

Security Benefit Life Insurance Company

First Security Benefit Life Insurance & Annuity Company of New York

2023 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 refine our Corporate Responsibility (CR) program, focused on governance, social and environmental issues important to the Company. 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 CR progress for our employees, customers, investors, communities, and other stakeholders, and continues to evolve its 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">• Security Benefit is committed to strengthening our resilience against risk through progress on governance, social and environmental issues for our employees, customers, investors, communities, and other stakeholders.• 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 CR program, including climate-related risks and opportunities. They do so through their Corporate Responsibility (CR) Committees and Audit Committees.<ul style="list-style-type: none">▪ The CR Committees include cross-functional representation and meet periodically (usually jointly) to receive reports from and furnish direction to the Corporate Responsibility Working Group ("CR WG") for the collective Security Benefit organization. The CR Committees in turn report to and receive direction from their respective boards of directors. The CR 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.▪ 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.• See pages 5-8 of our 2022 Report for further detail. https://www.securitybenefit.com/esg We publish our CR report on a biennial basis and expect to issue our 2025 report (for 2023 and 2024) in 2025 Q1.

	<p>b) Describe management's role in assessing and managing climate-related risks and opportunities</p>	<ul style="list-style-type: none"> ▪ Management leads our ERM Committee. 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. ▪ 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 CR risk is a sub-risk of reputation risk, the co-chairs of the CR WG meet periodically with the GC to discuss CR 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. ▪ The ERM framework and its components are periodically reviewed as part of the Company's independent Internal Audit function. • The CR Working Group (WG) is a cross-disciplinary group co-chaired by an Assistant Vice President, Governmental Affairs, and a Vice President and Deputy General Counsel, both of whom report to Security Benefit's GC. Other members of the CR WG include representatives from Finance, Investments, Human Resources, Corporate Communications, Facilities, and ERM. The CR WG meets periodically, generally at least quarterly, or more often as needed. <ul style="list-style-type: none"> ▪ The CR 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 CR risks and opportunities and in 2023, led and completed both a comprehensive materiality/key issues study and TCFD alignment assessment with guidance from a qualified consultant retained by the CR WG. ▪ The CR WG makes recommendations to our senior management and CR Committees for continued development of the Company's CR program, including goals, policies, communication tools, actions and a timeline to address gaps between current practices and such goals and policies. ▪ The CR WG is continuing to evolve its approach to CR across multiple aspects of the business and is developing appropriate policies, in line with both internal recommendations and external considerations. • The CR WG is in the process of finalizing an overall CR Policy for the Company, describing how the Company monitors and manages climate risks in line with its risk appetite and as outlined in the Company's extensive ERM framework. The Company and the CR Committees, as part of their continuing work on these topics, will review and consider adoption of such a policy at their next joint meeting.
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		<ul style="list-style-type: none"> ▪ The CR 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 CR Committees. ▪ The CR WG and CR Committees continue to develop the skill, expertise and knowledge required for ongoing assessment and management of climate-related risks. • The Chief Investment Officer manages investment-related risks, which are also included in our ERM program. <ul style="list-style-type: none"> ▪ The Company's investment team considers a broad variety of risks, which may include CR and climate-related risks, as part of its ongoing investment process. ▪ 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.
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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"> • 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, Overland Park, Kansas and Lawrence, 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. • 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 CR more generally. • In the short-term, regulatory risk is evidenced by requests from regulators and agencies for detailed disclosures aligning with TCFD guidance on climate and other corporate responsibility metrics. <ul style="list-style-type: none"> ▪ In 2021, the Financial Stability Oversight Council recommended enhanced climate risk supervision and TCFD-aligned reporting requirements to financial regulators, including state insurance commissioners. ▪ 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.

		<ul style="list-style-type: none"> ▪ In 2023, the Federal Insurance Office, released a report entitled, “Insurance Supervision and Regulation of Climate-Related Risks,” which includes multiple recommendations for state regulators and the NAIC. ▪ Ratings agencies occasionally inquire about CR, and SBLIC typically receives a “neutral” rating; AM Best has noted in the past that climate and CR factors are unlikely to impact the credit quality of the Company over the short-term. ▪ In 2023, the International Financial Reporting Standards Foundation, through the International Sustainability Standards Board released its first two standards related to climate risk disclosure. • Security Benefit has a short-term opportunity to increase employee engagement through increased integration of climate and other environmental assessments and mitigation actions. • 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.
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	<ul style="list-style-type: none"> • We do not believe climate-related risks present us with material risk to or opportunity for our business, strategy, 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. • 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. • Security Benefit has developed and implemented a company wide data protection and disaster management program, that includes an organizational resilience 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 organizational resilience plans to better integrate evolving risks, including climate-related risks, along with other possible factors. <ul style="list-style-type: none"> ▪ 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 utility provider is moving towards a 70% carbon emission reduction (against 2005 levels) by 2030, with a goal of reaching net-zero carbon emissions by 2045, enabled by a combination of supportive energy policies and evolving technology, and with renewable resources, such as wind, estimated to be approximately 33% of total generation capacity. As of 2021, our utility provider had achieved a 46% reduction of carbon emissions against 2005 levels.

