

Governance

1. Disclose the insurer's governance around climate-related risks and opportunities.

In disclosing the insurer's governance around climate-related risks and opportunities insurers should consider including the following:

Delta Dental of Minnesota ("DDMN" or "Company") recognizes that a strong enterprise risk management program enables leadership and team members to make intelligent and informed decisions when setting strategy, planning, making decisions, and in the daily management of the Company. The Enterprise Risk Management Program Policy provides the foundation of this pursuit. Strategy, Finance, Operations, Legal & Compliance, and IT and Systems are the key material contributors to the Company's risk capacity, and the Company continuously evaluates impact to these key areas when making strategic and business decisions. Sustainability recently joined the material contributors to the Company's risk management focus and "sustainability" was added as an assessment category in the most recently conducted Risk Assessment Survey.

In the Company's Board approved 2023-2025 Strategic Plan, "All Things Sustainable" is one strategic components of the Plan. Within this strategic pillar, DDMN has undertaken the evaluation of multiple areas of the Company to assess ways to reduce or mitigate emissions in our operations, technology, and throughout our organization.

The Audit and Risk Management Committee of the Board of Directors for the company is responsible for climate-related risks, among others. This Board Committee has delegated governance oversight of the Enterprise Risk Management Program ("ERM Program"), and receives ERM Program reports at every Committee meeting.

B. Describe management's role in assessing and managing climate-related risks and opportunities.

The Company's ERM Program is intentionally dynamic and iterative in structure and practice. Compliance working groups at several levels of management and leadership meet regularly to discuss business activities, risk and compliance. These groups focus on all business activities and risk and ensure the processes and practices of business units are documented in policies and monitored for compliance. Sustainability is one of the foundational pillars of these efforts, along with the other categories mentioned above.

As part of the Company Compliance Program, the Compliance Officer holds quarterly Executive Compliance Committee meetings to review and discuss compliance activities, reviews and audits across the company. Efforts focused on the "All Things Sustainable" are part of these discussions where agenda topics warrant such discussion. All C-Suite executive attend these meeting and second-level executive leaders join and present on subject-specific topics on a rolling basis.

DDMN's Executive Leadership is responsible for assessing and managing Company risks, including climate related risks. Regular strategic planning and review sessions occur to discuss business activities and progress toward strategic goals, including under the All Things

Sustainable” strategic pillar. Leadership across the company stand at the front of the Company’s commitment to finding ways to address climate-related risks, from big ideas and operational commitment all the way down to purchasing sustainable gifts for employee recognition awards.

Strategy

2. Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer’s businesses, strategy, and financial planning where such information is material.

As mentioned previously, one of the strategic components of the Company’s Strategic Plan is an “All Things Sustainable” strategic pillar. Within this strategic pillar, DDMN has conducted an assessment of multiple areas of the Company to identify strategies that will reduce or mitigate emissions in our operations, technology, and throughout our organization. The Company has already completed some initiatives while others are on-going. The Company understands the need for intentional action and is committed to implementing effective sustainable business practices that improve the health of our planet. Sustainability is an integral part of the Company and our commitment to it also includes investments in research and development in innovative methods and models for enhanced sustainability performance. Our efforts include lowering costs and reducing the Company’s environmental footprint whenever possible

For example, the Company has installed lighting fixtures and wiring to allow automatic shut off after a period of inactivity in office spaces. As part of our ongoing facility processes, team members review the automatic shut off to ensure it is working as designed on a periodic basis. As an insurance company, printing and paper can make up significant components of distribution practices. The Company continues to invest in technology improvements to reduce the amount of printed paper and mailings. These improvements have included the use of digital member identification cards on mobile devices, online access to members for claims status and explanation of benefits for paid claims, e-filing most regulatory filings, and the implementation of electronic signature technology for contracts and business agreements where possible. The Company continues to work with our group customers and individual policy holders to encourage use of electronic materials instead of paper materials where possible.

DDMN also provides on-line access to dental offices across the country for interacting with DDMN in relations to oral care they provide. This electronic access includes the ability to submit a claim online instead of through the exchange of various paper communications, and this technology allows for claims submission to occur in real time. The Company also changed its practices for Provider Credentialing and Re-credentialing from a paper-based process to an on-line tool called “App Central.” This change alone reduced paper documents in 2020 by approximately 30,000 pages and we continue to utilize this technology.

