Arch Capital Group Ltd.

Task Force on Climate-Related Financial Disclosures

For the year ended Dec. 31, 2025

Important Legal Information

Arch Capital Group Ltd. (together with its subsidiaries, Arch or the Company) is a publicly listed Bermuda exempted company with approximately $26.9 billion in capital at Dec. 31, 2025, and is part of the S&P 500 index. Arch provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly-owned subsidiaries. While we are positioned to provide a full range of property, casualty and mortgage insurance and reinsurance lines, we focus on writing specialty lines of insurance and reinsurance. In addition to providing comprehensive disclosure on our website regarding our approach to value creation, which integrates sustainability topics, we provide the following disclosures, which are aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

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 2025 Form 10-K for the fiscal year ended Dec. 31, 2025, filed with the Securities and Exchange Commission (SEC) on Feb. 26, 2026 (2025 Annual Report). Moreover, Arch's approach to disclosures in this report may differ from the approach to disclosures in other reports, including regulatory filings with the SEC and disclosures made under other regulatory frameworks. This report may use certain terms, including those that TCFD or 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 is intended to present information from a different perspective and, in some cases, in more detail than may be required in other Arch reports, including filings with the SEC or other regulatory disclosures.

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, 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, our ability to meet our sustainability goals and targets such as our greenhouse gas reduction targets and those other factors discussed in Item 1A, pages 46-64 of our 2025 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.

This report may contain links to, or information from, other internet sites. Such links and information are not endorsements of any products or services in such sites, and no information in such sites has been endorsed or approved by the Company.

ARCH CAPITAL GROUP LTD.: TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

As a leading (re)insurer, Arch Capital Group Ltd. (together with its subsidiaries, Arch or the Company) offers specialty risk solutions, property and casualty (re)insurance and housing-sector products in communities worldwide.

Our approach to property-casualty underwriting integrates a comprehensive assessment of risks to provide solutions to protect our clients' employees, assets, property and business. Our risk management process monitors and manages climate risk and catastrophic events worldwide and is applied across our underwriting units.

Climate change presents potentially far-reaching implications for our business, customers and the broader global economy. We are committed to improving our understanding of the short-, medium- and long-term implications of climate change and providing products and services that appropriately address evolving climate-related risks and opportunities.

We continue to focus on improving our energy efficiency and carbon footprint. In 2022, we set a target to reduce our absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by at least 42% by 2030 (from the 2020 base year) and achieve net-zero operations by the same year by purchasing carbon removal offsets for our remaining Scope 1 and 2 emissions.[1]

This report, in conjunction with the climate-related disclosures in our 2025 Sustainability Accounting Standards Board Report and our 2025 Sustainability Report (together, the Sustainability Reports), discusses our approach to managing the risks and opportunities associated with a changing climate. View our Sustainability Reports here.

This report is designed to align with the reporting framework set forth by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and includes the following disclosure categories:

I. Governance.

II. Strategy.

III. Risk Management.

IV. Metrics and Targets.

I. Governance

The TCFD recommends insurance companies disclose the organization's governance around climate-related risks and opportunities, including the roles of the Board of Directors and management.

Our Approach. Our holistic risk management approach involves analyzing risk from top-down and bottom-up perspectives. The Company's risk management framework includes our:

1. Risk philosophy and policies designed to address the material risks confronting the Company.
2. Compliance, approaches and procedures aimed at controlling and/or mitigating these identified risks.

The framework's core comprises the actions and policies implemented to meet Arch's business management and regulatory obligations. Climate change risk is embedded in our existing risk management framework.

[1] Note that our definition of operational net zero does not include Scope 3 greenhouse gas emissions as defined in the GHG Protocol. The term "operational net zero" does not carry the same meaning as "net zero emissions" as defined in the Science Based Targets initiative (SBTi) Glossary or any other framework, methodology, or other applicable publication. Additionally, our global goal is not a "net zero science-based target" as defined by the SBTi Glossary and is not aligned with the SBTi Corporate Net Zero Standard.

Three Lines of Defense. Risk management responsibilities are delegated across our organization through a "Three Lines of Defense" approach to risk governance. This risk management framework, reinforced by key controls and activities, is embedded within our operations and enables us to limit risk and evaluate opportunities. We view sustainability risks as enterprise-wide risks.

BOARD OF DIRECTORS

Accountable for Organizational Oversight

MANAGEMENT

Takes actions (including managing risk) to achieve our strategic goals.

INDEPENDENT ASSURANCE

1 **FIRST LINE:** These are our people on the front lines such as our underwriters, pricing actuaries and investment professionals.

They have accountability for the day-to-day management, control and reporting of risk exposures in accordance with the risk appetite, strategies and policies approved by the Board.

2 **SECOND LINE:** These roles are responsible for oversight and challenge of the front line.

They have responsibility for monitoring our overall risk profile and ensuring adequate financial resources are maintained. The second line formulates the risk appetite, risk and capital management strategies and policies that are approved by the ACGL Board, leading to the development, implementation and maintenance of risk frameworks. They challenge the execution of risk and compliance strategies and approaches.

