

# Security Benefit Life Insurance Company First Security Benefit Life Insurance & Annuity Company of New York

## 2022 Task Force on Climate-related Financial Disclosures (“TCFD”) Index

### ABOUT THIS INDEX

The information and disclosures in this document are subject to change as we continue to evolve and refine our environmental, social and governance (ESG) program. As a life insurance company focused on annuity and other retirement products, Security Benefit’s focus on climate-related risk is significantly different than, for example, property and casualty insurers. Security Benefit is committed to driving ESG progress for our employees, customers, investors, communities, and other stakeholders, and continues to evolve its ESG program to meet new challenges and opportunities. Security Benefit is sometimes referred to herein as the “Company.”

### GOVERNANCE

Disclosure Focus Area	Recommended Disclosure	Response
Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> <li>• Security Benefit is committed to strengthening our resilience against risk and driving environmental, social and governance (ESG) progress for our employees, customers, investors, communities, and other stakeholders.</li> <li>• The boards of directors of Security Benefit Life Insurance Company (“SBLIC”), the principal subsidiary of Security Benefit Life Holding Company (“SBLH”), and First Security Benefit Life Insurance and Annuity Company of New York (“FSBL”), oversee management of our ESG program, including climate-related risks and opportunities. They do so through their ESG and Audit Committees.               <ul style="list-style-type: none"> <li>▪ The ESG Committees include cross-functional representation and meet periodically (usually jointly) to receive reports from and furnish direction to an ESG Working Group (“ESG WG”) for the collective Security Benefit organization. The ESG Committees in turn report to and receive direction from their respective boards of directors. The ESG Committees include the companies’ Chief Financial Officer (“CFO”), General Counsel (“GC”), Chief Human Resources Officer (“CHRO”), and FSBL’s Audit Committee Chair; the CFO and GC are also directors of each of SBLIC and FSBL.</li> <li>▪ The Audit Committees, which also report to the companies’ respective boards of directors, receive reports from Security Benefit’s Enterprise Risk Management (“ERM”) Committee, which is a management level committee overseen by Security Benefit Corporation’s Audit Committee.</li> </ul> </li> <li>• See pages 5-8 of our 2022 ESG Report for further detail. <a href="https://www.securitybenefit.com/esg">https://www.securitybenefit.com/esg</a></li> </ul>

	<p>b) Describe management's role in assessing and managing climate-related risks and opportunities</p>	<ul style="list-style-type: none"> <li>▪ Management leads our ERM Committee and ESG WG. The ERM Committee is chaired by the organization's Chief Risk Officer ("CRO"), who is responsible for the execution of systematic, disciplined, and proactive risk management processes in line with our ERM policy, and ensures any potential strategies are evaluated for effectiveness. The CRO provides regular updates on risk management to the respective SBLIC and FSBL Boards of Directors' Audit Committees. The ERM Committee meets at least quarterly to review and discuss: closely monitored risks (risks currently out of tolerance) and the status of mitigation plans to address changes to risk levels; updates to the risk register; annual Own Risk and Solvency Assessment ("ORSA") scenarios and results; annual risk assessments and internal audit plans; and all other risk management initiatives.</li> <li>▪ Other members of the ERM Committee include members of the organization's senior management, including the organization's GC, to whom reputation risk is assigned. Because ESG risk is a sub-risk of reputation risk, the co-chairs of the ESG WG meet periodically with the GC to discuss ESG risk and mitigation. The GC in turn meets with the CRO, generally monthly, to discuss the risks assigned to him and periodically reports on such risks to the full ERM Committee.</li> <li>▪ The ERM framework and its components are periodically reviewed as part of the Company's independent Internal Audit function.</li> <li>• The ESG WG is a cross-disciplinary group co-chaired by an Assistant Vice President, ESG and Governmental Affairs, and a Vice President and Associate General Counsel, both of whom report to Security Benefit's GC. Other members of the ESG WG include representatives from Finance, Investments, Human Resources, Corporate Communications and ERM. The ESG WG meets periodically, generally at least quarterly, or more often as needed. <ul style="list-style-type: none"> <li>▪ The ESG WG is the organization's front line in the overall assessment of climate-related risks and opportunities. For example, it performed Security Benefit's initial identification of ESG risks and opportunities and, more recently, led a comprehensive ESG materiality/key issues study and TCFD alignment assessment with guidance from a qualified consultant retained by the ESG WG.</li> <li>▪ The ESG WG makes recommendations to our ESG Committees for development of the Company's ESG program, including goals, policies, communication tools, actions and a timeline to address gaps between current practices and such goals and policies.</li> <li>▪ The ESG WG is continuing to evolve its approach to ESG across multiple aspects of the business and is considering development of appropriate policies, in line with both internal recommendations and external considerations.</li> <li>▪ The ESG WG engages with key internal and external constituencies, including senior leadership, ERM, investments, internal audit, and investors as it continues the process of identifying and assessing climate-related risks and making recommendations to the ESG Committees.</li> </ul> </li> </ul>
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		<ul style="list-style-type: none"> <li>▪ The ESG WG and ESG Committees continue to develop the skill, expertise and knowledge required for ongoing assessment and management of climate-related risks.</li> <li>• The Chief Investment Officer manages investment-related risks, which are also included in our ERM program. <ul style="list-style-type: none"> <li>▪ The Company’s investment team considers a broad variety of risks, which may include ESG and climate-related risks, as part of its ongoing investment process.</li> <li>▪ Security Benefit's ERM program seeks to manage risk in the best interest of the company, our stakeholders and our policyholders, using pricing and hedging to manage market and policyholder risks associated with annuities.</li> </ul> </li> </ul>
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**STRATEGY**