		<ul style="list-style-type: none"> ▪ 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. ▪ Other sustainable practices that may also reduce operational emissions include recycling throughout our facilities and office operations and composting in food service management. ▪ Security Benefit considers climate-related risks as we assess our current office spaces and any plans for future office space, considering design choices and optimizations that may potentially reduce our climate impact, and continue to review and assess our energy efficiency and emissions in connection with operation of our facilities. • Our investments team considers a broad variety of risks, including environmental risks, as part of the ongoing investment process. • 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." • 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.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> • In 2023, the CR WG completed a materiality/key issues study and TCFD alignment assessment, which included interviews and surveys with internal and external stakeholders focused on assessing and prioritizing CR 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 CR program and meet stakeholder expectations. • The CR WG shared the findings and analysis of the materiality/key issues study and TCFD alignment assessment with, and made recommendations to, the CR Committees. After considering those recommendations, the CR 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 CR WG and adoption of findings by the CR 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. • 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. • Security Benefit's current CR 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.

		<ul style="list-style-type: none"> • Security Benefit's investment team considers a broad variety of risks, which may include CR and climate-related risks, as part of its ongoing investment process.
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"> • Since early 2021, the CR WG has been engaged in identifying and assessing climate-related risks. • The CR WG tracks and monitors CR and climate-related developments, regulations, legislation, concerns and risk by attending 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 CR, including climate-related risks. • The CR WG engages with a variety of internal and external stakeholders, including senior management, employees, investors, and ratings agencies, regarding Company CR 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 CR programs and policies going forward. • In 2023, the CR WG completed a comprehensive 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 CR program and meet stakeholder expectations. • As a result of that comprehensive assessment regarding a broader universe of CR topics, at this time, climate risk, GHG emissions and CR investing were found to be of lower priority than other CR 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. • The CR WG has tentatively planned to update the materiality/key issues study and TCFD alignment assessment throughout 2025, including a review of the assessment and identification of and prioritization of possible risks related to climate, with results being published in 2026. At this time, no significant changes from the previous study are anticipated.

	b) Describe the organization's processes for managing climate-related risks.	<ul style="list-style-type: none"> See Governance, above.
	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"> See Governance, above. Security Benefit is in the process of further developing its CR program, including the development of an overall CR policy that also addresses how the Company considers climate risk. We expect such policy to be formally approved and implemented by early 2025. 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. 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 CR and climate-related risks, as part of its ongoing investment process.

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"> CR risks, including climate-related risks, have been fully integrated and documented into our overall ERM program and included in our risk register since 2022. Following the initial identification and assessment of our climate-related risks and opportunities, in 2023, the CR WG completed a comprehensive materiality/key issues study, including engagement with various internal and external stakeholders, with the assistance of expert climate consultants. As a result of that comprehensive assessment, at this time, climate risk, GHG emissions and CR investing are categorized as somewhat lesser of a priority than other CR topics that are more material to the Company and its internal and external stakeholders. Our investments team considers a broad variety of risks, including environmental and climate-related risks, as part of the ongoing investment process. The companies' investment processes are regularly reviewed as part of our ongoing identification and assessment of risk. The CR WG has tentatively planned to update the materiality/key issues study and TCFD alignment assessment throughout 2025, including a review of the assessment and identification of and prioritization of possible risks related to climate, with results being published in 2026. At this time, no significant changes from the previous study are anticipated. As a life insurance company focused on annuity and other retirement products, Security Benefit does not currently utilize catastrophe modeling or climate scenarios to assess or monitor climate-related risk. Security Benefit is not involved in property and casualty business activities.

	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"> In late 2022, Security Benefit completed its baseline review and quantification of Scope 1 and Scope 2 GHG Emissions for 2021. For 2021, our total Scope 1 Emissions (MT CO₂e¹) were 656.6²; total Scope 2 Emissions (MT CO₂e¹) using Market Based Electricity Use were 1353.1². We are currently undertaking a review and quantification of Scope 1 and Scope 2 GHG emissions for 2022 and 2023 for owned and leased facilities. As a life insurance company, we consider any potential risks associated with these emissions to be minimal from a financial risk perspective.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> We continue to review and assess our energy efficiency and emissions in connection with the operation of our facilities and potential consideration of setting of climate-related targets. At this stage in our CR 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. Please see pages 17-18 of our 2022 Report to learn more about ongoing efforts to reduce our climate impacts.

¹ 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.

² 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.

