



## Report to Our Communities and Customers



# Table of Contents

<b>A Message From Our President and CEO.....</b>	<b>1</b>
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<b>About This Report.....</b>	<b>2</b>
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<b>About StanCorp Financial Group, Inc., and The Standard.....</b>	<b>2</b>
--	----------

<b>Employees and Communities.....</b>	<b>3</b>
---------------------------------------	----------

Investing in our employees.....	4
Attracting, developing and retaining talent.....	4
Total rewards program.....	4
Culture of connection.....	5
Because Nice Matters program.....	5
Focus on employees.....	6
Giving and other key data points.....	7
Corporate giving.....	8
Healthy communities.....	8
Disability and empowerment.....	8
Cultural development.....	9
Education and advancement.....	9
The Standard Charitable Foundation.....	9
Foundation partner spotlight — The Standard Home at Valor Farm.....	10
Employee Giving 365.....	11
Volunteer opportunities.....	11
Investments and targeted tax credit investment programs.....	12
Spotlight: Federal Home Loan Bank — Tistilal Village Native American Youth and Family Center.....	13

<b>Environmental Focus.....</b>	<b>15</b>
---------------------------------	-----------

Championing sustainability.....	16
Sustainability at work.....	16
Energy.....	16
Active transportation.....	16
Water.....	16
Travel.....	16

Buildings.....	16
On-Site Workspace Redesign project.....	17
Climate.....	17
Enterprise risk management: Climate-related risk.....	17
2024 Greenhouse Gas Emissions*.....	18
Greenhouse Emissions.....	18
Meiji Yasuda Group sustainability policy.....	19
<b>Governance Focus.....</b>	<b>20</b>
Responsible investing.....	21
Guide to Business Conduct.....	21
Human rights and ethics.....	21
Maintaining financial controls.....	22
Anti-bribery and anti-corruption.....	22
Anti-trust and fair competition.....	22
Artificial intelligence.....	22
Guiding principles for AI systems, tools and capabilities.....	23
Information security and customer privacy.....	23
Board of directors.....	24

## A Message From Our President and CEO

In 2024, The Standard continued to deliver on our commitments to customers, communities and employees. We relied on our shared values to protect and strengthen our unique culture, be there for those who count on us, guide sustainability efforts and continuously improve our effective and disciplined governance model.

As you will read in this *Report to Our Communities and Customers*, we had much to celebrate and spotlight from 2024. It was a year marked by stellar operational performance and exceptional growth thanks in part to several acquisitions and the continued trust and loyalty of existing customers. We found ways to strengthen the places where we live and work, maintain our culture of caring and ensure we continue managing our business with the highest ethical considerations.

In this report, you'll learn about many of these activities including:

- Investments in our employees and our unique culture
- Programs and training designed to increase connections among employees and with

customers

- Employee, company and foundation giving to schools and nonprofits
- Successful efforts to reduce our environmental footprint
- Support for targeted tax credit investment programs that enhance economic opportunities in low-income communities across the nation
- Our legacy of sustainability and environmental focus

This *Report to Our Communities and Customers* shines a well-deserved light on the people, programs and activities that help make The Standard such a special place. We are committed to being there for those who rely on us — our customers, communities and employees.

Thanks for your interest.



Dan McMillan  
President and CEO



## About This Report

The *Report to Our Communities and Customers* spotlights efforts to ensure our company's long-term sustainability as well as measure and manage investment in our customers, communities and the environment. It also highlights how we create a workplace culture where each employee is valued and respected.

This report includes information from The Standard about activities, data, statistics and awards related to finance, governance, workplace culture, philanthropy and environmental sustainability for the 2024 calendar year. Some of the data has been rounded.

For questions about this report, contact [communityrelations@standard.com](mailto:communityrelations@standard.com).

## About StanCorp Financial Group, Inc., and The Standard

StanCorp Financial Group, Inc., is a leading provider of financial products and services through its subsidiaries marketed as The Standard:

- Standard Insurance Company
- The Standard Life Insurance Company of New York
- Standard Retirement Services
- StanCorp Mortgage Investors
- StanCorp Investment Advisers
- StanCorp Real Estate
- StanCorp Equities
- American Heritage Life Insurance Company

The Standard offers a range of products and services for employers and individual customers:

- Group and individual disability insurance
- Group life and accidental death and dismemberment insurance
- Group dental and group vision insurance
- Voluntary and supplemental benefits
- Absence management and paid family leave services
- Retirement plans products and services
- Individual annuities
- Origination and servicing of fixed-rate commercial mortgage loans
- Investment advice

StanCorp Financial Group, Inc., is a subsidiary of Meiji Yasuda Life Insurance Company, a mutual insurer owned by policyholders and based in Tokyo, Japan.

## Purpose

In business since 1906, The Standard has been dedicated to helping customers achieve financial well-being and peace of mind.

## Headquarters

Portland, Oregon

## Financials

- \$5.11 billion in annual revenue
- \$74.89 billion in assets under management and administration

## Governance

Average director tenure: six years

## Customers

11 million nationwide





# Employees and Communities



## Investing in our employees

At The Standard, employees focus their expertise and compassion on personally connecting with and supporting our customers, which translates into a culture of empathy and respect. It's a genuinely collaborative atmosphere where employees are inspired to do their best every day. Sustaining and strengthening this culture is an important aspect of our continued success. The company encourages and supports employees in their efforts to build and enhance their skills, develop fulfilling careers and deliver positive results for our customers, company and communities.

Our average employee tenure is 10.5 years, increasing to 16 years for our leadership team. That's well above industry and national benchmarks — a testament to our strong culture.

## Attracting, developing and retaining talent

The people who choose to work at The Standard make a difference, especially when they act with integrity and determination. This belief allows employees to work as a team to put people first, provide outstanding customer service and deliver strong business results. Our company environment helps attract and retain the best talent by empowering our people to make good choices for their customers, their communities and their colleagues.

The Standard is committed to supporting a remote workforce. While the company is headquartered in

Portland, Oregon, many roles allow employees to work from anywhere in the U.S. In fact, 94% of the 717 new employees hired in 2024 work outside Oregon.

Our company culture of continuous improvement is grounded in knowledge, curiosity and creativity. Employees have access to many formal and informal educational opportunities. We encourage and support innovation and find ways to improve our products and services, work processes and engagement with our customers and communities.

