SELECTIVE
BE UNIQUELY INSURED®

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT 2025

TCFD | TASK FORCE ON CLIMATE–RELATED FINANCIAL DISCLOSURES

INTRODUCTION

Selective Insurance Group, Inc. ("Selective," "we," "us," or "our") is a New Jersey insurance holding company incorporated in 1977 that owns ten property and casualty insurance subsidiaries ("Insurance Subsidiaries"). The Insurance Subsidiaries sell products and services only in the United States ("U.S.") and exclusively through independent insurance agents and wholesale brokers.

We have four reportable segments, each potentially impacted by climate-related risks or events:

Standard Commercial Lines:

This segment is comprised of Property & Casualty ("P&C") insurance products and services provided in the standard marketplace to commercial enterprises; typically businesses, non-profit organizations, and local government agencies. This business represented 72% of our total revenues and 79% of our total insurance operations' net premiums written ("NPW") in 2024, primarily sold in 35 states and the District of Columbia.

Excess and Surplus Lines ("E&S"):

This segment is comprised of P&C insurance products and services provided to customers who are unable to obtain coverage in the standard marketplace, generally because of unusual or high-risk exposure. We currently only write commercial lines E&S coverages. This business represented 10% of our total revenues and 12% of our total insurance operations' NPW in 2024 and is sold in all 50 states and the District of Columbia.

Standard Personal Lines:

This segment is comprised of P&C insurance products and services provided primarily to individuals acquiring coverage in the standard marketplace. This business represented 9% of our total revenues and 9% of our total insurance operations' NPW in 2024 and is sold in 15 states. Standard Personal Lines includes flood insurance coverage sold through the National Flood Insurance Program ("NFIP"). Based on 2024 direct premiums written ("DPW") we are the fourth largest writer of this coverage through the NFIP. We write flood business in all 50 states and the District of Columbia.

Investments:

This segment is comprised of invested premiums our Insurance Subsidiaries collect, and amounts generated through our capital management strategies, including debt and equity securities issuance. This represented 9% (including net realized and unrealized gains and losses) of our total revenues in 2024.

SELECTIVE
BE UNIQUELY INSURED®

OVERVIEW OF OUR APPROACH TO MANAGING CLIMATE RISKS

Our Standard Commercial Lines, Standard Personal Lines, and E&S segments issue policies that cover individuals and businesses against the financial impact of insured losses, including catastrophic events. We support economic growth by providing our policyholders the contingent capital that gives them the peace of mind and confidence to take economic risk and protect them and their communities.

Changing climate conditions increase the unpredictability of weather-related loss frequency and severity, posing a long-term risk to our customers – and our business. We aim to mitigate the impacts of climate change by (i) prudently overseeing and managing catastrophe risk exposure, (ii) providing responsive claims handling, risk management services, and proactive weather alerts, (iii) preparing for the continuing transition to clean energy, and (iv) reducing our carbon footprint. Understanding and helping mitigate weather-related losses for our business and customers is core to our operations and strategy.

Our understanding of changing climate conditions permits us to develop products and services that increase customer resiliency and respond to evolving customer needs. Over the medium- to long-term, we believe that the economic transition to a low-carbon future creates new business opportunities in emerging industries, such as those associated with renewable energy and related construction projects.

We incorporate sustainability considerations into our robust investment due diligence processes. To establish appropriate sustainability investment governance, we maintain (i) a well-diversified portfolio across issuers, sectors, and asset classes and (ii) a high credit quality fixed income securities portfolio with a duration and maturity profile at an acceptable risk level that provides ample liquidity. In addition, we work with our third-party investment managers to ensure they incorporate sustainability guidelines and protocols into their investment process while managing our mandates.

We believe our climate change-related efforts (i) demonstrate our corporate responsibility to help mitigate the impact of climate change and (ii) reward our shareholders with sustained superior financial and operating performance over time.

We have embraced the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for the four core elements of an organization's climate approach: (i) Governance, (ii) Strategy, (iii) Risk Management, and (iv) Metrics & Targets. This report outlines our initiatives and progress in each of these areas.

GOVERNANCE

Board Oversight:

Our board's oversight of climate-related risks and opportunities.

Our Board of Directors oversees our Enterprise Risk Management ("ERM") process, which includes identifying, assessing, and managing risks related to climate change. The Board has six standing committees that oversee and report to the full Board on certain major risks, including climate risk. Our Board's Risk Committee meets at least quarterly and is responsible for helping the Board oversee and monitor our ERM function, including climate change-related risks and oversight of our reinsurance program.

All Board committees oversee risks specific to their supervisory areas, and report their activities and findings to the entire Board. For example, the Finance and Investments Committee oversees management's incorporation of corporate sustainability and social responsibility into their due diligence and investment decision-making process; and the Corporate Governance and Nominating Committee ("CGNC") oversees how management's activities to address corporate sustainability and social responsibility issues and trends.

The Board also oversees how we set our overall strategy, including monitoring and addressing climate risks and opportunities.

Management:

Management's role in assessing and managing climate-related risks and opportunities.

Our senior leadership team implements our strategy, including assessing and pursuing climate change-related business opportunities. The Executive Risk Committee ("ERC"), chaired by our Chief Risk Officer ("CRO"), is responsible for operational oversight of climate-related risks. The ERM unit is responsible for assessing and managing climate change-related financial risks. We describe the roles of the ERC and ERM unit below.

Executive Risk Committee:

Our ERC, which includes our Chief Executive Officer ("CEO"), his direct reports, the CRO, and other key functional leaders is responsible for the holistic evaluation and supervision of our risk profile and determines future risk management actions supporting our overall risk appetite. The ERC provides management oversight of our ERM function. Several other management committees are responsible for the detailed analysis and management of various individual risks, some of which are climate related. At least quarterly, the ERC reviews all major risks.

For example, the ERM unit reports our modeled results for hurricane losses (our peak catastrophe risk peril in more severe loss scenarios), gross and net of reinsurance in our quarterly Reinsurance Risk Scorecard provided to the ERC and Board's Risk Committee.

ERM Unit:

The ERM unit, led by the CRO, is responsible for identifying, measuring, monitoring, and reporting key individual and aggregated enterprise-wide risks. The CRO chairs the Emerging Risk Committee and Market Security Committee ("MSC"), and is a member of the Large Claims Committee and the Underwriting Committee. The CRO is also a consistent attendee at Reserve Committee and Management Investment Committee ("MIC") meetings, and participates in various senior management leadership meetings. These management committees and functions are responsible for monitoring various risks, including climate-related risks, described further in this report's Risk Management section.

The ERM unit is actively involved in climate-related issues, such as catastrophe exposure coverages and pricing. The ERM unit also manages our economic capital model and integrates catastrophe exposure into our holistic view of enterprise risk and capital management.

*Emerging Risk Committee is responsible for identifying and analyzing emerging risks in any major risk category, but does not have decision-making authority.

