

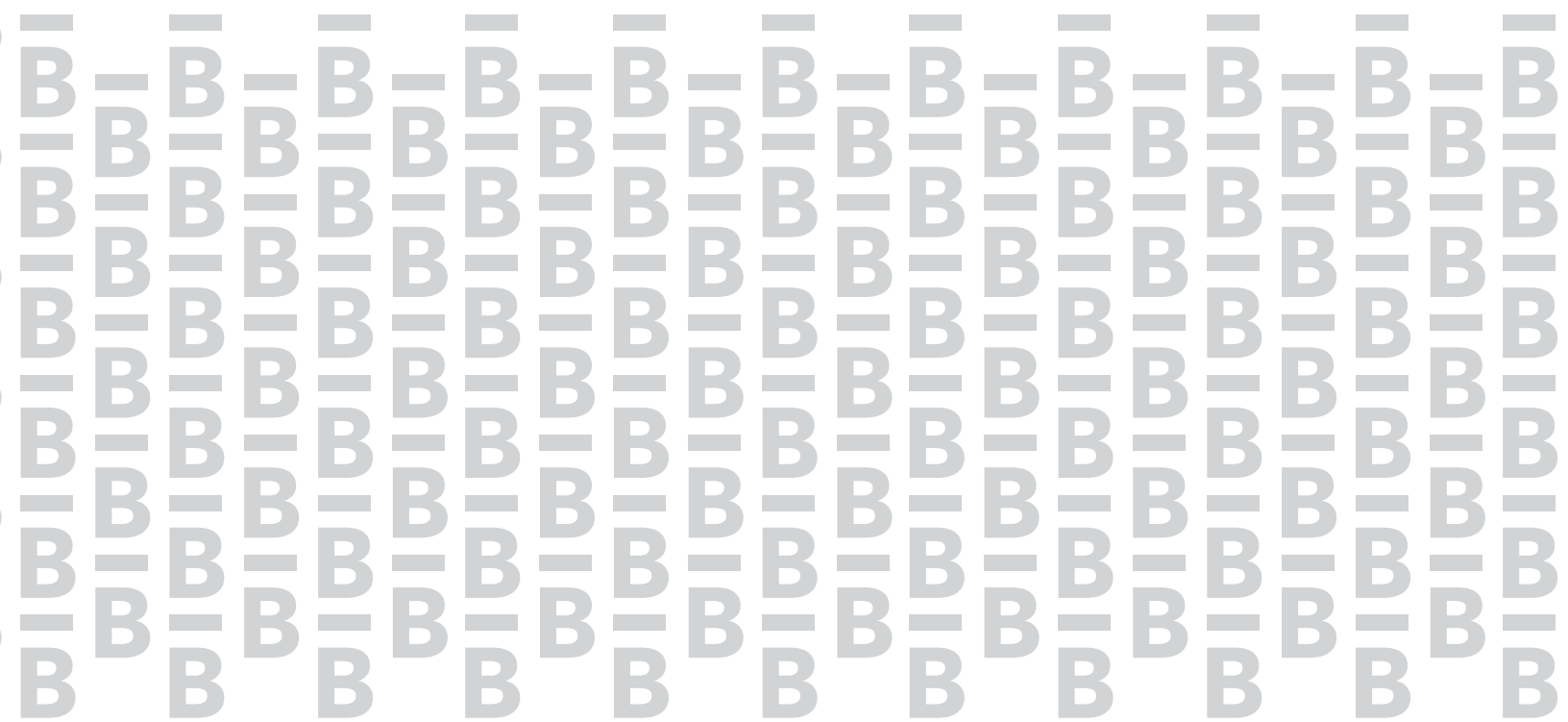


OUR COMMUNITY IMPACT



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MESSAGE TO OUR PARTNERS

Following months of thoughtful conversations, deep dives into analytics and stakeholder feedback, and collaborative visioning for how we as a trusted community bank must continue to evolve with the communities we serve, we are proud to present Bremer Bank’s inaugural Environmental, Social and Governance (ESG) Report.

The decision to opt in to creating this foundational report was simple. The multiple once-in-a-generation events that have occurred over the last two years have only confirmed how influential ESG impacts are to any organization’s success and viability. But for Bremer, it also means something more. These events – and resulting challenges, in many cases – have highlighted how important it is for us to live out our purpose and demonstrate our values of collaboration, commitment and creativity.

