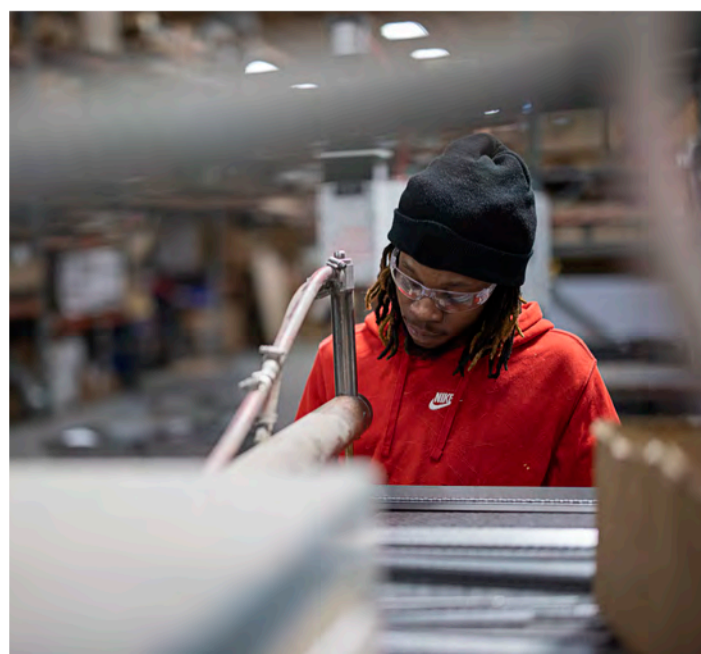
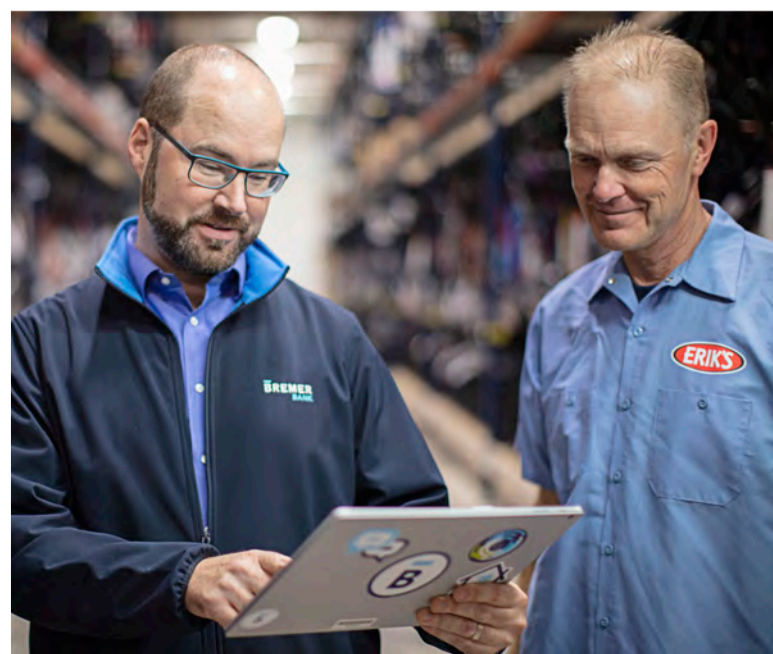


# 2023 Environmental, Social and Governance Report

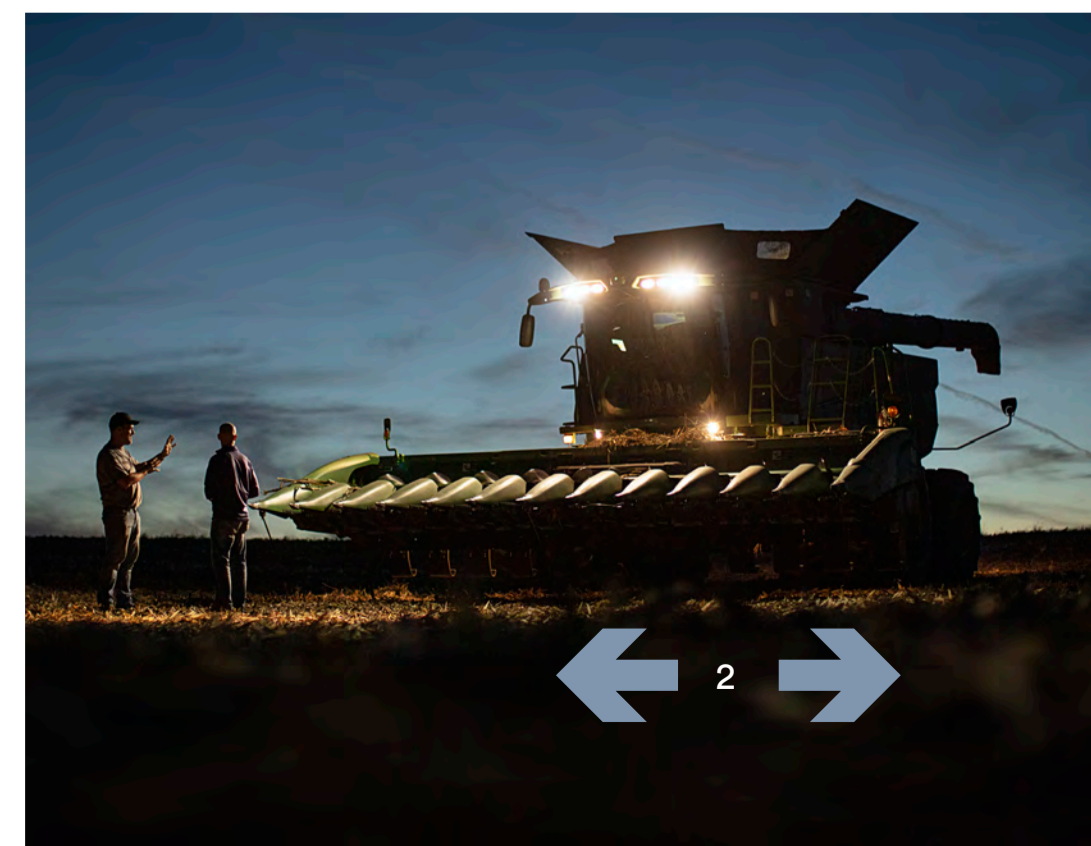
## OUR COMMUNITY IMPACT



**BREMER** →

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## MESSAGE TO OUR PARTNERS

On behalf of Bremer Financial Corporation, we are pleased to present our third annual Environmental, Social and Governance (ESG) Report.