SELECTIVE
BE UNIQUELY INSURED®

STRATEGY

Identified Climate-related Risks and Opportunities:

The climate-related risks and opportunities the organization has identified over the short-, medium-, and long- term.

The following table includes examples of climate-related risks and opportunities Selective has identified for each time horizon.

TIME HORIZON	CLIMATE RISKS	CLIMATE OPPORTUNITIES
Short-term: 1 – 5 years	• Increased model uncertainty around severe weather events resulting from potentially higher catastrophe loss activity • Operational disruption from extreme events • Regulatory risk	• Producing renewable energy • Enhancing customer resiliency • Providing products and services to lower customers' carbon footprint • Investment opportunities
Medium-term: 5 – 10 years	• Potential investment losses from climate risk-related impacts • Insurance market transition risk • Insurance coverage gaps	• Developing new insurance products tailored to emerging industries
Long-term: 10 – 30 years	• Climate change impact on frequency and severity of weather events • Reinsurance availability and affordability risk • Demographic shifts due to climate migration	• Additional investment opportunities

Climate Risks:

1. Increased model uncertainty around severe weather events resulting from potentially higher catastrophe loss activity (short-term)

The insurance industry has used traditional catastrophe risk models for decades to inform underwriting strategy. A significant component of climate risk is that the frequency and severity of extreme weather events may evolve differently than historical levels – leading to increased model uncertainty. Our third-party modeling providers are developing models incorporating forward-looking climate variables. Later in this report we discuss how we mitigate this uncertainty.

2. Operational disruption from extreme events (short-term)

As climate change intensifies the frequency and severity of extreme weather events, operational disruptions are becoming a more prominent risk. These disruptions can affect claims processing, customer service, and field operations, particularly during hurricanes, floods, or wildfires. Selective continuously reviews and updates its business continuity plans and invests in technology resilience to ensure uninterrupted service delivery and rapid response capabilities during climate-related emergencies.

3. Regulatory risk (short-term)

Insurance regulations could limit our flexibility in reducing exposure to certain lines of business most vulnerable to climate change. While our Personal Lines segment represented 9% of "Total revenues" in 2024, it is subject to significant state regulation, that limits our flexibility to exit lines quickly if results meaningfully deteriorate. We also may not receive regulatory approvals for adequate rate levels reflecting catastrophe loss exposure within our products. There is also a risk of expanded climate-related state and federal disclosure requirements.

4. Potential investment losses from climate risk-related impacts (medium-term)

We maintain (i) a well-diversified investment portfolio across issuers, sectors, and asset classes and (ii) a high credit quality fixed income securities portfolio with a duration and maturity profile at an acceptable risk level that provides ample liquidity. Our investment portfolio is exposed to climate change risk through (i) direct physical loss to assets and infrastructure from catastrophic loss activity and (ii) transition risk related to technology and energy production advances that could lead to stranded assets in certain carbon-intensive sectors.

Physical investment risks: Climate-related catastrophic losses can cause business disruption, destroy capital, increase costs to recover from disasters, reduce revenue, and cause population displacement and migration. These, in turn, can lead to lower residential and commercial property values, household wealth, and corporate profitability, which can create financial and credit market losses impacting insurer asset values.

Transition investment risks: These arise from society's transition towards a low-carbon economy, driven by policy and regulations, low-carbon technology advancement, and shifting sentiment and societal preferences. This transition towards renewable energy sources may lead to stranded assets in areas such as the fossil fuel and automotive industries. Further, it could result in higher infrastructure reinvestment and replacement costs and increased litigation against carbon-intensive industries. Transition risks may lead to corporate asset devaluation and lower corporate profitability, property values, and household wealth, creating financial and credit market losses impacting insurer asset values.

Climate Risks (continued):

5. Insurance market transition risk (medium-term)

Increased climate-related regulations and evolving consumer preferences could change manufacturing and construction methods. As an insurer of small- and mid-sized businesses in the construction, mercantile, and manufacturing sectors, we could experience reduced demand for specific products. While we have minimal direct underwriting exposure to environmentally hazardous classes of business, changing societal preferences and climate change regulations may impact our customers.

6. Insurance coverage gaps (medium-term)

As the frequency and severity of climate-related events increase, certain regions may experience declining insurance affordability and availability. This dynamic can result in underinsurance or lead property owners to forgo coverage altogether, heightening financial vulnerability. For insurers, such trends pose reputational risks when uncovered losses occur and may increase reliance on state-backed insurance mechanisms. Over time, these gaps may strain market stability and hinder equitable access to insurance in the most vulnerable regions.

7. Climate change impact on frequency and severity of weather events (long-term)

The United Nation's Intergovernmental Panel on Climate Change ("IPCC") is an international body responsible for assessing climate change science. In 2021, the IPCC estimated in its "Sixth Assessment Report: Physical Science Basis" that human activities (i) have caused approximately 1.1°C of global warming to date above pre-industrial levels and (ii) this could rise to an increase between 1.2°C and 3.0°C above pre-industrial levels between 2041 and 2060. These estimates were affirmed in the IPCC's 2023 Synthesis Report, which additionally concluded that global temperatures are likely to reach or exceed 1.5°C between 2021 and 2040, even under very low emissions scenarios.

Climate change models also project significant differences in global regional warming above pre-industrial levels, depending on future levels of climate mitigation and geographic location. These global regional differences, whether attributable to nature or human activities, include increases in (i) mean temperature in most land and ocean regions, (ii) hot extremes in most inhabited regions, (iii) heavy precipitation in several regions, and (iv) the probability of drought and precipitation deficits in some regions. These temperature changes can impact weather patterns and the frequency and/or severity of catastrophes, including hurricanes, wildfires, severe convective storms, and flooding — all of which could cause our catastrophe losses to increase relative to historical levels.

SELECTIVE
BE UNIQUELY INSURED®

Climate Risks (continued):

8. Reinsurance availability and affordability risk (long-term)

The availability, quality, amount, and cost of reinsurance depend on market conditions, including traditional privately placed reinsurance, retrocessional reinsurance, and catastrophe bond market capacity. Most of our reinsurance contracts have annual terms. Consequently, reinsurance costs may fluctuate significantly, not necessarily correlating to the loss experience of our specific book of business. State insurance regulators generally permit us to consider catastrophe reinsurance expense in our filed rates and rating plans. However, the conditions and timing of regulatory approval may not align with the actual expense of new reinsurance terms. Disproportionate increases in our reinsurance expense that we cannot include in our filed rates and rating plans will reduce our earnings. If we cannot negotiate desired reinsurance amounts or terms, we may experience increased reinsurance expense and increased risk retention on individual or aggregate claim losses that could limit our ability to write future business.

9. Demographic shifts due to climate migration (long-term)

Climate-induced migration patterns are expected to alter population distributions, particularly in coastal and high-risk regions. These shifts may impact premium volumes, risk concentrations, and service needs. Our growth strategy includes measured geographic expansion to diversify risk and capture new market opportunities. Since 2017, we have added thirteen states to our Standard Commercial Lines footprint, with five last year. We expect to write new business in Kansas by the end of 2025, and in Montana and Wyoming by the end of 2026.