We recognize the importance that world leaders have begun to place on public and private companies investing in and valuing ESG efforts – and rightfully so. In early 2022, the World Economic Forum identified the top 10 most severe global risks facing us today, with environmental risks making up a full half of the list. Other societal, economic and geopolitical considerations, such as livelihood crises and social cohesion erosion, factored in heavily as well. Corporations like ours have a unique ability to make an impact in these areas more quickly and effectively than individuals alone.

This foundational report allows Bremer to assess where we are now and build on it. We are just beginning this work, and we are beginning it in earnest.

Moving Bremer forward for the benefit of our customers while fulfilling our purpose of Cultivating Thriving Communities requires continual advancement in the ESG space. Taking pause for honest evaluation and introspection on where our company’s roots come from; our role at the intersection of banking and ESG; and our goals for future growth within this context is important for the health and stability of each of our stakeholders – our customers, our employees, our shareholders and our communities.

We have much to be inspired by in this foundational report. There is also a lot of work yet to be done. True success will be found in realizing our aspiration to be a leading regional bank that consistently delivers results to live its purpose.

Sincerely,



Ronald James
Bremer Financial Corporation
Board Chair



Jeanne Crain
Bremer Financial Corporation
President and CEO



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.

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**.

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

THE 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

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



2.8M lbs

Recycled electronics donated to people in need since 2019



PCs for People

Bremer donated more than 2.8 million pounds of recycled electronics to PCs for People, a nonprofit organization that works to get low-cost computers and affordable broadband internet into the homes of low-income individuals. Digital inclusion is a critical factor in access to education, healthcare or employment access, and PCs for People is a national leader in that work.



25%

Less paper used since 2019



7%

Branches converted to LED lighting since 2014



Elimination of Styrofoam cups

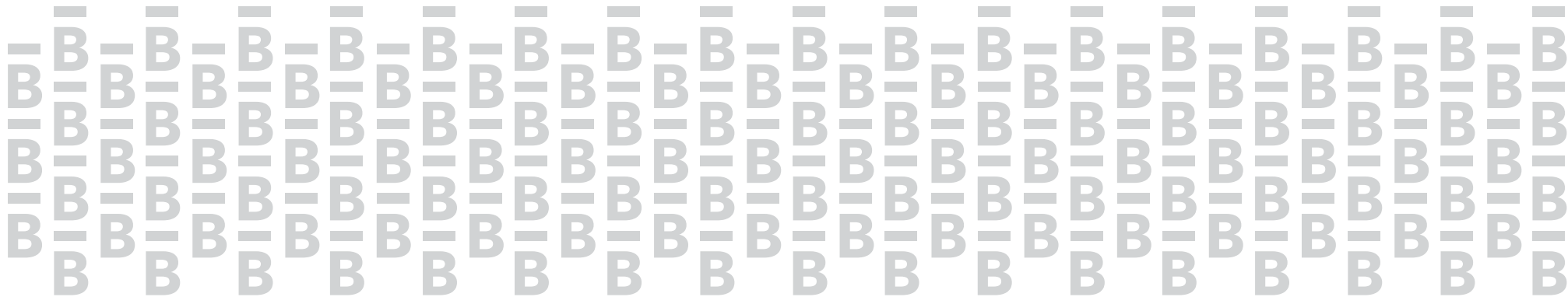


20%

Fewer printers used since 2019



Bremer is proudly headquartered in a LEED-certified building



BRANCH DESIGNS

Over the last few years, Bremer has begun intentionally reconsidering our branch designs, identifying ways to create layouts that best serve our customers and our communities. Part of those changes mean implementing more sustainable designs, reduced branch size where it makes sense, thoughtful consideration for materials used, and more energy-efficient practices and lighting strategies. Some branch designs include community spaces, available at no cost to local organizations. In the last four years, Bremer has reduced its branch size footprint by 175,000 square feet.



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 have begun to integrate it into Bremer's risk processes utilizing a rating methodology that captures both types (physical

and transition) of climate risk. Direct risks were measured as the potential for a disruption that would result in the shutdown of operations/facilities resulting in the loss of revenue. Transition risk levels were measured through consideration of shifting policies or consumer preferences/market sentiment that could result in higher costs or reduced revenues. 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 or strategies in place to address climate change risks.

Bremer’s closely held purpose, instilled in us by our immigrant founder, is **Cultivating Thriving Communities**. We’ve expanded our commitment in recent years as our communities have faced challenges never seen before.

