

Security Benefit Life Insurance Company

First Security Benefit Life Insurance & Annuity Company of New York

2021-22 TCFD Index

ABOUT THIS INDEX

This TCFD Index represents Security Benefit's initial best efforts at compiling information responsive to TCFD recommended disclosures. The information and disclosures in this document are preliminary and subject to change as we continue to evolve and refine our environmental, social and governance (ESG) program. 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 driving ESG progress for our employees, customers, investors, communities, and other stakeholders, and continues to evolve its ESG program to meet new challenges.

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 and driving environmental, social and governance (ESG) progress 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 ESG program, including climate-related risks and opportunities. They do so through their ESG and Audit Committees.<ul style="list-style-type: none">▪ The ESG Committees include cross-functional representation and meet periodically (usually jointly) to receive reports from and furnish direction to an ESG Working Group ("ESGWG") for the collective Security Benefit organization. The ESG Committees in turn report to and receive direction from their respective boards of directors. The ESG Committees include the companies' Chief Financial Officer/Chief Risk Officer, General Counsel, Chief Human Resources Officer, and FSBL's Audit Committee Chair; the CFO/CRO and GC are also directors of each of SBLIC and FSBL.▪ The Audit Committees, which also report to the companies' respective boards of directors, hear reports from Security Benefit's Enterprise Risk Management ("ERM") Committee, which is a management level committee chartered by Security Benefit Corporation's Audit Committee.• See pages 15-16 of our 2021 ESG Report for further detail. https://www.securitybenefit.com/esg
	b) Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none">• Management leads our ERM Committee and ESGWG. The ERM Committee is chaired by the organization's CFO/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.

		<ul style="list-style-type: none"> ▪ Other members of the Committee include members of the organization's senior management, including the organization's GC, to whom reputation risk is assigned. Because ESG risk is a sub-risk of reputation risk, the co-chairs of the ESGWG meet periodically with the GC to discuss ESG risk and mitigation. The GC in turn meets with the Deputy CRO, generally monthly, to discuss the risks assigned to him and periodically reports on such risks to the full ERM Committee. • The ESGWG is a cross-disciplinary group co-chaired by an Assistant Vice President, ESG and Governmental Affairs, and a Vice President and Associate General Counsel, both of whom report to Security Benefit's GC. Other members of the ESGWG include representatives from Finance, Investments, Human Resources, Public Relations and ERM. The ESGWG meets periodically, generally at least quarterly, or more often as needed. <ul style="list-style-type: none"> ▪ The ESGWG 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 ESG risks and opportunities and is leading a more fulsome ESG materiality/key issues study and TCFD alignment assessment with help from a consultant retained by the ESGWG. ▪ The ESGWG makes recommendations to our ESG Committees for development of our ESG program, including goals, policies, communication tools, actions and a timeline to address gaps between current practices and such goals and policies. ▪ The ESGWG is continuing to evolve its approach to ESG across multiple aspects of the business and is considering development of appropriate policies. ▪ The ESGWG 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 ESG Committees. ▪ The ESGWG and ESG 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 ESG 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.
--	--	--

STRATEGY

Disclosure Focus Area	Recommended Disclosure	Response
-----------------------	------------------------	----------

<p>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.</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.</p>	<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 Overland Park, Kansas, New York, New York, and Des Moines, Iowa. 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, and 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, and Gurgaon, India, as well as multiple other locations, including Kansas City, MO, Washington D.C., Madison, WI, and Jersey City, NJ. • Another short-term risk centers around reputational risk as customers, regulators, employees, and investors seek specific information on our company in response to climate change's operational impact and ESG more generally. • In the short-term, regulatory risk is evidenced by requests for increasingly detailed disclosure aligning with TCFD guidance on climate metrics from regulators. <ul style="list-style-type: none"> ▪ In 2021, the Financial Stability Oversight Council (FSOC) recommended enhanced climate risk supervision and TCFD-aligned reporting requirements to financial regulators, including state insurance commissioners. ▪ The NAIC has implemented a more extensive climate risk disclosure survey, with partial responses (or equivalent TCFD reporting) required in 2022 and full responses required in 2023. <ul style="list-style-type: none"> ○ Security Benefit has a short-term opportunity to increase employee engagement through increased integration of climate and other environmental assessments and mitigation actions. ○ Security Benefit is exploring solar options for heating and cooling for its Topeka, Kansas headquarters office • 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.
	<p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p>	<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, or 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 a business continuity 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