Disclosure Focus Area	Recommended Disclosure	Response
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.	<ul style="list-style-type: none"> <li>• Extreme weather events may pose short-term climate-related risks, manifesting as operational disruptions. Security Benefit's primary physical office location is in Topeka, Kansas, with offices in Des Moines, Iowa; New York, New York and Overland Park, Kansas. FSBL's primary office is in Albany, New York. Security Benefit utilizes Amazon Web Services for its information technology, with servers in Northern Virginia, and back-ups for those servers in Ohio. Security Benefit has outsourced the administration of its policies to entities with offices in locations relevant to the administration of such policies, including but not limited to: Topeka, Kansas, Dallas, Texas, Gurgaon and Noida, India, Manila, Philippines, Jersey City, NJ, and Parma, OH, as well as multiple other locations, including Kansas City, MO, Washington D.C., Madison, WI, Quincy, MA, Lawrence, KS, Richmond, VA and Dublin, OH.</li> <li>• Another short-term risk centers around reputational risk as customers, regulators, employees, and investors seek specific information on the Company in response to climate change's operational impact and ESG more generally.</li> <li>• In the short-term, regulatory risk is evidenced by requests for increasingly detailed disclosures aligning with TCFD guidance on climate metrics from regulators. <ul style="list-style-type: none"> <li>▪ In 2021, the Financial Stability Oversight Council (“FSOC”) recommended enhanced climate risk supervision and TCFD-aligned reporting requirements to financial regulators, including state insurance commissioners.</li> <li>▪ In 2022, the National Association of Insurance Commissioners (“NAIC”) implemented a more extensive climate risk disclosure survey, based on the TCFD, responses to which are the subject of this document.</li> <li>▪ The Federal Insurance Office (“FIO”) recently (June 2023) released a report entitled, “Insurance Supervision and Regulation of Climate-Related Risks,” which includes multiple recommendations for state regulators and the NAIC.</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>▪ Ratings agencies make inquiries regarding ESG, and SBLIC typically receives a “neutral” rating; AM Best recently noted that ESG factors are unlikely to impact the credit quality of the Company over the short-term.</li> <li>▪ The International Financial Reporting Standards Foundation (“IFRS”), through the International Sustainability Standards Board (“ISSB”) recently (June 2023) released its first two standards related to climate risk disclosure.</li> <li>• Security Benefit has a short-term opportunity to increase employee engagement through increased integration of climate and other environmental assessments and mitigation actions.</li> <li>• Security Benefit continues to explore solar options for heating and cooling for its Topeka, Kansas headquarters office.</li> <li>• In the long-term, our customers' financial stability may be impacted by climate change, potentially affecting their ability to purchase or continue to pay for our products or need to surrender our products. This in turn could adversely affect our business/strategy. However, at this time, and based on current information, we do not believe this is a material risk.</li> </ul>
	<p>b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.</p>	<ul style="list-style-type: none"> <li>• We do not believe climate-related risks present us with material risk to or opportunity for our business, strategy, or financial condition or prospects. While we are still in the process of quantifying elements of climate-related risks where possible, we believe we have taken adequate steps to mitigate currently identified risks.</li> <li>• Our employees and customers are located in diverse geographic locations, and our hybrid office/ work-from-home policies support adaptability in the face of any future physical climate-related risks.