helps to position Arch as a top employer, enhancing our corporate culture and attracting top talent from the broadest talent pool.

Career Development

Arch supports a culture of lifelong learning and encourages employees to pursue educational opportunities, emphasizing leadership development, focusing on future growth and maintaining operational excellence.

We provide access to learning and development programs for all employees to build the knowledge and skills needed to drive innovation and future business success by offering tailored programs focused on three key areas:

- Early Career Development and Engagement.
- Technical Skills Training.
- Professional Growth and Development.

Early Career Development and Engagement

Early career development at Arch is centered around cultivating a deep understanding of our business. Employees engage with both peers and leaders, gaining insights into various career paths and how to effectively navigate them. A monthly video series features career journey stories from senior leadership, providing valuable, real-life perspectives about the insurance industry. Our programs are designed to empower early career talent and help them understand the industry's breadth while showcasing career options available through specialty, technical or functional expertise.

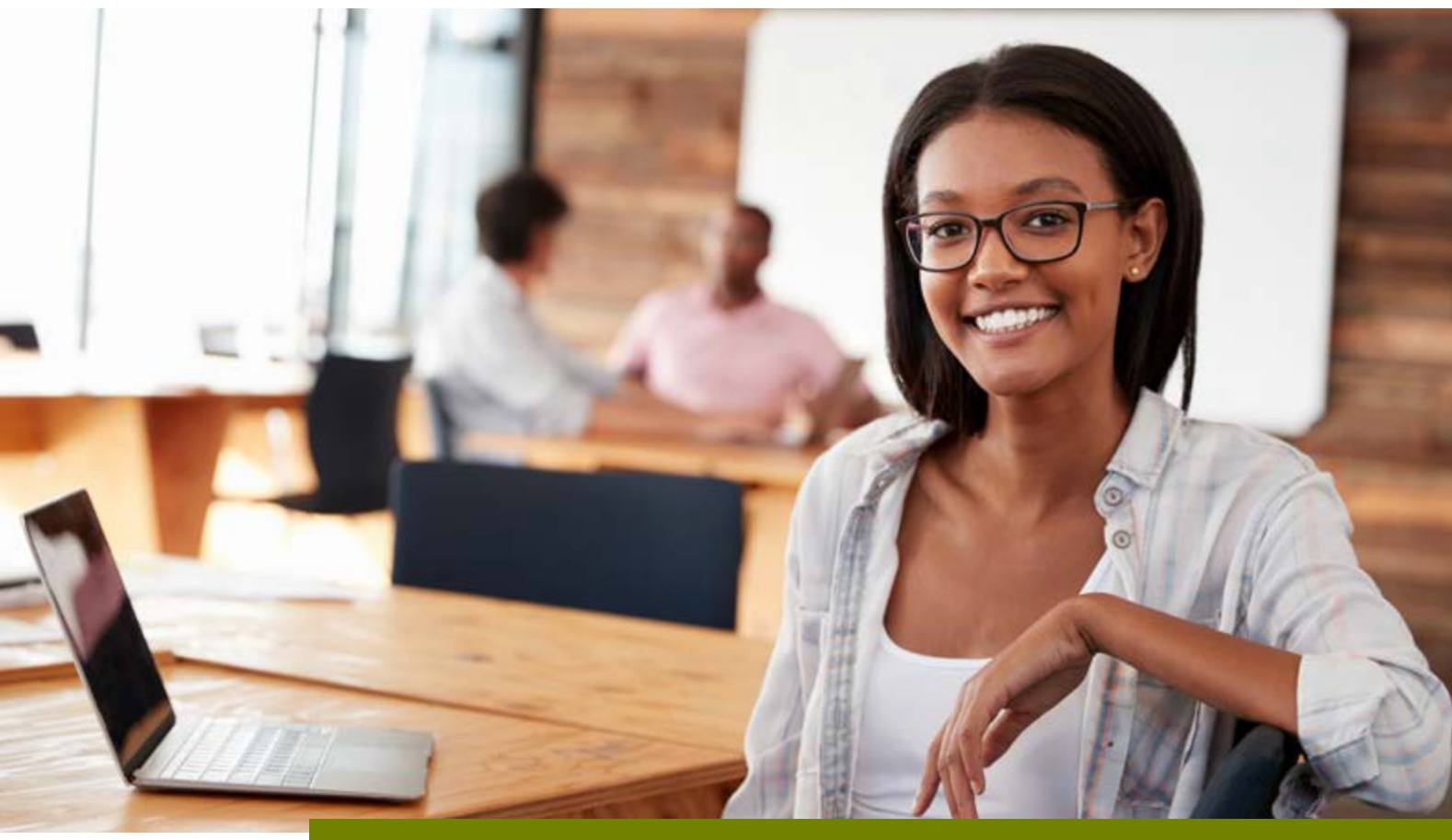
Early Career Development Initiatives

Onboarding Excellence:

- Establishing connections before Day One, our onboarding program ensures new hires build relationships with managers and peers and receive essential information.
- Our yearlong onboarding focuses on positive learning experiences, inclusion and preparing new hires to make impactful contributions.

Early Careers Program (ECP):

- A 12-month insurance apprenticeship for college graduates and early career colleagues at Arch.
- Curriculum emphasizes underwriting, actuarial work, claims and other critical insurance areas.
- The ECP includes 10 training modules, mentoring circles and capstone projects, providing a holistic learning experience leading to program graduation.



Agents of Transformation

- A dynamic, 10-week internship program designed to attract and engage student scholars.
- Interns undergo weekly rotations, gaining insights into global business support areas across Arch.

Technical Skills Training to Develop Leaders

Continued success hinges on leveraging the technical skills embedded within our workforce and across business areas. Our career mapping system allows individuals to identify skills for career development by engaging with a mix of in-house resources and third-party training providers. This approach ensures employees access the training needed to advance their career goals, supporting their continuous professional growth.

Key Technical Skills Initiatives:

- **IT Academy** — Tailored training options for specific career paths with dedicated learning time for IT proficiency and skill development.
- **Claims Academy** — Comprehensive claims administration training for new hires, including over 400 e-learning courses offering personalized career path options.
