

NAIC CLIMATE RISK DISCLOSURE SURVEY

TCFD-ALIGNED QUESTIONS

UPDATED 2022

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:

- 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.

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

2024 Response:

In December 2023, our parent company, Midwest Holding Inc. (Midwest), was acquired by an affiliate of the investment firm Antarctica Capital, LLC (Antarctica) and is now known as Midwest Holding LLC.

Midwest and Antarctica recognize the value of Environmental, Social and Governance goals (ESG) to maintain a sustainable future. As our companies work to combine and integrate various corporate policies, we will look to our ultimate parent for leadership in building the framework for ESG governance. Antarctica believes that ESG considerations promote responsible stewardship of the capital entrusted to us by our policyholders and investors. Collaboration among investors, businesses and communities will be imperative for finding innovative solutions to address mounting climate change, food security, digital equity and environmental risks around the world. This belief drives Antarctica's goal to put ESG front-and-center in our investment approach and operations.

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.*

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. *

A. 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.

B. 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.*

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

2024 Response

Since 2022, American Life has offered the S&P 500 ESG Index as an index option for our American Select Fixed Indexed Annuity 7- and 10-year product suite. The S&P 500 ESG Index is a broad-based, market-cap-weighted index designed to measure the performance of securities meeting sustainability criteria while maintaining similar overall industry group weights as the S&P 500. The index's methodology scores and ranks eligible companies through S&P DJI's proprietary ESG Scores, targeting 75% of the market capitalization in each S&P 500 GICS® industry group. The S&P 500 ESG Index is a product of S&P Dow Jones Indices LLC (S&P DJI) and has been licensed for use by Midwest Holding LLC.

Community Outreach Programs:

We are proud to work alongside local organizations to help transform our communities and provide support where needed. Our corporate office and subsidiaries have volunteered with or donated to multiple community programs that support multicultural, multilingual and diverse demographics.

We contribute to organizations that aid underserved and underrepresented adults and youth in our community to help relieve hunger, resolve homelessness and address addiction. We are involved in organizations that provide youth with the opportunity for education and creative learning through the power of play with music, art and social interaction. We provide support to local animal shelters and our local zoo. Plans are underway to align with local military groups to support servicemen, servicewomen and veterans, as well as an organization that helps survivors of domestic violence.

We encourage our employees to volunteer regularly, with paid time off, allowing them to fulfill their individual goals for growth and development, while providing worthwhile service in the community.

Workforce Diversity and Personal Development:

We continue to promote a diverse and ethical workforce to all our employees and strive to increase racially and/or ethnically diverse workforce representation. Our Board of Directors and new owners, Antarctica, have a mix of ethnically diverse members, including two females on the Board. The Board and our parent company also have an ethnically diverse group of senior leaders.

By investing in our people and culture, we continue to attract, retain and develop the talent that sets us apart from our peers and business partners. Supporting our community, we have partnered with a local company to provide a development program that teaches leaders in our organization to be the best coach possible for our employees. Online courses are being developed to allow our employees to pursue individual growth and advancement of skills. The option of a remote, digitally enabled workforce makes it possible for us to recruit talented people wherever they live, potentially reducing the amount of greenhouse gas emission, as well as allowing for a better work/life balance for our employees.

IT Asset Disposition and Data Security:

We are committed to continuing to improve our carbon footprint and reducing electronic waste. Electronic waste (or e-waste) is fast becoming one of the leading concerns in the current work environment as companies upgrade equipment.

We are undergoing a company-wide effort to remove duplicate machines for our employees and replace them with laptops/docking stations. This will eliminate the need for desktop machines. By removing the desktops, we will operate more efficiently and reduce our carbon footprint. The laptops we use are energy-efficient (e.g., showing the Energy Star label) models which further address our carbon footprint. Energy Star products exceed the minimum standards mandated by the EPA for energy efficiency and quality. In addition, we are in the process of migrating all users from high-energy processing to cloud computing, further reducing our energy consumption. A project to convert incoming faxes to digital, eliminating the need to print messages, will reduce energy and paper costs. It is a continued company goal to establish a plan to determine whether the useful life of electronics may be extended by repurposing or donating to someone else who may benefit from the product. Donating electronics allows nonprofit organizations and lower-income families to obtain equipment that they otherwise could not afford. Donating used (but still operating) electronics for reuse extends the lives of valuable products and keeps them out of the waste stream for a longer time.