3 **THIRD LINE:** Their role is to provide the Board and management with independent, risk-based and objective assurance, advice, insight and foresight.

They are responsible for providing independent assurance over the effectiveness of governance, risk management and internal controls.

KEY CONTROLS/ACTIVITIES

- Underwriting guidelines.
- Business segment reviews.
- Peer reviews and quality control.
- Pricing models.
- Reinsurance purchases.
- Natural catastrophe modeling and assessment.
- Investing guidelines.
- Customer vetting.
- IT access controls and cybersecurity.

- Risk Management Board reporting.
- Aggregate exposure measurement and monitoring.
- Risk assessments and control mapping.
- Own risk and solvency assessment.
- Capital modeling and forecasting.
- Operational Risk Committee.
- Regulatory issues reporting.
- Third-party service provider approval and monitoring.

- Risk assessments and internal audit plan development.
- Ongoing monitoring of business risks and trends.
- Internal audit reviews and ongoing control testing.

Sustainability Oversight. Our Board of Directors (Board) oversees and monitors enterprise risk to support our long-term financial strategies and objectives. As outlined in its charter, our Board's Nominating and Governance Committee (N&G Committee) oversees sustainability matters, including the establishment and management of our sustainability initiatives. Our Chief Sustainability Officer meets with the N&G Committee approximately two times a year and provides substantive quarterly updates. In addition, given the regulatory reporting requirements mandated by the European Union and other jurisdictions, the Chief Sustainability Officer also engages with the Company's Audit Committee and the boards of applicable subsidiaries to keep them informed of regulatory compliance obligations.

The Sustainability Steering Committee comprises executive leadership that oversees sustainability topics and practices organization-wide and contributes to executing the sustainability strategy. Led by the Chief Sustainability Officer, it maintains regular communication with leaders across our operations to ensure sustainability topics are integrated into business processes. Our dedicated sustainability team actively enhances our management of initiatives and coordinates our efforts across our businesses, including the assessment of climate change risk within our corporate strategy.

For our investments, our Investment Group Sustainability Steering Committee (Sustainability Investments Steering Committee) oversees the assessment of sustainability risk in our investment strategy. See "Sustainability Investment Governance" below for additional details.

Our oversight structure extends to business and operating-level committees to manage specific sustainability integration initiatives. In the U.K., we have in place a Sustainability Steering Committee (the U.K. Sustainability Committee), which leads our efforts to incorporate our sustainability framework and strategy into existing management and committee structures and to promote Arch's long-term sustainability success in alignment with the Company's overall sustainability strategy. The U.K. Sustainability Committee, chaired by the U.K. Chief Executive Officer, meets quarterly and comprises senior leaders within our U.K. primary insurance operations and the Chief Sustainability Officer. Beyond integrating sustainability considerations into the U.K. business, the group has formalized principles-based policies addressing sensitive underwriting factors, including accounts covering oil sands and Arctic energy exploration and production.

Separately, a committee comprising senior underwriting officers, risk professionals and the sustainability team has led our efforts to integrate environmentally-sensitive considerations into underwriting insurance risks associated with the thermal coal industry. See page 12 of our 2025 Sustainability Report for more information about our approach to underwriting thermal coal. See also our Thermal Coal Policy.

Risk Identification and Assessment. Our Board's Audit, Underwriting Oversight, and Finance, Investment and Risk (FI&R) committees oversee the top-down and bottom-up review of risks. These committees provide a forum for discussion among management and the Board as they consider insurance, investments, operational, liquidity, credit, group and strategic risks. Our Chief Risk Officer (CRO) assists these committees in identifying and assessing key risks, including physical risks arising from climate change. The evaluation extends to understanding how these risks may be influenced by changing weather patterns and potentially impact our business and operations.

Risk Monitoring, Control and Reporting. Our CRO is responsible for maintaining the Company's Risk Register and regularly reviewing and rigorously applying risk assessments, including for climate change impacts. The Risk Register incorporates sustainability factors and the risks associated with severe weather events. See this report's "Risk Management" section for additional information on the Risk Register process. Quarterly, the CRO compiles key findings from the risk review process into a report presented to the Board and relevant committees. Annually, the Company's Risk Register undergoes a review by the Board and relevant committees, followed by Board approval.

Sustainability Investment Governance. Our investment team is responsible for investing and managing assets totaling more than $47.4 billion for our policyholders and shareholders as of Dec. 31, 2025. We manage the investment portfolio to ensure the ongoing ability to pay claims when due and achieve asset growth over investment cycles. Through our fundamental analysis, we incorporate investee companies' sustainability risk ratings, including corporate governance, climate risk exposure, carbon reduction and workforce policies. We aim to deliver total return for Arch while potentially realizing added benefits when investing to create a positive societal benefit.

As outlined in its charter, the FI&R Committee oversees the Board's responsibilities related to the Company's investment policy. This includes reviewing investment allocation, manager selection, benchmark selection and investment performance. Our Chief Investment Officer (CIO) reports to the FI&R Committee quarterly and assists the committee in assessing our approach to long-term sustainable value creation and incorporating sustainability factors in the investment process.