Bremer committed wholeheartedly to this work in 2021, when we published a foundational report identifying key focus areas and setting goals to make impact.

In the two years since, Bremer has made important strides. An ESG Council was established in 2022, and this group worked hard to help develop, oversee and activate Bremer’s ESG strategy. With the four identified United Nations Sustainable Development Goals in mind, Bremer’s ESG Council considered strategic business initiatives in emphasizing what contributions and efforts our company could achieve in pursuit of this work. The Council has both grown and evolved since

its inception, with representatives from across the organization working cross-functionally to advance this work.

Bremer was proud to celebrate our 80th anniversary in 2023, a milestone that commemorates our success as a bank deeply committed to the communities we serve. As we advance our ESG strategies, we remain focused on furthering our legacy – established by our founder, Otto Bremer – of cultivating thriving communities through these efforts along with all the work we do every day.

Prioritizing ESG is an important part of fulfilling our purpose. It allows us to better manage risk, provides us an opportunity to build stronger relationships with our customers, and creates new value for our stakeholders.

We remain committed to honoring our company’s foundational strengths as we expand and refine our future efforts within the ESG framework we’ve established. We will also continue to leverage our resources and expertise to drive positive change in our industry and in the communities we serve as this work continues to evolve.

Sincerely,



Ronald James  
Bremer Financial Corporation  
Board Chair



Jeanne Crain  
Bremer Financial Corporation  
President and CEO



“As we advance our ESG strategies, we remain focused on furthering our legacy – established by our founder, Otto Bremer – of cultivating thriving communities through these efforts along with all the work we do every day.”

# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In 2015, all United Nations Member States adopted 17 Sustainable Development Goals (SDGs) in an urgent call to action for all countries and organizations to work together to “end poverty, improve health and education, reduce inequality and spur economic growth, all while tackling climate change and working to preserve our oceans and forests.” These goals are the linchpin of the U.N.’s 2030 Agenda for Sustainable Development, which laid out a 15-year plan to accomplish them.

Bremer’s closely held purpose is cultivating thriving communities. The call laid out in these SDGs, adopted by our country and 192 other member states, is in clear alignment with who Bremer is and the values instilled in us by our immigrant founder. Our identity and our purpose demand that we commit to this work. The opportunities ahead of us are significant, and Bremer is engaging in this work with deliberate intention to ensure that the efforts we take are impactful and sustainable.



## Our focus

All companies have a part to play in furthering each of the U.N.’s sustainable development goals. Bremer has identified four areas that mirror our purpose and commitment, where our focus will have the most impact:

- (1) NO POVERTY
- (8) DECENT WORK AND ECONOMIC GROWTH
- (10) REDUCED INEQUALITIES
- (11) SUSTAINABLE CITIES AND COMMUNITIES



## ABOUT BREMER

Bremer Bank has roots in the places where we live and work that go back to 1943, and a history of making a real-world difference in the lives of our customers that begins with our founder. Otto Bremer believed that if banks helped businesses in good times and bad, communities would thrive. Today, we're proud to work with the people who grow our food, build our economy and serve our neighbors. We're here to help you solve your toughest problems, seize your biggest opportunities and achieve success on your terms, now and in the future.

### Our services

Bremer offers full-service banking, investments, mortgage, trust, insurance and wealth management services.

### Our focus

Mid-size companies  
Agribusinesses and farmers  
Commercial real estate  
Education  
Healthcare  
Local government  
Manufacturing  
Nonprofits  
Professional services  
Small businesses

### Our locations

Bremer has a network of branches throughout Minnesota, North Dakota and Wisconsin. Our customers can access their accounts through thousands of MoneyPass® ATMs nationwide, and we offer online banking anytime, anywhere at [bremer.com](http://bremer.com).

### Headquarters

St. Paul, Minnesota.

### Ownership

Privately owned by the Otto Bremer Trust (92%) and Bremer employees (8%).

### Employees

Approximately 1,500.



### OUR PURPOSE

Cultivating thriving communities



### OUR PROMISE

Working harder and smarter together to create new and better ways for our customers to grow



### OUR VALUES

Collaboration  
Commitment  
Creativity

## OTTO BREMER LEGACY

Bremer Bank is a leading regional and community bank established by Otto Bremer in 1943.

Otto Bremer came to Minnesota as a German immigrant in 1886 seeking opportunities for a good life. Over the next 36 years, he worked his way up to become chairman of the American National Bank and a dedicated community leader involved in civic, financial and corporate life. Otto's financial acumen led to investments in many independent rural banks in the Upper Midwest. During the Great Depression, Otto liquidated many of his personal assets to strengthen these banks and help them withstand hard times. He believed that people could survive and flourish if they had help at critical times.

For all his success, Otto did not forget the strengths and hardships of the rural and immigrant experience. His concern for those working to make their lives better, coupled with his commitment to the local banks, became the cornerstone of his long-term vision. In 1943, Otto created Bremer Bank as a bank holding company to consolidate his stake in the community banks, giving the banks the advantage of acting as a group.

Otto believed that, done right, banking has the power – and responsibility – to help communities thrive. This is the guiding principle which inspires Bremer Bank's work every day.

Bremer's purpose is cultivating thriving communities, and we are proud to do so by partnering with the people who cultivate our food, sustain our economy and serve our neighbors. Through its focus on relationships, Bremer strives to use its expertise and understanding to help its customers and communities realize their dreams.



“To serve our customers, we must also serve their communities.”