		<p>update our business continuity plans to better integrate evolving risks, including climate-related risks, along with other possible factors.</p> <ul style="list-style-type: none"> ● Security Benefit has taken measures to reduce waste and transition to increased use of renewable energy and continues to review and assess our energy efficiency and emissions in connection with the operation of our facilities. <ul style="list-style-type: none"> ▪ Our current technologies include advanced building automation systems, efficient HVAC systems that use ambient fresh air for economized cooling, LED fixtures, multiple water retention basins, and use of some electric vehicles. Our facilities team is considering the possibility of installing solar panels on the roof of our physical office location in Topeka, Kansas. ▪ Our utility provider currently generates 28% of its power supplies from renewable sources and, with its expected closure of two coal-fired plants (although one will remain open to run on natural gas during times of peak demand), is aiming towards a broader goal of net-zero carbon emissions by 2045, with a 70% reduction by 2030. ▪ Relating to emissions resulting from our buildings' IT equipment and/or infrastructure, we have in place highly 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 plans for future office space, considering design choices and optimizations that may potentially reduce our climate impact. ● 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"> The ESGWG is currently in the process of completing an ESG materiality/key issues study and TCFD alignment assessment, which will include an assessment of how resilient our strategies are to climate-related risks and opportunities and ensure that the Company is well positioned to move forward with continued development of its ESG program and meet stakeholder expectations. Following completion and analysis of the ESG materiality/key issues study and TCFD alignment assessment, the ESGWG will make recommendations to our ESG committees. 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 ESG 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. Security Benefit's investment team considers a broad variety of risks, which may include ESG-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"> The ESGWG has been engaged for the past year and a half in identifying and assessing climate-related risks. The ESGWG tracks and monitors ESG and climate-related developments, concerns and risk by attending ESG conferences, programs, webinars and working sessions (e.g., NYDFS and NAIC webinars and meetings), as well as reading and following relevant articles, reports and congressional, state, and regulatory committees, to better educate our organization on ESG including climate-related risks. The ESGWG engages with a variety of stakeholders, including senior management, investors, and ratings agencies, regarding company ESG status, as well as potential third party consultants that may assist in developing a baseline of company standing and preparedness, vis-a-vis its peers, to assist in continued risk identification, assessment and enhancement of Company ESG programs and policies going forward. The ESGWG is currently in the process of completing an ESG materiality/key issues study and TCFD alignment assessment, which will include risk identification and assessment, and position the Company to move forward with continued development of its ESG program and meet stakeholder expectations.
	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 ESG program. Through our risk management processes, including ERM and Own Risk and Solvency Assessment ("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 risk and the Company's investment team considers a broad variety of risks, which may include ESG 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"> ESG risks are integrated into our overall ERM program and included in our risk register. Our ESGWG conducted an initial identification and assessment of our climate-related risks and opportunities and is now in the process of conducting a more fulsome materiality/key issues study, including engagement with various stakeholders, with the assistance of expert climate consultants. Our investments team considers a broad variety of risks, including environmental risks, as part of the ongoing investment process. As a life insurance company focused on annuity and other retirement products, Security Benefit does not 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"> Security Benefit is in the process of completing our baseline review and footprinting of Scope 1 and 2 greenhouse gas (GHG) emissions. Based on our preliminary results for 2021, our Scope 1 and Scope 2 GHG emissions were 2,009.7 metric tonnes of carbon dioxide, of which 67.3% related to Scope 2. 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 setting of climate-related targets. At this early stage in our ESG 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 page 6 of our 2021 ESG Report to learn more about our on-going efforts to reduce our climate impacts.