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EVOLVING TO MEET NEW CHALLENGES

2022 Report



SECURITY BENEFIT LIFE
INSURANCE COMPANY

FIRST SECURITY BENEFIT LIFE INSURANCE
AND ANNUITY COMPANY OF NEW YORK

ABOUT SECURITY BENEFIT

Security Benefit, an Eldridge company, continues its proud tradition of helping our clients To and Through Retirement®. With retirement product innovation, superior investment management, cost-efficient administration, and a multi-channel, diversified distribution model, Security Benefit has become a leader in the U.S. retirement industry. Our current product and service offerings include fixed, fixed index, and variable annuity products in all states except New York; First Security Benefit Life Insurance and Annuity Company of New York issues variable annuities in New York. We are also a leading provider of retirement plan services throughout the nation.

Founded in 1892, the precursor to Security Benefit, the Knights and Ladies of Security, built a national reputation for ingenuity and philanthropy, and the original fraternal organization was a pioneer in providing working men and women and their children with financial security in the event of a calamity. Security Benefit later became the largest fraternal society among those admitting men and women on an equal basis and the only one providing homes for orphans and the elderly and maintaining a hospital.

For over 70 years, the Company has provided a group health policy as one of its core benefits, and almost 60 years ago, recognizing the need to help provide for a secure future for associates, created a retirement plan.

For almost 50 years, the Company has continued its philanthropic tradition through the Security Benefit Charitable Trust by which we engage associates and our communities, raise awareness about diversity and inclusion, and direct all charitable giving. We support our associates and their families through subsidized, on-site child care in our home office and provide a comprehensive benefits package to help associates grow and provide for their families.



The three pillars encompassed within the term ESG include a broad set of issues under the headings of corporate governance, social issues, and the environment. ESG provides a framework for us to evaluate and measure our approach and align these issues against our values and the interests of our varied stakeholders.

Today, in keeping with our promise to help our clients *To and Through Retirement*[®], we are committed to environmental, social, and governance (ESG) progress as one of the frameworks that strengthens our resilience against risk. Advancing ESG initiatives supports our effort to help people achieve a secure future and to create shared values and purpose with our associates, partners, customers, investors, and communities.

Security Benefit is proud to be headquartered in Topeka, Kansas, for over 131 years, with offices in Des Moines, Iowa; New York, New York; and Overland Park, Kansas. At year-end 2022, the Company employed over 450 associates and had over \$47.6 billion in total assets under management.

For the purposes of this report, references to "Security Benefit" or the "Company" mean SBL Holdings, Inc. ("SBLH") and its direct and indirect subsidiaries, other than Everly Holdings, LLC, and its subsidiaries, plus Security Benefit Business Services, LLC ("SBBS"). Security Benefit Life Insurance Company ("SBLIC") is a direct, wholly-owned subsidiary of SBLH that issues annuities in all states except New York. First Security Benefit Life Insurance and Annuity Company of New York ("FSBL") is a direct, wholly-owned subsidiary of SBLH and is licensed in New York and Kansas with business limited to issuing variable annuity contracts in the State of New York. FSBL's office is in Albany, New York.

Our ESG Committees and Working Group are defined in the Governance section on pages 5-6. Unless otherwise noted, this report references Security Benefit's activities and results through December 31, 2022.

Our Core Values

Customer First

Place the interests of the customer first.

Integrity and Respect

Act ethically and treat all associates, customers, and partners with respect.

Progress

Seek continuous quality improvement.

Give Back

Support our communities.

About This Report

This Security Benefit 2022 ESG Report was prepared as part of our evolving program and is designed to provide an overview of the Company's ESG activities and progress. Throughout 2022 and into 2023, we continued to engage our third-party ESG consultant to assist us in developing our first comprehensive materiality/key issues study to identify key ESG issues that are relevant to our various stakeholders and vital to the success of our business.

Together with our ESG consultant, we have continued to evaluate leading ESG reporting frameworks with a regulator-required focus on the Task Force for Climate-related Financial Disclosures (TCFD). This year's report also references our 2022 TCFD Index, which includes specific metrics and disclosures, both of which will be accessible in full on our website. Going forward, we plan to publish our ESG Report on a biennial basis, supported by annual updates to the TCFD Index. This report was reviewed and approved by our ESG Working Group and the board-level ESG Committees of SBLIC and FSBL.¹

With feedback from our ESG Working Group and ESG Committees, we have developed a "roadmap" to guide the Company as we mature our ESG program. The roadmap allows us to prioritize ESG areas of focus and was informed by numerous stakeholder interviews and surveys, feedback from our consultants and senior leaders, and best industry practices.

Top ESG Priorities



Risk Management and Corporate Governance



Employee Recruitment and Retention

Ethics and Integrity

Employee Well-being and DEI

Cybersecurity

Customer Satisfaction and Product Innovation

Other ESG Considerations



Climate Risk and GHG Emissions



Charitable Giving and Volunteering



Stakeholder Engagement

ESG Investing

ESG Product Offerings

¹The data presented in this report were collected, reviewed, and internally validated and represent the most complete and accurate information we have at the time of publication. The data have not been internally or externally audited.