COMMUNITY IMPACT



\$50K

Donated to help rebuild communities following civil unrest

\$100K

Donated for COVID relief



19,033

Employee volunteer hours in 2021



\$997K

Employee donations to United Way in 2020-21



3,050

Welcome Home kits donated to families transitioning to stable housing in 2020-21



\$64.5M

Dividends provided by Bremer to the Otto Bremer Trust in 2021



\$2.6M

Donated by Bremer to local nonprofits and community organizations in 2021

PAYCHECK PROTECTION PROGRAM



12K

PPP loans made

218K

Jobs protected

1,300

Nonprofits helped



In addition to providing the revenue that fuels the good 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.



441

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

Twin Cities Habitat for Humanity

Bremer and Twin Cities Habitat for Humanity have teamed up to create the Home Loan Impact Fund, the largest banking partnership in Habitat’s history. Through the program, Bremer has purchased over 400 below-market Habitat mortgages, totaling nearly \$84 million, making the dream of homeownership a reality for individuals and families throughout the Twin Cities.



30,000

Students of color supported through our development of 72 new virtual programs with Junior Achievement North

Junior Achievement North

Bremer has long partnered with Junior Achievement North, helping the organization in its mission to cultivate a generation of fiscally responsible, innovative thinking and workforce-ready young adults. Hundreds of Bremer employees across Minnesota, North Dakota and Wisconsin have volunteered their expertise and time to advance Junior Achievement’s mission.



6,200

CollegeBound Saint Paul savings accounts opened

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 jumpstart additional savings toward a college education. Since its launch, more than 6,200 savings accounts have opened.



\$50K

Donated to support food shelf and school transportation needs

Hallie Q. Brown Community Center

In late 2021, Bremer opened a new branch in the Midway-St. Paul community. In celebration, and to demonstrate its commitment to the Midway community, Bremer donated \$50,000 to the Hallie Q. Brown Community Center – a longstanding “lighthouse of the community” that embodies Bremer’s philanthropic focus of economic empowerment by providing access to critical human services, fostering and promoting personal growth, and developing community leadership. Bremer’s donation supported the community center’s food shelf and transportation for elementary students traveling to and from school each day.

Outstanding CRA¹ 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.



Top 5

SBA lender in Minnesota



1,800

First-time homebuyers supported in 2020-21



\$3.3B

CRA-eligible loans provided
Includes affordable housing, economic development, small businesses and farms, and residential mortgages



\$64.5M

Closed/committed CDE² projects
Project examples:
• A grocery store in a WI food desert (\$4M)
• A healthcare facility in a low-income neighborhood (\$6.5M)

¹Community Reinvestment Act ²Bremer Community Development Entity

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

INVESTING IN OUR EMPLOYEES

Who we are



80%

Employees who hold shares in BFC* through ESOP and 401(k) plans

All Bremer employees



11%

Employees who are People of Color, with a commitment to double this number in 5 years



BFC board of directors

43%

Female

14%

People of Color

Senior executive team

45%

Female

9%

People of Color

Senior leadership team

41%

Female

9%

People of Color

Employee engagement



173

Community boards of directors with Bremer employee representation



84%

Employees who say they feel connected to Bremer’s purpose and values



93%

Employees who are proud of the work they do

Employee investment

\$388K

Employee development and training assistance since 2018

\$273K

Emergency assistance to employees in 2020-21

\$350K

Committed to employee education assistance over next 3 years

\$111K

Scholarships to employee dependents each year since 1991

Competitive benefits



2

Weeks of paid leave for any employee who has a newborn or newly adopted child, in addition to other leave programs



16

Hours of paid community volunteer time



Strong living wage offered throughout our footprint

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

In 2021, we:

- Incorporated our Diversity, Equity and Inclusion (DEI) goals into our Key Performance Indicators (KPIs)
- Established a diversity supplier program
- Created a diversity council

Outward-looking progress on our racial equity action plan

We spent the past year identifying opportunities to build relationships with Black, Indigenous and People of Color (BIPOC) businesses and better understand the organizations they serve, including Minnesota Africans United, American Indian Opportunities Industrialization Center (AIOIC) and BEE Marketplace.

Excellence requires oversight. Bremer’s independent Board of Directors and committee structure sets the critical framework for its culture, ethics and success. Our structure includes a Board-approved Risk Appetite Statement, Three Lines of Defense organizational structure, and independent chief audit executive.

