

**NAIC CLIMATE RISK DISCLOSURE REPORT
(IN LIEU OF SURVEY)**

Reporting Year 2021

Filed with the Minnesota Department of Commerce – Insurance Division
by

MINNESOTA MUTUAL COMPANIES, INC.

on behalf of the following insurance group and companies:

Minnesota Mutual Companies, Inc.	NAIC# 0869
Minnesota Life Insurance Company	NAIC# 66168
Securian Life Insurance Company	NAIC# 93742
Securian Casualty Company	NAIC# 10054
1880 Reinsurance Company	NAIC# 16879

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Report overview

In accordance with the NAIC Climate Risk Disclosure Survey, which has been adopted by multiple insurance regulators including the Minnesota Department of Commerce, this Climate Risk Disclosure Report is being filed on behalf of Minnesota Mutual Companies, Inc. (“Minnesota Mutual” or “MMC” and, together with all of its subsidiaries and affiliates, “Securian Financial” or the “Company”), on behalf of, Minnesota Life Insurance Company (“Minnesota Life” or “MLIC”), Securian Life Insurance Company (“Securian Life” or “SLIC”), Securian Casualty Company (“Securian Casualty”), and 1880 Reinsurance Company (“1880 Re”).

I. Governance

Securian Financial is committed to understanding, addressing, and effectively managing its exposure to climate risk. Responses will continue to evolve as the Company learns more about climate risks and opportunities that impact its business. Climate risk poses a threat to the Company's investment returns, insurance risk exposures, future business growth and, as a result, its long-term financial position.

Securian Financial has taken the following steps, among others outlined in this report, to address the potential impact of climate related risk to the Company:

- Developed a responsible investor framework for both U.S. and Canada based affiliates.
- Executed through its affiliates, Securian Financial Group, Inc. ("SFG") and Securian Asset Management, Inc. ("Securian AM"), the United Nations Principles for Responsible Investment, a commitment to further embed Environmental, Social, and Governance ("ESG") factors into investment decisions to create a more climate resilient portfolio.
- Committed to reduce emissions a minimum of 4.2 percent annually over a 15-year period to achieve net zero Scope 1 and Scope 2 emissions by 2035.

a. Board Oversight of Climate-related Risks and Opportunities

The Securian Financial Board of Directors ("Board") has delegated responsibility for oversight of the Company's Enterprise Risk Management ("ERM") program, including climate-related risks, to the Audit Committee of the Board. The Audit Committee specifically acknowledged this responsibility at its June 2022 meeting and work is in process to revise its charter to reflect this responsibility. The Company's April Board meeting is focused on risk and will include information on climate-related risks beginning in 2023. Relevant risk-related topics are also discussed with the Board throughout the year as appropriate.

Securian Financial will disclose its climate-related risks and opportunities in its Own Risk and Solvency Assessment ("ORSA"), which is provided annually to the Minnesota Department of Commerce. The ORSA is a product of Securian Financial's ERM program, which is overseen by the Chief Risk Officer ("CRO"), reviewed by the Audit Committee, and approved by the Board.

b. Management's Role in Assessing and Managing Climate-related Risks and Opportunities

Securian Financial's Risk Council is responsible for monitoring and planning for the Company's various risks. The Risk Council is chaired by the Company's Chief Executive Officer, coordinated by the CRO, and includes the Executive Leadership Team and other appropriate senior leaders. The Risk Council is engaged on climate-related risks and has launched a Climate Risk Task Force that has responsibility for overseeing climate-related risk management at the Company.

II. Strategy

a. Climate-related Risk and Opportunities

Securian Financial is guided by its purpose of helping customers build secure tomorrows. A strategic priority is to positively impact the community and world, and this naturally extends to engaging the Company's key constituencies on the topic of climate risk and resiliency.

Securian Financial has a robust ERM structure that actively monitors and manages Securian Financial's key financial, operational, and strategic risks. The governance groups and risk owners have oversight of these risks, including any climate-related impacts to these risks. The Climate Risk Task Force will conduct a formal climate-related risk identification exercise in 2023 to further understand potential climate-related risks and opportunities.