A Letter From Our CEO

Since our founding, we have believed that everyone deserves an opportunity to achieve financial security. We are a purpose-driven company providing retirement products to our hardworking customers, who are trying to save and invest for their future. With our 2022 ESG Report, I am proud to share the role ESG progress plays in helping achieve a secure future for our Company, partners, customers, associates, communities, and other stakeholders.

Security Benefit was established 131 years ago out of concern for the financial well-being of people in the community and has grown through perseverance, forward-thinking, and product innovation. Through challenges including the COVID-19 pandemic, we have stayed focused on our mission, enhancing the financial stability that enables us to offer the savings solutions and services our customers need to reach their retirement goals.

This ability to adapt while staying on track includes our approach to ESG by:

- ✓ Enhancing our physical operations to address environmental concerns and recognize the health of our associates, as well as considering a broad variety of risks, which may include ESG-related risks, as part of our ongoing business and investment processes.
- ✓ Addressing relevant demographic and social trends through our products, services, and relationships with our diverse workforce, partners, investors, customers, suppliers, and communities.
- ✓ Managing opportunities and risk through well-established corporate governance processes for enterprise risk management, investment management, product design and distribution, internal controls over financial reporting, internal audit, legal, compliance, and ethical business conduct to help us secure the future for our stakeholders.

Security Benefit is well positioned to address demographic and economic trends such as public recognition of the critical need to save for the future and is honored to again be named to the Ward's 50® list in recognition of our outstanding financial results and performance over the period 2018-2022. We believe that our superior investment management, retirement product innovation, cost-efficient administrative platform, and multi-channel, diversified distribution model give Security Benefit a sustainable advantage.

To demonstrate our core value of progress, we seek to continuously improve our ESG performance by exploring ESG risks and opportunities for our business and investments to address our stakeholders' interests, meet regulatory requirements, and compete within our industry. With leadership from our ESG Working Group, we are expanding our knowledge base and developing a roadmap to continue to evolve our ESG practices at the Company.

Thank you for taking the time to learn about Security Benefit's approach to ESG. We look forward to reporting on our future performance and engaging with our stakeholders as we continue to track and share important ESG-related information.

Sincerely,

A handwritten signature in black ink that reads "Doug Wolff".

Doug Wolff, CEO



GOVERNANCE AND OVERSIGHT

Strong governance standards and practices form the foundation for delivery of our products and services to help our customers plan and save for the future.

Board and Management Structure

In 2021, the management team formed our ESG Working Group (WG) to develop policies, goals, communications tools, actions, and timelines to further advance Security Benefit's ESG program. The ESG WG is co-chaired by officer-level associates focused on how these rapidly changing issues could affect the day-to-day business of the Company. The ESG WG now reports to the board-level ESG Committees at both SBLIC and FSBL, both established in 2022, whose members are all senior management and/or Audit Committee members, and also directly reports as requested to the SBLIC and FSBL Boards of Directors.

Security Benefit Corporation's Board of Directors, through its Audit Committee, oversees the management of our enterprise risk management (ERM) framework and the policies, procedures, and practices used to manage operational, investment, product and distribution, technology, and strategic/governance risk. Our management team is responsible for day-to-day business operations, including ERM.

Guided by and supporting our promise, mission, vision, and core values, our ESG program continues to evolve to meet rapidly changing legal and regulatory requirements, provide relevance to our business, and meet expectations for our associates, customers, investors, communities, and other stakeholders.

Risk Management

Security Benefit approaches risk management through strong culture and product design grounded in our corporate purpose to help pre- and post-retirees achieve financial security through annuities and other products. We seek to manage risk in the best interest of the Company and our policyholders, using pricing and hedging to manage market and policyholder risks associated with annuities.

SBLIC conducts an annual Own Risk and Solvency Assessment (ORSA) as part of regulatory requirements. The ORSA assesses the adequacy of risk management and solvency positions under normal and severe stress scenarios. It analyzes all reasonably foreseeable and relevant material risks (e.g., credit, market, operational, liquidity risks). This is meant to encourage management to anticipate potential capital needs and to take proactive steps to reduce solvency risks.

Risk: Board and Management Structure



Our ERM Committee has primary responsibility for our risk management system. This committee, which consists of senior management, led by the Chief Risk Officer (CRO), meets at least quarterly to review and discuss: closely monitored risks (risks currently out of tolerance) and the status of their mitigation plans to address changes to risk levels; updates to the risk register; annual ORSA scenarios and results; annual risk assessments and internal audit plans; and all other risk management initiatives. The CRO executes risk management processes in line with our ERM Policy to promote a systematic, disciplined, proactive ERM process and provides regular updates on risk management to the respective SBLIC and FSBL Board of Directors' Audit Committees. The ERM framework and its components are periodically reviewed as part of the independent Internal Audit function.