E·S·G

EVOLVING TO MEET NEW CHALLENGES

2021 Report

ABOUT SECURITY BENEFIT

Through product innovation, exceptional investment management, tech-savvy administration and a multi-channel, strategically aligned distribution engine, 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, as well as qualified and non-qualified retirement plans.

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, and later the Associate Engagement and Diversity Council, to engage associates, raise awareness about diversity and inclusion and direct D & I charitable giving. We support our associates and their families through subsidized, on-site child care in our home office, and provide financial assistance and benefits to help associates grow and provide for their families.

Security Benefit and ESG

We use the categories of environmental, social and corporate governance to evaluate our approach to social goals for our varied stakeholders that go beyond more traditional corporate roles.

Today, in keeping with our promise to help people To and Through Retirement®, we are committed to environmental, social and governance (ESG) progress and strengthening our resilience against risk. Advancing ESG supports our efforts to help people achieve a secure future and to create shared values and purpose with our employees, partners, customers, investors and communities.

Security Benefit is headquartered in Topeka, Kansas, with offices in Overland Park, Kansas, New York, New York, and Des Moines, Iowa. At year-end 2021, the company employed approximately 406 associates and had total assets under management approaching \$50 billion.

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"). Unless otherwise noted, this report references Security Benefit's activities and results through December 31, 2021.

Our Core Values

✓ Customer First

Place the interests of the customer first.

✓ Integrity & Respect

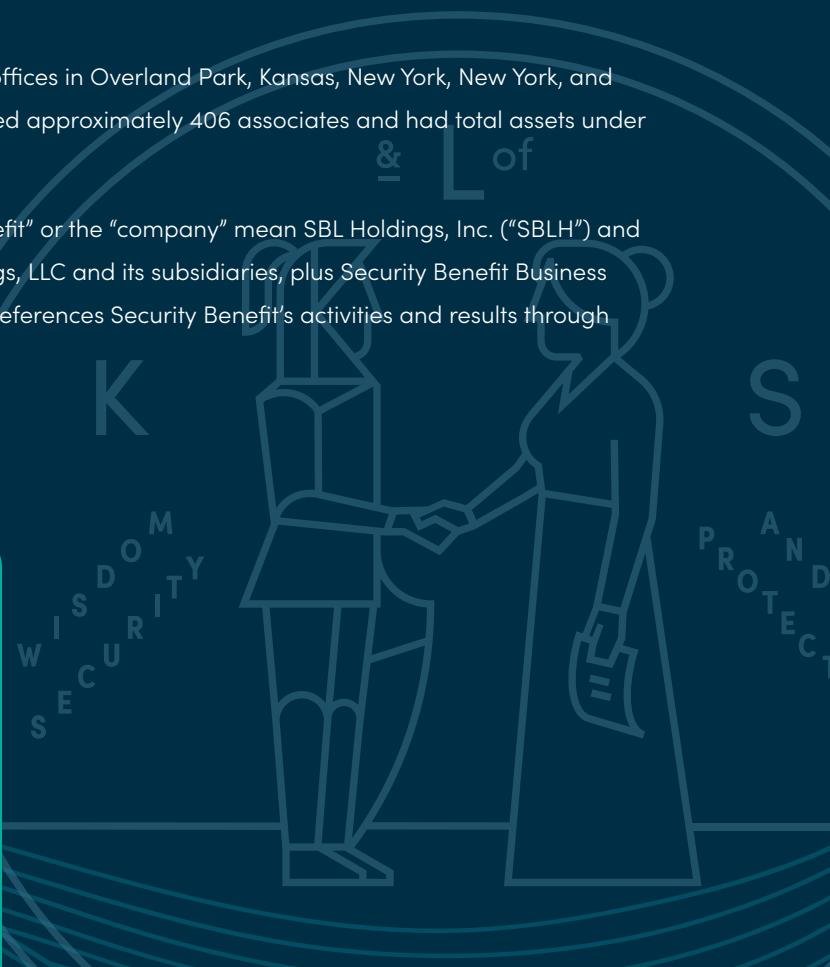
Act ethically and treat all associates, customers and partners with respect.