Our investment team has a designated Sustainability Officer responsible for sustainability oversight and overseeing the Sustainability Investments Steering Committee. This committee sets forth the investment team's sustainability strategy and focuses on managing sustainability-related risks in our investment portfolio with sustainability-themed investments. Comprised of our CIO, CRO, Chief Sustainability Officer and key investment team members, the Sustainability Investments Steering Committee meets quarterly.

We follow a "Responsible Investing Policy" that provides a framework for governance and strategy and outlines our approach to engagement, reporting, training and communications regarding our responsible investing practices. See page 28 of our 2025 Sustainability Report for more details regarding our Responsible Investing Policy.

II. Strategy

The TCFD recommends insurance companies disclose the actual and potential impacts of climate-related risks and opportunities on their businesses, strategy and financial planning where such information is material.

Arch has undertaken steps to integrate climate factors and considerations across our business. Starting at the corporate level, we conduct an annual high-level assessment to identify the climate factors most relevant to our worldwide business over the short-, medium- and long-term. This assessment incorporates feedback from our global risk management leadership, underwriters and actuaries with our CRO's ultimate oversight. Feedback includes evaluations of natural catastrophe loss trends over the short-, medium- and long-term that, in some instances, lead us to adjust the premium we require for assuming risk.

We identify climate-related risks and opportunities across our key business units and develop strategic responses for our underwriting and investment management activities.

Provided below, "Our Identified Climate-Related Business Risks" table outlines relevant climate-related considerations and potential business risks.

Our Identified Climate-Related Business Risks.

Time Horizon	Climate Change Risks (Transition[1]/Physical[2]/Liability[3])	Business Risk
Short Term (<1 year)	Increased stakeholder expectations and regulatory requirements/mandates related to climate-related issues.	Underwriting and exposure selection risk.
		Exposure monitoring and reporting risk.
		Reputational risk related to reporting requirements.
		Impact on investment strategy.
		Regulatory risk related to non-compliance.
	Increased uncertainty and unpredictability of frequency and severity of natural catastrophes such as extreme weather events, including the aggregation of such events.	Pricing and reserving risk.
		Product profitability and demand risk.
		Accumulation management and catastrophe (CAT) loss risk.
	Increased/divergent regulatory requirements/ mandates on existing products/services and climate-related reporting/issues.	Regulatory risk related to disclosure/reporting non-compliance.
		Reputational risk related to reporting requirements.
		Potential loss of revenue.
		Impact on investment and underwriting strategy.
Medium Term (1–10 years)	Shifts in strategy and market dynamics tied to climate change risk (e.g., risk profiles, technological innovation, regulatory scrutiny, rating agency requirements, government policies and evolving consumer and stakeholder preferences).	Risk profile uncertainty for carbon-intensive assets, firms or sectors, including revenue and/or income loss.
		Reputational risk associated with failing to transition to and/or meeting new market environment, customer expectations and regulatory requirements.
		External influences impact Arch's strategic plan.
		Reduction in reinsurer/counterparty financial strength and risk transfer appetite or capacity.
	Change in risk profiles of insurance product exposures.	Underwriting exposure and selection risk including property, general liability, financial lines, professional liability, business interruption, agriculture and mortgage insurance.
		Accumulation management risk.
		Model risk from increased claims frequency and severity not included in historical data.
	Regional economic hardship due to climate change events and regulation.	Underwriting exposure and selection risk.
		Product design and demand risk.
		Pricing, reserving and regulatory risk.
	Increased capital requirements, counterparty risk and/or reduced returns on equity.	Potential loss of investment income.
		Increased capital charges for climate change from ratings agencies or regulators.
		Adverse impact on counterparty credit strength.
	Increased frequency and/or severity of natural catastrophe and extreme weather events.	Underwriting exposure and selection risk.
		Accumulation management and CAT loss risk.
		Product design and demand risk.
		Potential loss of investment income and risk to capital.
Long Term (10+ years)	Stringent regulatory mandates such as government policies and sustainable reforms on climate change restricting insuring/investing in carbon-intensive sectors.	Revenue and/or business risk due to government policies and/or influence from external pressure groups.
	Further increased frequency and/or severity of natural catastrophe and extreme weather events.	Underwriting exposure and selection risk.
		Accumulation management and CAT loss risk.
		Product design and demand risk.
		Potential loss of investment income and risk to capital.
	Substantial change in economic activities and risk profiles due to climate change.	Product design and demand risk.
	Physical impact of climate change on business operations.	Increased business interruption and operational costs.

[1] Transition Risk: resulting from the global transition to a carbon-neutral or low-carbon economy.
[2] Physical Risk: resulting from the direct damages caused by climate events.
[3] Liability Risk: relating to climate-related insurance claims under liability insurance policies and direct legal claims against insurers for failing to manage climate risks.

Climate Opportunities for Our Underwriting and Services. The physical impacts of climate change may result in increased frequency and intensity of weather patterns, severe weather and natural catastrophic events. These impacts broaden the scope of our business solutions. Below are examples of climate-related opportunities across our identified time horizons. These examples should not be construed as a characterization regarding the materiality or financial impact of these opportunities.