The ERM system also addresses investment-related risks, which are managed by the Chief Investment Officer, with oversight by the SBLIC Board of Directors Investment Committee. To manage risk, Security Benefit maintains a diverse investment portfolio in accordance with our Investment Guidelines, Asset Liability Management Guidelines, and Derivative Guidelines.

Products and Investment Management

Our Investments team considers a broad variety of risks, which may include ESG-related risks, as part of its ongoing investment process. Security Benefit makes ESG mutual funds (or their variable annuity sub account 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.²

We utilize Morningstar's classifications of sustainable investments, including:

- ✓ ESG Funds
- ✓ Impact Funds
- ✓ Environmental Sector Funds

Cybersecurity, Data Privacy, and Anti-fraud

We value and respect the privacy of our customers, associates, vendors, and business partners. Providing high-quality service to our customers requires protecting our customers' sensitive information.

Our formal program recognizes cybersecurity as a significant business risk with fast-paced regulatory changes. As a recognized best practice, we continue to expand and leverage the NIST (National Institute of Standards and Technology Cybersecurity) framework standards in our internal program. In addition to our overarching focus on data protection and privacy, we have policies focused on business continuity, disaster recovery, and vendor and third-party security, to name just a few. Our Chief Information Security Officer is responsible for managing our cybersecurity program, and we leverage a managed security services provider to help us recognize and respond to threats. We provide cybersecurity training for all associates and contractors quarterly, conduct robust phishing tests (with rewards for success and consequences for failures), and offer additional required training for associates with specific cybersecurity responsibilities.

Security Benefit places a strong emphasis on business continuity and disaster recovery planning with a dedicated team covering this area. We plan our key focus areas around the critical processes that are most impactful to business operations and our customers. We utilize best-in-class business continuity risk management software to help us track these key processes, ensuring both resiliency and redundancy are tested for and in place.

Our overall annual training programs for all associates also may include training on data security and privacy and our Company Privacy Officer stays abreast of constantly changing legal and regulatory requirements.

² Morningstar conducts detailed research and analysis on ESG attributes of funds. Information about the framework for these fund categories can be found here: MorningStar.com/content/dam/marketing/shared/pdfs/Research/Sustainable_Attributes_Definitions_final.pdf

Our industry as a whole is often the target of fraud, and we take very seriously the need to protect our customers and their data from fraud attempts such as account takeover fraud. We are constantly developing and upgrading internal processes to help us recognize fraud attempts in an effort to prevent them. Financial and personnel resources, combined with internal controls and continuous monitoring, all supported by the use of technology, have advanced our efforts to monitor and combat fraud attempts.



Tone at the Top and Compliance

We conduct periodic “tone at the top” surveys to gauge employee sentiment regarding our ethics program practices.

Business Ethics

Security Benefit’s Code of Business Conduct and Ethics is central to our ethical culture and applies to all directors, officers, and associates.

Culture and ethics play an important role in our organization, and we expect all of our associates to consistently perform with integrity, honesty, and purpose. We know that our work is more rewarding when balanced with a positive attitude, a respectful environment, and unwavering encouragement of each other. To sustain these important attributes across our enterprise, annual ethics training for all associates is focused on timely and relevant topics. The training is spread out over the course of the year to continually refresh and help ensure our Code remains firmly embedded in all our internal and external activities. Confidential reporting mechanisms, including the availability of an outside hotline accessible 24/7, as well as non-retaliation provisions, help ensure associates feel empowered to speak up, share concerns, and take ownership as part of our ethical culture.

We also provide structured training for associates each year on topics such as workplace harassment; annual compliance policies (including those required for FINRA); employment law; and other topics designed to promote employee success.

The Company is committed to fulfilling our Know Your Customer obligations and has implemented an Anti-money Laundering program to comply with all applicable laws and regulations that require ongoing customer due diligence and the reporting of transactions involving suspicious activity. This program includes establishing and implementing policies and procedures that can reasonably be designed to detect money laundering and achieve compliance with relevant laws and regulations, including the Bank Secrecy Act and the monitoring requirements of the Office of Foreign Assets Control.

Distributors, including all retail broker-dealers with active selling agreements and independent marketing organization producers, must annually affirm their compliance with Anti-money Laundering and Know Your Customer obligations.



SOCIAL AND COMMUNITY IMPACT

Security Benefit has always prioritized investing in our people as a means to help them achieve more and contribute to the development of our communities.

Investing in our people is a theme that is continuously reinforced throughout our organization. Our promise, mission, and vision, along with our core values and associate expectations, are first shared with new associates during orientation and then fostered and emphasized in the way we train, develop, promote, and support our people, as well as how we treat our customers, partners, and communities. We are guided not only by our intrinsic belief in these principles, but by our belief that we are stronger with shared goals.