## Total rewards program

At The Standard, our people are critical to our success. As a leading provider of workplace benefits solutions and financial services, we help our employer clients establish benefit options that attract and retain good employees. Not surprisingly, we rely on that expertise to guide the benefits offered to our own employees. Our total rewards package is designed to attract, retain and continuously motivate employees to do their best.

Recognizing that the right work environment is critical for employee engagement and performance, the company adopted a Flexibility First workplace approach where employees in most roles work fully remote or a hybrid of remote and on-site. Our compensation strategy is performance-driven, providing market-competitive pay plus incentives for all employees and above-market pay and incentives for high performers. The company also regularly conducts pay equity assessments to ensure fair and competitive compensation. This approach inspires our people

to reach their full potential and ultimately drives our company's success.

The Standard offers competitive benefits and perks to support employee wellness at work and at home.

## Health and wellness

- Comprehensive medical coverage through preferred provider organization and consumer-directed health plans, which include an annual employer health savings account contribution
- Dental and vision insurance
- Enhanced mental health support services
- Short- and long-term disability insurance, life insurance and voluntary supplemental insurance products (accident, critical illness, hospital indemnity)
- Expert medical second opinion service
- Annual paid wellness days

## Financial and more

- Annual incentive bonus plans linked to company and individual performance
- Matching contribution for 401(k) up to 5% of earnings (no vesting required) and an additional 4% company contribution regardless of employee contribution level
- Home office equipment setup and additional equipment allowance
- Tuition assistance

### **Paid time off**

- Generous PTO accrual
- Company-paid holidays (11 annually)
- Company-paid wellness days (two annually)
- Company-paid volunteer hours (eight annually)

### **Parental benefits**

- Dependent care assistance
- Paid parental leave
- Adoption and surrogacy assistance
- Subsidized backup child care

### **Community and employee engagement**

- Double company match on employee contributions to nonprofits and schools
- Paid volunteer hours and company-hosted volunteer opportunities
- Quarterly awards program recognizing outstanding employee volunteer service
- Employee resource groups
- Recognition program that rewards employees for key achievements and behaviors as well as milestone service anniversaries

### **Culture of connection**

The Standard takes a holistic, people-centered approach to doing business. It's part of building and maintaining our culture of connection and influences every decision the company makes. Connection is essential to serving our customers, strengthening our communities and attracting and retaining the best employees.

### **Our vision**

The Standard is committed to building a better future for our customers, communities and employees by continuing to work toward greater connection in all aspects of our business.

### **Customer focus**

A critical aspect of our business is meeting the unique needs of our customers, including the employees of employers who purchase our products and services. Accessibility is a key part of our focus, with a variety of activities and programs such as multiple language support systems for customers who contact our call centers. Our company also follows, and in some cases exceeds, the World Wide Web Consortium web accessibility guidelines to ensure all our communications are accessible and that customers can easily find, understand and use information the first time they encounter it.

Our continuous focus is on inclusive product development to allow more customers to easily access our benefits. Our best-in-class Workplace Possibilities<sup>SM</sup> program relies on a holistic approach to employee disability, meeting people where they are to provide expert and compassionate return-to-work and stay-at-work support after a disabling event.

Our customers' employees who are on short-term disability can use our Health Advocate service to help navigate the health care system. For claims, as

## **Because Nice Matters program**



For more than a decade, employees in Employee Benefits have been sharing our culture of connection directly with customers through the Because Nice Matters program. This program empowers employees to send a small gift to customers who need a little extra dose of kindness.

"At The Standard, we pride ourselves on providing differentiated customer service and caring about people," said David Payne, executive vice president of Employee Benefits. "We're people helping people and, in that equation, nice matters. We should never underestimate the power of compassion. It's a minor investment in one of the things that most differentiates us in the market — employees who actively care about their customers and take the time to let them know we're pulling for them."

Since launching the program, employees have sent more than 5,200 gifts to customers.



part of our commitment to identify and address health inequities among customers, The Standard is improving the model for social determinants of health.

### Focus on employees

The Standard strives to maintain a welcoming environment where all employees can be authentic at work, making it easier for them to focus on assisting our customers. Our unique culture is one of the core elements of our corporate strategy. Our people, our shared values and our partnerships accelerate the continued growth and success of our company. Our primary focus is on two of the core elements of culture — empathy and expertise. The Standard cultivates empathy and expertise through a variety of programs to help employees bring those characteristics to life in assisting our customers.

### Employee resource groups

The Standard is committed to an open and inclusive culture that welcomes ideas and perspectives from all employees and inspires them to bring their best to work every day. The company currently sponsors nine employee resource groups that bring together people with shared identities and interests to make a difference in specific focus areas. Open to all employees, ERGs play an important role in strengthening our company culture as well as the communities where we live and work. Each ERG has an executive sponsor and company-provided funding for activities and events to engage group members and the broader company through three pillars:

- Connection — Offering opportunities for employees across the organization to connect, engage and create a sense of belonging
- Career — Providing professional development and career enhancement opportunities
- Community — Increasing the company's involvement and presence in communities where we live and work

### Learning and development

#### Mentoring

The Standard offers both formal and informal mentoring opportunities and resources. Mentoring programs have proven to offer numerous benefits to mentors, mentees and organizations. Mentors who have expanded their career skills and gained valuable experience and insights often feel a sense of personal accomplishment when they support and encourage others in developing their careers through mentoring. Mentees can benefit from personalized guidance offered by an experienced mentor, increased networking opportunities and help with defining focused and realistic goals to grow professionally. Our organization benefits from more opportunities for employee interactions, improved employee satisfaction and retention and stronger internal leaders.

### Mentoring spotlight — American Corporate Partners

One of The Standard's employee resource groups — The Standard Employees Recognizing Veterans — continues a partnership with American Corporate Partners, a national nonprofit organization dedicated to helping veterans transition to civilian careers.



The partnership provides a unique and rewarding opportunity for our employees to provide professional guidance and career mentoring for service members and veterans outside the company. With more than 1 million veterans expected to transition from military to civilian life over the next five years, the need for mentors has never been greater.



Mentors and mentees are paired based on considerations including age, shared career interests, education level and geographic location. Mentors offer guidance, advice and support on various topics such as resume assistance, career development, networking, business development, leadership and professional communication. Whether they have served in the military or not, all employees are invited to participate as volunteer mentors in the American Corporate Partners program.

### Tuition reimbursement

To support professional development, The Standard provides eligible employees enrolled in an approved course of study at an accredited university with a reimbursement benefit of up to \$5,250 per calendar year.