Climate Opportunities:

1. Producing renewable energy (short-term)

Selective strongly believes in a clean energy future. We built ground-mount and garage-canopy solar photovoltaic facilities at our corporate headquarters. The facilities generated approximately 4.5 million kWh of electricity in 2024, and we sell the related solar renewable energy credits to others. As we sell these solar renewable energy credits to others, our GHG emissions are not offset – but we are invested in cleaner energy production.

2. Enhancing customer resiliency (short-term)

Helping our customers prepare for severe weather events mitigates loss activity. Examples include proactive messaging and outreach before catastrophic weather events and risk management services, including risk evaluations, internet-based risk management educational resources, and thermographic infrared surveys that help strengthen our customer relationships. We are also evaluating value-added services and technologies within our Standard Commercial Lines and Personal Lines segments to enhance customer resiliency, such as our Risk Management Center found on our website and our partnerships with LeakBot and Phyn for intelligent water solutions, and Ting for detailed electrical information.

Selective is leveraging digital innovation to help customers proactively manage climate risks. Tools such as real-time weather alert systems, risk assessment platforms, and mobile apps empower policyholders to take preventive measures against climate-related hazards. These technologies not only enhance customer engagement but also contribute to loss prevention and improved risk outcomes.

SELECTIVE
BE UNIQUELY INSURED®

Climate Opportunities (continued):

3. Providing products and services to lower customers' carbon footprint (short-term)

We recognize that customer demand for climate-friendly products and services may increase, and we see opportunities to provide these services to our customers. We describe programs we have implemented in the Impact of Risks and Opportunities on Businesses, Strategy, and Financial Planning section below.

4. Investment Opportunities (short-term)

Selective currently invests in green bonds and energy-transition-related infrastructure instruments.

5. Developing new insurance products tailored to emerging industries (medium-term)

As part of an economic transition to a low-carbon future, we expect new technologies, infrastructure, and processes to be introduced – all of which will require insurance coverage. We believe that, over time, this will present a sizeable business opportunity. In the following sections, we describe how new product development is a component of our business strategy.

6. Additional investment opportunities (long-term)

We believe the transition to a low-carbon economy will provide new investment opportunities, such as green bonds or investments in energy-transition-related infrastructure instruments. These investment opportunities could increase our diversification of financial assets. As the clean energy sector grows and matures, we expect to continue to invest in new assets that support the transition to a low-carbon economy.

Impact of Risks and Opportunities on Businesses, Strategy, and Financial Planning

The impact of climate-related risks and opportunities on our businesses, strategy, and financial planning.

The impact of climate-related risks and opportunities on our underwriting and investment segments follows.

Underwriting

The principal impact of climate change on our Standard Commercial Lines, Standard Personal Lines, and E&S business is the potential for greater frequency and/or severity of insured property catastrophic loss activity.

Catastrophe Risk Management

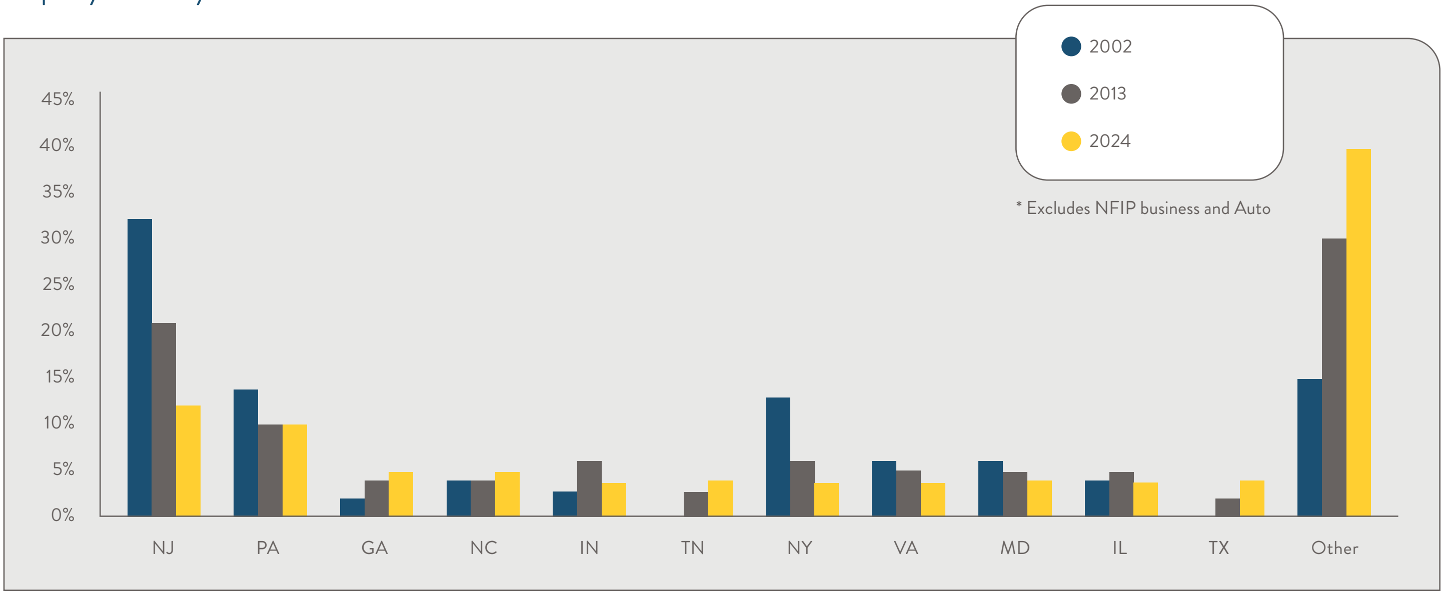
The ERM function models and monitors catastrophe risk, including the ongoing assessment of catastrophe risks within our pre-determined limits. Our underwriting and risk management frameworks employ risk mitigation tools, including:

1. Comprehensive underwriting standards;
2. Limits on coastal property exposure;
3. Risk-sharing through (a) use of appropriate wind/weather-related deductibles, and (b) prudent reinsurance placements with high-quality third parties;
4. Modeling and managing our catastrophe risk aggregations; and
5. Active oversight from senior management and the Board of Directors.

Impact of Risks and Opportunities on Businesses, Strategy, and Financial Planning (continued):

Due to our business risk profile and geographic concentration in the Northeast and Mid-Atlantic states, hurricane risk is our portfolio's most significant natural catastrophe peril exposure. This risk influenced our decision to diversify our underwriting portfolio geographically and set rigorous coastal property exposure guidelines. The following depiction of our property writings in 2002, 2013, and 2024 shows our book 's geographical diversification as we have grown the business.