Otto Bremer - Founded Bremer Bank in 1943

## ESG COUNCIL

At the beginning of 2022, Bremer deepened its investment in ESG work through the creation of a formal governance structure with the establishment of the ESG Council. This Council is tasked with defining an organization-wide ESG strategy, and establishing and implementing performance goals and action plans in the ESG area. The council is represented by Bremer employees from the following teams:

- |                                 |                        |
|---------------------------------|------------------------|
| Accounting                      | Facilities             |
| Agriculture Banking             | Human Resources        |
| Capital Markets                 | Information Security   |
| Collateral Management           | Information Technology |
| Commercial Banking              | Marketing              |
| Consumer Banking                | Risk Management        |
| Corporate Governance            | Strategic Sourcing     |
| Diversity, Equity and Inclusion | Wealth Management      |

The creation of Bremer's ESG Council aligned with the release of our foundational ESG Report in April of 2022. This foundational report firmly established Bremer's commitment to finding ways to make impact in the ESG space and emphasized why the time was right to begin this effort, after multiple once-in-a-generation events impacted our communities.

The report also provided a base for the council to work from, and moving forward, they are tasked with monitoring the progress of established goals and identifying new focus areas as we build on our initial efforts.

With the council in place, Bremer has established a formal structure around ESG work that will guide us well into the future. The council meets regularly to monitor and oversee the organization's ESG goals and action plans.

Since its inception, the ESG Council has shown tremendous enthusiasm and commitment toward this important work, which has permeated all corners of the organization.

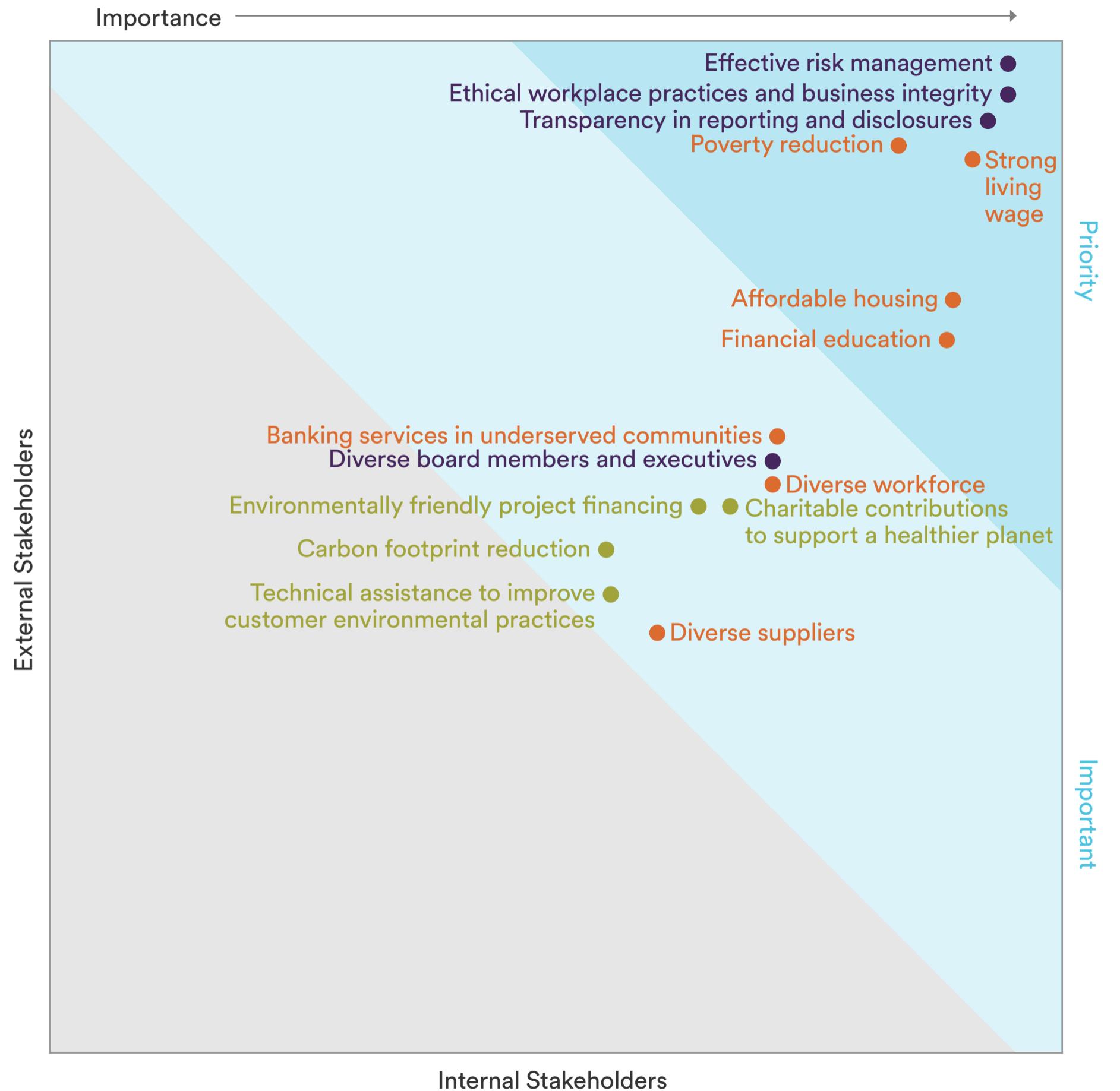


# ESG SURVEY RESULTS

Bremer engages with several ESG priorities throughout the enterprise under the leadership of the ESG Council. To ensure we are listening to our stakeholders and emphasizing the efforts most important to them, Bremer engaged with a group of graduate students at the University of Minnesota Humphrey School in 2022 to create a materiality assessment, polling our customers and employees on the ESG priorities most important to them.

In the categories of environmental, social and governance, we asked respondents to evaluate a number of priority areas on a scale ranging from “not important” to “very important.” Bremer received responses from 470 employees and 881 customers and calculated scores for each of the individual priority areas based on the stakeholder feedback.