### Inclusion achievements

Our people-centered approach to connection and inclusion earned the company a 100% score on the 2024 – 2025 Human Rights Campaign Foundation's Corporate Equality Index, acknowledging our commitment to corporate policies and practices related to LGBTQ+ people. In 2024, The Standard also scored 100% on the Disability Equality Index and was listed as a Best Place to Work for Disability Inclusion by a joint initiative of American Association of People with Disabilities and Disability:IN.



### Sustainable development goals

The Standard has identified three sustainable development goals that align with our corporate purpose and support Meiji Yasuda commitments:

1. Protect the environment and combat climate change
2. Contribute to sustainable cities and communities
3. Ensure healthy lives and promote well-being for all ages

As a path to promote prosperity while protecting the planet, these SDGs are a recognition that ending poverty must go hand in hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities while tackling climate change.

### Communities

The company that would become The Standard was founded in 1906 based on two radical ideas for the time: providing local services for customers and contributing to the well-being of the community. Our

company has grown considerably since those early days, but that dual focus — delivering exceptional customer service and strengthening the places where we live and work — continues to guide our decisions today.

At The Standard, our business purpose is to help people achieve financial well-being and peace of mind. Our company exists to help people, with our employees as the backbone of that culture of caring. Through volunteering, serving on a nonprofit or civic board, donating through our giving program and more, employees of The Standard are at the center of everything we do to support our communities.

### Giving and other key data points

2024 total philanthropic giving:

- \$7.7 million

2024 total employee giving:

- Nearly \$6 million donated, including two-for-one company match
- 1,749 employees participated
- 2,739 nonprofit organizations and schools supported

2024 employee volunteer service:

- 74 senior leaders serving on nonprofit and civic boards
- 41 employee-directed grants awarded to nonprofits through the Dollar for Doers program

## Corporate giving

Corporate giving at The Standard focuses on four areas:

## Healthy communities

Strong, vibrant communities are a critical source of security for all residents. The company funds organizations that provide support, training and rehabilitation to people and families facing significant challenges as well as programs that help them increase self-sufficiency.

### Partnership spotlight: Latino Network — Plaza Esperanza

Latino Network was founded in 1996 in Portland, Oregon, by a group of community leaders concerned about the lack of resources to meet the needs of the

growing Latino community. Since then, Latino Network has grown into a Latino-led education organization that helps youth and families reach their full potential.

With a \$100,000 grant from The Standard, Latino Network recently opened a new resource hub — La Plaza Esperanza — that includes an on-site preschool that helps address the lack of sufficient facilities to provide care for some of the 4,500 children under age 6 in the area.

## Disability and empowerment

One of our core products at The Standard is disability insurance, which helps people overcome hardships and empowers them to succeed. Our company supports organizations and programs that help people

with disabilities thrive independently and overcome barriers to social and economic success as well as provide relief during transitions to independent living.

### Partnership spotlight: Community Vision

Community Vision provides services, education and advocacy to ensure people with disabilities can direct their own lives. The organization envisions a world where people with disabilities are included, accepted and able to live the life they choose.

Community Vision provides services, education and advocacy to ensure people with disabilities can direct their own lives. As a longtime partner of Community Vision, The Standard supports the organization's housing access program and assistive technology lab.



Courtesy of Latino Network



## Cultural development

Arts and cultural organizations play a major role in maintaining vibrant communities. The Standard supports organizations that provide enhanced access for underserved community members and offer multicultural art programs, specifically those that build audiences and promote the arts through education, interactive media and artistic excellence.



Courtesy of Joe Cantrell

### Partnership spotlight: Patricia Reser Center for the Arts

The mission of the Patricia Reser Center for the Arts — known as The Reser — is to foster joy, imagination, connection and understanding in our diverse community by presenting artistic, cultural, educational and entertainment opportunities for all.

As a campaign donor and sustaining supporter, The Standard is proud to support The Reser's vision to serve as the cultural heart of a flourishing community centered in Beaverton, Oregon.

Since opening in March 2022, The Reser has welcomed more than 130,000 visitors.

## Education and advancement

The future health and well-being of our communities is in the hands of children who are the workers, innovators, leaders and artists of tomorrow. The Standard funds organizations that foster strategic learning initiatives to better prepare children for success, emphasizing programs that strengthen the quality of education including early childhood learning and workforce development.

### Partnership spotlight: Oregon Historical Society Portland History Exhibit

The Standard is proud to support the Oregon Historical Society's new permanent exhibition on the city of Portland — The Standard's hometown since 1906. The exhibit — Rivers, Roses and Rip City — celebrates what makes Portland unique. Visitors learn about the history of Portland through the major themes of community, land and water. More than 500 objects, images and archival materials from the Oregon Historical Society museum and research library collections reveal the fascinating events and history of the Rose City.

## The Standard Charitable Foundation

In 2006, The Standard celebrated its 100th anniversary. To mark the occasion — and properly honor our rich legacy of corporate philanthropy — The Standard Charitable Foundation was established. The foundation's mission is to make a positive difference in our communities by supporting organizations focused

on community development, education and disability services. The foundation places special emphasis on helping people and families who have experienced a major disability or the loss of a loved one.

Over the past 19 years, The Standard Charitable Foundation has granted more than \$2.7 million to nonprofit organizations that are making a difference in our communities.

In 2024, the foundation funded these five organizations with grants totaling \$170,000:

- **Blanchet House of Hospitality:** Blanchet House received \$50,000 for the construction of its new dormitories at Blanchet Farm in Yamhill County, Oregon. This unique nine-month residential recovery program gives clients with substance addiction the chance to learn from peer mentors, build sobriety and self-worth and regain job skills at a working farm. The grant allows the nonprofit to expand the program to serve 60 participants.
- **Camp Fire Columbia:** Camp Fire Columbia received \$35,000 to improve the accessibility of Camp Namanu — Oregon's oldest continuously running camp. Through critical safety and weatherization improvements, the core living space at the youth camp is being rebuilt to be fully ADA-accessible to ensure campers feel safe and included.

## Foundation partner spotlight — The Standard Home at Valor Farm



Courtesy of Valor Farm

Representatives from The Standard gathered in October 2024 to help open a very special home. The Standard Home was dedicated during a ceremony at the Valor Farm residential veterans community in Altavista, Virginia.

A \$60,000 grant from The Standard Charitable Foundation to the National Center for Healthy Veterans funded the construction of the 600-square-foot house for veterans transitioning to civilian life.

