

Assured Guaranty Ltd. Environmental Policy

Purpose and Scope

Assured Guaranty Ltd. (Assured Guaranty or we) recognizes the importance of a healthy environment to our global community, our business and our people. We are committed to understanding, managing and mitigating the risks to our business associated with environmental issues and to operating our business in a sustainable and environmentally responsible manner and in light of the principles articulated in our [Statement on Climate Change](#).

We believe that environmental issues are most likely to impact our business as a financial guaranty insurer and as an investor. We provide insurance policies that may stay in effect for 30 years or longer, and we maintain a substantial investment portfolio. On the other hand, we believe the direct impact of our operations on the environment is relatively small. Nevertheless, we have a role and a responsibility to manage our operations in ways that reflect our respect for the environment.

The Environmental Policy guides our actions and strategies in four critical areas:

- Insurance Risk Management
- Investment Opportunities
- Business Operations and Facilities Management, and
- Employee Engagement.

The Environmental Policy applies to all personnel, across all offices and operations of Assured Guaranty.

Insurance Risk Management

As an insurer, we endeavor to manage risk wisely, responsibly and with a view towards the long term success of our business. We integrate environmental considerations into our credit underwriting process.

Beginning February 1, 2019, we formalized our consideration of environmental risks, including those articulated in our [Statement on Climate Change](#), in our credit underwriting process. Credit underwriting submissions now must include a consideration of environmental factors as part of the underwriting analysis. If an environmental issue would have a material impact on the performance of the transaction, the issue and impact must be described, along with any related surveillance considerations.

Investment Opportunities

Our investment portfolio holds predominantly fixed-income assets; therefore, its primary risks are credit-related. Nonetheless, environmental issues, including regulatory changes, changes in supply or demand characteristics of fuels, technological development and extreme weather events, may play a role in the evaluation by us or our investment managers of the creditworthiness of specific issuers and industries.

We have determined not to make any new investments in thermal coal enterprises. As a consequence, we will refrain from making any new investments in (i) thermal coal enterprises that generate 30% or more of their revenue from either the ownership, exploration, mining, or refining of thermal coal, and (ii) corporate and municipally owned utilities that generate 30% or more of their electricity from thermal coal.

Business Operations and Facilities Management

In our own and immediate physical environments, we endeavor to conduct our business operations in a manner consistent with the goals of the Environmental Policy. We are committed to the well-being and safety of our employees and complying with all applicable environmental laws in the jurisdictions where we maintain offices and personnel.

Since 2016 we have relocated our three largest offices to buildings which are U.S. Green Building Council's LEED or U.K. BREEAM certified, and over 95% of our employees now work in such buildings. We equipped all of our locations with video conferencing capabilities to minimize the need for travel amongst offices, thereby reducing our carbon footprint. We will continue to endeavor that new office space or buildouts of existing premises incorporate the best environmental standards of construction and design, where practicable. We will endeavor to further minimize our environmental impact by employing best practices in facilities management in the areas of consumption, recycling and waste management and procurement, where practicable.

Consumption – We minimize our environmental impact by actively managing consumption of energy, paper and water through the following initiatives:

Energy – investing in LED technology and light motion sensors; upgrading IT and electronic equipment to implement the latest in energy efficiency; measuring, monitoring and reporting internally to senior management on energy consumption levels.

Paper – utilizing technology and training to reduce paper consumption; increasing the use of recycled paper and the recycling of used paper; setting printer defaults to two sided printing and reducing the number of personal printers; circulating documents electronically instead of via hard copy; providing employees and Directors with digital platforms and mobile devices to reduce the need for printing; and measuring, monitoring and reporting internally to senior management on paper consumption levels.

Water – installing motion sensors in faucets; and measuring, monitoring and reporting internally to senior management on water consumption levels.

Recycling and Waste Management – We work to reduce the waste we generate and to increase our recycling of waste we do generate, including paper, plastic, IT hardware, printer toner and other non-biodegradable items.

Procurement – We make responsible purchasing decisions by giving preference to green technology, products and services to the extent these alternatives are available, economical and appropriate, including items manufactured from recycled or partially recycled materials and which can be further recycled or disposed of in an environmentally responsible manner. We consider energy efficiency and energy usage when purchasing electronic equipment.

Employee Engagement

We realize that our employees are a valuable resource and critical ally in furthering our environmental objectives. Through communication and education, we help our employees become more aware of their individual impact on the environment, the importance of making environmentally conscious choices, and the availability of sustainable alternatives. We encourage our employees to use resources such as energy, paper, and water more responsibly. We remind our employees to recycle by providing ample recycling bins at workstations and in common areas. We support our employees in reducing their environmental impact by offering mass transit incentives for commuting and green cars for corporate travel. Most importantly, we solicit suggestions from our employees, who know our business the best, for more environmentally responsible ways of conducting our operations. Protecting the environment is a shared responsibility.

Oversight and Implementation

The Environmental and Social Initiatives Task Force (Task Force), headed by the Chief Risk Officer and comprised of senior personnel within our organization, oversees and implements the objectives of the Environmental Policy. In addition to reporting on the progress of our environmental efforts, the Task Force:

- Examines our organization to identify ways we can contribute to the sustainability of our environment,
- Coordinates and supports activities that reduce our environmental impact, and
- Promotes environmental awareness amongst our employees and encourages employee engagement.

Disclosure and Review

The Environmental Policy is published on the Assured Guaranty website where it is available to all stakeholders in Assured Guaranty, including employees, policyholders, shareholders, regulators, and the public at large.

The Board of Directors intends to review the Environmental Policy annually, or more frequently as needed, in response to significant changes in conditions, legislation or our business.

February 2019