Areas that ranked highest for both groups were effective risk management, ethical workplace practices, and transparency in reporting and disclosures. These priorities align with a number of Bremer’s previously established organizational goals, which both reinforces our existing ESG work and gives us a roadmap for future work.





# ENVIRONMENTAL

Thriving environments are critical to thriving communities. Finding new ways to recycle, reconsidering our physical footprint, partnering with customers, and taking a critical look at how we operate moving forward are all important parts of building a strong environmental foundation.



## John Ledermann Farm

John Ledermann is a third-generation farmer near Brandon, Minnesota, and a long-time Bremer customer. His family's legacy surrounding sustainability and care for the environment is carried on with John and his family-farming operations. John grows 1,100 acres of corn, soybean, wheat, rye and alfalfa utilizing conservation practices such as cover crops, no-till and strip-till farming, vegetative buffers and wetland restoration. In 2023 with financing from Bremer, John installed 34 solar panels capable of producing 23,000 kilowatts of energy per year, enough to run his entire farm. John was also the first farmer in Douglas County to be certified under the Minnesota Agricultural Water Quality Certification Program, which promotes on-farm conservation practices that protect the state's lakes and rivers. John is committed to sharing insights with fellow farmers, and he continues to seek out new ways to promote conservation in the farming sector. John has partnered with Bremer Bank for more than three decades, and Bremer is proud to support his operations and initiatives.



## PCs for People

Bremer has a longstanding partnership with PCs for People, a nonprofit organization committed to getting low-cost, high-quality computers and affordable internet into the homes of low-income individuals. To power their mission of digital inclusion, PCs for People responsibly refurbishes or recycles donated electronic equipment. In 2023, Bremer donated a total of 38,450 pounds of electronics, including 1,255 personal computers. For the first time, we held technology drives at the Bremer Service Center and our Fargo branch, where we collected more than 1,000 pounds of electronics from employees, customers and community members.

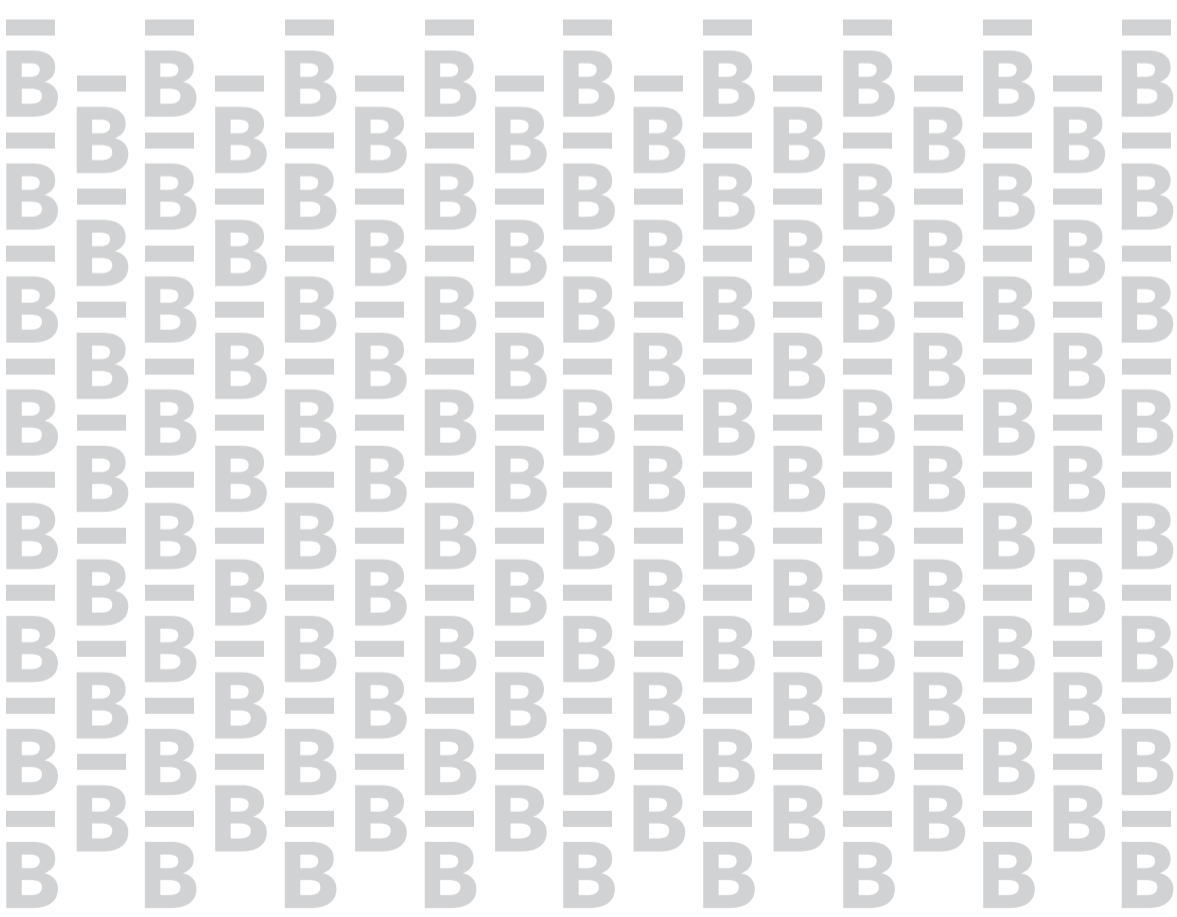
# ENVIRONMENTAL



**9**  
branches using solar power



**4M+**  
kilowatt hours of solar power usage



## Responsible and renewable energy

Bremer continues to focus on responsible energy usage across our footprint and using renewable energy when possible. We subscribe to a solar farm service to provide an alternative energy source for the Bremer Service Center in Lake Elmo, Minnesota — our largest location — as well as branches in South St. Paul, Mankato, St. Anthony, Watertown, Edina and Brooklyn Center. We also participate in Xcel Energy’s Electric Rate Savings program, which means we agree to control our energy load at the Bremer Service Center during peak usage times by transferring power to our backup generator.