During the nine- to 12-month program, veterans live in a village community of 20 homes equipped with

basics such as a kitchenette, shower, bed and living room. Residents cook and share meals and enjoy fitness and recreational activities as well as faith-based support with the goal of moving past trauma and transition challenges into a life of personal and professional contribution and success.

“We are grateful for the character, courage and commitment with which our nation’s veterans have served our country and we are honored to dedicate this home for the purpose of caring and supporting them for decades to come as they recover and take their next steps,” said Jeremy Horner, executive

vice president of Individual Disability Insurance and Corporate Development. “Giving back to repair and improve our communities is part of our company’s DNA. It is the reason why we encourage our employees to be active in the community, why we double match the charitable contributions of our employees and why we have a charitable foundation to support efforts like Valor Farm.”



- **Hillsboro Community Foundation:** Hillsboro Community Foundation received \$50,000 to support the inclusive elements of a playground adjacent to Hidden Creek Community Center in Hillsboro, Oregon. The project is the city's first fully inclusive park and playground and is a partnership between Hillsboro Parks and Recreation, Hillsboro Community Foundation and the Hillsboro School District.
- **Junior Achievement of Oregon and Southwest Washington:** Junior Achievement received \$75,000 to expand and update its facilities in Portland, Oregon, and establish a new program site in Hillsboro, Oregon. With the addition of the Hillsboro site, JA's signature programs that focus on financial literacy, work readiness and entrepreneurship — BizTown and Finance Park — will reach more than 25,000 students annually, inspiring and preparing them for future success.
- **National Center for Healthy Veterans:** National Center for Healthy Veterans received \$60,000 for the construction of a new energy-efficient tiny home in the organization's 340-acre Valor Farm residential community in Altavista, Virginia.

## Employee Giving 365

The Standard encourages employees to give to the causes they care about most through its signature Employee Giving 365 program. The company offers a dollar-for-dollar match of employee contributions up

to \$5,000 to any eligible nonprofit or school. In 2024, our parent company, Meiji Yasuda Life Insurance Company, again offered a second match, effectively tripling employee giving.

With the double match, employees and eligible retirees of The Standard raised nearly \$6 million for 2,739 schools and nonprofit organizations during the EG365 program year.

### Top donation recipients from the 2024 EG365:

- Oregon Food Bank
- Trillium Family Services
- Central City Concern
- Oregon Humane Society
- Luther College
- Ronald McDonald House Charities of Oregon and Southwest Washington
- Oregon Public Broadcasting
- St. Jude Children's Research Hospital
- Lines for Life
- National Alliance on Mental Illness

### Employee Giving Community Fund

To celebrate our centennial anniversary in 2006, the company gave a gift to our communities — the Jeans Days program. This unique program allowed employees to donate \$100 to a focused cause in exchange for wearing jeans to work on Fridays. The money was pooled, matched by the company and then given to nonprofit partners selected each year.

With the company's evolution to our Flexibility First work environment, the Jeans Day program changed to the Employee Giving Community Fund. The EGCF embodies the sense of community we create by pooling our resources to make a big difference for our nonprofit partners. Since 2006, the program has raised more than \$5.5 million for our partner organizations.

In 2024, the EGCF focused on nonprofit organizations that help people and families struggling with homelessness and behavioral health issues. Behavioral health challenges — particularly drug and alcohol abuse and trauma — can make it difficult for those experiencing homelessness to obtain and maintain housing. The program raised more than \$168,000 for these EGCF partners:

- Avivo (Minnesota)
- Central City Concern (Oregon)
- Community Solutions (national)
- Lifting Up Westchester (New York)
- Miriam's House (Virginia)
- Shelterhouse (Ohio)

## Volunteer opportunities

The Standard gives employees eight hours of annual paid time off to volunteer. Many employees use those hours to support community partners including schools, hunger relief organizations, literacy programs and many others. The company also celebrates employee volunteerism through Dollars for Doers grants and a quarterly volunteer award for exceptional employee volunteer service.



### Spotlight: Volunteer Expo

For 16 years, The Standard has hosted the Volunteer Expo — an event celebrating the spirit of community by connecting employees of The Standard and members of the public with local nonprofits seeking volunteers. Over its lifetime, the Volunteer Expo has connected thousands of participants with hundreds of nonprofits.

In 2024, the Volunteer Expo showcased 115 nonprofits offering volunteer and donation opportunities under the big tent at Pioneer Courthouse Square in Portland, Oregon. In addition to the tradition of bringing people together each September, The Standard also highlights volunteer opportunities year-round through the Volunteer Expo online where users can search the directory of nonprofits, learn about the organizations and find opportunities to give back.

### Board service

The Standard expects officers of the company to serve on at least one civic, school or nonprofit board. The company provides training opportunities for all employees interested in developing the expertise needed to be a successful board member. In 2024, many employees took advantage of the annual board training and more than 70 of our senior leaders served on one or more nonprofit or civic board.

### Investments and targeted tax credit investment programs

The investments for our nearly \$27 billion portfolio represent an important part of our footprint as well as an opportunity for our actions to be guided by our values.

### Targeted tax credit programs

Through targeted tax credit investment programs, The Standard invests in projects across the country that reinforce the company's commitment to reducing inequalities and fostering healthier communities. This work is guided by our philosophy of forming strong local and community relationships, collaborating with affiliates and partnering with nonprofits and community organizations.

The Standard invests capital for housing, economic opportunities and related infrastructure improvements in low-income communities through four types of projects:

- **Low-income housing tax credit projects** — Subsidizes the acquisition, construction and

rehabilitation of affordable rental housing for low- and moderate-income tenants.

- **New market tax credit projects** — Uses tax credits to make investments in distressed communities.
- **Historical tax rehabilitation credit projects** — Investments convert designated historical structures into usable housing, generally in areas where housing is in short supply.
- **Opportunity zone projects** — Investments are made in an economically distressed area as determined by federal and state agencies; these projects can embrace a broad spectrum of businesses intended to spur employment and economic development in that area.

The Standard has been investing in and building this portfolio for more than two decades. In total, the company has contributed approximately \$716 million to these projects, with more than \$73.3 million of capital committed during 2024. These projects promote important public policy goals designated by lawmakers primarily focused on creating and preserving affordable housing or rehabilitating historic buildings and enhancing economic opportunities in low-income communities across the nation.

### Spotlight: Historic tax credit investment — Literary Arts

Literary Arts, a longtime community partner of The Standard, recently opened its newly renovated headquarters in a historic building on Portland's Central Eastside.