Time Horizon	Climate-Related Opportunities
Short Term (<1 year)	Regulations may drive increased demand for specific products and services as governments and companies worldwide pledge to achieve net-zero greenhouse gas emissions and to transition to clean energy.
	Through our lenders' products, demand for in-service contracts for individuals utilizing renewable energy equipment (e.g., solar energy).
	Increase risk control offerings as awareness increases around climate-change and mitigation risk.
Medium Term (1-10 years)	Further innovation is expected to drive development of product/services for clean energy and clean technology business.
	Changes in weather patterns and understanding of certain risk exposures may lead to an increase in customer demand for insurance coverage.
	Work with insureds to improve their environmental preservation, safety and loss prevention practices.
	Our insureds' business models may change due to the energy transition, which may lead to an increase in demand for certain of our insurance products and services.
	Construction projects requiring a focus on clean energy and LEED®-certified construction design may require specialized insurance products.
	Increased economic activity and research and development related to clean energy and clean technology is expected to generate additional revenue to Arch as a result of increased demand for certain of our insurance products.
	Regulation encouraging commercial and personal vehicle owners to drive hybrid or electric vehicles could increase demand for specialized product offerings.
Long Term (10+ years)	Changing patterns of weather-related events is likely to further increase demand for certain of our insurance products and services.
	Greater demand for insurance products/services that support both the development of new technology and infrastructure, and the adaptation or decommissioning of heritage assets.
	Helping insureds who engage with our environmentally-focused risk control services work toward reducing risk over time.

Climate change presents new opportunities for our underwriting business. Decarbonization efforts driven by market demand for clean energy, renewable energy and clean technology may allow Arch to generate more revenue. Global legislation and regulations on energy use, including solar energy, could increase demand for insurance products related to these regulations. Our specialized insurance products are well-positioned to address the unique aspects of sustainable energy projects. For example, there could be more demand for coverage on Leadership in Energy and Environmental Design-certified (LEED®) construction, casualty products that cover all stages of renewable energy construction, directors' and officers' liability coverage in the renewable energy sector, professional indemnity coverage for energy consultants, property managers, architects and engineers with LEED® certifications.

Through our property risk and loss-control service platform, "Arch Property Risk Control," we work with insureds to improve their loss-prevention practices. Our services include actionable recommendations and practical resources to support the development of programs that can mitigate fire and other covered-peril risks. These resources include flood emergency response planning, hurricane preparedness, water damage mitigation, and winter preparedness. Our annually-renewed property policies can offer natural catastrophe coverage to help customers manage climate risks. In addition, we undertake special efforts to help expand (re)insurance protection through our sovereign lending products in underdeveloped markets and other innovative risk transfer instruments. These products can help close protection gaps, accelerate recovery, or back infrastructure projects contributing to green transition goals.

Arch collaborates with brokers and companies that are driving innovation and building resilience across the energy transition. As energy technologies continue to evolve and scale globally, we anticipate growing demand for risk solutions supporting each stage of the asset lifecycle, including development, construction, commissioning and decommissioning. Our energy team is focused on expanding our portfolio across next-generation energy technologies, including wind and solar (onshore and offshore); battery energy storage systems; biofuels such as sustainable aviation fuel; carbon capture utilization and storage; next-generation nuclear, hydro, geothermal and direct air capture.

As legacy power infrastructure is retired, we expect increasing complexity in decommissioning activities, driving the need for specialized and adaptable coverage strategies. Evolving climate patterns could also accelerate infrastructure resilience investments, creating opportunities

in construction risk management for projects addressing flood protection, waterproofing, fire safety and structural integrity. Through technical insight and tailored solutions, Arch supports clients as they navigate an evolving energy landscape.

For our mortgage insurance business, increased coverage amounts though mortgage credit risk transfer could help mitigate heightened credit loss risk from economic hardship following extreme weather or natural disaster events. Additionally, there could be an opportunity for Arch to strengthen relationships and enhance or cement its status as a preferred business partner of key mortgage market participants by offering thought leadership, educational resources, and practical risk management tools to mitigate climate change risk to the housing market.

Climate Opportunities for Our Investing

Seeking Opportunities to Invest in Companies Committed to Positive and Measurable Environmental Outcomes. As a long-term asset manager and owner, we integrate sustainability factors into investment analysis and decision-making. Through our fundamental analysis, we incorporate investee companies' sustainability risk ratings, including corporate governance, climate risk exposure, carbon reduction and workforce policies. We engage with our external asset managers to understand how they integrate sustainability into investment decisions and portfolio construction. We continue to include responsible investments in both our public and private market investments. Through these investments, we aim to deliver total return for Arch while potentially realizing the societal benefits of sustainability investing.