- **Leadership Development** — Bespoke programming, including content from top business schools and coaching, for senior and executive roles.
- **Executive Accelerators and Toolkit** — Sets the bar for senior leadership behaviors at Arch, outlining essential tools and qualities for leading in our fast-paced environment.

“
Empowering employees is a key differentiator at Arch Insurance.
 Creating learning opportunities for our leaders benefits not only them but their teams as well. Arch leaders are expected to set an example and participate in leadership learning. Our leaders walk the walk.”

Matt Shulman
 Chief Executive Officer, Arch Insurance
 North America

Professional Growth and Development

At Arch, professional development goes beyond career advancement to include experiences that cater to both personal and business needs. We provide specialized manager development programs, training sessions for honing professional skills, career and networking development webinars sponsored by our Employee Networks and day-to-day interactions with our top leaders. We extend our commitment further by collaborating with external vendors that offer on-demand training opportunities.

Mentorship Programs

- The Arch mentoring platform successfully facilitated over 700 matches since its inception, promoting collaboration across our global company. Crafted with the goal of nurturing career development and progression, the program creates a mutually enriching experience for both mentors and mentees. Covering a range of topics, including personal effectiveness, organizational agility, performance and business acumen, the program is designed to enhance professional growth and knowledge exchange.

Innovation Lab/Boot Camp

- Working in teams, participants learn problem-solving methodologies and practice identifying an issue or opportunity, working through each step of the process to determine the best solution.

Leadership Development

- Our leadership development programs focus on behaviors tied to Arch's Values. We offer training programs including: “Manager Essentials,” a foundational, cohort-based, blended-learning program primarily for new managers; “Momentum,” a self-paced development program designed to empower employees to meet business challenges; “Boost,” a program for building frontline leaders; and “Impact,” a program for experienced managers looking to transition from tactical to strategic leadership.



In 2023, over

380 employees

completed one of these leadership programs.

Measuring Program Effectiveness

Arch uses a learning and development governance model to align critical skills with organizational priorities. The structured program includes governance councils comprised of business representatives who regularly meet to assess program effectiveness, capture feedback and suggest improvements. We leverage focus groups, surveys, job change analysis and retention data to measure the impact of learning. Collected data informs decision-making, and dashboards and reports track key indicators of talent growth and retention.

