

Principles for Sustainable Insurance (PSI) Farmers Insurance® Annual Disclosure 2025

As a signatory to the United Nations Environment Programme Finance Initiative's (UNEP FI) Principles for Sustainable Insurance (PSI), Farmers Insurance Exchange® (Farmers) is called to demonstrate accountability and transparency by publicly communicating progress in implementing the Principles, which Farmers has outlined in the following information:

Principle 1. We will embed in our decision-making environmental, social, and governance issues relevant to our insurance business.

ESG Risk Governance	The Boards of Governors of Farmers' Exchanges have the ultimate oversight responsibility of Farmers' risks. The Exchange Audit Committee, which reports to the Boards of Governors, is responsible for overseeing our Enterprise Risk Management (ERM) practices and ensuring alignment of risk management to the strategy, so that Farmers can achieve its business and financial objectives. Environmental, social, and governance (ESG) concerns are managed as part of Farmers' ERM program. ERM is a process of coordinated risk management that encourages cooperation from all business units to manage the Farmers full range of risks.
ESG Strategy and Leadership Council	The ESG Council supports Farmers ongoing commitment to environmental, social, and governance matters. The Council is a cross-functional group that assists leadership in ESG strategy, developing and implementing initiatives and policies, supporting communications with employees and stakeholders, monitoring and assessing developments, and improving Farmers understanding of ESG matters.
Inclusion and Belonging Commitment	Farmers Insurance® has a longstanding commitment to inclusion and belonging, which serves as the foundation of our culture and helps guide Farmers in our mission to make a positive difference in the communities where we live and work.

Principle 2. We will work together with our clients and business partners to raise awareness of environmental, social, and governance issues, manage risk and develop solutions.

Consumer Education and Green Product Offerings	Farmers provides resources and educational materials related to wildfire mitigation, flooding, hurricanes, earthquakes, and other perils to help consumers prepare for the unexpected. Through these efforts to reduce losses and emphasize sustainable products, material consumption may be reduced.
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Environmental Sustainability	<p>Farmers continues to take measures to become more environmentally friendly, committing to conducting an ongoing analysis of our operational carbon footprint. Our goal is to lessen the environmental impact of our business by reducing our electricity consumption and strategically reviewing our office locations for real estate lessors whose focus includes sustainable building management practices.</p> <p>To quantify our greenhouse gas emission progress, Farmers has been tracking environmental data since 2019 using an industry-leading sustainability platform for the measurement of Scope 1, 2, and 3 CO2 emissions. In addition, Farmers participates in a net metering solar arrangement at our Phoenix, AZ office location. Since 2019, approximately 3.3 million kilowatt-hours (kWh) have been generated through the installation of solar panels. In support of renewable electricity development, Farmers has annually purchased renewable energy credits from low-emission wind resources since 2020.</p> <p>Internally, the Go Green team is engaged to identify local sustainability opportunities, such as reducing office printing and encouraging participation in centralized trash and recycling programs. In addition, the team empowers and educates employees on practical steps to decrease their carbon footprints. To support these efforts, the Go Green team provides resources—including informational guides, workshops, and access to online platforms—for employees to share best practices. The team also organizes and promotes sustainability-related volunteer events, making it easy for employees to participate and contribute to environmental initiatives both at work and within the community.</p>
Impact Investing	<p>Farmers has been committed to providing capital to traditionally underserved communities for over two decades. Farmers entities, along with other large insurance companies, founded an entity called Impact Community Capital (ICC) in the late 1990s to provide investment capital to help bolster California's low-income communities and populations. Since its founding, ICC and Farmers have invested over \$2.9 billion and \$0.6 billion, respectively, in traditionally underserved communities in California and beyond. A commitment to socially responsible investing has been institutionalized in the Farmers enterprise through inclusion in investment and risk policies, as well as filed Socially Responsibility Investing (SRI) policy statements with the California Department of Insurance.</p>
Community Grants	<p>Farmers demonstrates our commitment to sustainability by providing grants to nonprofits focused on the environment, which helps to make our communities more resilient in the face of natural disasters. We have worked with a variety of organizations to plant trees and improve our cities, parks, forests, and our own backyards. Tree planting efforts support community resilience by helping to improve air quality, reduce urban heat and create shared green spaces to foster connection.</p>

Principle 3. We will work together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social, and governance issues.

Industry Organizations and Research	Farmers continues to participate in dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies. Farmers is an active member of the Institute for Business and Home Safety (IBHS), which works to reduce the social and economic effects of natural disasters and property losses by conducting research and advocating for improved construction, maintenance, and preparation practices. Funding from Farmers and other member companies has helped IBHS to conduct its critical research, including creating the FORTIFIED HOME™ and FORTIFIED Commercial™ construction standards. Other insurance industry organizations with which Farmers actively engages include the Insurance Institute for Highway Safety (IIHS), the Advocates for Highway and Auto Safety, the California State Board of Fire Services, Fire Safe Council, and Fire Safety Institute.
Philanthropic Strategy and Nonprofit Support	As Farmers strives to maintain a high standard of responsible corporate citizenship, Farmers is committed to giving back and making a difference in the communities we serve through a strategic focus on economic empowerment and disaster resilience. Farmers has a longstanding relationship with national nonprofit SBP, whose mission is to shrink the time between disaster and recovery for individuals and communities. As part of our work with SBP, Farmers supports its FEMA Advocacy program, which advocates for innovation and policy reform at the local, state, and federal levels to improve speed, predictability, and access to recovery resources for survivors. We have also provided funding to support SBP's Recovery Acceleration Fund (RAF). The RAF is an impact investment fund that helps to speed up the process for low- and moderate-income families to rebuild and repair homes that have been damaged due to disasters. In 2022, Farmers announced a five-year extension to our relationship with the Advocates Pro Golf Association (APGA) Tour and supporting the cause's efforts to inspire an inclusive future through the game of golf.
Civic Engagement	Farmers continues to build and maintain important relationships with legislators, regulators, and other government officials to advocate for key issues and build consensus to advance meaningful public policy. Through its commitment to being a responsible corporate citizen, Farmers works with internal and external stakeholders to promote important industry matters with broad societal implications, including auto and highway safety, resilient and sustainable building and construction practices, as well as waste-reduction and resource conservation initiatives.

Principle 4. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

PSI Disclosure	Farmers is committed to transparently reporting its sustainability progress. Each year, Farmers publishes a climate risk report to meet requirements set by various U.S. jurisdictions and overseen by the National Association of Insurance Commissioners (NAIC). In addition, Farmers provides annual sustainability updates to fulfill its disclosure commitments under the United Nations Environment Programme Finance Initiative's (UNEP FI) Principles for Sustainable Insurance (PSI). With new regulations on the horizon, such as California's climate-related disclosure requirements, Farmers is preparing to publicly report Scope 1 and 2 emissions in accordance with California SB-253, with disclosures planned for 2026 based on 2025 environmental data.
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