## Spotlight: Federal Home Loan Bank — Tistilal Village Native American Youth and Family Center



Courtesy of Native American Youth and Family Center

Since 1974, the Native American Youth and Family Center has been at the forefront of transforming lives and strengthening communities across the Portland region. As an urban Indian agency, NAYA Family Center makes a positive difference in the lives of more than 10,000 people from more than 380 tribal backgrounds annually.

In 2023, The Standard — as a member organization of the Federal Home Loan Bank of Des Moines — sponsored NAYA's successful \$750,000 funding request to the Affordable Housing Program for the Tistilal Village Redevelopment project. Built in the early 1970s, Tistilal Village was a 34-unit property in Portland's Portsmouth neighborhood.

The redevelopment of this property resulted in construction of 58 new units of deeply affordable housing, with 16 permanent supportive housing units for Native American families experiencing homelessness. This innovative community opened to residents in 2024.

After three years and a \$22.5 million fundraising campaign, the nonprofit — which engages readers, supports writers and inspires the next generations with great literature — moved into its new home in December 2024.

The Standard supported this project in several important ways. In 2024, the company purchased \$1.5 million in historic tax credits to rehabilitate and reuse the historic building as well as pledged support through a multi-year philanthropic gift. In addition, several employees donated to the campaign and received a double match on those funds through the Employee Giving 365 program.

“This building is transformational for our organization,” said Andrew Proctor, executive director at Literary Arts. “Not only is it one of the largest physical centers in the nation for literature and storytelling, but it also stands as a love letter to this city that has been our home for four decades.”

### **Spotlight: LIHTC investment — Alabama Avenue Apartments**

The Standard invested \$385,000 to help finance construction of an income-restricted apartment complex on Alabama Avenue in Washington, D.C., scheduled for completion in 2025. This 86-unit complex offers one-, two- and three-bedroom floor plans and is restricted to residents earning up to 60% of the area median income. The company’s investment also provides residents of the 18 permanent supportive housing units with specialized services

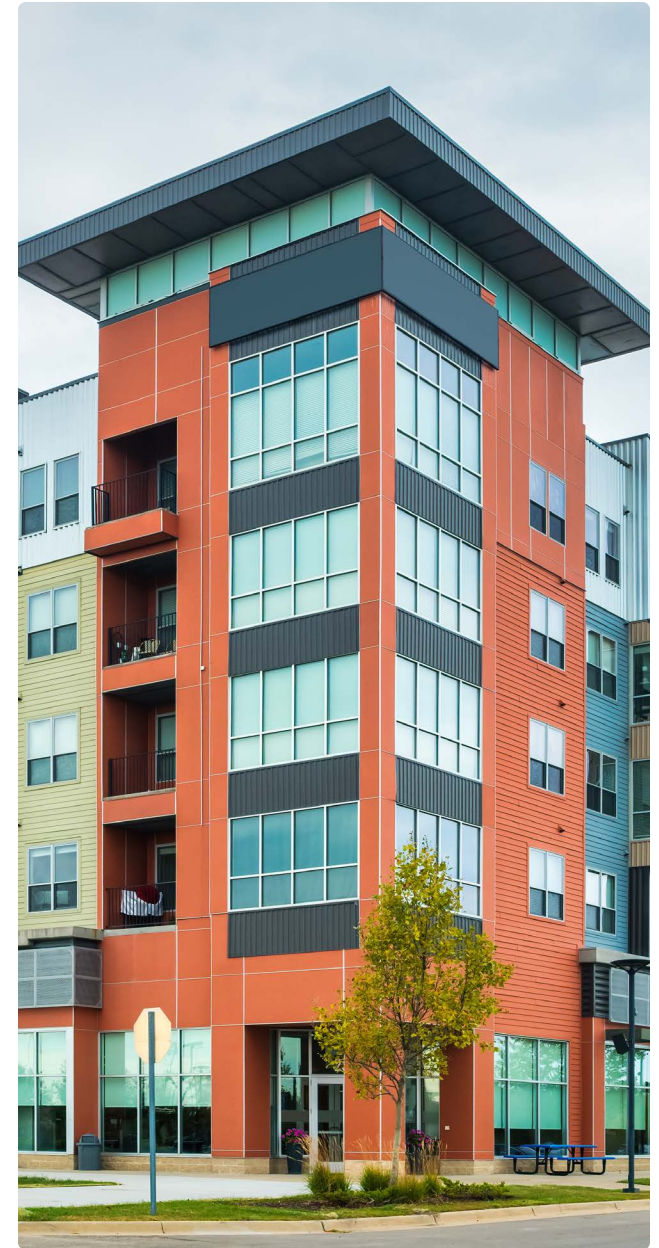
including education on the rights of renting assistance and daily living, connection to health care and employment services and assistance with enhancing budgeting skills.

### **New market tax credit investments**

Investments The Standard makes in NMTC projects are directly channeled into low-income areas, resulting in profound benefits to the entire community. During 2024, The Standard invested \$9.7 million in state NMTC programs in Mississippi, Nevada, Illinois and Louisiana. These investments are designed for private investors seeking returns through socially responsible public investment initiatives. The goal is to align private sector resources that finance local businesses with public policy goals to transform local economies for the mutual benefit of investors and community stakeholders.

### **Premium tax credit programs**

In recent years, various states have created programs allowing insurers that collect premiums and file state taxes to redirect a portion of the state tax liability to qualified organizations helping students in kindergarten through 12th grade with verified financial need afford a quality private education. These programs also provide scholarship assistance to families of children experiencing displacement or disability. Specifically, these programs provide critical tuition aid for tens of thousands of financially qualified students. Participating insurers in turn receive a tax credit to offset state premium taxes. Since 2012, The Standard has collectively contributed more than \$700,000 to qualified student tuition organizations.





# Environmental Focus



## Championing sustainability

The Standard has a legacy of sustainability and environmental focus. One of the most visible elements of this commitment began nearly 25 years ago when a group of employees shared a vision for the future of sustainability at the company. They participated in a discussion course offered by the Northwest Earth Institute and soon formed the first employee resource group at The Standard — the Green Team — to deliver on a shared vision of supporting environmental protection efforts at work and in our communities. The Green Team remains active today, with members focused on environmental advocacy.

At the company level, The Standard continues prioritizing and strengthening initiatives that protect the environment and combat climate change, recognizing that the health and security of our customers and employees as well as our business success are linked to the health of the planet.

## Sustainability at work

Business practices at The Standard are guided by the commitment to ensuring a sustainable future for our company, our communities and our planet.