We nurture a collaborative, respectful, and encouraging workplace where associates feel free to speak up and ideas are appreciated, including with awards and recognition. Our Six Sigma and ROAR (Review Optimize Automate Reward) programs celebrate process innovation and our High Five program enables associates to commend one another for their daily contributions across the Company.

Our Company's comprehensive benefits package recognizes evolving social trends and their impact on our workforce. As a result of prioritization in the areas of talent recruitment and retention during 2022, the Company made additional significant enhancements to salary and benefit opportunities. Full time employees are now offered 11 paid holidays, two discretionary floating holidays, 20 days of paid time off at time of hire, employee assistance programs (including mental health), tuition reimbursement, pet insurance, fertility and family-building benefits, and other benefit options designed to support and connect our associates and promote well-being. Our 401(k) retirement plan includes both an employer contribution match and a generous annual profit sharing contribution to encourage enhanced associate saving. With our proud tradition of community service, we also support our associates with a variety of incentives that promote volunteerism and assist local nonprofit organizations serving our communities.

Evolving benefits focus on employee well-being, working parents, and changing family dynamics.



Mental wellness
to support associate
well-being

13

WEEKS

Paid parental leave
for all new parents
and partners



Subsidized on-site
child-care facility in our
Topeka home office

To help ensure safe working conditions, we maintain policies focused on preventing workplace violence, as well as those focused on anti-harassment and safe driving. We've also created a severe weather plan and made a variety of environmental enhancements to our facilities. Our Workplace Safety Working Group meets regularly to assess our practices and safeguard our workforce. We also have a dedicated Employee Engagement Team that develops activities and ideas on a monthly basis to encourage interaction and foster connections among associates in our home office, virtually, and across our different geographic locations. We know that creating connections is one important key to associate satisfaction and is beneficial, both in and out of work hours. Following our return to the office in August 2021 from a fully remote pandemic-required working environment, we now have a permanent hybrid workforce with three days in the office for collaborative work and two days remote.

We continue to foster the collegial culture that makes Security Benefit open to fresh perspectives and experienced voices alike.

<12%

Employee turnover
rate for 2022.

14

YEARS

Approximate tenure for
Company officer employees.
Average non-officer tenure
is about seven years.

6.4

HOURS

Average training hours
per employee, per year.

Dedication to Diversity, Equity, and Inclusion

Security Benefit was built on the inclusive philosophy that everyone deserves financial security. Our charter embodied a new concept of fraternalism, which enabled the average person to buy life insurance — previously available only to the wealthy — and admitted women on an equal basis as men. This commitment to innovation is also reflected through associate development and engagement opportunities.

To increase diversity in our candidate pool, we recruit associates through a variety of means, including associate referrals, college and career fairs, and Historically Black Colleges and Universities (HBCU) and Tribal Colleges and Universities (TCU). The Company also supports the Latino community through services offered by Topeka LULAC Senior Center and sponsorship of Fiesta Topekal, an annual celebration of Mexican culture. MANA de Topeka offers girls in middle and high school career path exposure and mentorship. The Company contributes funds to Living the Dream for college scholarships, to a Juneteenth event, and to the Topeka Chapter of the Links, an international professional organization for women of color.

The Charitable Trust also contributes to quality-of-life initiatives that provide enrichment opportunities that might otherwise be out of reach. The Veterans Community Project creates tiny house developments for veterans in Kansas City. Elementary students in schools in disadvantaged neighborhoods learn ballet through a Kansas Ballet Company after-school program. TARC and CapperCAN! offer employment and other community engagement opportunities to support developmentally disabled adults, and schoolchildren participate in theater programs in partnership with the Topeka Performing Arts Center and Lawrence Arts Center.

1992

1998

2019

Security Benefit became the first for-profit company in Topeka to establish a child-care center, contracting with the Menninger Foundation to provide staffing, administration, and programming for children ages six weeks to six years.

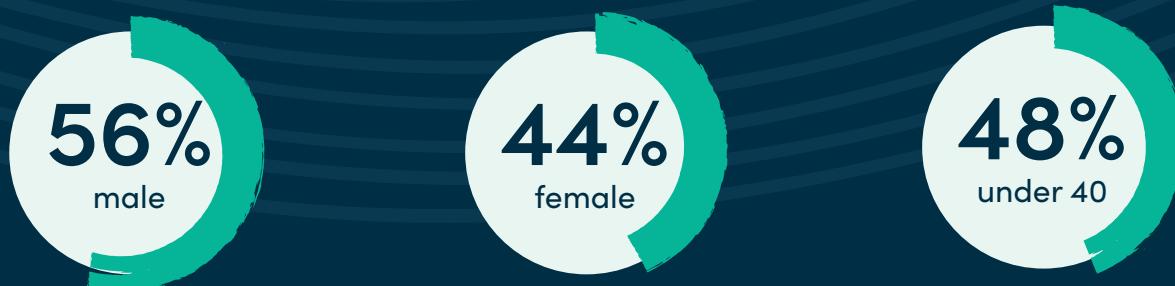
Security Benefit was recognized as one of "The Top 100 Best Companies to Work for in America," citing its commitment to community through philanthropy and volunteerism and its pension and profit sharing package (Forbes Magazine 1998).