✓ Progress

Seek continuous quality improvement.

✓ Give Back

Support our communities.



About This Report

This Security Benefit 2021 ESG (Environmental, Social and Governance) Summary Report was prepared as part of our current ESG strategy and communications plan. To assist our ESG Working Group in developing the plan and this report, we engaged a third-party ESG consultant that performed extensive research, conducted peer benchmarking and interviews with company executives and subject matter experts, and facilitated an ESG alignment workshop with the ESG Working Group.

Through this process, we evaluated leading ESG reporting frameworks and preliminarily identified material topics. This inaugural report incorporates certain insurance industry standards used by the Sustainability Accounting Standards Board (SASB) and includes disclosures on additional ESG topics informed by our assessment process. This report was reviewed and approved by our ESG Working Group, comprised of internal company representatives across business units and charged with developing and making recommendations regarding development of the Company's ESG program, and our newly formed ESG Committee consisting of senior management that reports to the Security Benefit Life Insurance Company (SBLIC) Board of Directors. SBLIC is a direct, wholly-owned subsidiary of SBLH.

The 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

To our stakeholders

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 hard-working customers, who are trying to save and invest for their future. With this inaugural Security Benefit 2021 ESG Summary Report, I am excited to share the role ESG performance plays in helping achieve a secure future for our company, partners, customers, associates, communities and other stakeholders.

Security Benefit was established 130 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 goals, 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 is evident in our approach to ESG, which includes:

- ✓ Enhancing our physical operations to minimize environmental impacts and recognize the health of our associates, as well as considering a broad variety of potential risks, which may include ESG-related risks, to our business and investments.
- ✓ Addressing relevant demographic and social trends through our products, services, and relationships with our diverse workforce, distribution relationships, suppliers, customers 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, and 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 growing retirement readiness and public recognition of the critical need to save for the future. We believe that our superior investment management, retirement product innovation, low-cost administrative platform and multi-channel, diversified distribution model give Security Benefit a sustainable advantage in this market environment.

To demonstrate our core value of progress, we seek to continuously improve our ESG performance. We are 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 road map to advance ESG 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 tailor the ESG information we track and share.

Sincerely,



Doug Wolff, CEO



ENVIRONMENT

Security Benefit strives to be a responsible steward of the environment. We have a history of taking action to minimize 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 continued to work with our energy providers and others to manage energy and resource consumption, reduce emissions from our buildings and vehicles and implement more sustainable practices.

Environmental Considerations

- ✓ Installing LED lighting
- ✓ Using an air filtration system that converts fresh air for heating and cooling saving in energy costs
- ✓ Installed a modern and more efficient boiler system
- ✓ Recycling paper products used in our Kansas offices
- ✓ Replaced food service products with paper products to decrease waste
- ✓ Deploying pesticides and insecticides as recommended by Kansas State University
- ✓ Exploring solar options for heating and cooling





SOCIAL

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.

Our company values and expectations regarding ethics and integrity are continuously reinforced throughout our organization. These values and expectations are first shared with new employees 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.

The Security Benefit Equal Employment Opportunity Statement and Policy endorses and commits us to equal employment opportunity for all persons in all aspects of employment.

We nurture a collaborative, respectful and encouraging workplace where employees feel free to speak up and ideas are recognized, including with monetary awards through a Six Sigma initiative.

Our company's comprehensive benefits package recognizes evolving social trends and their impacts on our workforce. We offer 11 paid holidays, a discretionary floating holiday, employee assistance programs (featuring mental health), tuition reimbursement, pet insurance, fertility and family-building benefits, and other benefits designed to support our associates and promote well-being. Our 401(k) retirement plan includes an employer contribution match to encourage enhanced associate saving and contribution, and offers associates an ESG mutual fund as an investment option. With our proud tradition of community service, we support our associates with a variety of incentives that promote volunteerism and assist local non-profit organizations serving our communities.