Property DPW by State*



We use the results of third-party vendor models and proprietary analysis in our review of exposure to hurricane and other natural CAT risk on both a gross and a net basis. The third-party vendor models provide both long-term and near-term views, with the near-term view conditioned to adjust for recent elevated sea surface temperatures. A significant component of climate change risk, however, is that the frequency and severity of hurricanes may be different from historical levels. In the short to medium term, we mitigate that risk by setting our hurricane loss thresholds at levels well below amounts that would cause significant financial stress to our organization.

Additionally in our pricing and planning processes, we review our prospective catastrophe loads relative to the latest 5-10 years of experience, which helps ensure alignment and responsiveness to recent climate conditions and other catastrophe loss trends. In the medium to longer term, as the scientific literature and modeling continues to advance in its understanding of climate risk, we will continually evolve our risk modeling and setting our stress thresholds.

In addition to managing our peak hurricane exposure risk, we seek to manage our exposures to other perils, such as severe convective storms, winter storms, flooding, and wildfires. By building a geographically diverse book of business, implementing strong underwriting guidelines, conducting risk modeling, and purchasing reinsurance, we seek to manage our exposure to these types of losses.

In our standard commercial lines segment, we look to our insureds to retain an appropriate level of risk in wind/hail exposure states to severe convective storms through the use of wind/hail deductibles as well as limited roof coverage based on the age and type of roof and use of endorsements that put limitations on coverage for roof surfacing including for cosmetic damage or determining roof surfacing values on an actual cash value basis. In our Personal Lines segment, we implement mandatory wind/hail deductibles as well as limited roof coverage based on the age and type of roof in states exposed to severe convective storms, where allowed by law.

Impact of Risks and Opportunities on Businesses, Strategy, and Financial Planning (continued):

Opportunities

In the short term, we have several initiatives aimed at helping customers lower their carbon footprint and increase their resiliency to catastrophic losses.

- We send messages to our customers, helping them prepare for severe weather events. For example, we send weather preparation notices for large storms or hurricanes, including guides on structural improvements, roof and drainage maintenance, and measures to prevent clogged or frozen plumbing and sprinkler systems.
- Our field-based Risk Management Specialists visit the business locations of certain current and potential commercial lines customers to conduct safety evaluations. Risk Management staff provide risk mitigation recommendations to improve worker safety and limit potential property losses, such as from flood, wind, or fire.
- We are a member company that supports the Insurance Institute for Business & Home Safety ("IBHS") and regularly leverage its research to help our customers, distribution partners, and internal staff further their knowledge to mitigate severe weather losses. We have in person events as well as a library of training courses available.
- Our GreenPAC® endorsement allows Commercial Lines policyholders (within the coverage limits) to repair or replace covered loss property damage using building materials, components, products, equipment, construction and design methods, and technologies that reduce environmental impact by conserving energy, water, and other natural resources.
- We have enhanced our commercial Automobile ElitePac® coverage form to include a green automobile replacement coverage. Similar to our GreenPAC® commercial property endorsement, this coverage permits policyholders to replace their insured auto after a total loss with a hybrid or electric vehicle within the coverage limits.
- We are integrating value-added services across Commercial Lines, Personal Lines, and Flood to help customers manage increasing environmental and climate risks. In 2024, we launched the Risk Management Center in the MySelective app and online, offering assessments, expert support, and training for Commercial Lines customers. We are also providing two water monitoring device options to help homeowners detect leaks early, and partnering with Ting to deliver grid insights on outages, fire risks, and power quality.

In the medium-term, we continue to actively evaluate modifications to our existing coverages and increase our product suite to match our expected new areas of insurance coverage demand. As a significant writer of contractors and small manufacturing risks, we believe Selective is well-positioned to support growing market share opportunities from new low-carbon construction processes. Providing insurance capacity to renewable energy production facilities and related construction projects would be a longer-term growth opportunity.

Impact of Risks and Opportunities on Businesses, Strategy, and Financial Planning (continued):

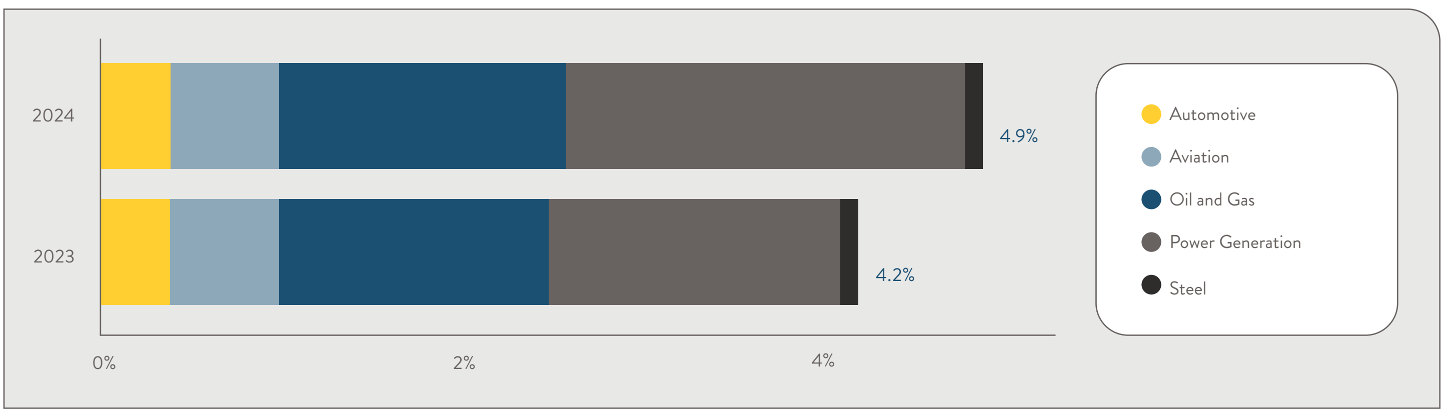
Investments

Our investment portfolio is exposed to climate change-related transition and physical investment risks.

Transition risks arise from the world's transition to a low-carbon economy, driven by government policy and regulation, advances in low-carbon technology, and shifting societal preferences and public sentiment. This transition to renewable energy sources may lead to (i) stranded assets in sectors with high carbon footprints or those closely tied to carbon-based economic activity, such as the fossil fuel and automotive industries, (ii) increased costs for infrastructure reinvestment and replacement, and litigation defense of carbon-intensive sectors, (iii) lower corporate profitability, (iv) lower property values, and (v) lower household wealth. The Paris Agreement Capital Transition Assessment defines the carbon-intensive sectors as the most exposed to transition risk: oil and gas, coal, power, automotive, cement, aviation, and steel. Carbon-intensive sectors within our fixed income securities portfolio represented about 5% and 4% of our total invested assets as of December 31, 2024 and December 31, 2023, respectively.