## Branch footprint reduction

Bremer has taken a proactive approach to building and remodeling locations to best fit the customers and communities we serve. As customer expectations evolve and digital services become more prevalent, this work typically results in a reduction of our physical spaces, which lessens our environmental impact. In 2023, we achieved a 50% reduction in square footage at our downtown Minneapolis office space located in the Capella Tower, a LEED Gold-certified building. We also reduced the footprint at our two St. Cloud locations by 60% and 53%, respectively. Finally, our new branch in St. Anthony is 81% smaller than a previous location there, while our new St. Louis Park location is 63% smaller and also features Bremer’s first EV charging station available to customers and employees.

# ENVIRONMENTAL



**60%**

electronic use of consumer DocuSign in place of paper



**25%**

Bremer buildings converted to LED lighting



Bremer St. Paul and Minneapolis offices are located in LEED-certified buildings

| Environmental impact   |             |         |         |           |         |
|--|-------------|---------|---------|-----------|---------|
|  | 2021        | 2022    | 2023    | 2024 goal | UN goal |
| <b>LED lighting upgrades</b><br>(install energy-efficient lighting within Bremer buildings)                        | 7%          | 14%     | 25%     | 50%       |         |
| <b>Recycled electronics</b>  | 20K lbs     | 25K lbs | 38K lbs | 40K lbs   |         |
| <b>EConsumer DocuSign usage</b><br>(reduce paper use and travel by having customers sign documents electronically) | not tracked | 35%     | 60%     | 75%       |         |
| <b>Bremer locations offering recycling</b>   | 50%         | 52%     | 100%    | 100%      |         |
| <b>Locations with single-use plastic tableware</b>   | 100%        | 93%     | 80%     | 0%        |         |

## Climate risk assessment

Bremer manages climate risk through existing risk and credit functions. Climate change represents a dynamic set of strategic considerations that have the potential to impact the bank over varying time horizons. Bremer has identified the categories and sub-categories of physical and transition environmental risks which may be impactful.

Physical risks relate to the direct impact of climate change that is driven by a specific disruptive event, while transition risks arise from policy and technology-driven adjustments.

To properly assess the impact of climate risk, we consider both Bremer’s operational resilience and the associated impact to our banking activities, as well as the reach of impacts through our lending activities. Bremer’s resilience is monitored through our Business Continuity and Disaster Recovery processes, while impacts to our lending activities are monitored through our credit process. The latter continues to include a rating methodology that captures both types (physical and transition) of climate risk. Risk levels were assigned for each of Bremer’s industries to identify those that could be most impacted by climate change.

We will continue to refine our assessment and begin working with customers in higher-risk industries to identify plans in place to address climate change risks.

# SOCIAL

Bremer's closely held purpose, instilled in us by our immigrant founder, is cultivating thriving communities. We continue to find new and better ways to deepen our impact in the communities we serve.

| Community impact                                      |        |        |        |           |  |
|---|--------|--------|--------|-----------|--|
|   | 2021   | 2022   | 2023   | 2024 goal | UN goal  |
| Donations by Bremer Bank to nonprofit organizations   | \$2.6M | \$2.7M | \$2.7M | \$2.7M    | 1 NO POVERTY, 4 QUALITY EDUCATION, 10 REDUCE INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES |
| Employee giving to United Way campaign                | \$209K | \$212K | \$235K | \$236K    | 1 NO POVERTY, 2 ZERO HUNGER, 10 REDUCE INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES       |
| Bremer Bank employee contribution match to United Way | \$209K | \$212K | \$235K | \$236K    | 1 NO POVERTY, 2 ZERO HUNGER, 10 REDUCE INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES       |
| Employee volunteer hours                              | 19K    | 16K    | 16K    | 18K       | 1 NO POVERTY, 4 QUALITY EDUCATION, 10 REDUCE INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES |
| Employees serving on nonprofit boards of directors    | 100    | 223    | 256    | 270       | 1 NO POVERTY, 4 QUALITY EDUCATION, 10 REDUCE INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES |

## A sampling of nonprofit organizations with a Bremer employee serving on its board of directors

### Twin Cities

- Avivo
- CFA Society of Minnesota
- CommonBond Communities
- EMERGE
- Enterprise Minnesota
- Goodwill-Easter Seals of Minnesota
- Greater Twin Cities United Way
- Junior Achievement North
- Minneapolis Foundation
- Minneapolis Regional Chamber of Commerce
- Minnesota Home Ownership Center
- Northside Economic Opportunity Network
- Opportunity Partners
- Ordway Center for Performing Arts
- Project for Pride in Living
- Reconnect Rondo
- Saint Paul Area Chamber of Commerce
- Saint Paul Downtown Alliance
- Science Museum of Minnesota
- Twin Cities Habitat for Humanity

### Greater Minnesota

- Aitkin County Habitat for Humanity
- Boys and Girls Club of Central Minnesota
- Duluth Downtown Council
- Habitat for Humanity of Douglas County
- Habitat for Humanity South Central MN
- Initiative Foundation
- Junior Achievement St. Cloud
- Junior Achievement Winona
- The Bridge Food Pantry

### North Dakota

- Altru Health Systems
- Fargo Moorhead West Fargo Chamber of Commerce
- Grand Forks Region Economic Development Corp.
- Minn-Dak Manufacturers Association
- Minot Area Community Land Trust
- North Country Food Bank
- United Way of Cass Clay

### Wisconsin

- Amery Area Food Pantry
- Greater Menomonie Development Corp.
- Northwest Alliance Community Foundation
- United Way of St. Croix Valley



Bremer has been a proud member of the Minnesota Keystone Program, recognizing companies that donate at least 2% of their pre-tax earnings to the community.

Bremer is recognized at the Keystone 5% level.



**\$81.1M**

dividends paid by Bremer Bank to Otto Bremer Trust in 2023 (\$1.16B since 1989)



**1,400**

Welcome Home kits donated to families transitioning into stable housing in 2023 through the Bremer Home for Good partnership

# SOCIAL

In addition to providing the revenue that fuels the work of the Otto Bremer Trust, Bremer focuses its own substantial philanthropic giving and charitable sponsorships in three pillars: Affordable housing, financial education and economic empowerment.