Securian Financial has a long history of demonstrated climate risk mitigation. In the past four years, the Company has significantly enhanced its commitments to and level of engagement and involvement with key stakeholders, including:

- Signing the United Nations Principles for Responsible Investment ("PRI") in 2021. Securian Financial is embedding PRI's six guidelines for responsible investment practices into its investment strategies. Securian Financial's updated ESG policy provides transparency on its ESG views, investment objectives and reporting.
- Retaining *Sustainalytics*, a third-party ESG research company, to accelerate progress toward capturing ESG opportunities and risks to inform portfolio construction more clearly.
- Identifying climate risk as a key topic for the Board and appointing a senior leader to spearhead the Company's ESG initiatives and set specific ESG goals.
- Holding two meetings of the Risk Council dedicated to the topic of climate risk management. Climate risk is now included as an ongoing topic.
- Forming an Environmental Health & Sustainability ("EH&S") business resource group to engage associates on climate-related topics.
- Engaging with peers and vendors about climate change, ESG and the role Securian Financial plays in reducing emissions through supplier benchmarking surveys, information sessions and peer networking to understand best practices related to third-party spend.

Since 2018, Securian Financial has expanded its environmental conscience to include collaborating with global business peers to advance sustainability commitments by:

- Becoming a founding member (via the Company's CFO) of the U.S. chapter of Accounting for Sustainability (A4S). Most of the Company's Financial, Risk and Actuarial senior leaders have completed A4S Academy training.

- Working with a greenhouse gas emissions consultant to complete a Scope 1 and 2 emissions baseline in 2020 and a roadmap to achieve net zero for these scopes by 2035.
- Receiving ENERGY STAR and fitwel® certifications recognizing the Company's actions to improve the sustainability and efficiency of its campus buildings through use of renewable energy and reduction of coal. The Company's 401 Building is LEED Silver certified, symbolizing its dedication to making continuous improvements toward reducing the buildings' impact on the environment, communities, and the people within them.
- Supporting the United Nations Sustainable Development Goals – one of which is Climate Action – and identifying a roadmap to net zero emissions within the Company's operation.

b. Impact on Securian Financial's Businesses, Strategy, and Financial Planning

Climate-related risks and opportunities have not yet had a significant impact on Securian Financial's business, strategy, or financial planning. Securian Financial has a geographically diverse business with primarily life contingent insurance risks that have not yet been materially impacted by climate change. Securian Financial has a large investment portfolio primarily invested in high quality fixed income securities that have not experienced any climate-related defaults. Similarly, Securian Financial has a thorough vetting process for vendor and other third-party relationships, and has not experienced any climate-related impacts.

Securian Financial does not currently provide products or services to policyholders to support the transition to a low-carbon economy.

c. Resilience of Securian Financial's Strategy

Securian Financial regularly reviews its strategic plan and makes updates based on progress, insights, and industry trends. The Company monitors and assesses risk exposures, such as climate, to ensure it effectively manages its strategic risks. The Company's strategies are typically defined on a five year horizon as it works toward fulfilling its purpose over the long-term, which naturally incorporates risk management. The strategic planning and review process is designed to allow the Company to update its priorities and actions based on the changing environment.

III. Risk Management

a. Risk Identification and Assessment Process

In 2022, Securian Financial launched a Climate Risk Management project team to design and launch a climate risk framework in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"). The project team

recommended, and Securian Financial's Risk Council approved, the creation of a Climate Risk Task Force.

The Climate Risk Task Force will launch in 1Q 2023 as a broad, cross-functional group of leaders tasked with the identification, assessment, and oversight of Securian Financial's climate related risks. One of the first responsibilities of the Climate Risk Task Force will be to conduct a risk identification process to identify climate-related risks that may impact the Company. The Climate Risk Task Force will work with risk owners and governance groups to assess and manage the identified climate-related risks.

Based on the Securian Financial's mix of business, transition or liability risk is not currently deemed material. The Company recognizes, however, that both the physical environment and the economic/political environment regarding climate change are evolving rapidly. The implementation of a TCFD guided climate-risk management framework and the launch of the Climate Risk Task Force will position the Company well to assess these impacts and drive appropriate action. This risk identification and assessment process will occur at least annually.