Physical investment risks include the risk of investment losses on our commercial and residential mortgage-backed securities exposed to climate-related catastrophic losses that can cause business disruption, destroy capital, increase costs to recover from disasters, reduce revenue, and cause population displacement and migration. These, in turn, can lower residential and commercial property values, household wealth, and corporate profitability, potentially creating financial and credit market losses impacting insurer asset values. As of December 31, 2024, about 69% of our residential mortgage-backed securities were backed by government agencies. We generally invest in the top tranches of commercial mortgage-backed securities, which limit potential losses from property value declines. As of December 31, 2024, about 68% of our commercial mortgage-backed securities had "AAA" credit ratings.

Percent Investment Exposure to Carbon Intensive Sectors



Integrating Sustainability into our Investment Process: We incorporate sustainability considerations into our robust investment due diligence processes. To establish appropriate sustainability investment governance, we maintain (i) a well-diversified portfolio across issuers, sectors, and asset classes and (ii) a high credit quality fixed income securities portfolio with a duration and maturity profile at an acceptable risk level that provides ample liquidity. In addition, we work with our third-party investment managers to ensure they incorporate sustainability guidelines and protocols into their investment process for our mandates.

Our investment strategy considers climate change risk by prohibiting any new direct equity or debt investments in thermal coal enterprises, including those generating 30% or more of their (i) revenue from the ownership, exploration, mining, or refining of thermal coal, or (ii) electricity generation from thermal coal. We believe that as the world transitions to a low-carbon economy, the value of these assets could be at greater risk.

SELECTIVE
BE UNIQUELY INSURED®

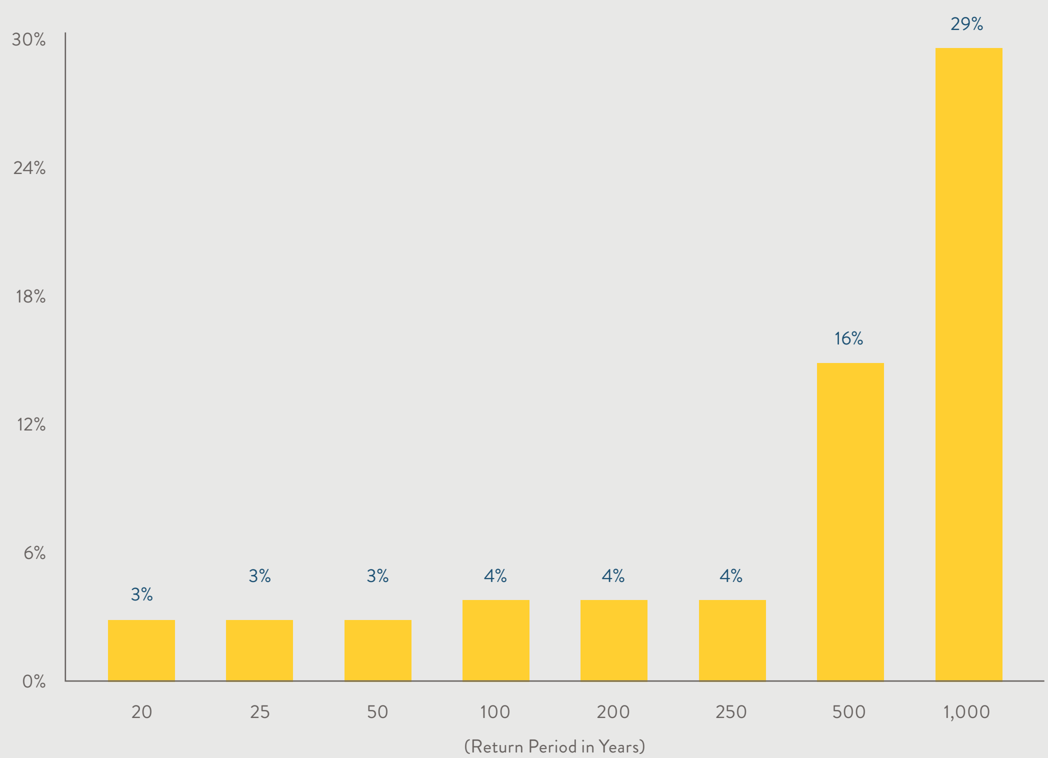
Resilience of Strategy Considering Climate-Related Scenarios:

The resilience of our strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Evaluating perils with different return periods is crucial to identifying, assessing, and managing climate-related risks that influence our business strategy. Modeled estimates provide a range of potential outcomes. We review multiple models from various vendors over several time periods to understand our catastrophic risk, including physical risks that may materialize more frequently because of climate change. We manage our catastrophe risk conservatively, adjusting third-party vendor models to reflect assumptions for certain un-modeled costs, such as the impact of loss expenses, residual market assessments, and automobile-related losses.

Our current catastrophe reinsurance program exhausts at approximately a 1-in-230-year return period. As of December 31, 2024, we estimated net exposure to a 1-in-250-year (0.4% probability of exceedance) hurricane event to equal 4% of our GAAP equity, within our established risk tolerance and unlikely to have a material adverse effect on our financial condition.

Net Single-Event Hurricane Loss* as a % of Equity



*Single-event hurricane losses are net of reinsurance, after-tax, and reinstatement premiums as of 1/1/25. Total stockholders' equity as of 12/31/24