## Bremer's 80th anniversary

To celebrate 80 years of cultivating thriving communities, Bremer donated a total of \$80,000 to eight nonprofit organizations across our footprint. Organizations were nominated by market leaders and exemplified our philanthropic pillars (affordable housing, economic empowerment, financial education), our commitment to supporting low-to-moderate-income individuals and communities, and our DEI goals surrounding small business and homeownership growth. The organizations that were selected to receive a \$10,000 donation were:

- Eau Claire Area Hmong Mutual Assistance (Eau Claire, Wis.)
- YWCA St. Paul (St. Paul, Minn.)
- Anna Marie's Alliance (St. Cloud, Minn.)
- Douglas County Habitat for Humanity (Alexandria, Minn.)
- Family Promise of Rochester (Rochester, Minn.)
- Red River Valley Community Action (Grand Forks, N.D.)
- Great Plains Food Bank (Fargo, N.D.)
- Comunidades Latinas Unidas En Servicio (CLUES) Willmar (Willmar, Minn.)

## Outstanding CRA ranking

Bremer Bank received an overall "Outstanding" rating - the highest rating that can be achieved - on its most recent Community Reinvestment Act (CRA) performance evaluation from the Office of the Comptroller of the Currency.



**\$1.7B**

CRA-eligible loans provided

Includes affordable housing, economic development, small business and farms, and residential mortgages



**\$86.2M**

CRA-qualified community investments in 2023

## Project examples:

- New grocery store located in a USDA-designated food desert in Wisconsin (\$6.95M)
- Meat packaging plant on Native trust land in rural Minnesota (\$1.1M) paired with USDA resources

## SOCIAL



**638**

mortgage loans purchased from Twin Cities Habitat for Humanity to support homeownership

### Twin Cities Habitat for Humanity

Bremer continues to partner with Twin Cities Habitat for Humanity (TCHFH) on the Home Loan Impact Fund, the largest banking partnership in Habitat's history. Since 2017, Bremer has purchased more than 600 below-market mortgages totaling \$128 million over the past six years. The below-market interest rate provided by Bremer helps to subsidize the affordability gap and more than doubles the number of local families who can partner with TCHFH on affordable homeownership.

Additionally, Bremer has partnered with TCHFH on the development of their Advancing Black Homeownership Program. This pilot program is designed for applicants who identify as Foundational Black Americans and aims to narrow racial disparities in housing.



**\$2.8M**

saved collectively by nearly 13,000 families through College Bound Saint Paul

### CollegeBound Saint Paul

Bremer is proud to be the banking partner for CollegeBound Saint Paul, a first-of-its-kind program launched on January 1, 2020, to provide every newborn child in the city with a savings account, including a \$50 seed deposit, to jump-start additional savings toward a college education. Since the program's launch, **12,763** newborns have been enrolled, and their families have collectively saved over **\$2.8 million** for their children's future.

In 2023, we hosted our first CollegeBound family open house at our Midway branch. Attendees were able to ask questions about their children's CollegeBound accounts and receive extra support with making deposits. During this event, nearly 60 deposits were made, totaling over \$4,000 in savings.



**220+**

jobs that will be created from a new grocery store built under the NMTC program

### Festival Foods project

Using the New Markets Tax Credit (NMTC) program and in partnership with two community development entities, Bremer invested \$6.95 million in equity to support construction of a new, full-service Festival Foods grocery store in Chippewa Falls, Wisconsin. The store, which opened to the public in October of 2023, serves a severely distressed and underserved community, with a poverty rate of 20.5% and a median family income that is roughly 35% lower than the rest of Chippewa County. Nearly 15,000 people who live within five miles of the site, which is a USDA-designated food desert, now have access to fresh, healthy and affordable food. The \$26.2 million project is expected to create more than 220 local jobs.

# SOCIAL

Bremer is cultivating a diverse and inclusive workplace where everyone is empowered to be their authentic self and feels a sense of belonging. Bremer continues to work to ensure our workforce at all levels reflects the communities we serve.



**28%** of our total new hires in 2023 represent people of color, a growth of 7% from 2022

| Diversity: All employees |       |       |       |       |         |
|--------------------------|-------|-------|-------|-------|---------|
|                          | Women | Men   | White | POC*  | UN goal |
| 2021                     | 65%   | 35%   | 89%   | 11%   |         |
| 2022                     | 66%   | 34%   | 87%   | 13%   |         |
| 2023                     | 64.4% | 35.6% | 85.5% | 14.5% |         |

| Diversity: Senior Executive Team |       |     |       |      |         |
|----------------------------------|-------|-----|-------|------|---------|
|                                  | Women | Men | White | POC* | UN goal |
| 2021                             | 45%   | 55% | 91%   | 9%   |         |
| 2022                             | 36%   | 64% | 86%   | 14%  |         |
| 2023                             | 36%   | 64% | 86%   | 14%  |         |

| Diversity: Board of directors |       |     |       |      |         |
|-------------------------------|-------|-----|-------|------|---------|
|                               | Women | Men | White | POC* | UN goal |
| 2021/2022/2023                | 43%   | 57% | 86%   | 14%  |         |



### Supporting emerging talent

We believe in supporting students and early career professionals as they embark on their careers and grow into future leaders. This is done through our formal internship program as well as our early-careers program, which targets a wide range of talent without a college degree.

In addition, Bremer has partnered with Genesys Works for more than 10 years to provide meaningful work opportunities and career pathways for young people from underserved communities. Recently, we began a similar partnership with Cristo Rey Jesuit High School, a career-focused institution in Minneapolis for students with limited economic resources.

Through these programs, Bremer can engage a broader and more diverse talent pool while helping them develop professional skills. We are also able to extend opportunities to people who may not typically have had the chance to explore long-term careers in the financial services industry.