## Energy

During 2024, The Standard purchased 9,652,343 kilowatt hours of renewable clean wind energy to power our office buildings in downtown Portland and in Hillsboro, Oregon. Computers, monitors and printers are set to sleep after inactivity and linear lighting uses motion-sensor technology and high-efficiency LED

bulbs. The company's data center — housed in a building that meets several Leadership in Energy and Environmental Design standards — sources 38% of the required electricity from renewable resources. It also incorporates features that make it significantly more energy efficient than traditional data centers including LED lighting, motion sensors and energy-efficient cooling technology.

## Active transportation

The company offers subsidies and reimbursements for employees who use public transit or carpool for work-related transportation. Electric vehicle charging stations are available in our downtown Portland parking garages. Sheltered and secure bike parking is available at many offices, along with locker rooms and showers to encourage bike commuting.

## Water

Restrooms have low-flow, automatic-sensor faucets and workout facilities have low-flow shower heads. Most landscaping outside our offices consists of native and drought-tolerant plants.

## Travel

Commuting and business travel, which both increased during 2024, have traditionally been large components of the company's carbon footprint. Before the pandemic, The Standard made significant strides to reduce the amount of single-occupancy vehicle trips. Business travel, for all purposes, also represents a large portion of annual carbon emissions. The Standard continues to use audio

and video telecommunications services — including Microsoft Teams and Zoom — to communicate effectively with stakeholders, customers and vendor partners where appropriate while remaining focused on further reducing unnecessary air and road travel.

## Buildings

Company-owned facilities were upgraded to include measures that reduce electrical, heating and cooling demands.

The Standard Plaza in downtown Portland is Energy Star rated by the Environmental Protection Agency. Its high-energy efficiency reduces annual electricity consumption by nearly 500,000 kilowatt hours. In 2009, two of our Oregon buildings were awarded LEED Gold status.

As mentioned previously, our company data center is also significantly more energy efficient than traditional data centers.



## On-Site Workspace Redesign project

The Standard empowers employees to thrive while working virtually — the primary experience for most — by embracing a Flexibility First approach to work that supports an evolving nationwide workforce.

The On-Site Workspace Redesign project launched in early 2023 to assess the company's real estate footprint as part of a larger strategy to maximize use of company-owned and leased office space. The project team is partnering with all business areas to redesign workspaces that support our national and virtual workforce.

The goal of the OWR project is to design space that meets the needs of employees who are required to work on-site, choose to work on-site or occasionally visit the office. It bridges the gap as well as introduces improved solutions for hybrid, virtual and on-site meetings. The redesign also creates a new space that better supports intentional group gatherings for training, activities to promote team building and strengthening relationships, projects and more.

Designs for our physical workspace consider how to protect and build on our unique culture while ensuring these spaces support our Flexibility First approach. The goal is to maximize technology tools that help us stay connected and focus on in-person events that are purposeful and produce positive outcomes.

Several teams that previously worked in leased offices around the U.S. relocated to coworking facilities

and some of our other offices have been closed, redesigned or right sized. The office spaces in our Portland-area buildings are changing as well. In addition to consolidation, some floors are being leased to new tenants while others are equipped with day-use workspaces or slated for a remodel to align with project goals.

With the consolidation and redesign, all office furniture and equipment that is no longer needed is donated to nonprofit organizations. The Standard is partnering with rePurpose, a MillerKnoll program, to ensure surplus office assets avoid landfills, benefit our nonprofit community partners and fulfill positive sustainability and environmental efforts.

## Climate

Climate change remains a serious challenge for the world and our company and employees play a role in addressing it. Recognizing that our company has an associated carbon footprint through daily business operations, our policy is to continuously assess, reduce and mitigate these emissions while simultaneously reducing costs and improving operational efficiencies.

Our largest direct effect on climate is the energy — purchased electricity and natural gas — used to power our facilities.

In 2024, The Standard once again partnered with Deloitte to conduct a greenhouse gas inventory. The Standard did a calculation of scope 1 and 2 emissions. Scope 1 are direct greenhouse emissions

that occur from sources that are controlled or owned by the company. Scope 2 are indirect emissions associated with the purchase of electricity, steam, heat or cooling. Our greenhouse emissions are calculated in line with the standard GHG reporting protocol and verified by an independent third party.

The Standard remains committed to reducing its carbon footprint and our efforts over the past decade are making a difference. The company's 2024 emissions are far lower than the first study measuring emissions conducted in 2008. The decline can be attributed to three key factors: renewable energy certificates, energy-efficiency efforts in company-owned real estate and decreased employee activity in primarily owned facilities through our Flexibility First work environment.

## Enterprise risk management: Climate-related risk

Through a focused enterprise risk management program, The Standard identifies current and anticipated risks and opportunities that climate and other challenges pose to our company. As our core products are life and disability insurance, The Standard is not directly exposed to the potential physical effects of climate-related risk in the manner a property and casualty insurer would be. However, doing business across the United States indirectly exposes our company to the physical effects as well as the effects of transitioning to a lower carbon economy through our asset portfolio and customer base.

## 2024 Greenhouse Gas Emissions\*

Scope 1 direct emissions

**1,196**

(metric tons CO<sub>2</sub>e)

Scope 2 emissions (market-based)

**26**

(metric tons CO<sub>2</sub>e)

Total Scope 1 and 2 emissions

**1,222**

(metric tons CO<sub>2</sub>e)

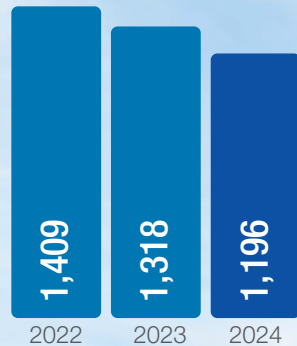
Emissions including RECs\*\* per FTE

**0.29**

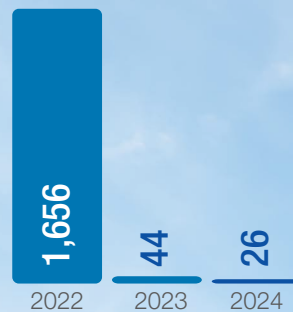
(metric tons CO<sub>2</sub>e per person)

## Greenhouse Emissions

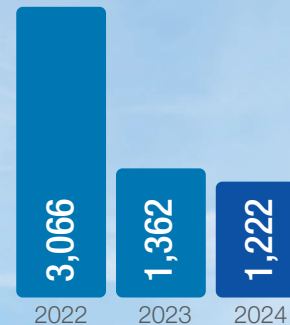
Scope 1 direct emissions



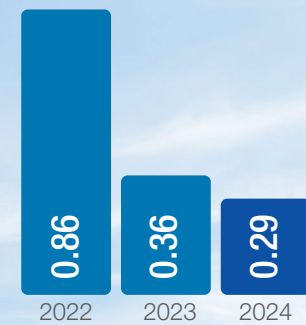
Scope 2 emissions (market-based)



Total Scope 1 and 2 emissions



Emissions including RECs\*\* per FTE



### Key GHG Emissions Takeaways

- Emissions are tied to company-owned facilities and energy sources.
- Emissions are expected to fluctuate in 2024 and 2025 as the company adjusts its real estate footprint and reduces or resizes owned and leased office spaces.