Supporting Professional Designations and Proficiencies

We emphasize technical proficiency across disciplines. By partnering with external organizations, our business segments offer professional designations and continuous education credit opportunities to support personalized career development.

Actuarial Designations

- We support actuarial students with exam preparation and continuing education by sponsoring programs through organizations including the Casualty Actuarial Society, American Academy of Actuaries and Pinnacle Actuarial Consultants.

Insurance & Reinsurance Designations

- In collaboration with The Institutes, Arch offers more than 25 practical professional designations including topic courses and executive and leadership education programs on risk management and insurance.

Accredited Mortgage Professional (AMP) Designation

- We actively support employees pursuing their AMP designation, which recognizes real estate finance industry accomplishments, emphasizing educational excellence and professionalism.

Safeguarding Our Employees' Health and Well-Being

Our employees' health and safety are top priorities and we are dedicated to ensuring our people have access to comprehensive benefits to safeguard their mental, physical and financial well-being. We expanded our generous benefits in 2023 to be more inclusive and meet our employees' needs.

Salary-Based Medical Premiums

To ease the impact on those most affected by inflation and to promote fairness in healthcare expenses, Arch implemented a progressive salary-based premium framework for medical plans for U.S.-based employees. As a result, more than 65% of employees experienced decreased medical premiums while maintaining the same plan and coverage tier. We believe offering tiered pricing for medical plans, aligning with employee salary ranges, ensures continued accessibility and affordability.



ARCHCARES

Arch Cares Program

This program offers financial support to eligible employees during periods of personal challenges. Qualified employees can access the program to alleviate the burden of certain cost-of-living expenses during financial hardship.

Arch Cares Leave Share Program

Under this program, U.S.-based employees donate accrued paid time off (PTO) to eligible colleagues facing medical challenges or natural disasters. This program builds workplace solidarity during times of personal hardship or crisis.

“

Having this benefit (Parental Leave), and knowing that I had the support of my team to take it, allowed me to be present for my family every day.

”

Dan Gouveia
Assistant Vice President, Strategic
Analytics Services

Recognizing Our Veterans — Military Leave

On Veterans’ Day 2023, in the U.S., we announced a new military leave benefit, offering up to four weeks of annual paid leave for team members called to military service. This support helps alleviate their concerns and challenges during potential duty activation.



Parental Leave Policy

Arch provides competitive parental leave to align with or exceed local geographic practices.

- In the U.S., our plan provides up to 10 weeks of paid leave at 100% of an eligible employee’s base salary for the birth, adoption or fostering of a child, on top of any birth-related medical leave taken by the mother (usually covering six weeks of an employee’s full salary). The policy joins a host of benefits designed to support families, such as back-up childcare, adoption assistance and a flexible spending account for dependent care costs.
- In Bermuda, our plan provides employees up to four weeks of paid leave for the birth, adoption or fostering of a child. This leave is in addition to the 13 weeks mandated by law for new mothers.
- In the U.K., we reduced the employee service eligibility requirement for enhanced pay for parental leave from two years to one year to make this benefit more accessible.
- In Canada, our plan provides up to 18 weeks of paid maternity leave and up to six weeks of paid parental leave for the birth or adoption of a child.

Employee Assistance Program (EAP)

Our EAP offers global employees 24/7 access to qualified psychologists who can assist with managing mental health, relationship challenges, parenting support and workload pressures or concerns.

Workplace Wellness Sessions

These virtual sessions offer employees an opportunity to learn to strategically design their day to manage energy levels and priorities, maximizing productivity and avoiding burnout. Topics include “Reducing Negative Thought Habits and Unnecessary Anxiety” and “Successful Energy Development: Setting Healthy Boundaries.”

Mental Health First Aiders (MHFA)

U.K. employees have access to the MHFA team, which helps raise mental health awareness and promote better mental health and well-being among employees. MHFAs are professionally trained for their role and are able to signpost employees to appropriate professional support. They can also serve as the first point of contact for an employee who may be experiencing a mental health issue.