As of Dec. 31, 2025, we had invested $382 million in sustainable bonds issued to fund green projects, activities that promote climate-change mitigation or adaptation, or other sustainability-linked purposes, up 20% from the prior year.[2]

Monitoring Exposure to Climate Impact and Carbon-Intensive Industries. The effects of carbon-intensive industries on climate change necessitate additional considerations when making investment decisions. Investing in companies making positive progress toward an energy transition allows us to capture the value created by these efforts while reducing our overall risk. As of Dec. 31, 2025, we had less than 0.01% ($793,000) exposure to companies that derive 10% or more of their total annual revenues from thermal coal, up minimally from our 0% exposure in 2024.

Our exposure to companies with evidence of owning fossil fuel reserves regardless of industries, including those that own less than 50% of a reserves field, was $782 million as of Dec. 31, 2025, representing 1.6% of the total portfolio (down from 2.0% in 2024).

Assets with United Nations Principles of Responsible Investing Signatories (UN PRI). We recognize the commitment required to become a UN PRI signatory and highlight our asset owners or asset managers that have achieved this distinction. Our assets managed by UN PRI signatories improved year over year (2024 and 2025), representing 32% of the total assets under management (AUM) and 88% of our total externally managed assets, which totaled approximately $17.5 billion as of Dec. 31, 2025.

The transition to a low-carbon economy also creates opportunities for specific asset classes, described below in "Making Responsible Investments."

III. Risk Management

TCFD recommends insurance companies disclose how the organization identifies, assesses and manages climate-related risks.

The Risk Register and the Own Risk and Solvency Assessment (ORSA) process are key elements of our risk management framework. Our Risk Register includes an inventory of key risks facing Arch and associated controls and/or mitigations. The ORSA process contemplates all risks facing the group as articulated in the Risk Register and is designed to assist our Board in understanding and managing the Company's key risks. Material changes in the underlying risks, such as changes in business mix, reinsurance strategy and investment strategy, are evaluated for potential impact on the Company’s capital requirements. This process ensures material risks are included within the Risk Register, in our ORSA report and recovery plan, and feed into the analysis of capital requirements, sometimes triggering further investigation through stress testing.

Although climate-change risks have historically been embedded within other risks in our Risk Register and ORSA process, our current process focuses on identifying climate-change risk components in our risk universe and articulating these more specifically in our Risk Register and ORSA. This initiative was a collaborative effort among our sustainability, risk management, investments and business teams to embed evaluations of climate-change risk into our already mature enterprise risk management processes. The current climate-change risk assessment summary is contained in this report in the "Our Identified Climate-Related Business Risks" table.

[2] In 2025, we expanded the scope of our reporting to include sustainability, sustainability-linked, green, social, and transition bonds, providing a more comprehensive view of our exposure to sustainable debt instruments. Prior year amounts have been updated accordingly to ensure comparability.

IV. Metrics & Targets

The TCFD guidance recommends insurance companies examine how resilient their strategies are to climate-related risks and describe risk exposure to weather-related catastrophes in their property insurance by jurisdiction.

Underwriting Resilience under Different Scenarios. For Arch's natural catastrophe-exposed business, we seek to limit the amount of exposure we assume from any single insured or reinsured and the amount of exposure to catastrophe losses from a single event in any geographic zone. We monitor our exposure to catastrophic events, including earthquakes and windstorms, and periodically reevaluate the estimated probable maximum pre-tax loss for such exposures. We seek to limit the net probable maximum pre-tax loss from a severe catastrophic event in any geographic zone at the 1-in-250-year return period to approximately 25% of tangible shareholders' equity available to Arch (total shareholders' equity available to Arch less goodwill and intangible assets). We reserve the right to change this threshold at any time.

Based on in-force exposure estimated as of January 1, 2026, our modeled peak zone catastrophe exposure was a windstorm affecting the Florida Tri-County, with a net probable maximum pre-tax loss of $1.9 billion, followed by windstorms affecting the Northeast U.S., and the Gulf of Mexico with net probable maximum pre-tax losses of $1.7 billion and $1.5 billion, respectively. As of January 1, 2026, our modeled peak zone earthquake exposure (San Francisco area earthquake) represented approximately 51% of our peak zone catastrophe exposure, and our modeled peak zone international exposure (German windstorm) was substantially less than both our peak zone windstorm and earthquake exposures.

Net probable maximum loss estimates are net of expected reinsurance recoveries before income tax and excess reinsurance reinstatement premiums. Catastrophe loss estimates reflect the zone indicated and not the entire portfolio. Because hurricanes and windstorms can affect multiple zones and make multiple landfalls, our catastrophe loss estimates include clash estimates from other zones. Our catastrophe loss estimates and realistic disaster scenario loss estimates do not reflect our maximum exposures, and it is highly likely our actual incurred losses would vary materially from the modeled estimates.

By evaluating our modeled natural catastrophes across multiple global zones and differing return periods (i.e., likelihoods of occurrence), we can observe the range of possible impacts on our portfolio. We evaluate the impact of single occurrences and the aggregation of multiple losses over select periods as part of our corporate risk management.