Progressive benefits focus on well-being, working parents and changing family groups



Fertility and family-building support and services

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 workplace violence, anti-harassment and safe driving policies, and a severe weather plan and have made environmental enhancements to our facilities. Our COVID-19 Working Group (a subcommittee of our Workplace Safety Committee) has managed our pandemic response, taking decisive action to safeguard our workforce. At the onset of the pandemic, the entire company shifted to a fully connected, remote working environment with critical technology solutions and partners we could rely on. We started returning to the office in August 2021, and now have a permanent hybrid workforce.

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

<11%

Employee turnover rate for 2021

14

YEARS

Approximate tenure for all non-officer employees. Average officer tenure is about nine years.

5.8

HOURS

Average Training Hours per employee, per year.

Diversity, Equity, and Inclusion

Our longstanding commitment to diversity, equity and inclusion (DEI) is a part of the Security Benefit culture and has become even more of a focus over the last 25 years. We support and encourage DEI in our workforce with innovative benefits, extensive training opportunities, and employee-led events. In the Topeka community, we are active in INCLUDED, a group of local Kansas employers focused on DEI.

To increase diversity in our candidate pool, we recruit entry-level associates through employee referrals, college and career fairs, LinkedIn and targeted efforts at Historically Black Colleges and Universities (HBCU) and Tribal Colleges and Universities (TCU). In 2021, 31% of new hires were considered diverse.⁵

Since 2008, our Associate Engagement and Diversity Council has taken the lead in helping raise awareness about our veteran employees, Black History Month, and other aspects of DEI. In addition to supporting the Security Benefit Charitable Trust, the Council helps organize our annual half day off for community service and activities with organizations like the Helping Hands Humane Society and the Latino Leadership Collaborative of Kansas.



2021 DEI Training Highlights

Our mandatory training courses on ethics, professionalism, and harassment prevention all cover DEI topics, and over 30 DEI courses are offered to all employees and managers.

Employees received DEI information included in our mandatory annual business ethics training.

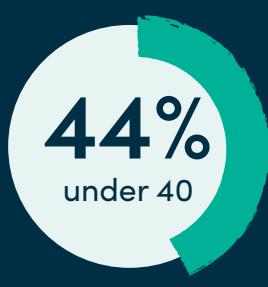
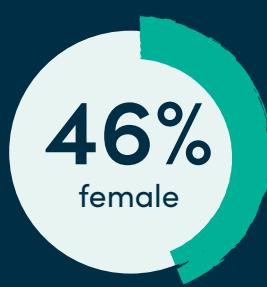
99%

99% of associates completed a DEI course on managing bias, microaggressions or diversity benefits

99%

99% of associates completed a course on workplace harassment prevention

Associate Demographics



² This includes employees who self-identify American Indian or Alaskan Native, Asian or Pacific Islander, Black, Hispanic, or identified as two or more categories in line with U.S. Equal Employment Opportunity Commission guidelines.

Community Involvement

Our founders made a promise to help those in need, especially low-income and at-risk individuals, and giving back to the community remains a strong company value today. We partner with charitable organizations large and small to promote education, health, the arts and diversity initiatives, among others. More recently, the Security Benefit Charitable Trust also provided resources to support victims of child abuse and human trafficking, veterans, frontline healthcare workers and individuals and families seeking food and emergency assistance.

Both the company and our associates give generously to national organizations such as United Way, Junior Achievement and American Red Cross, as well as over 100 local and regional organizations.





\$35K+

Company matching contributions made on behalf of employees to educational institutions and other non-profit organizations.



100+

100+ organizations supported by Security Benefit and our associates

Assisting our communities

Our associates are vital to our community engagement and we encourage associate involvement through initiatives promoted by our Charitable Trust Committee. Our Dollars for Hours program allows associates to earn company contributions targeted towards the non-profit organization of their choice through associate volunteerism.

Our Matching Gifts program provides company funded matching contributions to associate selected and supported educational institutions..

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 to nearly 3.2 million National Education Association (NEA) members and invest in programs for teachers.