Mental Health Webinars in the Philippines

Monthly health and wellness webinars are conducted on topics including managing anxiety, boosting immunity and mental health, mindfulness and well-being, and building resilience in time of crisis.

BestLife Wellness Program

In partnership with its healthcare service provider, Maxicare, our Philippines operation launched the “BestLife Wellness Program” that provides exclusive benefits to our employees and their enrolled dependents in the prevention or management of hypertension, diabetes and/or high cholesterol.

Financial Well-Being



In addition to competitive salaries and wages, in 2023, Arch contributed

\$77 million

to worldwide retirement saving plans on behalf of eligible employees.

- To help ease the financial impact of the current economy on our employees, we **reassessed our merit increase guidelines** in 2023 to allow for more substantial salary increases for employees most impacted by inflationary pressures.
- Throughout the year, our **Student Loan Assistance Program**, offers up to \$3,000 per year for eligible employees. Since the program’s inception in 2018, Arch has contributed just under \$5 million to over 700 employees’ student loans.
- **Child Scholarship Program:** Our Philippines operation provides financial support to qualified employees for their children’s college/university basic tuition fees. As of 2023, Arch supported six scholars who excelled academically in their chosen baccalaureate program. Collectively, the scholars were eligible for close to \$13,000 in tuition grants.
- **Emergency Loan Program:** Our Philippines operation also created a program to help employees suffering from severe financial hardship (arising from calamities, medical emergencies, etc.). In 2023, the company awarded over \$20,000 to 12 eligible employees.
- We conducted **financial wellness sessions** across our global operations covering topics such as financial goal setting, financial planning, social security and retirement planning.
- **Electric Vehicle (EV) Leasing Options:** In alignment with Arch’s commitment to environmental sustainability, our U.K.-based employees can lease an EV through payroll deductions. This program offers participants the opportunity to lease a zero emission vehicle by using salary sacrifice to gain personal tax savings.

We are dedicated to making a positive impact within the communities where we live and work. This commitment extends beyond financial contributions from our employees, corporate donations from our three segments and grants from the Arch Group Foundation (AGF). We actively engage in philanthropic initiatives and encourage our employees to participate in volunteer activities throughout the year. With this collective approach, we aspire to create lasting, meaningful change.

2023 Highlights

Awarded **\$650,000** to the organizations most favored by our employees, complementing yearlong support through our matching gift program.

Allocated over **\$4.2 million** in corporate-level donations to charitable organizations aligning with our philanthropic goals of supporting four focus areas: education, environment, health and housing.



Tripled the impact of funds supporting over 500 charitable organizations and over 20 causes by enhancing our matching gift program from our standard 1:1 ratio to a 2:1 ratio during November 2023; during this period, Arch matched over **\$1.1 million** in employee donations.

Substantially increased our support of community organizations to over **\$1.0 million** through the AGF, more than doubling our prior year support.



Arch employees participated in a cleanup drive and tree planting event at the CRIBS Foundation home and vicinity.

Giving for a Better Tomorrow

Emphasizing our corporate Value of Striving to Make a Difference, we promote a culture of community engagement by encouraging our employees to volunteer both their time and skills. Additionally, through our yearlong matching gift program, we amplify the impact of our employees' philanthropic efforts, effectively doubling the influence of their donations. This commitment reflects our belief in the profound impact that collective efforts can have in promoting change.

\$2.8 million

matched by Arch

(includes both 1:1 and periods of 2:1 matching).

\$2.2 million

donated by our employees.

1:1 match

for up to \$25,000 of an employee's donations to eligible organizations.

Matching Gifts Program



Volunteer Time Off Program



38,000

hours invested

in our communities since 2021.

2 days

per calendar year as paid volunteer time off.

1,600+

charitable organizations in 13 countries

supported by employee donations.

“

At the heart of our culture is a commitment to generosity and compassion. We take pride in offering our people the flexibility and support required to empower them in building stronger communities through volunteering and giving.