99.99%

Employees who completed Code of Conduct training and acknowledged their understanding and responsibility to comply

99%

Employees who completed discrimination and harassment training

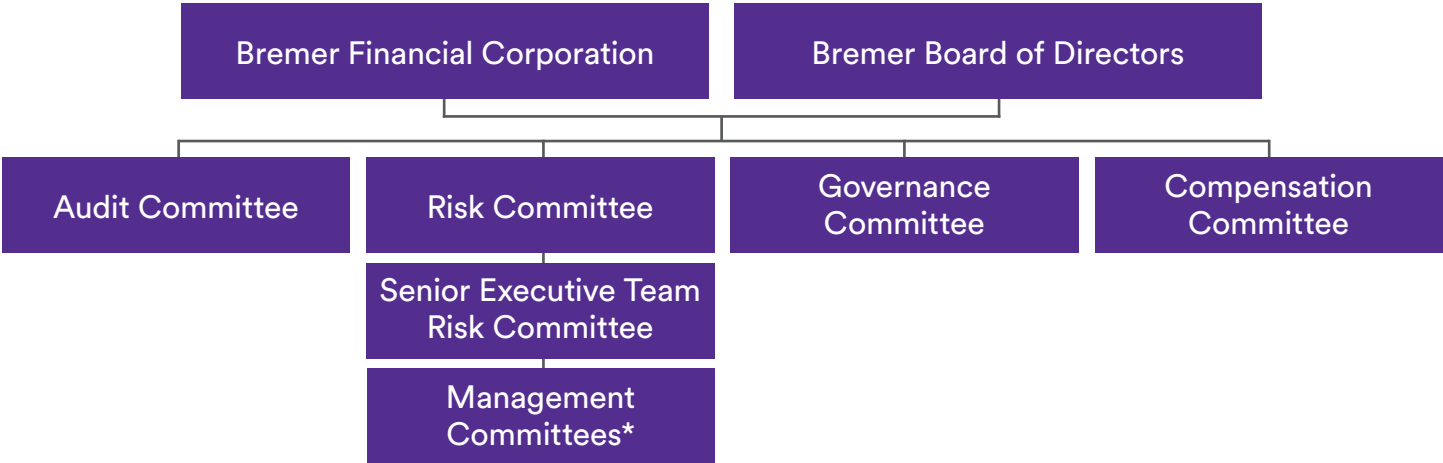
100%

Required employees who completed compliance training

93%

Employees who completed first diversity, equity and inclusion training

GOVERNANCE STRUCTURE



The below committees are appointed by the Company’s Board. Each operates under a charter which outlines their respective responsibilities and authority.

Audit Committee

The Audit Committee is responsible for overseeing the integrity of the Company’s financial statements and the effectiveness of the Company’s internal controls over

accounting and financial reporting. Other responsibilities of the Audit Committee include the oversight of the Company’s independent auditor, including its qualifications and independence; the performance of the Company’s internal audit function; the reliability and effectiveness of applicable risk management activities; and the Company’s Reporting Hotline Policy and process.



Risk Committee

The Risk Committee is responsible for overseeing (i) the Company’s enterprise risk management program, including significant policies, procedures, and practices; and (ii) current and emerging risks that have the potential to impact the Company’s strategy. The Risk Committee supports the Board’s oversight of enterprise risk management through the review and recommendation of the Company’s Enterprise Risk Management Framework and corporate risk management policies, the approval of the Company’s Risk Appetite Statement, and the monitoring of the Company’s risk profile against established risk tolerances and management’s actions to manage and control such risks related to credit, market, liquidity, operational, strategic, reputational, and legal and regulatory risk.

Governance Committee

The Governance Committee is responsible for Corporate governance guidelines applicable to the Company; board composition and selection/qualification of nominees for directors of the Company and its subsidiaries; Board compensation; governance and performance of the Board; and evaluation and succession for the Company’s president and chief executive officer. Other responsibilities of the Governance Committee include evaluating the overall governance structure of the Company, the scope and amount of coverage afforded by the Company’s insurance policies, the Company’s Code of Conduct as well as any subsidiary governance policies. The Governance Committee also reviews the skills of Board members and identifies desired characteristics and skills to guide the recruitment of new Board members and recommends the assignment of Board members to standing Committees.

*A number of management committees exist to assist in overseeing significant areas of risk, with each committee operating under a written charter that outlines the committee’s authorities, oversight activities, and required reporting.



GOVERNANCE

Compensation Committee

The Compensation Committee is responsible for the Company's Compensation Philosophy and the identification of the desired competitive positioning to market and the peer group used for competitive compensation analysis. Oversight responsibilities of the Compensation Committee also include the compensation processes for the president and chief executive officer and key executive officers; facilitating for the Governance Committee the evaluation of competitive compensation levels for the directors; performing fiduciary duties for

Company qualified and nonqualified benefit plans; and the review and approval of contracts or other transactions with current or former executives. The Compensation Committee annually evaluates the potential risks associated with the design of all executive and non-executive employee incentive compensation programs consistent with the principles of Sound Incentive Compensation Policies and administers the Annual Plans and the Long-Term Incentive Plans in accordance with their terms.