In addition, DDMN has invested in secure on-line portals to provide easy and efficient access to information without the use of paper correspondence. Specifically, through our portals, (i) group administrators can electronically access billing details, (ii) individual members can electronically access claims activity and (iii) dentist office administrators can electronically access patient

eligibility information. Paper-reducing processes have also been implemented internally. DDMN team members use on-line applications to submit expense reports and the Company utilizes DocuSign for electronic signature capture on benefits and many vendor contracts. DDMN has also implemented an email renewal process for brokers and group administrators to further reduce printing and postage.

The Company continues to explore opportunities to further reduce or mitigate emissions associated with the delivery of dental benefits and services. DDMN will continue to identify, assess and address process and mechanisms of change that will lead to the reduction and/or mitigation of emissions across the organization.

A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.

As described above, DDMN continuously works to identify risks and opportunities, including those related to climate. Climate related risks and opportunities over the short term include the continued reduction of paper and mailing/delivery services in all areas of DDMN's dental benefits and administrative services business activities. An additional example of these considerations is demonstrated by the Company's consideration of local extreme weather conditions and a plan that provides opportunities for employees to work from home during extreme cold and snowy weather conditions. This practice contributes to a reduction in energy usage in the office spaces and significantly reduce commuter travel on these days.

Through its business partnerships, the Company is developing and implementing strategies for more medium-term sustainability through investments in the expansion of the use of sustainable oral health products and in companies and technologies committed to encouraging the use of sustainable products in oral health. Some of these investments involve bamboo toothbrushes, wheat straw toothbrushes and innovative technologies that can help restorations last longer, which in turn will result in a reduction in the raw materials used to manufacture replacement restorations.

The Company has introduced innovative digital solutions in 2022 to increase overall customer satisfaction and drive sustainability efforts. Enhancements have included a digital ID card with download capability. Customers have embraced the new enhancements resulting in a 29% decrease in printed and mailed ID cards. Listening and learning from customers and implementing new features has increased overall satisfaction with digital tools by 21%.

The Company is committed to continue to study and review future technologies and sustainable solutions for the long term.

B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.

In addition to the information and impact detailed above, the amplification of the need to address climate risks and opportunities in today's social, economic, business and political environments has positively influenced the Company already strong commitment to addressing these risks and

identifying opportunities related to climate risk. The Company, through its partnerships and business collaborations, has made investments in sustainable oral health products and is continuously looking for further options in sustainability in dental practices that could be shared with the dental networks with which the Company works. In addition, the Company produces an Annual Corporate Responsibility Report that provides an overview of corporate strategies and plans regarding Environmental, Social and Governance practices.

C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.

As demonstrated by the information and examples above, the Company's strategies incorporate intentional goals to efficiently use and, where possible, reduce the use of energy, and to eliminate the use paper in its daily business activities.

Risk Management

3. Disclose how the insurer identifies, assesses, and manages climate-related risks.

As described above in the earlier responses regarding our Enterprise Risk Management Program and Compliance Program activities, the Company uses multiple sources to identify, assess and manage climate-related risks.

Importantly, as a dental only insurance company, there has not been a climate related impact on our underwriting portfolio nor on policyholders in regards to their dental coverage. As previously mentioned, the Company does inform policyholders about its sustainable practices and encourages the use of digital technology instead of mailing paper correspondence and documents for policyholder contracts, ID cards and claims information.

The Company regularly monitors its overall investment portfolio and conducts a periodic review with its Investment Officer on all Environmental Social and Governance factors that impact the portfolio.

A. Describe the insurers' processes for identifying and assessing climate-related risks.

As described more fully above, the processes for identifying and assessing climate-related risks are continuous and robust. A full review is completed annually as part of the preparation of the Corporate Responsibility Report.

B. Describe the insurer's processes for managing climate-related risks.

As detailed above, climate related risks are identified, assessed, mitigated and evaluated under the dynamic and iterative framework of our Enterprise Risk Management Program. That program includes regular risk assessment surveys of multiple risk categories, including

sustainability, review of assessment survey results by the compliance and legal teams, reports to Executive Management and a presentation and review by the Audit and Risk Management Committee.

C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.

As detailed throughout this report, the process the Company uses to identify, assess and manage climate-related risk is an integral part of the overall Enterprise Risk Management Program. It is noteworthy that as a dental only insurance carrier, climate scenarios are limited since this risk is not applicable to dental underwriting.

4. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.

As a dental only insurance carrier, climate scenarios are limited since this risk is not applicable nor is it material to the Company.

A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.

Not Applicable

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

Not Applicable

C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

Not Applicable