Security Benefit was named to Forbes' inaugural list of "America's Best-in-State Employers List," ranking fifth among the top 29 Kansas companies honored (Forbes Magazine 2019).

2022 Training Highlights

Our human resource business professionals receive training on a wide variety of topics, including ethics, professionalism, and harassment prevention, which all include DEI perspectives. We also embed DEI considerations in a variety of the training topics offered to all associates and managers throughout the year.

Associate Demographics



For over 15 years, Security Benefit has prohibited discrimination on the basis of sexual orientation and gender identity as non-discriminatory classes.

³ This includes employees who self-identify as American Indian or Alaskan Native, Asian or Pacific Islander, Black, Hispanic, or as two or more categories in line with U.S. Equal Employment Opportunity Commission guidelines.

Supporting Our Communities

Our founders' promise to help those in need is embedded in our culture. Through our Charitable Trust, for 2023, we have allocated \$800,000 to support over 100 local, regional, and national organizations that provide food, clothing, and shelter; medical and mental health services; educational and enrichment opportunities for at-risk students; quality of life initiatives, including the arts; and diversity, equity, and inclusion programs. Some of our recent contributions include support for veterans, victims of child abuse and human trafficking, a collaborative venture to assist Topeka's unhoused population, and year-round STEAM (Science, Technology, Engineering, Arts, and Mathematics) activities for Boys & Girls Clubs of Topeka members through a partnership with the Jayhawk Theatre.

Through the decades, Security Benefit has received recognition for its corporate stewardship, from a 1993 Award of Excellence in Community Service from Points of Light, an honor received by only five companies in the country, to 2022 when Ingram's Magazine named Security Benefit a Corporate Champion for philanthropy.



\$700k

Allocated from Charitable
Trust in 2022



\$35k+

Company matching contributions
made on behalf of associates to
educational institutions and other
nonprofit organizations



100+

Organizations supported by
Security Benefit and
our associates

Our Associates

Our company's philanthropic focus extends to our associates, who give time and money to various nonprofits to enhance overall well-being in multiple communities and who receive an opportunity for one paid volunteer day each year. Whether assisting victims of natural disasters, supporting the communities they live in with dollars and services, or serving on boards to help organizations prosper, our associates give generously.

Through Security Benefit's Dollars for Hours program, associates who contribute 50 or more volunteer hours each year convert time spent coaching, chaperoning school events, or serving on boards into a Company donation of \$150 or more to a nonprofit of their choice. They can also make individual contributions to schools and universities and the Charitable Trust will match their donations up to \$3,000 per associate per year.

Some of the organizations and activities our Charitable Trust and associates support include:



American Red Cross — The nonprofit provides compassionate care to people in emergency situations, helps communities prepare for natural disasters, and provides life-saving assistance through classes and blood drives.



United Way of Kaw Valley



United Way of Kaw Valley — The nonprofit supports 70 agencies that assist with basic needs, literacy, educational enrichment, and more. Each year the organization sponsors the Nancy Perry Day of Caring, a day-long, community-wide volunteer event for which Security Benefit has served as the premier sponsor for several years.



**Meals on Wheels
EASTERN KANSAS**

Harvesters — The nonprofit distributes food and resources through more than 760 partner agencies. A member of the nationwide Feeding America network, Harvesters also offers educational programs to increase community awareness of food insecurity.



Meals on Wheels — The nonprofit provides nutritious meals to older and housebound adults in northeast Kansas so they can live independently in their own homes. Community volunteers deliver meals on a dedicated route.

YMCA of Greater New York — The nonprofit serves more than half a million New Yorkers each year through programs at its 24 branches, which promote healthy living, provide support to children and teens in at-risk communities, and strengthen community connections throughout New York City.



Junior Achievement of Kansas — The nonprofit offers school programs designed to enhance knowledge of business principles for all ages. Volunteers serve as classroom facilitators to help bring real-world knowledge directly to students.



YWCA Northeast Kansas — The nonprofit is dedicated to eliminating racism, empowering women, and promoting peace, justice, freedom, and dignity for all through direct services and programs, as well as through education, advocacy, and public policy.



Boys & Girls Clubs of Topeka — The nonprofit promotes after-school programs focused on academic success, cultural enrichment, and nutrition.