Climate change may make modeled outcomes less certain or produce new, non-modeled risks. Consequently, we evaluate natural catastrophe models, tools, loss trends and data on a peril-by-peril and region-by-region basis. Evaluations of our clients' risk selection, the quality of the exposure data they provide to us and the tools and processes supporting their risk management are key components of our underwriting process. Specific areas of research and focus in 2025 included U.S. wildfires; Hawaiian, Caribbean, and Indian tropical cyclones; Canadian severe convective storms; and Italian natural catastrophes.

Our appetite for natural catastrophe risk is determined by estimated climate patterns and other important factors such as our overall mix of business, market conditions, our market share, regulatory constraints, corporate structure and costs of capital. The complex combination of these, among other factors, determines our appetite for assuming natural catastrophe-related risk.

A key tenet of our business approach is diversifying risks across risk sources. To the extent climate change leads to a greater proportion of our overall risk exposure from weather-related events, we could adjust our appetite or required economic returns for the risks we would be willing to (re)insure. In addition, climate change may lead to shifts in population densities and the location of physical assets, which could drive our exposure opportunities.

Based on our ongoing evaluation of climate-related risks, our current exposure remains within our risk appetite. We continually measure and monitor our evaluations and assumptions to adjust our views on risk for new information. Since most property/casualty (re)insurance contracts are one-year contracts, we can adjust prices and manage risk efficiently and effectively.

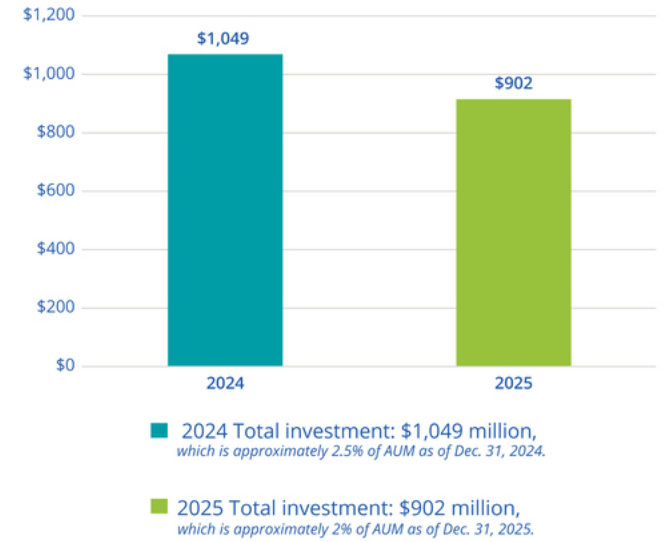
Investments. We continually assess the potential financial impacts of climate change on our investment portfolio. This analysis includes a full understanding of various climate-change factors, metrics and scenarios.

Our investment team engages with data providers and uses third-party tools to help benchmark and understand our portfolio's climate-impact profile. This process includes analyzing relevant climate risks and exposures, including scenario analysis across our portfolio.

We also recognize the need to examine the portfolio's exposure to the transition and physical elements of climate risk. Future GHG emissions and controversial business practices can expose the portfolio to stranded asset risks over time. Our carbon footprint and fossil fuel exposure can help us understand exposure to carbon-intensive companies. Physical risk metrics include analysis of exposure to major hazards that might increase due to climate change.

Making Responsible Investments. A continued focus on sustainability factors remains core to our decision-making and inclusion of responsible investments in the portfolio. We have made certain investments over time that reflect our consideration of sustainability factors in internal and externally managed investments. Responsible investments currently total approximately 2% of our total AUM as of Dec. 31, 2025.

RESPONSIBLE INVESTING ($M)



Environmentally Efficient Operations. At Arch, we are working to reduce and responsibly manage the impact our operations have on the natural environment. By applying energy-efficient strategies to lower our emissions, we enhance our operational efficiency. In this report, we present the results of our GHG emissions assessment for our 2020 base year, as well as for the current and prior reporting years (2024 and 2025). We also provide an overview of our approach to measuring our carbon footprint and outline our forward-looking strategy to manage and reduce our carbon emissions.

Greenhouse Gas Emissions and Methodology.

We continue to measure our global GHG emissions across Scope 1, Scope 2, and relevant Scope 3 categories, as reflected in the table. These figures were calculated in accordance with the Greenhouse Gas Protocol's reporting standards.[3]

In 2025, we restated our 2020 base year emissions for acquisition-related boundary changes and updated our emissions factor database to the Comprehensive Environmental Data Archive (CEDA), a global, country-specific emissions dataset, replacing the U.S. Environmentally Extended Input-Output (USEEIO) model, improving accuracy, primarily for Scope 3 results. Base year and prior year emissions were restated to reflect these changes.

Together, the organizational boundary restatement and the shift to a global, country-specific emissions model improve the geographic specificity, and comparability of reported emissions. Any significant variances from prior reporting resulting from these organizational boundary and methodology changes will be noted in this and future disclosures.

