CLIMATE RISK DISCLOSURE SURVEY

2023 Reporting Year

Company Name: The Baltimore Life Insurance Company
NAIC No.: 61212

SURVEY QUESTIONS

GOVERNANCE

Question:	*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:* • Identify and include any publicly stated goals on climate-related risks and opportunities. • Describe where climate-related disclosure is handled within the insurer's structure, e.g., at a group level, entity level, or a combination. If handled at the group level, describe what activities are undertaken at the company level.
Company Response:	Given the Company's relatively small climate impact, its greatest impact on climate is likely around its investments. The Company's Finance Committee is responsible for establishing the investment policy, reviewing all investment transactions and setting the direction for the Company's investments. The Committee does not have any publicly stated goals on climate-related risks and opportunities, but endeavors to be prudent in its direction. We also use an independent investment advisor for our investments who has an ESG process it follows (described in further detail below).
Question:	*2. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities. In describing the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks, insurers should consider including the following:* • Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks.
Company Response:	The Finance Committee is primarily responsible for managing the climate related financial risks.
Question:	*3. Describe management's role in assessing and managing climate-related risks and opportunities.*
Company Response:	Management works closely with the Finance Committee and its independent investment advisor to ensure that its investments are prudent (please see below for details about our investment advisor). Given the nature of our business, there are not too many material opportunities other than with our investments.

STRATEGY

Question: *1.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.*
In disclosing the actual and potential impacts of climate-related risks and opportunities on the
insurer's businesses, strategy and financial planning, insurers should consider including the
following:
• Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency.
• Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations.

Company Response: Baltimore Life sells life insurance and annuity products. We do not manufacture any tangible products. The company operations are limited to one home office in Maryland and very small agency office locations primarily in Maryland and Pennsylvania. We have dramatically reduced our reliance on paper in recent years by using digital means to store records. We are also making greater efforts in moving towards electronic delivery of our policies and other forms as permitted by state regulation. And finally, we have decreased our home office footprint by instituting a remote first work environment. In so doing, we are decreasing our home office needs considerably.

Question: *2.Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term. In describing the climate-related risks and opportunities the insurer has identified over the short, medium, and longer term, insurers should consider including the following:*
• Define short, medium, and long-term, if different than 1-5 years as short term, 5-10 years as medium term, and 10-30 years as long term.

Company Response: The company recognizes that a virus or pathogen is a potential risk of climate change and may affect our business as follows:

- Loss of income due to reduced premiums paid by policy holders
- Increased claims for life insurance benefits
- Increased claims for disability or critical illness benefits
- Reduction in surplus due to claims

Our greatest exposure to these risks is likely limited to Maryland and Pennsylvania due to the higher concentration of policyholders in these states.

Question:	*3. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning. In describing the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider including the following:* • Discuss if and how the insurer provides products or services to support the transition to a low carbon economy or helps customers adapt to climate-related risk. • Discuss if and how the insurer makes investments to support the transition to a low carbon economy. • Discuss if and how the insurer makes investments to support the transition to a low carbon economy.
Company Response:	As our employees have been working remotely successfully, a greater percentage of remote workers on a day-to-day basis could positively impact the environment with less driving and therefore emissions. However, as a life insurer, we do not offer products or services that support transition to a low carbon economy or adaption to climate-related risks. Life insurance companies are highly regulated, and our investments must comply with state regulation concerning life insurer investments. While climate change and prudent investments are constantly considered by our investment advisor and Finance Committee, as with most insurers, our primary focus is to ensure that we can meet our obligations with respect to our policyholders in the future. That said, our investment advisor does implement an ESG program that is discussed in greater detail below.
Question:	*4. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.*
Company Response:	We do not believe that a 2 degree Celsius or lower scenario would have a material impact on our investments or strategy.

RISK MANAGEMENT

Question:	*1. Disclose how the insurer identifies, assesses, and manages climate-related risks. In disclosing how the insurer identifies, assesses, and manages climate-related risks, insurers should consider including the following:* • Describe how the insurer considers the impact of climate related risks on its underwriting portfolio, and how the company is managing its underwriting exposure with respect to physical, transition and liability risk. • Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable. • Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered.
Company Response:	The company has an enterprise risk management program (ERM) which analyzes risks that

are material to its business decisions. Currently the ERM plan does not include the risk associated with climate change since the financial impact and likelihood of a material expense arising out of climate issues is very unlikely. However, we will continue to consider climate in the future as a potential issue and run it through our ERM process.

With respect to our investment portfolio, our independent investment manager has been a signatory of the UN Principles for Responsible Investment (PRI) since 2012 and received a five-star rating for the four relevant categories in their latest PRI Assessment Report. ESG is integrated into their investment process. Specifically, ESG factors are non-financial material information that can influence the fundamental assessment of credit profiles and security valuations. This interpretation considers ESG factors but only where they directly impact the financial risk/reward on an investment. Our investment manager provides an ESG assessment for Corporate and Municipal credits held by their firm. They continue to expand ESG coverage to sovereign and structured issuers as soon as they have developed frameworks for each asset class. Analysts assign a proprietary ESG risk factor score of Strong, Average or Weak to issuers in their coverage universe and provide a brief synopsis of their rationale. The manager then incorporates that, along with MSCI data, into their fundamental analysis, which is accessible to all of our manager's investment professionals and used in the underwriting assessment required for each security held in client portfolios.