</li> <li>• Security Benefit has developed and implemented a company wide data protection and disaster management program, that includes a business continuity plan, the establishment of both permanent and temporary committees that may be formed in response to a specific need (e.g., the COVID-19 pandemic), a continuously evolving severe weather plan, and environmental facilities enhancements to keep associates safe and protected, while business operations continue uninterrupted. We regularly update our business continuity plans to better integrate evolving risks, including climate-related risks, along with other possible factors. <ul style="list-style-type: none"> <li>▪ Security Benefit has taken measures to manage operational energy and resource consumption, reduce emissions from our buildings and vehicles, and implement environmentally friendly practices, such as: installing LED fixtures and using an air filtration system utilizing fresh air for heating and cooling; installing a modern and more efficient boiler system, using and recycling paper and paper food service products, and using electric vehicles on our Topeka campus. Our facilities team continues to consider the possibility of installing solar panels on the roof of our physical office location in Topeka, Kansas.</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>▪ For 2022, our utility provider estimated almost half the electricity it generated came from carbon-free sources, with a plan to become carbon neutral by 2045, and with renewable resources, such as wind, representing approximately 29% of total generation capacity.</li> <li>▪ Relating to emissions resulting from our buildings' IT equipment and/or infrastructure, we have in place efficient HVAC systems, including refitted HVAC cooling towers, high efficiency boilers and chillers and building automation systems that complement all our systems.</li> <li>▪ Other sustainable practices that may also reduce operational emissions include recycling throughout our facilities and office operations and composting in food service management.</li> <li>▪ Security Benefit considers climate-related risks as we assess our current office spaces and plans for future office space, considering design choices and optimizations that may potentially reduce our climate impact, and continues to review and assess our energy efficiency and emissions in connection with operation of our facilities.</li> <li>• Our investments team considers a broad variety of risks, including environmental risks, as part of the ongoing investment process.</li> <li>• Morningstar criteria is used to identify sustainable investment options for inclusion in our products, defined by categories including "ESG Funds," "Impact Funds," and "Environmental Sector Funds."</li> <li>• Security Benefit makes ESG mutual funds (or their variable annuity subaccount equivalents) available in many of the retirement plan products and variable annuities it offers, as well as providing an ESG mutual fund option in its 401(k) plan.</li> </ul>
	<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<ul style="list-style-type: none"> <li>• The ESG WG recently completed an ESG materiality/key issues study and TCFD alignment assessment, which included interviews and surveys with internal and external stakeholders focused on assessing and prioritizing ESG topics most relevant to the Company. While environmental issues were not found to be directly material to the Company, the issue remains important to many of our stakeholders, in part due to the climate risk reporting requirements of state regulators. We believe this assessment is in line with our current strategies and resiliency to climate-related risks and opportunities and will continue to ensure the Company is well positioned to move forward with continued development of its ESG program and meet stakeholder expectations.</li> <li>• The ESG WG shared the findings and analysis of the ESG materiality/key issues study and TCFD alignment assessment with, and made recommendations to, the ESG Committees. After considering those recommendations, the ESG Committees adopted assessments and findings from the study, noting climate-related risks and GHG emissions were primarily of concern to external stakeholders as noted above, but of low to medium relevance to the Company. Based on the work of the ESG WG and adoption of findings by the ESG Committees, we believe the Company's current resilience strategies relative to climate-related risk and opportunities continue to be in line with the findings from the comprehensive materiality assessment/key issues study and TCFD alignment assessment.</li> </ul>