SELECTIVE
BE UNIQUELY INSURED®

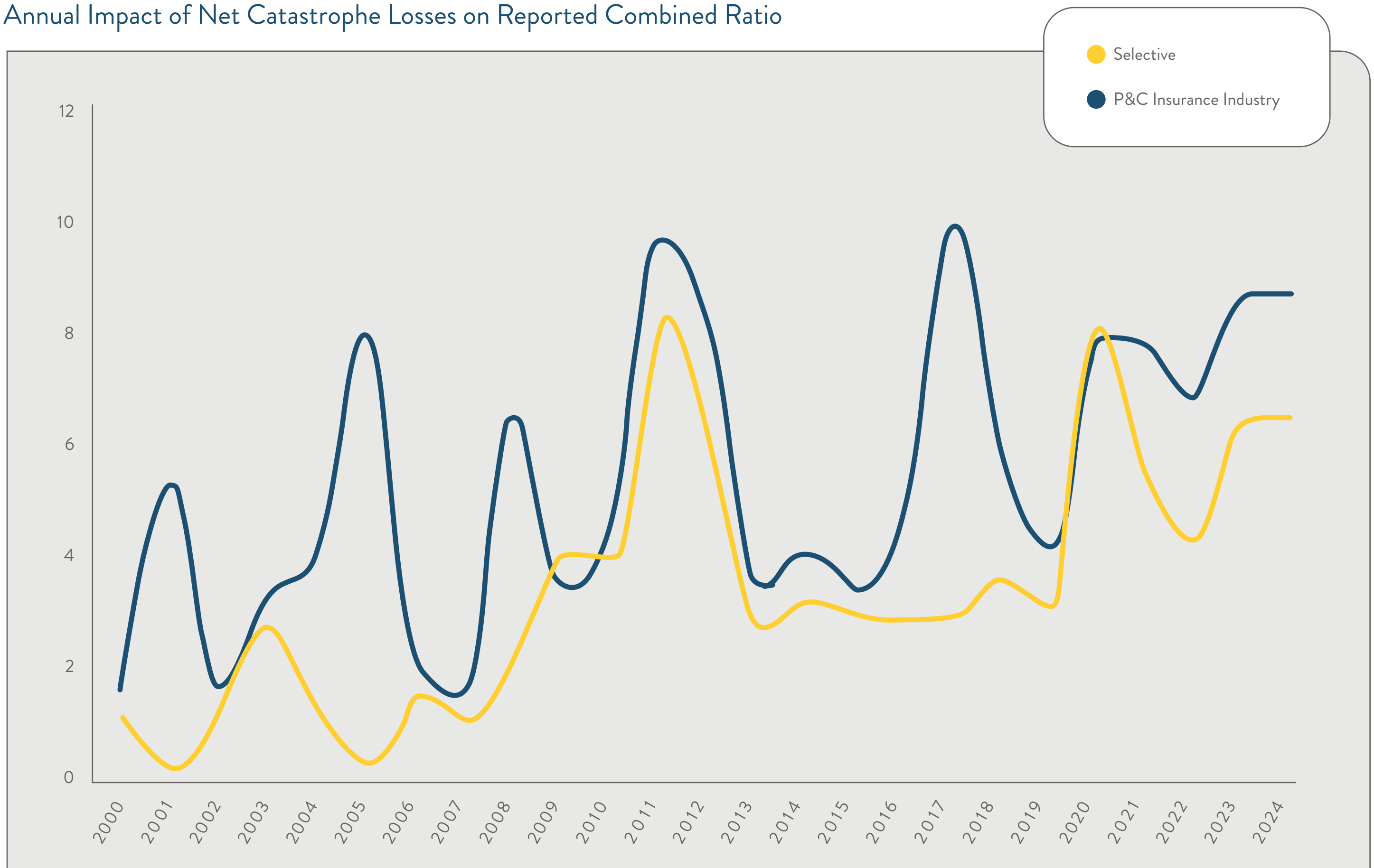
Resilience of Strategy Considering Climate-Related Scenarios:

The resilience of our strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

We assess the resilience of our strategy to mitigate climate-related risks quantitatively, through natural catastrophe modeling, and qualitatively. Based on our assessment, we are more vulnerable to physical climate risks than transitional risks. Accordingly, more severe warming scenarios will likely increase catastrophe risk. Our primary exposure to transitional risk is through our investment portfolio, where the percentage of fixed income assets invested in carbon-intensive sectors was about 5% of total assets as of December 31, 2024.

Our mix of business and underwriting approach has historically resulted in less of an impact from catastrophe losses than the P&C insurance industry average (shown in the graph below). We will continue to evaluate climate scenario analysis as a tool to complement our catastrophe risk scenario analysis as industry guidance and models evolve.

Annual Impact of Net Catastrophe Losses on Reported Combined Ratio



Note: Catastrophe loss impact for P&C Insurance Industry based on estimates from AM Best Aggregates & Averages.

SELECTIVE
BE UNIQUELY INSURED®

RISK MANAGEMENT

Processes for Identifying and Assessing Climate-related Risks:

Our processes for identifying and assessing climate-related risks.

Selective has a robust ERM framework that includes identifying and assessing our most significant risks through a combination of quantitative analysis and metrics and qualitative assessment. Our ERM unit identifies and assesses physical, transition, and liability risks related to climate change.

Our ERM framework includes an emerging risk management component led by a designated Emerging Risk Committee. This committee identifies and monitors new and evolving risk issues that may significantly impact our financial performance, reputation, or long-term strategy. The Emerging Risk Committee has identified climate change as a "high" level emerging risk, reviewing it at least quarterly with the ERC and our Board's Risk Committee. The ERM unit, the ERC, and other specific employees stay informed on key climate change risk developments through industry publications, webinars, conferences, and regular engagement with outside sources, such as our reinsurance brokers, investment managers, and trade associations.

The ERM unit evaluates our catastrophe risk exposure relative to our established tolerances. This evaluation incorporates the results of third-party vendor models and proprietary analysis in its review of exposure to hurricanes and other perils on both a gross and net basis.

OCCURRENCE EXCEEDANCE PROBABILITY (Return Period)

($ in millions)	HURRICANE		OTHER WIND		EARTHQUAKE	
	Gross Loss*	Net Loss**	Gross Loss*	Net Loss**	Gross Loss*	Net Loss**
25 yr	314.0	95.6	140.1	79.3	11.9	8.9
50 yr	518.0	102.9	192.8	80.4	37.4	26.0
100 yr	879.2	117.0	256.1	82.3	110.4	79.9
150 yr	1,102.9	126.6	303.0	85.2	202.5	91.7
200 yr	1,298.9	132.8	336.5	88.1	250.7	100.3
250 yr	1,402.2	137.3	359.1	90.3	297.0	104.3
500 yr	1,946.3	495.6	474.2	97.0	467.6	112.3

*Gross modeled loss before reinsurance and tax; includes assumptions for certain un-modeled costs, such as the impact of loss expenses, residual market assessments, and automobile related losses, which collectively increase our gross losses by an estimated 13%.
** Net losses are after-tax losses net of catastrophe reinsurance treaty, effective January 1, 2025, including reinstatement premiums.

SELECTIVE
BE UNIQUELY INSURED®

Processes for Identifying and Assessing Climate-related Risks (continued):

We seek to manage our exposure to other non-hurricane perils, such as severe convective storms, winter storms, flooding, and wildfires. We do not write crop insurance, have minimal exposure to private flood, and have a limited percentage of our geographic exposures in the Western U.S., all limiting our exposures to other weather-related perils, such as droughts, wildfires, and flooding.

On the investment side, we monitor our exposure to carbon-intensive industries to measure our vulnerability to climate-related risks from the transition to a low-carbon economy.

Processes for Managing Climate-related Risks:

Our processes for managing climate-related risks.

Underwriting

In managing physical climate-related risks to our insurance business, we model our property portfolio for hurricanes and other wind events semi-annually, as of July and January. Earthquake risk, which presents significantly lower exposure for our portfolio, is modeled each July.

Annually, our Reinsurance team works closely with our reinsurance broker to produce an in-depth analysis of the modeled results, which the MSC reviews.

We use various authority levels as underwriting controls for significant individual property risks and large property accounts that could create or exacerbate a property aggregation issue. If any individual location exceeds the Chief Underwriting Officer's property limit authority, it must be approved by the Underwriting Committee (comprised of the Standard Lines Chief Operating Officer, CFO, Standard Commercial Lines Chief Underwriting Officer, Executive Vice President of E&S Lines, and CRO). When considering large property accounts, the Underwriting Committee typically reviews an evaluation of property aggregations in the particular county and state, projecting the marginal impact the specific risk has on our aggregate modeled losses. The evaluation includes analysis of catastrophe risk aggregation appetite and appropriate pricing for assuming the increased risk aggregation.

