

The Baldwin Group California Climate Impact Statement

Reporting Framework

This report (this “Report”) has been prepared in accordance with California Senate Bill 261 (“SB 261”), which requires disclosure of climate-related financial risks by companies doing business in California with over \$500 million in annual revenue. It outlines how The Baldwin Insurance Group, Inc. (“Baldwin” or the “Company”) identifies, assesses and manages the potential impacts of climate change on our business. The Task Force on Climate-related Financial Disclosures (“TCFD”) Final Report, Recommendations (June 2017) was selected for the recommended framework, in compliance with the California Air Resources Board (“CARB”) requirements.

The TCFD framework provides structured guidance for reporting on governance, strategy, risk management, and metrics and targets relating to climate-related financial risk. The following table sets forth a summary of this Report’s compliance with the TCFD framework:

TCFD Recommended Disclosure	Included	Not Included / Deferred	Explanation
Governance	√		Fully addressed.
Strategy	√ (qualitative only)	Scenario analysis	Scenario analysis not included, as our operations do not have a large environmental footprint or significant direct greenhouse gas (“GHG”) emissions.
Risk Management	√		Fully addressed.
Metrics & Targets	Deferred	√	Scope 1 & 2 emissions reporting will be included in the 2026 update.

Governance

Our Board of Directors (the “Board”) maintains overall responsibility for risk oversight, including oversight of climate-related risks and opportunities that may affect the Company’s long-term strategy or financial performance. Each year, the Board (and/or one of its committees (each a “Committee”) conducts a comprehensive review of corporate governance practices and policies, including investment initiatives, data security, human capital, and sustainability matters. Climate-related risks and opportunities are evaluated as part of this annual review and incorporated into broader strategic discussions.

The Company defines its short-, medium-, and long-term time horizons for governance, planning, and risk-assessment purposes as follows:

- Short-term: 0–2 years
- Medium-term: 2–5 years
- Long-term: more than 5 years

When evaluating climate-related risks specifically, these time horizons are adjusted as needed to reflect the useful life of Company assets and the longer timeframes over which climate-related issues typically develop. For example, when assessing facility exposure to extreme weather, insurance availability, or regulatory shifts impacting long-term investment decisions, the Company may extend the long-term horizon beyond traditional planning cycles to ensure that the analysis captures the full lifecycle of infrastructure, technology, and strategic initiatives.

Our legal counsel plays a central role in supporting the Board’s climate oversight responsibilities. On an ongoing basis, legal counsel monitors federal, state, and local regulatory developments related to climate disclosure, environmental compliance, insurance regulation, and corporate governance. As part of its on-going governance

program, legal counsel and accounting advisors prepare updates for the Board (and/or applicable Committee) summarizing relevant legislative and regulatory changes, interpreting evolving compliance expectations, and assessing the potential near- and long-term impacts on operations and risk management. Legal counsel also provides the Board with quarterly updates on emerging regulatory obligations, litigation trends, and governance best practices related to climate risk, to the extent they are significant to the Company.

Our executive leadership team, operating under Board oversight, is responsible for identifying, assessing, and managing climate-related financial risks and opportunities. Each year, the executive leadership team reviews long-range business plans that integrate, where relevant, climate-related considerations across multiple time horizons. This includes evaluating physical and transition risks that may unfold over the long term, shifts in client demand for climate-aligned solutions, and evolving regulatory expectations, as determined via input from the Company’s operations team and legal counsel. These long-range plans are presented to the Board for review and discussion to ensure alignment between operational decisions, capital allocation, and the Company’s governance framework.

Our Director of Internal Audit reports directly to the Audit Committee Chair and independently evaluates the effectiveness of the Company’s internal control environment. Should any climate-related initiative advance to the level of a critical control—for example, controls tied to regulatory reporting, financial exposure, or business continuity—Internal Audit would conduct targeted testing of that control. Audit results and recommendations are presented directly to the Audit Committee, enabling transparent oversight of climate-related risk management and internal governance processes.



Strategy

As an insurance distribution firm, our operations do not have a large environmental footprint or significant direct greenhouse gas emissions. However, we recognize that climate presents both challenges and opportunities for our clients, our industry, and our own operations.