\*People of color

# SOCIAL

**Bremer's people are what power our purpose. We invest in our employees in the same way that we invest in our communities.**

## Working at Bremer

Our company-sponsored pension plan provides employees a pension benefit in retirement. The plan remains well funded at approximately 119% and is open to new employees. Bremer also sponsors an employee stock ownership plan (ESOP) and contributed \$1 million to the ESOP in 2023. In addition, Bremer offers employees the option to save for retirement with tax-deferred money through a 401(k) plan. We contributed \$6.1 million in matching funds to the 401(k) in 2023. At the end of the year, 81.6 % of employees held shares of Bremer stock.

We are committed to developing talented individuals throughout their careers at Bremer. It starts with Bremer Beginnings, our orientation program that sets all employees up for success. We also offer several internal opportunities focused on personal, team and enterprise leadership development. Finally, Bremer's Education Assistance Program provides employees the opportunity to pursue degrees that expand their knowledge and skills for both current and future roles.

Bremer maintains a competitive compensation program for employees at all levels. The program is comprised of base salary and variable pay opportunities tied to company, team or individual performance. We conduct periodic reviews of base pay to ensure there is equity across genders and ethnicities, and in 2023, we participated in an independent pay-gap analysis. Bremer has also made great strides in pay transparency, posting all salary ranges internally so that employees are aware of our compensation structure.



Quality work should be recognized. Bremer utilizes several employee recognition programs. This includes our peer-to-peer North Star and Blue Bar initiatives, the Community Cultivators program that celebrates outstanding Bremer volunteers, and the quarterly 3 Cs awards for employees who best exemplify Bremer's three core values. Lastly, the annual Above & Beyond awards are our most prestigious honor, given to employees who far exceed expectations.

Employees should be happy, healthy and supported in all aspects of their lives. Bremer offers robust health insurance to meet the unique needs of our team, with 77% of employees participating in 2023. Offerings include traditional medical plans and a high-deductible option with a health savings account (HSA), which received more than \$700,000 in Bremer funding in 2023. These offerings are supplemented by a number of valuable wellness programs, including mental health support, fitness club discounts, healthy eating resources and more. Overall, Bremer spends roughly \$32 million annually on employee benefits.



# SOCIAL



**92%**  
employees who are proud  
of the work they do



**\$110,735**  
scholarships to employee  
dependents in 2023



**\$125,000**  
educational assistance  
to employees to pursue  
degree programs

| Competitive benefits              |      |         |           |           |         |
|-----------------------------------|------|---------|-----------|-----------|---------|
|                                   | 2020 | 2021    | 2022      | 2023      | UN goal |
| Paid parental leave               | N/A  | 2 weeks | 6 weeks   | 6 weeks   |         |
| Hours of community volunteer time | 8    | 16      | 16        | 16        |         |
| Starting hourly wage range        | \$12 | \$15    | \$17-\$19 | \$17-\$19 |         |

## SOCIAL



### Diversity advertising spend

For the second straight year, Bremer made a deliberate decision to invest advertising dollars in BIPOC-owned and focused media outlets. In 2023, we more than doubled our commitment to 6.43% of our total advertising spend. Working with nine BIPOC-owned outlets and partners, this initiative has helped to further our company’s stated racial equity action plan goals, while driving brand engagement and service in communities of color.

### Community presence and impact

With the creation of a Community Impact Manager role, Bremer expanded its outreach and education with a specific focus toward first-time homebuyers and small business owners. Our educational efforts have included individual consultation and coaching, first-time homebuyer programs that support home affordability, and credit and financial empowerment courses primarily for low-to-moderate-income individuals.

Small business workshops and roundtables were also developed and hosted throughout the Twin Cities metro, providing consultation and support to local entrepreneurs. In our first year hosting these sessions, we consulted with 110 entrepreneurs to explore how to be “bank ready” for small business loan approval.

### PAVING A MORE EQUITABLE PATH

In June 2020, as civil unrest shook the nation, Bremer made an ongoing commitment to help build a more equitable path forward through how we do business, interact with our communities, and drive change both inside and outside of our organization.

### Inward-looking progress on our racial equity action plan

Bremer is focused on cultivating belonging through a culture that inspires inclusion and respect for everyone. We are strengthening this culture by intentionally growing DEI awareness through educational opportunities. Building on our previously established DEI “lunch and learn” series, we expanded these efforts in 2023 by introducing Bremer Voices. Through this regular internal feature, we share interviews with Bremer employees on a variety of topics related to culture, ethnicity and belonging. These interviews empower employees to be their true selves and encourage their peers to get to know them on a deeper level.

Also in 2023, we launched our first employee resource group, the Women’s Networking Group (WNG). The WNG supports women at Bremer in their career growth, and provides opportunities for networking and building relationships within and beyond the organization.

Finally, 83% of Bremer senior leaders completed Intercultural Development Inventory (IDI) training in 2023. The IDI is a widely used and effective

assessment for building cultural competence. This training provides another tool for enhancing a culture of inclusion and respect from the top down at Bremer.

### Outward-looking progress on our racial equity action plan

Bremer partners with the Center for Economic Inclusion (CEI) on a number of external DEI efforts. This includes participating in their Minnesota-wide Racial Equity Dividends Index, a measure for tracking progress toward more racially equitable workplaces. Using the survey’s results, we can benchmark ourselves against other Minnesota organizations for the purpose of continuous improvement. In 2023, we were recognized as a “high-scoring business” as we increased our overall score by nearly 40% over the prior year.

### Supplier diversity

As part of our racial equity action plan, we outlined a formal diversity supplier program, in line with guidelines established by the OCC’s Office of Minority and Women Inclusion (OMWI). The program will direct us to more intentionally source products and services from businesses owned and operated by minorities and other underrepresented groups, with a primary focus on certified Minority-owned Business Enterprises (MBEs). Our goal is to identify innovative solutions for our customers, drive competition and support the economic foundation of our communities. In 2024, we will establish a five-year plan for the program to help move the work forward.