- ✓ Over 20 years of funding the Kansas Teacher of the Year program
- ✓ 1,800+ Kansas teachers honored
- ✓ One of the largest corporate contributors to Kansas education
- ✓ Support the National Teachers Hall of Fame, Kansas Foundation for Excellence in Education, 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



Customers

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

We compensate our distributors and their sales agents through a variety of commission structures. We do not have a captive distribution network or in-house sales force that sells products directly to consumers, and 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 two leading IMOs and three other participating 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 minimum production targets and quality requirements. The products that we currently sell through the EMO Group have been jointly developed with the company.



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.



GOVERNANCE

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

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. 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 now reports to the newly formed, board-level ESG Committee, whose members are all senior management, and also directly reports as requested to the Security Benefit Life Insurance Company (SBLIC) Board of Directors.

Guided by and supporting our core values, our ESG program helps us prepare for and comply with known and anticipated global, national, state and local legislative, and regulatory ESG requirements. It will also aid us in addressing relevant expectations of our associates, investors 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.

Our ERM Committee has primary responsibility for our risk management system. This committee, which consists of senior management, including the Chief Risk Officer, meets at least quarterly (usually more frequently) to review and discuss risk categories, update the risk register and annually review risk assessments conducted for it. The Chief Risk Officer executes risk management processes in line with our ERM Policy to promote a systematic, disciplined, proactive ERM process. The ERM system is assessed on a regular basis by the independent internal audit function.

Risk: Board and Management Structure

Security Benefit Corporation's

Board of Directors



Board Audit Committee

oversees

Enterprise Risk Management

(ERM) Framework

SBLIC also 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 (i.e., credit, market, operational, liquidity risks, etc.). This is meant to encourage management to anticipate potential capital needs and to take proactive steps to reduce solvency risks.

The ERM system also addresses investment-related risks which are managed by the Chief Investment Officer, with oversight by the SBLIC Board of Director's 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 we offer, as well as provides an ESG mutual fund option in our 401(k) plan. We continue to evolve our approach to ESG across this and other aspects of our business.³

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

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

Cybersecurity, Privacy and Anti-Fraud

Providing high-quality service to our customers requires protecting our customers' sensitive information.

Our formal cybersecurity system includes specific programs to address data protection, business continuity and disaster recovery. Our Chief Information Security Officer is responsible for management of our cybersecurity program and we use a managed security services provider to help us recognize and respond to threats. We provide cybersecurity training for all associates quarterly, conduct phishing tests monthly (with consequences for failures), and provide additional training to associates with specific cybersecurity responsibilities.

Since 2018, we've had a robust records retention program in place enterprise-wide, including an extensive retention schedule ensuring a compliant records management system to protect customers and other stakeholders. We provided individualized assistance to associates to ensure we manage customers' data and records in compliance with rapidly changing regulations and laws. Our overall annual training programs for all associates also may include training on consumer data privacy best practices, and our company privacy officer stays abreast of constantly changing requirements.

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 use internal financial and personnel resources to develop processes to help us recognize fraud attempts in an effort to prevent them, including internal controls and constant monitoring and combating of fraud attempts, supported by the use of technology.

³ 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

Tone at the Top

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.

Our implementation systems include annual training focused on timely and relevant topics, supplemented by newly implemented bi-monthly refresher training, for all associates, to help ensure our Code remains firmly embedded in all our activities. Confidential reporting mechanisms and non-retaliation provisions help ensure associates feel empowered to speak up, share concerns and take ownership as part of our ethical culture.

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 brokers/dealers with active selling agreements and independent marketing organization producers, must annually affirm their compliance with Anti-money Laundering and Know Your Customer obligations.



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

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

Neither Security Benefit Corporation, the parent company of SBLH, nor its affiliates are fiduciaries. This information is general in nature and intended for use with the general public. For additional information, including any specific advice or recommendations, please visit with your financial professional.

Security Benefit Life Insurance Company (SBLIC) issues annuities in all states except New York. Securities are distributed by **Security Distributors, LLC**, a subsidiary of SBLIC, a wholly owned indirect subsidiary of Security Benefit Corporation.



One Security Benefit Place | Topeka, KS 66636 | SecurityBenefit.com

SB-10018-20 | 2022/05/02