We believe that we have created an effective control environment for managing natural catastrophe risk on a gross exposure basis by (i) setting overall portfolio growth expectations, (ii) monitoring actual results and property aggregations, (iii) having appropriate underwriting authority controls around our accounts, and (iv) consistently focusing on appropriate pricing of catastrophe risk.

Property insurance is our primary climate-related insurance operations risk. However, we have potential climate-related claims under liability policies, such as directors' and officers' ("D&O") liability insurance policies. We monitor these liability risks, but partially mitigate our liability-related climate exposure through our (i) D&O appetite selection, which excludes public companies and financial institutions, (ii) focus on business with small regional footprints and without environmentally-hazardous risks, and (iii) reinsurance, should there be a claim in excess of our $3 million casualty reinsurance retention.

Investments

Our internal investment team and external investment managers execute our investment strategy and objectives. The MIC is responsible for (i) setting and implementing the investment objectives and asset allocation, (ii) administering investment policies, (iii) selecting qualified external investment managers and advisors, and (iv) monitoring performance, transactions, and specific risk metrics, including those related to climate change.

Operational Continuity

In addition to mitigating underwriting and investment risk, we have robust plans to ensure operational continuity during unforeseen or catastrophic events. We have Business Continuity Plans for our key data processing facility (Disaster Recovery Plan), the leadership team (Executive Crisis Management Plan), and critical operational areas. We review, update, and test these plans at least annually. Testing includes "tabletop" exercises and planned hands-on tests.

Integration into Overall Risk Management:

Our processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management.

Because we are in the business of assuming risk, our management of climate-related risks naturally integrates into our existing ERM framework.

We categorize our major risks into five broad categories:

1. Asset risk, which primarily stems from our investment portfolio and reinsurance recoverables, including credit and market risk;
2. Underwriting risk, or the risk our insured losses exceed our expectations, including:
   a. Losses from inadequate loss reserves;
   b. Larger than expected non-catastrophe current accident year losses; and
   c. Catastrophe losses that exceed our expectations or our reinsurance treaty limits.
3. Liquidity risk, or the risk we will be unable to meet our contractual obligations as they become due because we cannot liquidate assets or obtain adequate funding without incurring unacceptable investment losses or borrowing expenses;
4. Other risks, which include a broad range of operational risks, many challenging to quantify, such as talent/human capital, market conditions, economic, legal, regulatory, reputational, and strategic risks – and the risks of fraud, human failure, modeling, inadequate business continuity plans, or failure of controls or systems, including cybersecurity risk; and
5. Emerging risks, which can include risks in all categories that are new, rapidly evolving, or increasing substantially compared to historical levels. For example, we consider (i) heightened levels of economic and social inflation, (ii) the enactment of reviver statutes for abuse victims, (iii) climate change, (iv) the increased threat of cyber incidents, and (v) the increased use of artificial intelligence all to be emerging risks.

MAJOR RISK MANAGEMENT COMMITTEES

	MIC	MSC	Disclosure	EPMO	Reserve	Large Claims	ERC	Underwriting
Asset Risk	✓	✓					✓	
Underwriting Risk		✓			✓	✓	✓	✓
Liquidity Risk	✓	✓					✓	
Other Risks			✓	✓		✓	✓	
Emerging Risks							✓	

Climate-related risks can impact these risk categories in a variety of ways. For example, asset risk includes climate-related risks in our investment portfolio overseen by the MIC, and underwriting risk includes catastrophe risk overseen by the MSC.

METRICS & TARGETS

Metrics:

Our metrics assess climate-related risks and opportunities in line with our strategy and risk management process.

Selective measures and reports on climate risks and opportunities in several different ways. Our chief metrics and targets are the following:

1. **Probability of hurricane losses and capital exposed**

   Our established catastrophic risk tolerance requires that we expose no more than 10% of stockholders' equity to a hurricane loss event at a 99.6% confidence level (1-in-250 year event or 0.4% probability) on a net of reinsurance and after-tax basis. For context, Superstorm Sandy in 2012 was the largest tropical cyclone event in Selective's history. Net of reinsurance and after-tax basis, our Superstorm Sandy loss was approximately 3% of our prior year stockholders' equity.

   In addition to the 1-in-250-year modeled event, we evaluate the impact of several other scenarios on stockholders' equity. The table below projects hurricane losses, gross and net of reinsurance, from the following scenarios:

- Stochastic catastrophe modeling of our portfolio (1-in-100, 1-in-200, etc.);
- Recasts of two large hurricanes that impacted our geographic footprint:
  - 1938 New England Hurricane, one of the largest hurricanes to impact the Northeast United States; and
  - Hurricane Hazel, a Category 4 storm that made landfall near the border between North Carolina and South Carolina in 1954; and
- Realistic disaster scenarios ("RDS") for significant potential storms in the Northeast and the Carolinas based on Lloyds of London methodology:

SCENARIO ($ in millions)		Gross Loss*	Net Loss**	Net Losses% of Equity***
1 in 100 year hurricane	1% probability	879,169	117,049	4%
1 in 200 year hurricane	0.5% probability	1,298,909	132,753	4%
1 in 250 year hurricane	0.4% probability	1,402,203	137,311	4%
1 in 500 year hurricane	0.2% probability	1,946,311	495,592	16%
1938 New England Hurricane	Historical Recast	615,564	107,547	3%
Lloyd's RDS North-East (AIR Cat 4)	Lloyd's RDS	1,099,850	126,893	4%
1954 Hurricane Hazel	Historical Recast	402,118	96,182	3%
Lloyd's RDS Carolinas (AIR Cat 5)	Lloyd's RDS	596,022	116,590	4%

*Gross losses include uncertainty associated with damage/loss estimation, demand and storm surge, and assumptions for certain un-modeled costs, such as the impact of loss expenses, residual market assessments, and automobile-related losses, which collectively increase our gross losses by approximately 13%

**Net losses are after-tax losses net of catastrophe reinsurance including reinstatement premiums based on the treaty structure effective January 1, 2025

***Stockholders' equity as of December 31, 2024

We are within our established catastrophic risk tolerance as the table above reflects.

Metrics (continued):

2. **Capital allocation away from specifically environmentally hazardous classes of business**

   Included below are targets and objectives that we have established for our Underwriting and Investments segments:

   - We do not underwrite specific environmentally hazardous risks related to production from coal mines, thermal coal plants, or oil sands extraction.
   - We do not invest in any new direct debt or equity of companies generating more than 30% of their revenues from thermal coal mining or electricity produced from coal.

Greenhouse Gas Emissions and Related Risks:

Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks.

We track our Scope 1 and Scope 2 greenhouse gas ("GHG") emissions. However, as an insurance holding company, we are a low greenhouse gas emitter relative to entities in many other industries. Our Scope 1 emissions include consumption of natural gas, diesel, refrigerant, and the fuel employees use for work travel in company cars. Our Scope 2 emissions consist of our electricity usage.