If the electronics cannot be repurposed internally or donated, we will recycle the items. We are pursuing becoming accredited in electronic recycling under one of only two existing regimes – either the Responsible Recycling ("R2") Standard for Electronics Recyclers or the e-Stewards® Standard for Responsible Recycling and Reuse of Electronic Equipment® ("e-Stewards®"). Recycling electronics avoids the pollution generated while manufacturing a new product and also reduces the overall energy used in new product manufacturing. If internal accreditation is not possible, we have a relationship with an accredited recycling vendor to conduct the services on our behalf.

Protection of our company and policyholder information is of utmost importance and at the core of our information security program. Our employees are required to complete periodic information security and privacy awareness training and participate in annual cybersecurity training. We contract with a third party to conduct annual disaster recovery testing; simulate events such as ransomware attacks and other real-life scenarios; and help identify and avoid all types of phishing emails. Employees who click or open attachments during phishing tests must undergo remedial training and additional testing. All results are tracked through performance reports. We encrypt electronic messages to protect confidential and non-public personal information. This encryption feature has full tracking visibility and allows us to send large files securely, eliminating the need for printing and mailing documents.

We strive to ensure that our partners in technology, supporting our business, are committed to reducing environmental impact and enhancing sustainability. Hardware is shipped in eco-conscious recycled cardboard and packaged Styrofoam free. Our monitors and computers meet the EnergyStar, and EPEAT Gold certifications and have a sleep function that engages when not in use. Virgin materials are avoided during production in favor of using post-consumer recycled (PCR) plastics. We utilize software programs that provide digital interaction and allow for greater operational efficiency. One of our business partners operates on 100% renewable energy. We use software that electronically shares and distributes documents and correspondence, helping to reduce paper waste.

RISK MANAGEMENT

3. 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. *

A. 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. *

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

C. 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.

2024 Response:

As a life and annuity provider, our communication with policyholders is limited to initial policy packets, annual statements, reallocation letters and phone calls. As such, our ESG Committee has been working with internal business partners on many green initiatives. As mentioned in the 2023 attestation we implemented our automated workflow system with two new business teams and have begun scaling this effort throughout the entire ALSC organization (eight business units) in order to control headcount - thus reducing the impact of employee travel.

In 2024, we continue to take steps to reduce overall paper usage throughout operations by working to centralize our internal procedures via an intranet that will allow individuals to search a database rather than accessing physical documents. Additionally, we are formally implementing Visual Desktop Imaging (VDI) that will reduce the reliance on large PCs, reducing waste and enhancing the capabilities of employees to work in remote locations - further reducing emissions from daily travel to the office. We are still developing the option for e-Delivery of policy packets and advising clients on the benefits of "going green" via Opt-in initiatives for sending and receiving communications and documents. This will be achieved by enhancing the eApplication process currently leveraged by our agents and improving our customer-facing services. A more robust service portal (slated for first iteration rollout to the field in November 2024) will enable streamlined communications, including the ability to upload and download various eDocuments such as eStatements, eAllocation letters and various other in-force service forms - helping to further reduce our paper footprint.

We have indirectly considered the impact of climate change on American Life & Security Corp.'s investment portfolios; however, it is not considered a separate risk at this time.

METRICS AND TARGETS

4. *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.

A. 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.

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

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

* Asterisks represent questions derived from the original Climate Risk Disclosure Survey.

2024 Response:

We regularly analyze our operations and facilities to identify ways to operate more efficiently, reduce our environmental impact and lower our operating expenses. We have recently worked with building management in our corporate home office to replace an outdated heating and cooling system. A new, energy-efficient model that is both AHRI and Energy Star certified has been installed, helping to reduce GHG emissions. Four more units have been identified to be replaced in early 2025. Recent remodels by building management have included cost-efficient LED lighting with motion sensors and shut-off switches. We anticipate expanding our office space in the future and will work with building management to continue using energy-efficient and cost-effective materials and methods to reduce our carbon footprint.

We encourage our employees to be more conscientious about their actions in the office by reusing office supplies, bringing reusable lunch bags, switching from Styrofoam to paper take-out coffee cups and carrying refillable containers rather than drinking from plastic water bottles. We have continued our recycling program to encourage employees to dispose of used products properly, helping to eliminate waste in our landfills. All of these items can help to reduce our carbon footprint and mitigate climate change.