\*U.S. operations \*\*Renewable Energy Certificates



As transition and physical (acute and chronic) climate-related risks are identified, material factors are incorporated into ERM activities, varying by line of business. The Standard employs a process for identifying climate-related risks — including financial implications — and assessing the degree to which climate change could affect our customers and business. Regular ERM activities include studying economic, demographic and environmental trends — all of which may be affected by climate change.

The board of directors for StanCorp Financial Group, Inc., and The Standard regularly receive reports on climate-related risks and opportunities. The chief risk officer is responsible for updating The Standard board on climate-related risk tolerances, limits and opportunities. The Standard anticipates further aligning our climate-related disclosures with recommendations of the IFRS S2 for climate-related disclosures.

### **Meiji Yasuda Group sustainability policy**

Meiji Yasuda Life Insurance Company, the parent organization of The Standard, adopted a group sustainability policy centered on our shared goals for stewardship and corporate citizenship. The policy specifically expresses our commitment to a sustainable society through efforts to strengthen local communities, support diverse and respectful workplaces, protect the global environment, combat climate change and conduct business ethically.





# Governance Focus





At The Standard, sound governance is the foundation for our shared values and responsible business practices to support a sustainable future for our company, customers, employees and communities.

## Responsible investing

Our investment philosophy ensures we meet the obligations and promises we make to our customers in alignment with statutory investment requirements. The primary objectives for our investment portfolio are to meet the asset/liability management needs of the company and to generate optimal risk-adjusted returns over time. Maintaining a long-term perspective is core to our overall investment philosophy. Risk management, both in terms of bottom-up credit risk and top-down portfolio risk, is paramount for yield maximization over time.

As a buy-and-hold investor with a long-term perspective, The Standard strives to look beyond quarterly results to incorporate secular trends and company-specific risks that may materialize over an extended period. The company incorporates analysis of environmental and governance factors into our holistic credit underwriting and portfolio management practices. By their nature, such factors generally represent longer-term risks and opportunities that fit well within our investment strategy.

The Standard uses outside investment managers for specific portions of the portfolio to enhance internal expertise. Each of the five managers is a signatory of

the Principles for Responsible Investment supported by the United Nations.

## Guide to Business Conduct

The Standard is well known for its integrity and high ethical standards. Integrity is ingrained in our company culture and our reputation is the result of the daily decisions employees make regarding how they do their jobs and interact with colleagues, customers and members of the public.

*The Guide to Business Conduct* is our ethical roadmap. All employees are required to complete an annual training and certification as a reminder of the legal and ethical standards that govern and influence all our business activities.

Good judgment, honesty and sound business ethics are the basic principles that inform every employee's conduct, from new employees to the chief executive officer. These principles require us to avoid conflicts of interest between our work and personal interests, comply with the text and spirit of all laws and regulations that govern our business, and be honest and fair in all our work activities and relationships.

Since it's the nature of business for things to not always be clearly defined, there's a limit to specific scenarios any business conduct guide can cover. That's why employees receive ongoing and comprehensive training to ensure our commitment to ethical decision-making. Our *Guide to Business Conduct* is designed

to empower each employee to make the right decision, whatever the circumstance. Employees are also empowered to use their own ethical barometer and consult resources and leaders for assistance when ambiguities occur.

For senior executives and members of the board, expectations are even greater. Guidelines for these leaders are outlined in separate documents maintained by our corporate secretary.

Ultimately, we're each responsible for our own conduct in alignment with our strong company values.

## Human rights and ethics

At The Standard, one of our values is to ensure a sustainable future. This means making decisions with short- and long-term effects in mind, both in business and in our communities. Being aware of how actions affect our environment and communities also helps our company stand apart. Customers are increasingly searching for vendors with sustainable business practices. Additionally, corporate sustainability builds long-term value through engaging employees, developing new products and services and reducing costs and risks.

The Standard is dedicated to empowering people with the protection they need to pursue their hopes and dreams. Our company respects the human rights and dignity of everyone by:

- Complying with all local and applicable labor laws
- Performing due diligence to find business partners who share our values and commitment to protect human rights and improve working conditions for all
- Confirming our partners are upholding their commitments to safe and fair working conditions

The Standard does not condone abuses of human rights such as child labor, enslavement or human trafficking. It is our responsibility — as an employer, purchaser of goods and services and provider of insurance products and services — to protect human rights. The Standard can be a positive influence for workers everywhere by supporting business partners who share our values as well as pushing for fairness and equality in the areas in which our company operates.

### **Maintaining financial controls**

Our company records must accurately reflect all reportable transactions. Falsifying business records is a serious offense that may result in criminal prosecution and civil or disciplinary action including immediate dismissal.

The company maintains a system of financial controls and recordkeeping to ensure the accuracy and integrity of our financial statements including these specific areas:

- Assets, liabilities and ownership interests exist at a specific date and recorded transactions represent events that occurred during a certain period.

- All transactions and other events and circumstances are recognized and reported in the proper period.
- Financial statement entries — including amounts based on management's assumptions and estimates — are recorded at appropriate amounts in conformity with relevant and appropriate accounting principles. Individual transactions are mathematically correct and appropriately summarized and recorded.
- Entries in the company's financial statements are properly described and classified.

### **Anti-bribery and anti-corruption**

At The Standard, bribery is never permitted. Employees and other representatives of the company must decline any opportunity that would place our ethical principles and reputation of honesty and integrity at risk. They must not attempt to influence others — directly or indirectly — by paying or receiving bribes or kickbacks or by any other means that are considered unethical, illegal or harmful to our reputation.

Laws and regulations are often stricter when dealing with government officials. Reasonable business hospitality that is acceptable with other clients might not be allowed when government officials are involved.