”

François Morin
Chief Financial Officer and Treasurer

Volunteering Spotlight

Our employees organized various volunteer events to give back to their local communities. Highlights include:

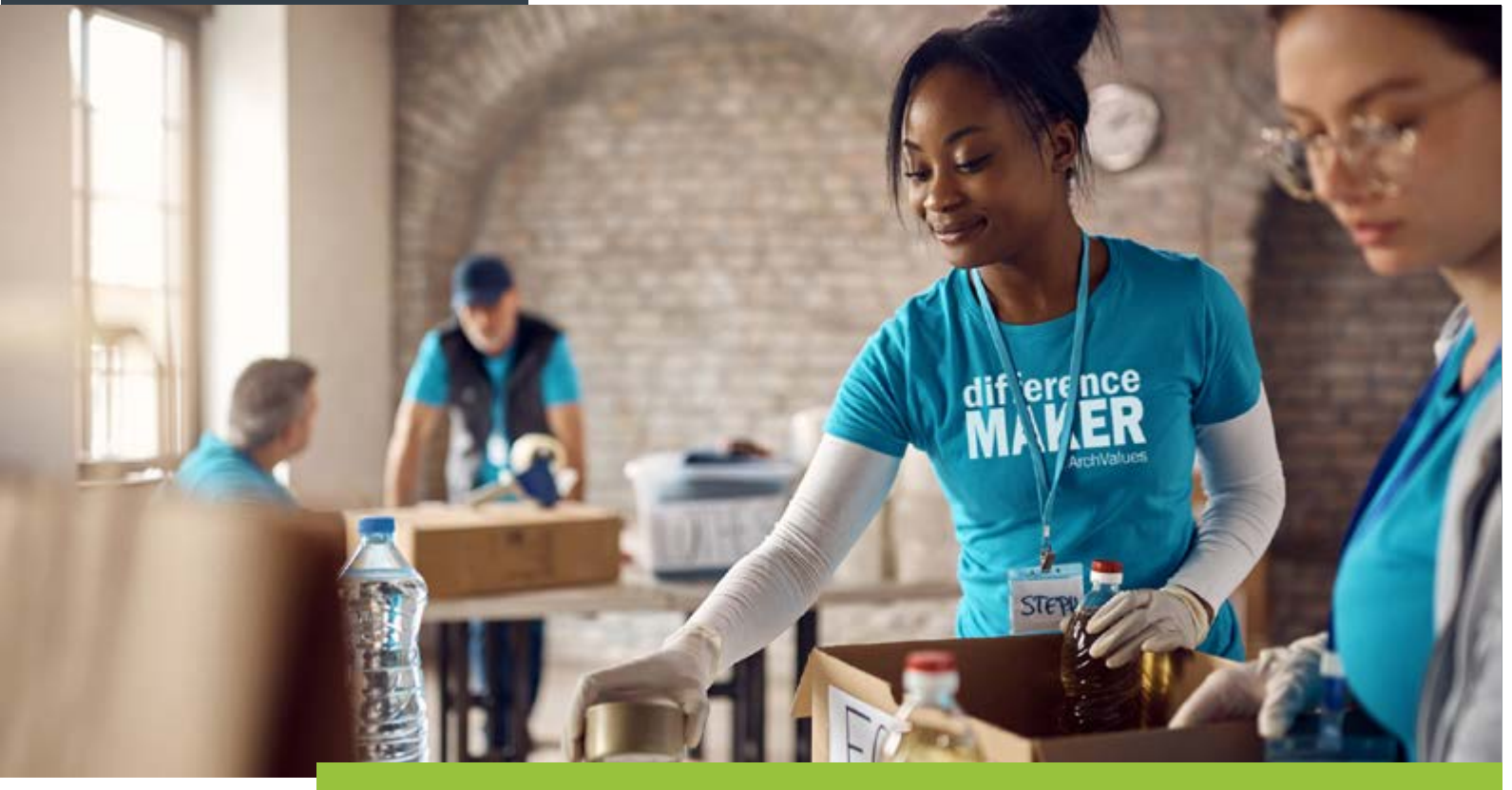
- Over 100 Arch employees participated in a cleanup and tree planting event for CRIBS Foundation Inc., supporting the “New Beginnings” program for abused young girls, with an additional donation of over \$2,500.



“Participating in the CRIBS Volunteer Day was one of the most rewarding experiences of my life. It was a privilege to contribute to a volunteer event focused on meeting the needs of these resilient children, and witnessing the hope and joy that lit up their faces was heartwarming.”