# GOVERNANCE

Excellence requires oversight. Bremer’s independent board of directors and committee structure sets the critical framework for its culture, ethics and success. Key areas of responsibility are defined, and individual charters outline the purpose, roles and reporting structure for each committee. Our governance structure also includes management-level committees focused on certain strategic priorities and specific areas of risk management.

## BOARD OF DIRECTORS

Sets the tone for Bremer’s culture, inclusive of integrity, risk and compliance

Provides oversight of management and guides company direction through review of Bremer’s strategic plan and initiatives, capital planning and annual budget



## BOARD-LEVEL COMMITTEES

Each operates under a charter which outlines its respective oversight responsibilities and authority

Specific oversight of ESG priorities are delegated across these committees

Committee membership is 100% independent

### GOVERNANCE

- Corporate governance guidelines
- Board composition, selection/qualification of director nominees, and board performance
- Succession planning

### RISK

- Enterprise risk management program, including frameworks and policies
- Oversight of risk profile and performance against risk appetite

### AUDIT

- Effectiveness of internal controls over accounting and financial reporting
- Performance of internal audit function and independent auditor

### COMPENSATION

- Compensation philosophy, including desired competitive positioning and benefits
- Talent acquisition
- DEI initiatives



## MANAGEMENT-LEVEL GOVERNING BODIES

### SENIOR EXECUTIVE TEAM (SET)

Identifies and manages execution of strategy and business objectives

Consists of all senior executive officers

Separate SET Risk Committee provides leadership to manage key risks

### ESG COUNCIL

Identifies and manages execution of strategy and business objectives

### RISK AND COMPLIANCE COMMITTEES

Manages governance for specific types of risk or compliance matters with defined reporting and escalation requirements

# GOVERNANCE

## Risk management

Risk management at Bremer is executed through a three lines of defense organizational structure.

**First line:** Business lines are responsible for identifying, managing and owning their respective risks.

**Second line:** Supports the first line of defense by providing oversight, guidance, and credible challenge related to specific business activities and the associated risks. Bremer's second line of defense includes the functional areas of Risk Management, Compliance, Legal and Credit Exam.

**Third line:** Composed of Internal Audit, which provides independent assessment of the existence and effectiveness of controls, processes and systems.

Bremer's approach to risk management is defined in our Risk Appetite Statement, Enterprise Risk Management Framework, and other risk-specific frameworks and policies.

## Cybersecurity

Bremer makes significant cybersecurity investments to protect customer security using a vulnerability management program, as well as endpoint, antivirus, malware and data loss protection. Industry-leading network firewalls have been deployed to protect our networks from unwanted and unauthorized internet traffic.

Bremer employees take mandatory cybersecurity training at least once per year, and we hire external firms to conduct internal and external network security penetration testing annually.

Bremer is subject to internal and external audits and security exams.

## Government Relations Committee

Bremer formed a Government Relations Committee in 2023 to oversee when and how we engage in public policy issues. The committee is tasked with monitoring legislative activity, identifying opportunities for civic engagement, and building relationships with trade organizations and coalition partners. Through this committee, we will ensure a clear and consistent approach to public policy issues across the organization, in accordance with our employee code of conduct.

## Compliance

Bremer is committed to sound compliance and risk management processes, standards and oversight in the delivery of bank and trust services. This includes oversight of compliance with applicable laws and regulations as managed through Bremer's Compliance Management System, and oversight of compliance with anti-money laundering and antiterrorist financing regulations by Bremer's Bank Secrecy Act team.

All employees must complete annual training on ethics and regulations relevant to their jobs.

## Ethical standards

Bremer has adopted a code of conduct that outlines expected behaviors and conduct by its employees and directors. Employees must complete training and acknowledge understanding of the code of conduct on an annual basis.

Bremer maintains an anonymous ethics reporting hotline through an outside partner which allows employees, customers, vendors or other interested parties to report issues around employee behavior, policy violations, vendor or customer behavior, and whistleblower reports on violations of law. All reports are reviewed and investigated by outside subject matter experts, and independent oversight is provided for all reported issues.



100%

required employees who completed compliance training



100%

employees who completed code of conduct training and acknowledged their understanding and responsibility to comply

## Senior Executive Team



Jeanne Crain



Keith Ahrendt



Mitch Bleske



Meghan Brown



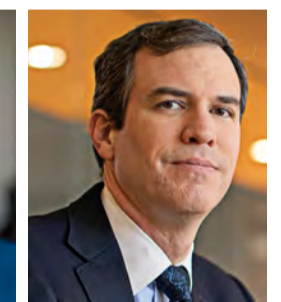
Justin Butler



Colette Campbell



Erin Dady



Dan Flanagan



Travis Hoaglund



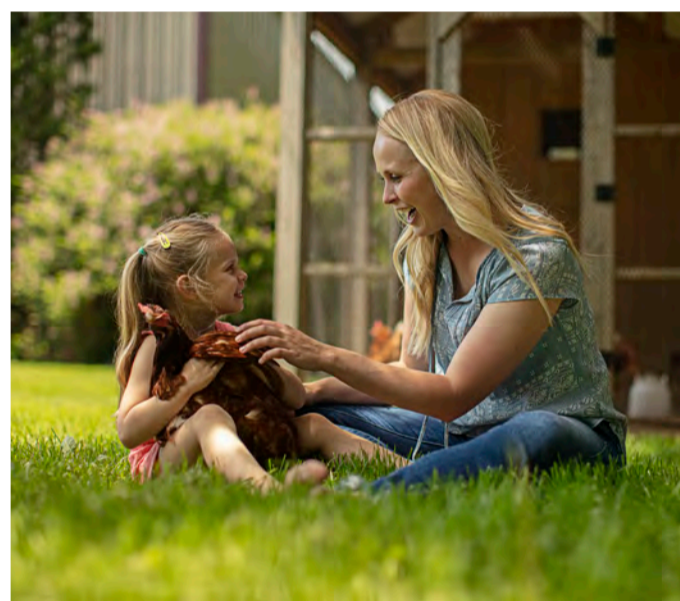
Tim Kocher



Ginny Kremer



Tom Rickers



# BREMER

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