Regarding steps taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable, our presumption is that this inquiry is related to property risks. As a life and annuity insurer, we have no expertise in mitigating losses caused by climate-change influenced events and, therefore, this has not been an issue we have brought to the attention of our policyholders. As mentioned above however, we have encouraged our policyholders to embrace electronic versus paper communications.

Question: *2. Describe the insurers' processes for identifying and assessing climate-related risks. In describing the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:*
• Discuss whether the process includes an assessment of financial implications and how frequently the process is completed.

Company Response: The life insurance products sold by our company are priced based upon actuarial tables, underwriting systems that gauge mortality and the financial and investment needs of each product to determine risk. Climate-related risks generally do not factor into our product development.

Question: 3. *Describe the insurer's processes for managing climate-related risks.*

Company Response: The current ERM plan does not contemplate the risk associated with climate change since the financial impact and likelihood of a material expense arising out of climate issues is very unlikely. However, we will continue to consider climate in the future as a potential issue and run it through our ERM process.

Question: *4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management. In describing how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management, insurers should consider including the following:*

• Discuss whether climate-related risks are addressed through the insurer's general enterprise-risk management process or a separate process and how frequently the process is completed.

• Discuss the climate scenarios utilized by the insurer to analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.

• Discuss the climate scenarios utilized by the insurer to analyze risks on its investments, including which risk factors are utilized, what types of scenarios are used, and what timeframes are considered.

Company Response: The current ERM plan does not contemplate the risk associated with climate change since the financial impact and likelihood of a material expense arising out of climate issues is very unlikely. However, we will continue to consider climate in the future as a potential issue and run it through our ERM process.

Climate scenarios are not currently used by the company to analyze underwriting and investment risks.

METRICS AND TARGETS

Question: *1. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material. In disclosing the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material, insurers should consider including the following:*

• Discuss how the insurer uses catastrophe modeling to manage the climate related risks to your business. Please specify for which climate-related risks the insurer uses catastrophe models to assess, if any.

Company Response: Since climate change is not considered a material risk within our ERM program, we do not currently include catastrophe modeling for the risk as it is related to the sale of life insurance. However, we do consider catastrophic modeling when it comes to geography or policyholders and possible death

Question:	*2. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process. In disclosing the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process, insurers should consider including the following:* • In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions)
Company Response:	We do not use metrics to assess and monitor climate risks for the products we sell.
Question:	*3. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.*
Company Response:	This is not applicable to our business.
Question:	*4. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.*
Company Response:	This is not applicable to our business.

CLOSED END QUESTIONS

The following closed-ended questions require a Yes/No or Not Applicable response, where noted, and directly correspond to the narrative above, allowing for explanation and qualification of the yes/no answers.

Governance

• Does the insurer have publicly stated goals on climate-related risks and opportunities? No
• Does your board have a member, members, a committee, or committees responsible for the oversight of managing the climate-related financial risk? Yes, with respect to the investments we make.
• Does management have a role in assessing climate-related risks and opportunities? Yes
• Does management have a role in managing climate-related risks and opportunities? Yes

Strategy

• Has the insurer taken steps to engage key constituencies on the topic of climate risk and resiliency? No
• Does the insurer provide products or services to support the transition to a low carbon economy or help customers adapt to climate risk? No

• Does the insurer make investments to support the transition to a low carbon economy? No
• Does the insurer have a plan to assess, reduce or mitigate its greenhouse gas emissions in its operations or organizations? Yes. We are in a remote first work environment, so most employees are regularly working from home.

Risk Management
• Does the insurer have a process for identifying climate-related risks? No
o If yes, are climate-related risks addressed through the insurer's general enterprise-risk management process?
• Does the insurer have a process for assessing climate-related risks? No
o If yes, does the process include an assessment of financial implications?
• Does the insurer have a process for managing climate-related risks? No
• Has the insurer considered the impact of climate-related risks on its underwriting portfolio? Not Applicable
• Has the insurer taken steps to encourage policyholders to manage their potential climate-related risks? No
• Has the insurer considered the impact of climate-related risks on its investment portfolio? No
• Has the insurer utilized climate scenarios to analyze their underwriting risk? No
• Has the insurer utilized climate scenarios to analyze their investment risk? No

Metrics and Targets
• Does the insurer use catastrophe modeling to manage your climate-related risks? No
• Does the insurer use metrics to assess and monitor climate-related risks? No
• Does the insurer have targets to manage climate-related risks and opportunities? No
• Does the insurer have targets to manage climate-related performance? No