— Romeo Arciaga,
Senior Claims Analyst

- During the month of November, over 70 global employees participated in volunteer events with local organizations, including eight food banks across California, New Jersey, New York, North Carolina and the U.K. These efforts resulted in over 4,000 meals to families in need.
- Nearly 60 Arch employee members of “Remote Pros,” a group within our mortgage operations, met virtually to make blankets for My Very Own Blanket, an organization that provides comfort and security to children in need, with a focus of those in the foster care system.



“

Having the ability to work for a company that offers the programs and opportunities that Arch provides and knowing that I am encouraged to make a difference in my community, makes me feel unstoppable. Always be unstoppable in everything that you do and look for ways to grow and achieve greater things.

”

Margie Hamilton
Director, Underwriting Operations

- U.K. employees spent over 1,000 hours volunteering, including Volunteering Days that engaged more than 80 employee volunteers in London, Bristol and Manchester to benefit Leyton Park, Homerton Community Eco-Garden, Bristol Children's Help Society and Manchester Community Grocery Food Bank.
- Throughout 2023, over 40 Arch employees spent more than 300 hours volunteering with Community Housing Solutions (CHS) in Guilford County, North Carolina, to help make the homes of 29 low-income homeowners warmer, drier and safer. Twenty Arch employees also participated in CHS' Paint the Town event, spending an entire day prepping and painting the exterior walls of a lower-income homeowner's family residence.
- Arch actuaries and financial professionals supported The Actuarial Foundation (TAF), an organization dedicated to enhancing math education and financial literacy. Our actuaries participated in TAF's "Math Motivators," a program offering tutoring to middle and high school students in underserved populations, helping them overcome their challenges in the subject.
- Since 2021, our U.K. team has offered a Student Mentorship Program that supports students pursuing their General Certificate of Secondary Education at Manchester Academy. Led by a team of 10 Arch mentors, the initiative has welcomed 23 students in the last two years.
- Arch colleagues from Morristown, New Jersey, marked their 11th year participating in a Covenant House sleep-out event to end youth homelessness, raising more than \$200,000 over this 11-year period.
- Since 2019, Arch colleagues in Greensboro, North Carolina, have hosted Data Dive, a data analytics competition. Participating students work in small teams to propose data-related solutions for a non-profit in need. Monetary prizes are awarded to the top three student teams. Since 2019, Arch has worked with over 75 students and partnered with the Greensboro Children's Museum, Community Housing Solutions, Victory Junction and The Arts Council of Greater Greensboro.



85% of Arch employees feel they are encouraged to participate in Arch's social responsibility initiatives.

Since 2020, Arch has donated **\$22 million** to charitable organizations worldwide, with **\$7 million** donated in 2023 alone.

Contributing to Community Growth and Resilience through Corporate Giving

Arch generously supports the causes we believe have a meaningful impact on our communities' ability to thrive.

Academic and Career Success

Arch views education as the great equalizer. Through our corporate giving efforts, we help students, especially those in underserved communities, achieve their educational goals.

- **Arch MI Scholars Program.** We currently support two scholars at North Carolina A&T State University, the nation's largest historically black college or university (HBCU), located one mile from our Mortgage group's headquarters in Greensboro, North Carolina. Since its inception, we have supported four scholars through this program.
- **Arch Insurance Scholars Program with the Spencer Educational Foundation (SEF).** Through this program, we provide funding and internship opportunities to undergraduates from diverse backgrounds pursuing careers in actuarial science, insurance, business or risk management. We also continued our involvement with the SEF board of directors.
- **James Asamoah Memorial Scholarship with St. Benedict's Preparatory School.** Arch created an endowment scholarship for students at St. Benedict's Prep, a school serving low-income students in Newark, New Jersey, in honor of James Asamoah, a long-time Arch employee who died from COVID-19 in 2020.
- Through a three-year sponsorship, Arch is supporting **Endeavour**, a Bermuda-based organization that engages students in experiential learning through sailing. In the summer of 2023, Arch's interns in Bermuda traded their desks and laptops for a day at the Royal Naval Dockyard, learning from and working with Endeavour. After their hard work, the interns were rewarded with a volunteer appreciation sail on Hobie Wave catamarans that bore the Arch logo.
- Arch was a Platinum Sponsor of the 2023 **International Association of Black Actuaries** annual meeting, marking our fourth year supporting the event. Through this partnership, Arch continues to build a talent pipeline fostering mentoring and volunteer opportunities with student members.
- Arch again sponsored the Fall Gala benefiting **All Stars Project, Inc.**, a national organization on the forefront of building community by bridging racial, economic and social divisions to develop a 21st century America. An Arch leader joined the organization's board in 2023 and helped inspire Arch employees to host over 30 All Star Project students from Newark, New Jersey, throughout the year, where students learned about career opportunities at Arch.