We have identified a number of relevant climate-related opportunities and risks, as follows:

- **Client and Industry Risks (medium- to long-term):** Shifts in climate patterns may affect client claims activity and insurance pricing, which could affect industry loss ratios and reduce profit-sharing revenue. However, these potential impacts have not historically been material to our overall results of operations, as determined in alignment with our annual materiality assessment.
- **Client Opportunities:** We are expanding our suite of innovative risk management services and insurance solutions to address the evolving impacts of climate change. These offerings are designed to meet the needs of weather-sensitive sectors, as well as clients operating in the clean-energy and related industries.
 - **Evolving Client Solutions (medium- to long-term):** Climate-related factors can affect our clients in numerous ways, including influencing pricing, capital availability, and overall risk exposure. Leveraging our technical expertise and industry insight, we provide tailored guidance and practical risk management strategies to help clients navigate these challenges. For example:
 - We provide wind and storm surge modeling via third parties and we advise clients on the evolving uncertainty around climate change and the impact on the greater insurance market.
 - We provide flood zone mapping to clients as needed and produce relevant risk reports. For example, we have a dedicated RiskMeter report for private clients in our retail business, which incorporates relevant extreme weather data. We integrate relevant data into carrier modeling when rating products and services for clients.
 - We have specialist groups focused on emerging clean energy industries. For example, we have a team that works with lenders in the solar space to ensure developers are appropriately insured and understand their eligibility for tax credits.
 - **Promoting Client Safety (short-term):** As part of our ongoing commitment to client safety and resilience, we offer resources and educational materials to support preparation for—and protection against—severe weather events. For example:
 - We have developed an app that allows us to proactively notify clients that could be impacted by storms or other weather events.
 - We provide our clients with regular educational opportunities to hear about how to plan for weather emergencies. We have a dedicated [Disaster Preparation and Response](#) page on our website which further aids our clients and colleagues to prepare for, and respond to, severe weather events.
- **Operational Risks (short- to medium-term):** Physical risks such as hurricanes and floods in the southeastern U.S. and wildfires in the western U.S. could affect our facilities in these regions. These risks are mitigated by our hybrid work environment and the use of leased facilities, which limit long-term exposure.
- **Operational Opportunities (short- to medium-term):** We recognize that workplace emergencies might result from extreme weather events, including hurricanes, floods, tornados, and other natural or environmental disasters. To manage such events and maintain operational continuity, we have developed and implemented a company-wide Emergency Preparedness Plan that outlines our response when a major incident threatens our organization, our stakeholders, or the general public. Critical elements of the Emergency Preparedness Plan include clearly defined roles and responsibilities, established operating procedures, crisis communication protocols, and evacuation and recovery processes. To support the effectiveness of this framework, we conduct annual tabletop exercises that simulate a range of robust disaster recovery scenarios, allowing management and key personnel to test response procedures, assess readiness, identify potential gaps, and incorporate lessons learned into ongoing improvements to our emergency preparedness and business continuity capabilities.

Strategic Resilience: In line with CARB guidance, our assessment of strategic resilience is qualitative. Given our low operational emissions and limited physical footprint, a quantitative scenario analysis (e.g., 2°C or lower pathways) is not necessary or proportionate at this stage. Nevertheless, we continuously monitor climate trends and client impacts to ensure our strategy remains resilient to evolving market conditions.

Risk Management

We integrate climate-related risk management into our broader enterprise risk management framework. We identify climate-related risks through an integrated process that combines strategic planning, client feedback, and ongoing monitoring of regulatory and market developments. This streamlined approach ensures that emerging issues are recognized and evaluated consistently across the organization

Identification Process

Climate-related risks are identified through three primary activities:

- **Monitoring External Developments:** We review regulatory updates, industry trends, scientific information, and client inquiries to stay informed of evolving climate-related issues.
- **Internal Assessments:** Operational teams review factors such as facility exposure to severe weather, changes in insurance availability, and other business considerations that may be influenced by climate-related factors.
- **Cross-Functional Input:** Strategic Planning, Client Services, Legal, and other relevant teams share observations about potential risks that may affect operations or clients.

These inputs are consolidated into a working list of climate-related risks and opportunities for management review.

Evaluation and Prioritization

Identified risks are evaluated using practical criteria that consider:

- Likelihood of occurring
- Potential financial, operational, and reputational impacts
- Regulatory or compliance considerations
- Time horizon (short, medium, or long term)

Based on this evaluation, risks are classified as high, medium, or low priority. High-priority items receive closer monitoring and may be incorporated into business planning or risk-management activities.

Determining the Response

For each prioritized risk, management determines whether to mitigate, transfer, accept, or monitor the risk. Response options may include operational adjustments, updates to internal procedures, engagement with insurance providers, or continued observation if the risk is low-impact or unlikely to escalate.

Metrics and Targets

In alignment with CARB's guidance for the initial reporting period, quantitative metrics and targets are not required at this stage. We plan to expand this section in 2026, following the submission of our Scope 1 and Scope 2 greenhouse gas emissions report to CARB.

At that time, we expect to include:

- Quantitative metrics related to emissions and energy use (Scope 1 & 2 GHG emissions).

Future Disclosure Plans

We intend to continue enhancing our climate-related disclosures in alignment with both CARB and TCFD guidance. In particular, we plan to:

- Include metrics once emissions data are available (expected after the proposed August 2026 deadline).
- Continue to evaluate the need for scenario analysis as our operations evolve.
- Maintain active engagement with clients and partners to promote climate resilience and adaptation strategies.