		<ul style="list-style-type: none"> <li>• Security Benefit does not provide products or services to support the transition to a low carbon economy, nor do we provide products and services to help customers adapt to climate-related risk.</li> <li>• Security Benefit's current ESG strategy does not take into account different climate-related scenarios, including a 2 degree Celsius or lower scenario; however, our current ERM process does utilize short- and long-term assessments in analyzing risk, including climate-related risk.</li> <li>• Security Benefit's investment team considers a broad variety of risks, which may include ESG-related risks, as part of its ongoing investment process.</li> </ul>
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## RISK MANAGEMENT

Disclosure Focus Area	Recommended Disclosure	Response
Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> <li>• Since early 2021, the ESG WG has been engaged in identifying and assessing climate-related risks.</li> <li>• The ESG WG tracks and monitors ESG and climate-related developments, regulations, legislation, concerns and risk by attending ESG conferences, programs, webinars, working sessions (e.g., NYDFS and NAIC webinars and meetings), and industry trade group committee meetings, as well as by reading and following relevant articles, reports and various congressional, state, and regulatory committees reports and guidance, to better educate our organization on ESG, including climate-related risks.</li> <li>• The ESG WG engages with a variety of internal and external stakeholders, including senior management, employees, investors, and ratings agencies, regarding Company ESG status, as well as with qualified consultants that assist us from time to time in considering and developing a baseline of Company standing and preparedness, vis-a-vis its peers, to assist in continued risk identification, assessment and enhancement of Company ESG programs and policies going forward.</li> <li>• The ESG WG recently completed a comprehensive ESG materiality/key issues study and TCFD alignment assessment, which included an assessment and identification of risk and a prioritization of those risks, to allow the Company to continue to move forward with continued development of its ESG program and meet stakeholder expectations.</li> <li>• As a result of that comprehensive assessment regarding a broader universe of ESG topics, at this time, climate risk, GHG emissions and ESG investing were found to be of lower priority than other ESG factors, including, for example, risk management and corporate governance, ethics and integrity, cybersecurity, employee recruitment, retention, well-being and DEI, and customer satisfaction and product innovation.</li> </ul>
	b) Describe the organization's processes for managing climate-related risks.	<ul style="list-style-type: none"> <li>• See Governance, above.</li> </ul>

	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<ul style="list-style-type: none"> <li>• See Governance, above.</li> <li>• Security Benefit is in the process of further developing its ESG program. Through our risk management processes, including our extensive ERM framework and annual ORSA, we expect to continue to evolve our processes related to identifying and assessing climate-related risk.</li> <li>• We currently do not use climate scenarios to analyze risks, including on our investments; however, our current ERM process does utilize short- and long-term assessments in analyzing risks, including climate-related risks, and the Company's investment team considers a broad variety of risks, which may include ESG and climate-related risks, as part of its ongoing investment process.</li> </ul>
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## METRICS AND TARGETS

Disclosure Focus Area	Recommended Disclosure	Response
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> <li>• ESG risks, including climate-related risks, are integrated into our overall ERM program and included in our risk register. Following the initial identification and assessment of our climate-related risks and opportunities, the ESG WG recently completed a comprehensive materiality/key issues study, including engagement with various internal and external stakeholders, with the assistance of expert climate consultants.</li> <li>• As a result of that comprehensive assessment regarding a broader universe of ESG topics, at this time, climate risk, GHG emissions and ESG investing were categorized as somewhat lesser of a priority, than other ESG topics that are more material to the Company and its internal and external stakeholders.</li> <li>• Our investments team considers a broad variety of risks, including environmental risks, as part of the ongoing investment process.</li> <li>• As a life insurance company focused on annuity and other retirement products, Security Benefit does not utilize catastrophe modeling or climate scenarios to assess or monitor climate-related risk. Security Benefit is not involved in property and casualty business activities.</li> </ul>
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<ul style="list-style-type: none"> <li>• In late 2022, Security Benefit completed its baseline review and quantification of Scope 1 and Scope 2 GHG Emissions for 2021. Our total Scope 1 Emissions (MT CO<sub>2</sub>e<sup>1</sup>) were 656.6<sup>2</sup>; total Scope 2 Emissions (MT CO<sub>2</sub>e<sup>1</sup>) using Market Based Electricity Use, were 1353.1<sup>2</sup>. As a life insurance company, we consider any potential risks associated with these emissions to be minimal from a financial risk perspective.</li> </ul>

	<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<ul style="list-style-type: none"> <li>• We continue to review and assess our energy efficiency and emissions in connection with the operation of our facilities and potential setting of climate-related targets.</li> <li>• At this stage in our ESG program development, Security Benefit has no climate goals or targets, but continues to assess metrics and targets that may be appropriate to potential climate-related risks.</li> <li>• Please see pages 17-18 of our 2022 ESG Report to learn more about ongoing efforts to reduce our climate impacts.</li> </ul>
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<sup>1</sup> These calculations were conducted according to the GHG Protocol methodologies. Estimations for electricity and stationary (natural gas) consumption were used for the Overland Park, Kansas and Albany, New York sites where direct utility data was unavailable. This data was modeled using region-specific average consumption data from the Commercial Buildings Energy Consumption Survey (CBECS). Available primary data was used to estimate mobile combustion and equipment usage. Refrigerant usage was calculated with a combination of primary and modeled data.

<sup>2</sup> These calculations represent Scope 1 and 2 emissions from Security Benefit/FSBL's owned and leased facilities in Topeka and Overland Park, Kansas, and Albany, New York.