Accessible, Safe Housing

Through insurance and educational solutions provided by our mortgage group, we help create a more sustainable housing market. We also aim to help individuals and families achieve sustainable housing through our community impact work.

- Partnership with **MBA Opens Doors Foundation.** In 2023, Arch contributed \$100,000 to support the MBA Opens Doors Foundation home grant program. This program provides mortgage or rental payment assistance to families caring for critically ill or injured children, helping parents and guardians focus on caring for their loved ones rather than worry about a home in jeopardy.



- **Habitat for Humanity International Inc.** Our employees volunteered over 100 hours with several local Habitat affiliates across the U.S., including an initiative with the Early Careers and Allies Employee Network, where participants volunteered on a build day with Habitat for Humanity of High Point, Archdale and Trinity, North Carolina, as well as team build projects in both Charlotte and Greensboro, North Carolina, which resulted in the completion of four new homes. To increase support of this work, Arch established a formalized partnership with Habitat in 2023, with the goal of involving an even greater number of global employees in this work.

Environmental Resilience

As a global (re)insurer, we understand climate change presents potentially far-reaching implications for communities not properly prepared for mitigating the effects of natural disasters. Through our corporate giving, we are committed to making communities more resilient.

- Arch supports **ShelterBox** U.K., an organization that provides international disaster relief and emergency shelter to families devastated by natural disaster and conflict. In 2023, Arch donated more than \$175,000 to ShelterBox U.K. and another \$50,000 to ShelterBox USA via the Arch Group Foundation.

See also page 30 of this report for additional information on supported environmental causes.

Healthy, Thriving Societies

As healthcare continues to be one of the most critical issues facing our society, Arch supports several organizations driving progress in this area, including:

- Our U.K. operations support Insurance United Against Dementia, a movement created and championed by insurance industry leaders to help fund the Alzheimer's Society's support services and research program. Arch donated more than \$160,000 to this organization in 2023.
- Our Philippines operation donated a company van to The LAW Center, a charitable organization in Cebu that provides legal services to disadvantaged women. The organization was founded 27 years ago, with a mission statement envisioning a society wherein women are empowered and enjoy equality.

Arch Group Foundation



ARCH GROUP FOUNDATION

The Arch Group Foundation (AGF) formalizes our dedication to building stronger, more resilient communities, amplifies our commitment to community development, and reflects our belief in the transformative power of giving.

Emphasizing the value of our employees' voices, the AGF seeks input from our employees, ensuring that our charitable grants align with the priorities

and concerns of those within our company. In 2023, the AGF supported more than 30 organizations across all four of our giving priorities — academic and career success; accessible safe housing; environmental resilience; and healthy, thriving societies — allowing us to address specific community needs. Since its inception in 2022, the AGF has contributed \$1.5 million toward making a positive difference in the communities we serve.

AGF Governance

AGF directs funds to organizations that make a meaningful impact in one or more of Arch’s giving priorities, as well as those that align with the company’s commitment to diversity and inclusion.

The AGF is governed by a board of directors that includes five members of our executive leadership team, with day-to-day oversight managed by board-appointed officers. In addition, we have a board-appointed “Program Giving Committee,” comprised of Arch employees who share a passion for philanthropy and are responsible for the grant review and selection process.