The table below summarizes our Scope 1 and 2 CO2 emissions across our operations and does not include emissions from investment portfolio holdings, including limited partnerships. For 2024, our overall Scope 1 and 2 emissions are down approximately 18% compared to our 2019 baseline year. We chose 2019 as our baseline because the COVID-19 pandemic significantly reduced office occupancy in 2020 and 2021, limiting our Scope 1 and 2 CO2 emissions.

TYPE (mtons CO2e)	2019 Baseline Year	2022	2023	2024
Scope 1	2,690	2,158	2,632	2,226
Scope 2*	3,527	3,141**	3,122**	2,890
Total Scope 1 + 2	**6,217**	**5,299**	**5,754**	**5,116**
Total Revenues ($ in millions)	**$2,847**	**$3,558**	**$4,232**	**$4,862**
Intensity (tCO2e per $1M revenue)	**2.18**	**1.49**	**1.36**	**1.05**

*Location-based method

**Our 2022 and 2023 Scope 2 data has been revised to capture corrected information

Greenhouse Gas Emissions and Related Risks (continued):

Since 2019, we have expanded our Commercial Lines footprint by eight states, increased employee count by approximately 17%, and grown net premiums written at a 11.6% compound annual rate. Emissions remain below our 2019 reported baseline year despite our growth.

To help calculate our GHG emissions, we engaged a third-party multinational engineering firm specializing in energy management. Our 2019-2024 GHG inventory is consistent with the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol).

Our only owned office location is our approximately 300,000 square foot headquarters in Branchville, New Jersey, where we directly measure our GHG emissions. We lease 20 other office locations (approximately 273,000 square feet), and we estimate these locations' GHG emissions based on square foot occupancy. We can generate approximately five million kWh of solar energy annually at our Branchville location, but we sell the renewable energy credits to others, so our GHG emissions are not reduced.

Targets:

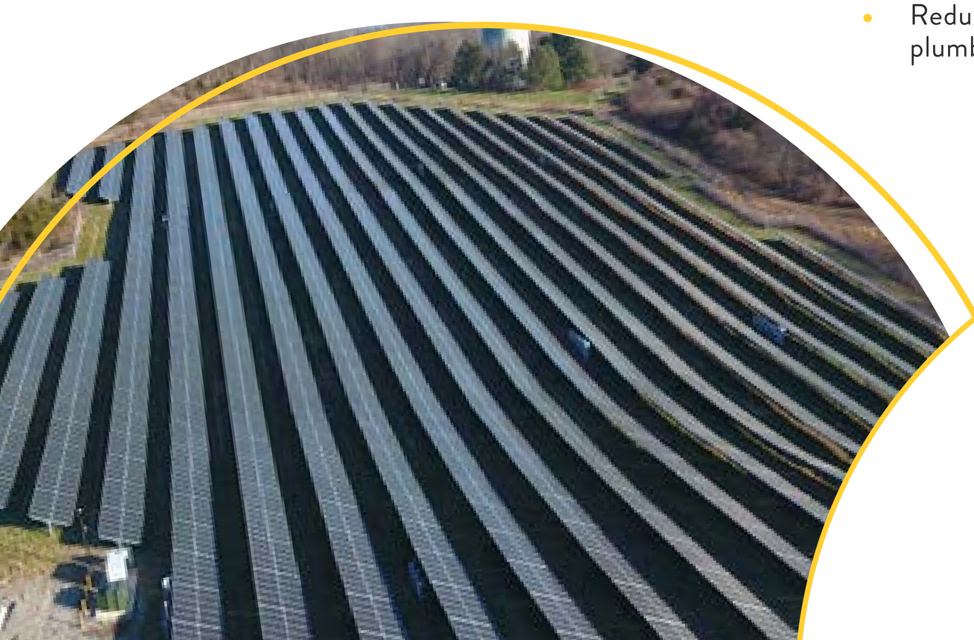
The targets we use to manage climate-related risks and opportunities and performance against targets.

We expect to continue to reduce our carbon intensity over the long term, and we have initiatives expected to reduce GHG emissions similarly. Some include:

- Upgrading our Branchville, NJ office building management system, which should reduce heating and cooling natural gas consumption;
- Re-designing work spaces to create more efficiencies and collaboration;
- Reducing the use of paper with distribution partners;
- Making efforts to transition our fleet from gasoline to hybrid vehicles; and
- Migrating our information technology systems to the cloud.

We have also implemented additional initiatives at our corporate headquarters to lower our environmental impact, including:

- Enhanced waste management and recycling;
- Reducing the use of paper within our business;
- Conversion of all corporate headquarters light bulbs to LED;
- Hybrid work schedule;
- Re-purposing commingled recyclables;
- Installed electric vehicle charging stations for employee use;
- Eliminating Styrofoam products in our cafeteria;
- Recycling and more efficient energy use of electronic equipment; and
- Reducing our water usage through automatic plumbing features.



SELECTIVE
BE UNIQUELY INSURED®

CONCLUSION

We believe Selective is well positioned for the transition to a low-carbon economy over time. This TCFD report underscores our commitment to transparency and robust management of climate-related risks and opportunities. Over the coming years, we will continue to refine our approach, engage with stakeholders, and report on our progress. By embedding sustainable initiatives into key aspects of our business, we have delivered significant value over time for our shareholders by serving our internal and external stakeholders.

Important Legal Information

Certain statements in this report, including information incorporated by reference, are "forward-looking statements" defined in the Private Securities Litigation Reform Act of 1995 ("PSLRA"). The PSLRA provides a forward-looking statement safe harbor under the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements discuss to our intentions, beliefs, projections, estimations, or forecasts of future events and financial performance. They involve known and unknown risks, uncertainties, and other factors that may cause our or our industry's actual results, activity levels, or performance to materially differ from those in or implied by the forward-looking statements. In some cases, forward-looking statements include the words "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "attribute", "confident", "strong", "target," "project," "intend," "believe," "estimate," "predict," "potential," "pro forma," "seek," "likely," "continue," or comparable terms. Our forward-looking statements are only predictions: we cannot guarantee or assure that such expectations will prove correct. We undertake no obligation to publicly update or revise any forward-looking statements for any reason except as may be required by law.

We discuss the factors that could cause our actual results to differ materially from our projections, forecasts, or estimates in forward-looking statements in Item 1A. "Risk Factors." in Part II. "Other Information" in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission. These risk factors may not be exhaustive. We operate in a constantly changing business environment, and new risk factors may emerge at any time. We can neither predict these new risk factors nor assess their impact, if any, on our businesses or the extent to which any factor or combination of factors may cause actual results to differ materially from any forward-looking statements. Given these risks, uncertainties, and assumptions, the forward-looking events

SELECTIVE
BE UNIQUELY INSURED®