ETHICS REPORTING

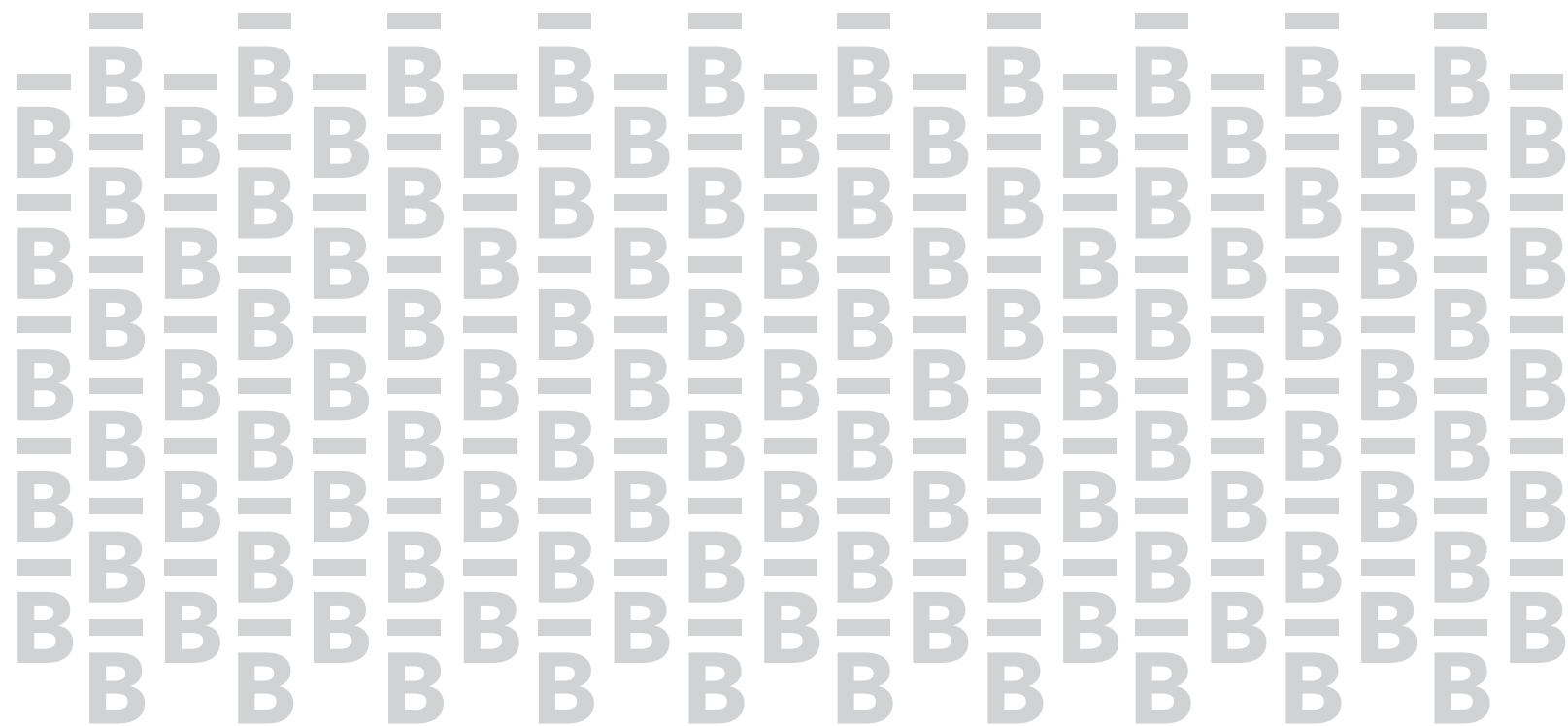
Bremer maintains an anonymous ethics reporting hotline through an outside partner which allows employees, customers, vendors or other interested parties to report issues around employee behavior, policy violations, vendor or customer behavior, and whistleblower reports on law violations. All reports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

CYBERSECURITY

Bremer makes significant cybersecurity investments to protect customer security. We use a vulnerability management program, end-point, antivirus, malware protection and data loss protection. We have deployed industry-leading network firewalls 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.





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