### **Anti-trust and fair competition**

The Standard advocates for free and fair competition in the marketplace. Our company strives to compete fairly through our products, services and customer relations and comply with all applicable fair competition

and antitrust laws. These laws are designed to protect consumers, promote competition and prevent unjust monopolies. Some prohibited behaviors are price-fixing, monopolistic activities, sharing competitively sensitive information (e.g., internal rating information) and boycotts. Even the appearance of a violation can be problematic.

For The Standard, these laws might affect:

- Decisions about establishing and maintaining various partnerships or joint marketing relationships
- Discussions and information shared with colleagues at other companies or with industry trade groups such as the American Council of Life Insurers

### **Artificial intelligence**

Artificial intelligence refers to technology that can perform tasks typically requiring human intelligence — learning, reasoning, problem-solving, understanding natural language and recognizing patterns. The latest iteration, known as generative AI — which analyzes, generates and creates original content — will create significant changes and opportunities for our company, the industry and society.

The Standard has been using AI in the form of machine learning across our businesses for years but people will remain at the center of our business — always playing a critical role in serving our customers as we continue to implement AI technology.



## Guiding principles for AI systems, tools and capabilities

Guiding principles at The Standard govern how AI systems are developed and deployed, comply with ethical standards and applicable laws to prevent harm to consumers and allow employees to safely and effectively use these technologies.

- **Safe:** Our commitment to safe AI means not using AI systems that have the potential to endanger human life, health, property or the environment.
- **Secure and resilient:** Our AI systems will be designed to avoid, protect against, respond to and recover from cyberattacks.
- **Privacy-enhanced:** Our AI will be developed and deployed with safeguards for people's privacy, ensuring compliance with data protection regulations.
- **Compliant:** Our AI capabilities will comply with our organizational policies and applicable laws and regulations, including but not limited to those related to unfair discrimination, intellectual property, privacy and security.
- **Fair and ethical:** Our AI systems will be designed and operated to avoid harm, inappropriate bias and unfair discrimination. Our AI systems will not be used to create content that is deceptive, fraudulent or malicious.
- **Explainable and interpretable:** Our AI models that use non-deterministic logic to automate key business decisions will provide reasoning for the action or decision.

- **Supervision and monitoring:** Our AI systems will be designed and developed to ensure people can supervise their functioning and verify the accuracy, fairness, quality and/or veracity of the output. Further, our predictive or prescriptive AI will be continually monitored to ensure validity.
- **Valid and reliable:** Supervision of our AI systems that make predictive or prescriptive decisions will be comprehensive and rigorously tested and validated before production and then regularly once in use with appropriately defined measures for accuracy.

## Information security and customer privacy

As a company built on trust, The Standard is dedicated to protecting the confidential information of our customers, partners and employees. In the normal course of providing and administering services for our clients, our company obtains, creates and maintains a substantial amount of personally identifiable information.

### Framework

Our information security management system is International Organization for Standardization 27001:2013 certified. The Standard is compliant with ISO 27001 policies and standards, which specifically address privacy and security along with data classification, operational management, data processing, access control and auditing as well as corrective and preventive measures. In addition, The Standard goes through rigorous independent third-party SOC 2 Type 2 audits conducted by a

certified public accountant firm and maintains a SOC 2 Type 2 attestation.

### Information security team

The Standard has an established information security team and chief information security officer dedicated to information security risk identification, assessment, education and advisory services for the organization. This team also coordinates companywide security and privacy incident responses.

### Network protection

The Standard uses firewalls and other mechanisms to restrict and control access to our network from other networks including the internet. Our IT team uses and maintains appropriate antivirus measures to protect networks, systems and all end-user devices as well as conducts intrusion testing regularly. All relevant system activity is recorded and proactively monitored for unauthorized network intrusions and access attempts.

### Data encryption

The Standard follows best practices regarding encryption for data at rest and in transit.

### Data destruction

Before discarding media storing data, The Standard follows best practices including sanitizing server disks and shredding paper documents.

### Third-party risk management

The Standard requires assessment of the information security, business continuity and disaster recovery practices of all contractors, subcontractors and third-party providers involved in providing and/or supporting services for the company.

### Vulnerability management and continuous monitoring

At The Standard, frequent security monitoring and testing of applications and systems is required as well as regular scans and tests of our environment for vulnerabilities. Third-party resources are also employed at least annually for overall security assessments.

### Board of directors

Knowledgeable, experienced and engaged directors are essential to the welfare of the company, employees and customers. Our board of directors serves as the foundation for responsible governance of the company's business operations, integrity, reputation and financial strength.

Most of the board members are independent directors with expertise and leadership acumen in disciplines that align with and complement our business strategies. With the company's long-term strategies and sustainability at the forefront of decision-making, the board oversees the company's frameworks for governance, risk management, financial reporting, legal compliance, compensation and performance management.



#### 2024 StanCorp Financial Group, Inc., Board of Directors (left to right):

**(Front row-seated):** J. Greg Ness, Kevin M. Murai, Al Barkouli **(Middle row):** Ranjana Clark, Masaru Nakamura, Debora D. Horvath, Yutaka Taguchi, Barbara A. Turner, Kota Ando, Daisaku Shintaku, James F. Lobdell  
**(Back row):** Patrick Criteser, Dan McMillan, Elizabeth Flynn



Oversight of specific risks and responsibilities are delegated to the board's three committees: Audit, Nominating and Corporate Governance, and Organization and Compensation. Each committee is led by an independent director and reports to the full board on its area of responsibility.

### **Audit**

This committee oversees financial reporting for the company through review and approval of the annual audited financial statements and quarterly results. The committee oversees the adequacy of the company's control environment with support from internal auditing employees and external independent auditors as well as ensures the independence — and oversees the performance — of the external auditor. The committee

also monitors the company's financial risk exposures and compliance with laws and regulations.

### **Nominating and Corporate Governance**

Among other responsibilities, this committee regularly reviews the board composition to ensure the right mix of expertise, experience and backgrounds. Each new director participates in a rigorous orientation and all directors pursue continuing education overseen by the committee. Additionally, the committee manages annual director performance assessments and reviews the structure and composition of each board committee annually. The committee is also responsible for oversight of the CEO succession planning process and the company's corporate governance systems, including our business conduct and ethics programs.

### **Organization and Compensation**

With input from an independent compensation consultant, this committee ensures all executive compensation aligns with the market and incentive compensation is based on achieving sustainable goals for the company that do not present undue risk. The committee also monitors and evaluates CEO performance in conjunction with the full board.





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