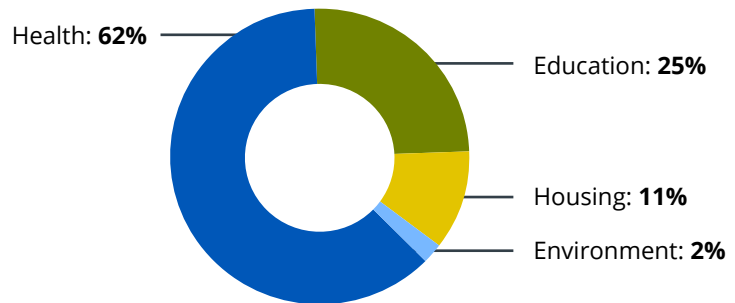
Measuring the impact of the AGF’s inaugural 2022 grant program, the AGF funds enabled:

- Eight low-income families to receive critical home repairs.
- 27 students to receive enrichment activities and over 2,200 hot meals.
- 6,000 plus children from underserved communities, facing complex and chronic health conditions, to benefit from play opportunities.
- 2,700 plus youth experiencing homelessness in the U.S. to access career and education services.

Highlighting AGF’s 2023 achievements:

- Awarded more than 30 grants, supporting all four giving priorities, with health-based organizations receiving 62% of the funds.

2023 Award Grants



- Launched an **Employee Nominations Program** to introduce the passions, concerns and efforts of our employees into the grant-making process. Our employees nominated more than 100 Nonprofit Organizations (NPOs) from six countries.
- **Supported 10 organizations through our general grant program, including:**
 - **American Heart Association.** To provide up to 46 cardiopulmonary resuscitation (CPR) and first aid training kits to the School District of Philadelphia, to improve the chance of survival from out-of-hospital cardiac arrest in Philadelphia, Pennsylvania, where bystander CPR rates are low, and training is not easily accessible.
 - **Black Child Development Institute of Greensboro Inc.** To support academics, enrichment and family services for underserved children in the Greater Greensboro, North Carolina, community.
 - **Community Housing Solutions (CHS).** To support the Home Repair Program and allow CHS to serve nine additional low-income families in Guilford County, North Carolina, with critical repairs to make their homes warmer, drier and safer.

“
I was thrilled to learn that ZERO Prostate Cancer received an AGF grant as the result of the incredible Arch Employee Nominations Program. My family and friends have supported this charity since losing my dad 10 years ago. I am grateful, thankful and proud to be an Arch employee.
”

Lori Hernandez
Sr. Business Systems Analyst

“
2023 was an exciting year for the Arch Group Foundation, where we were able to make a positive impact on the communities we serve. Looking forward, we are eager to continue to do our part to elevate the work of these amazing organizations.”

Anjelica Kleineweber
ESG Manager,
Community Impact Programs

- **Covenant House.** Helped provide workforce development services, including costs related to staffing, materials and supplies, technology, vocational training and educational scholarships, to approximately 3,000 underserved youth across the U.S.
- **Feeding America.** Helped support over 600,000 families, children and seniors experiencing food insecurity in New York City; Winston-Salem, North Carolina; and Los Angeles, California.
- **Habitat for Humanity International Inc.** Helped fund Habitat's Advancing Black Homeownership initiative, which addresses the racial homeownership gap in the U.S., through supporting best practices in areas such as housing innovation and preserving home affordability.
- **March of Dimes.** Supported the New York/New Jersey Mobile Health Unit, which is designed to help increase access to care for uninsured and underinsured women.
- **Project Sunshine.** Helped deliver therapeutic play to more than 6,000 children with acute and chronic medical conditions across the country through programs that alleviate the stress of hospital stays, medical procedures and ongoing home care, and promote key aspects of childhood such as socialization, creative expression, intellectual stimulation and sensory integration.
- **Room to Read.** Helped increase access to culturally sensitive books and quality learning opportunities for 500,000 children in high-need communities across the U.S.
- **ShelterBox USA.** Supported the office for emergency responses in the Philippines, whose purpose is to provide shelter after disasters. Funds will help build capacity to immediately aid at least 13,000 displaced families.



“We are so grateful for our partnership with the Arch Group Foundation. The AGF community continues to rally together in support of young people overcoming homelessness at Covenant House, helping to ensure that they have access to resources and services they need and deserve, on their paths to stability and independence.”

— Ashley Crawford, Senior Vice President,
Key Partnerships, Covenant House International