Securian Financial regularly monitors the geographic exposure of its insurance portfolio. The Company purchases catastrophe reinsurance for its largest group life clients and runs catastrophe shock scenarios on its credit life business. Securian Financial has determined that these exposures are within its risk tolerances.

Securian AM completed an assessment of how climate risk will impact Securian Financial's commercial mortgage loan ("CML") holdings. Increased flooding, extreme weather events, and developing building efficiency standards were noted to be the key risks to CMLs in general. Securian Financial is well positioned for these risks due to its high-quality borrowers, low loan-to-value loans, and geographic diversification.

b. Securian Financial's Processes for Managing Climate-related Risks

Securian Financial's risk owners, ERM governance groups, ERM department, and Risk Council work together to identify, assess, and manage the Company's risks. In addition to these groups' ongoing monitoring, Securian Financial has an Emerging Risk Committee that monitors the business environment to identify emerging risks that may impact the Company. This robust ERM structure is in place to oversee and manage the risks to the Company, including climate risk.

Climate risk is unique in that it is a risk driver that may impact other of the risks Securian Financial currently manages, including credit risk, regulatory risk, and operational risk. The Climate Risk Task Force will bring greater focus and awareness to climate-related risks and implement practices aligned with the TCFD to help identify and manage these risks through the Company's ERM framework.

The Climate Risk Task Force plans to conduct a qualitative scenario analysis in 2023 to further inform how climate-related risks may emerge and to identify any management or

mitigation strategies the Company may need to implement, as well as opportunities the Company may be able to achieve. Specific scenarios have not yet been identified but will minimally include a smooth transition and hot house scenario.

Securian AM is currently engaging with ESG and climate-related data vendors to enhance its understanding of the climate-related risks in the Company's investment portfolio. It is anticipated the implementation and analysis of this data will allow further quantitative analysis on the portfolio in the future.

In addition to these direct risk management actions, Securian Financial's broader ESG efforts and Securian AM's increasing ESG focus help to limit the Company's climate-related risk exposure.

c. Integration into Overall Risk Management

Securian Financial's Climate Risk Task Force was designed to be fully integrated into the Company's existing risk management framework described in Section III(b). It is a second line group in the Company's three lines of defense structure. Its objective is to define and implement oversight of climate-related risks into the current ERM framework. It reports directly to Risk Council and ensures the appropriate management of identified climate related risks occurs.

IV. Metrics

a. Climate-related Metrics in line with Strategy and Risk Management Process

Securian Financial sets quantitative risk tolerances for key financial risks. These targets are based on capital at risk shocks in a 1 in 200-year event. Securian Financial does not currently have a climate-related shock event or tolerance. The Company expects to enhance its understanding of climate-related impacts through scenario analysis and which will inform the need to implement appropriate climate-related risk tolerances.

b. Metrics of Scope 1, Scope 2, and Scope 3 of Greenhouse Gas Emissions and the Related Risks

In 2021, Securian Financial's enterprise-wide Scope 1 and 2 Location-Based emissions were 11,556 tCO₂e and Market-Based were 6,528 tCO₂e.

Category	2020		2021	
	Location-based emissions	Market-based emissions	Location-based emissions	Market-based emissions
Scope 1	1,016	1,016	1,036	1,036
Scope 2	11,544	5,525	10,520	5,492
Total	12,560	6,541	11,556	6,528

Emissions reported as metric tons of carbon dioxide equivalent (tCO₂e). See next page for glossary of terms.

c. Organization's Climate-related Targets and Performance Against Targets

Securian Financial has committed to achieving net zero Scope 1 and 2 emissions by 2035. The Company began tracking Scope 1 and 2 emissions in 2021 and has set a reduction roadmap to achieve net zero for these scopes which is in line with the Science Based Target initiative ("SBTi") goal of staying under 1.5 degrees warming. The Company's performance against this target will be shared in the future. As the Company's ESG strategy and climate risk management mature, it will identify additional metrics and targets as appropriate.