2025 Highlights of Our Emissions Data:

- Our total Scope 1, 2 and 3 GHG emissions decreased by 8% compared to 2024. Scope 1 and 2 reductions were primarily driven by decreased average facilities square footage of 6.4%, while Scope 3 reductions reflected a methodology update to incorporate actual days-in-office data, and were partially offset by higher corporate jet activity. Our total operational footprint (Scope 1 and 2 emissions) has decreased by 10.5% compared to our restated 2020 base year. This decrease is observed before accounting for the purchase of renewable energy certificates, which reduce our Scope 2 emissions and are a key facet of our efforts to source renewable energy for our operations.
- To progress toward our 2030 Scope 1 and 2 GHG emissions reduction target in alignment with the Science-Based Targets initiative (SBTi), we purchased 8,416 renewable energy certificates (RECs) from eligible projects in the U.S. and the Philippines in 2025. These purchases complemented our facilities' existing efforts to source renewable energy, effectively reducing our 2024 Scope 2 market-based emissions by 3,574 metric tons. We expect sourcing renewable energy will remain a key component of our decarbonization strategy.
- Our global headcount increased approximately 9% over the previous year, driven largely by the opening of two new global capabilities centers in India, which added nearly 400 employees. Despite this increase in global headcount, the intensity of our Scope 1 and 2 emissions per employee, excluding jet emissions, decreased by 15%.
- In addition to our efforts to reduce emissions in our operations, we strive to further mitigate our remaining Scope 1 and 2 GHG emissions by purchasing carbon offsets from verified projects that generate positive impacts in local communities, including:
  - Gold Standard-certified projects in Mozambique that provide households with safe water using borehole technology. By improving access to clean water, these projects reduce the need to boil water, which decreases the use of firewood and the carbon dioxide

[3]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.

emissions associated with the combustion process.

- A Gold Standard-certified project in Kenya that provides households and institutions with healthier, more efficient cookstoves. The project improves health and incomes by reducing the firewood and charcoal fuel for cooking.
- A Gold Standard-certified project in Uganda that distributes efficient biomass-fired improved cookstoves to rural households. Access to efficient cookstoves reduces the use of fuelwood for domestic energy needs and the emissions associated with non-renewable woody biomass.

Improving Efficiency and Setting Targets for GHG Reduction. Over half of our operational carbon emissions come from electricity used to power our worldwide offices. Monitoring and reducing our office electricity and natural gas consumption levels are priorities for our global facilities team and our environmental sustainability committee, "Blue Goes Green." Although we are an office-based company that primarily leases our building space, we still see value in analyzing our Scope 1 and Scope 2 emissions to identify opportunities to improve efficiency each year.

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 at least 42% by 2030, from the 2020 base year.**
2. **Commit to achieving net zero operations by 2030 by purchasing carbon removal offsets for our remaining Scope 1 and Scope 2 emissions.**[4]

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.

[4] Note that our definition of operational net zero does not include Scope 3 greenhouse gas emissions as defined in the GHG Protocol. The term “operational net zero” does not carry the same meaning as “net zero emissions” as defined in the Science Based Targets initiative (SBTi) Glossary or any other framework, methodology, or other applicable publication. Additionally, our global goal is not a “net zero science-based target” as defined by the SBTi Glossary and is not aligned with the SBTi Corporate Net Zero Standard.

Arch Capital Group Ltd. 2020 - 2025 GHG Inventory Results Scope 1-3 Emissions[1,2]		2020 Emissions (metric tons CO2e)[3]	2024 Emissions (metric tons CO2e)[4]	2025 Emissions (metric tons CO2e)	2025 vs 2024 %
Scope 1	Natural Gas[5]	801	346	382	10 %
	Fossil Fuel Mix	18	8	12	50 %
	Owned Aircraft Fuel & Fleet Vehicles	213	1,417	1,752	24 %
	Refrigerant Leakages	451	348	344	(1)%
Total Scope 1 Emissions		1,483	2,119	2,490	18 %
Scope 2	Electricity	6,563	5,713	5,130	(10)%
	Diesel	3	0	0	— %
	District Heat & Energy Use	323	3	1	(67)%
	Steam	108	63	39	(38)%
	Chilled Water	104	73	24	(67)%
Total Scope 2 Emissions (Market-based)		7,101	5,852	5,194	(11)%
Total Scopes 1+ 2 Emissions (Market-based)		**8,584**	**7,971**	**7,684**	(4)%
Scope 3	**Cat 1:** Purchased Goods and Services	39,120	54,940	50,293	(8)%
	Cat 2: Capital Goods	10,593	9,904	9,829	(1)%
	Cat 3: Fuel- and Energy-related Activities	2,142	1,995	1,926	(3)%
	Cat 4: Upstream Transportation (Courier Services)	1,107	1,089	955	(12)%
	Cat 5: Waste[6]	227	912	557	(39)%
	Cat 6: Business Travel	6,752	18,734	17,818	(5)%
	Cat 7: Employee Commuting[7]	4,880	11,426	8,187	(28)%
	Cat 8: Upstream Leased Assets	10	50	60	20 %
	Cat 13: Downstream Leased Assets	727	1,739	2,587	49 %
Total Scope 3 Emissions		65,558	100,789	92,212	(9)%
Total Scopes 1, 2 and 3 Emissions (Market-based)		**74,142**	**108,760**	**99,896**	**(8)%**
Total, adjusted for RECs purchased	**Purchase of RECs (in MWh)****	**n/a**	**8,416**	**	
	Total Scope 1 and 2 (Market-based, adjusted for RECs)	**8,584**	**4,397**	**	
Facility Emissions Intensity (per square foot)[8]		**0.0071**	**0.0059**	**0.0057**	**(3)%**
Facility and Fleet Vehicle Emissions Intensity (per employee)[9]		**1.64**	**0.91**	**0.77**	**(15)%**