Kansas Children's Discovery Center — The nonprofit's mission is to enhance the lives of children and enrich the communities it serves. Children can explore, create, discover, and learn through play, regardless of financial, medical, or developmental limitations.



The Villages, Inc. — The nonprofit, established in 1964 by Dr. Karl Menninger, a former advisory director to SBLIC, provides a safe environment and personal growth for children in need of care and unaccompanied children, many of whom have traveled to the U.S. on foot from other countries.

Long-time Supporter of Education

Security Benefit was one of the first companies to support the retirement market for school employees. Today, we provide retirement products for educators and school personnel in over 4,500 school districts across the country and invest in programs for teachers.

- ✓ Over 25 years of funding the Kansas Teacher of the Year program
- ✓ 3,000+ Kansas teachers honored
- ✓ Annual sponsor of NEA Foundations Salute to Excellence in Public Education for over 10 years
- ✓ Support for the National Teachers Hall of Fame, internships, and scholarships
- ✓ Lead supporter of the Kansas Insurance & Financial Services Education Foundation, providing scholarships for university students in Kansas pursuing education and career opportunities in the financial services sector



Our Customers

We market and sell our products through a diversified external distribution model of independent financial professionals and broker-dealers, banks, bank-affiliated insurance agencies, independent marketing organizations (IMOs), insurance producers, registered investment advisors, and other distributors. The Company deploys a multi-channel, diversified distribution model targeting multiple wealth segments.

We compensate our distributors and their sales agents through a variety of commission structures. We also offer commission-free products through fee-based financial professionals. We believe that our highly successful network of independent distributors is a key competitive advantage, allowing us to maximize the reach and efficiency of our distribution efforts while reducing fixed costs.

We believe one of our core distribution strengths is the exclusive marketing organization group (EMO Group) that we've developed with four leading IMOs. Although our EMO Group members can sell products from other providers, the Company grants EMO Group members exclusivity rights to certain of our products, and they agree to meet quality requirements.



We intend to be at the forefront of the annuity industry in developing and introducing innovative and competitive products to meet the demands of retirees and those planning for retirement.



ENVIRONMENT AND CLIMATE RISK

Security Benefit strives to be a responsible steward of the environment. We have a history of taking action to address the environmental impacts of our facilities to preserve the health and well-being of our associates and our communities.

In our Topeka home office, we have for many years worked with our utility providers and others to manage operational energy and resource consumption, reduce emissions from our buildings and vehicles, and implement environmentally friendly practices.

Environmental Considerations

- ✓ Installing LED fixtures and using an air filtration system that utilizes fresh air for heating and cooling
- ✓ Installing a modern and more efficient boiler system
- ✓ Using and recycling paper and paper food service products
 - ✓ Using electric vehicles on our Topeka campus
- ✓ Utilizing herbicidal application recommendations with a goal of supporting healthy and visually appealing grounds
- ✓ Exploring solar options for heating and cooling

Greenhouse Gas (GHG) Emissions and Related Risks⁴

Scope 1

Scope 1 emissions are direct emissions. Direct emissions occur from sources that are controlled or owned by an organization.

Scope 2

Scope 2 emissions are indirect emissions. Indirect emissions are associated with purchased sources of energy such as from energy produced by our energy supplier.

As part of our required annual regulatory disclosures, in November 2022, we submitted the Climate Risk Disclosure Survey, including our first TCFD Index, to the National Association of Insurance Commissioners (NAIC). As part of our work in developing the TCFD Index, Security Benefit completed its baseline review and quantification of Scope 1 and Scope 2 GHG emissions for 2021.

As a life insurance company, we consider any potential risks associated with these emissions to be minimal from a financial risk perspective.

Climate Risk Disclosure Survey 2021 GHG Emissions

Scope 1	Emissions (MT CO ₂ e ⁴)	Scope 2	Emissions (MT CO ₂ e ⁴)
Stationary Combustion	569.5	Market Based Electricity Use	1,353.1
Mobile Combustion	0.8	Total Scope 2 Emissions ⁵	1,353.1
Equipment	11.8		
Refrigerant Leakage	74.5		
Total Scope 1 Emissions⁵	656.6		

⁴ MT CO₂e = metric tons of carbon dioxide equivalent. CO₂e is a metric that enables comparison of different gases using a standardized measure relative to contributions to global warming. This calculation was conducted according to the GHG Protocol methodologies. Estimations for electricity and stationary (natural gas) consumption were used for the Overland Park and Albany 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.

⁵ 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.

Our clients' path *To and Through Retirement*[®] begins with us.

To learn more about Security Benefit's ESG Program,
contact 800.888.2461 or visit SecurityBenefit.com/ESG.



SECURITY BENEFIT LIFE
INSURANCE COMPANY

FIRST SECURITY BENEFIT LIFE INSURANCE
AND ANNUITY COMPANY OF NEW YORK

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