[1] Emissions calculations are based on a combination of actual, estimated and extrapolated data, and are calculated in accordance with the GHG Protocol guidelines. We are committed to continually improving our data collection, management and calculation processes. Our emissions reduction targets are based on the recalculated 2020 baseline year emissions. As our calculation methodology is refined in future years, our emissions numbers are subject to change. Scope 3 Category 1 emissions are calculated using operating expenses, while Scope 3 Category 2 emissions are calculated based on our capital expenditures. Scope 3 Category 3 emissions integrate leading upstream emissions factors to capture fuel- and energy-related activities not otherwise included in Scopes 1 or 2 emissions. Scope 3 emissions do not include the direct emissions of invested assets.

[2] In 2025, Arch adopted CEDA, replacing the USEEIO model; base year and prior year emissions were restated to reflect this methodology change.

[3] Base year (2020) emissions have been restated to reflect changes in the organizational boundary resulting from business acquisitions, consistent with Greenhouse Gas Protocol guidance.

[4] Prior year emissions have been restated to annualize emissions related to a prior year acquisition and to reflect improvements in facility-level attributes and data inputs that resulted in a variance exceeding the Company's significance threshold. These improvements enhance accuracy and comparability and were also applied to the current year.

[5] In 2025, base year natural gas emissions were reclassified from Scope 2 to Scope 1 to reflect the Company's determination of operational control over the associated facilities. Base year emissions were updated to ensure comparability.

[6] To align our greenhouse gas accounting with our financial accounting, we shifted to calculating spend-based emissions using accrual-based data from our Trial Balance in 2023. Consequently, waste activity was assumed to be captured within our wider purchasing activity (Category 1). In 2024, we transitioned our carbon accounting to a new platform that uses rigorous techniques aligned with the GHG Protocol, improving methodology accuracy. Using this system, we estimated emissions from employee-generated waste by using anonymous employee data, including location, start/end dates and percentage of time remote.

[7] The reduction in Scope 3.7 Employee Commuting emissions in 2025 reflects a methodology update to include actual days-in-office data, which was not reflected in prior years. This methodology update also resulted in a reduction in 2025 Scope 3.5 Waste emissions.

[8] Emissions intensity is calculated as total Scope 1 and 2 facility-related emissions divided by average facility square footage.

[9] Calculated as total Scope 1 and 2 facility- and fleet-related emissions divided by the average number of employees.

**We are in the process of drafting our plans for REC procurement for the 2025 reporting period.

Arch Capital Group Ltd.
2025 Energy Use by Region
Scope 1 and 2 Emissions

		Asia	Australia	Europe	Middle East	North America	TOTAL/ Average
Electricity Consumption (in kwh)*	Renewable	—	—	736,047	—	34,089	770,136
	Non-Renewable	841,341	124,188	760,805	5,468	12,734,231	14,466,033
	Total	841,341	124,188	1,496,852	5,468	12,768,320	15,236,169
	(%) from Renewable Sources	0%	0%	49%	0%	0%	5%
	(kwh/sq.ft.) Normalized Electrical Power	13.18	9.83	9.50	14.36	15.90	14.69
Energy from Electricity (in GJ)*	Energy from Electricity	3,029	447	5,389	20	45,966	54,851
	Percentage of consumed energy from the grid	91%	71%	73%	82%	60%	62%
Energy Consumption (in GJ)**	Renewable	—	—	2,650	—	123	2,773
	Non-Renewable	3,311	625	4,688	24	76,963	85,611
	Total	3,311	625	7,338	24	77,086	88,384
	(%) from Renewable Sources	0%	0%	36%	0%	0%	3%
	(%) from Non-Renewable Sources	100%	100%	64%	100%	100%	97%
Calculated Emissions, incl. fleet (in mtCO2e)	Scope 1 Emissions	43	15	149	—	2,283	2,490
	Scope 2 Emissions (Location-based)	625	87	266	2	3,929	4,909
	Scope 2 Emissions (Market-based)	625	101	337	2	4,129	5,194
	Scope 1+2 Emissions (Location-based)	668	102	415	2	6,212	7,399
	Scope 1+2 Emissions (Market-based)	668	116	486	2	6,412	7,684

*Includes Scope 2 electricity consumption from facilities.

**Includes Scope 1 and Scope 2 energy consumption from facilities, aircraft and fleet vehicles. Energy consumed from non-electric sources, including jet fuel, is converted to kilowatt-hours (kWh) using standard energy content factors. Energy is presented in gigajoules (GJ) using the conversion 1 kWh = 0.0036 GJ.