

2024 F&G Task Force on Climate-Related Financial Disclosures (TCFD) Report

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1 Governance

1.1 Describe the board's oversight of climate-related risks and opportunities.

Fidelity & Guaranty Life Insurance Company ("FGLIC") is the primary operating company domiciled in the State of Iowa. FGLIC is wholly owned by F&G Annuities & Life, Inc. ("F&G")¹ which also has a 100% ownership stake in F&G Cayman Re Ltd., (Cayman reinsurance company) along with other holdings. F&G Life Insurance Company of New York and F&G Life Re Ltd (Bermuda reinsurance company) are wholly owned by FGLIC.

Our Company and our Board seek to address ESG issues to better serve our employees, business partners, and the communities impacted by our business. The F&G Audit Committee ("AC") is responsible for overseeing the Company's ESG risks. The AC Charter states that "The Committee shall review with management the Company's policies and practices with respect to risk assessment and risk management, including with respect to ... environmental, social, and governance risk, except with respect to those risks for which oversight has been assigned to other committees of the Board or retained by the Board." For further detail please see [F&G's Audit Committee Charter](#).

The AC meets at least four times per year. Climate expertise resides on the Board and the AC. The AC receives updates from the Company's Chief Risk Officer ("CRO") on a quarterly basis regarding enterprise risk management ("ERM") including an overview of current and emerging risks. Such risks may include climate risks as a subset of investment risks and an update on overall ESG-related matters. The CRO will continue to update the AC on F&G's climate risk profile as risks and opportunities arise.

The diagram below highlights the Environmental, Social & Governance ("ESG") governance structure and responsibilities at F&G. The day-to-day execution of ESG initiatives including climate-related matters is overseen by the ESG Risk Working Group, with the ESG Executive Steering Committee having more senior oversight.

¹ On March 16, 2022, Fidelity National Financial ("FNF") announced its intention to dividend to FNF shareholders, on a pro rata basis, approximately 15% of the common stock of F&G, a leading provider of annuity and life insurance products. Effective December 1, 2022, F&G completed its partial spin-off transaction from FNF and become a publicly traded company listed on the New York Stock Exchange. FNF retains majority control of F&G through an ownership stake of approximately 85%.

Figure 1: F&G ESG governance structure and responsibilities



1.2 Describe management's role in assessing and managing climate-related risks and opportunities.

F&G's management team leads ESG efforts with oversight from the AC, who reports the Company's ESG progress and efforts to the Board.

F&G's Chief Executive Officer ("CEO") has the ultimate responsibility within management for governance-related matters at F&G. The CEO, President, Chief Financial Officer ("CFO"), CRO, SVP of Government Affairs ("SVP-GA"), SVP Investor & External Relations, SVP Human Resources Officer ("SVP-HR"), Deputy Chief Investment Officer ("D-CIO"), SVP Investment Risk, and VP Risk comprise the ESG Executive Steering Committee, which is responsible for making key enterprise decisions around ESG strategy, planning and budgeting. The VP Risk chairs the ESG Executive Steering Committee. The CRO, D-CIO, SVP-GA, SVP-HR, and SVP Investment Risk are responsible for assessing the recommendations made to the ESG Executive Steering Committee and providing effective input prior to agreeing on strategy, initiatives, or other courses of action. The SVP of Investor & External Relations, President and the CFO are consulted for input prior to final approval of actions. The ultimate decision rests with the CEO.

F&G has an ESG working group that is comprised of functional and business-level management responsible for performing any underlying analysis, research, documentation, and implementation supporting the ESG Executive Steering Committee efforts. This group may spin up sub-working groups or task forces to address specific activities. For example, a targeted group was formed to assist with a pilot climate stress scenario analysis performed in 2023.

Additional governance committees

The AC and ESG Executive Steering Committee utilize and rely on other groups and committees within F&G beyond the ESG working group to ensure all risks and opportunities related to ESG are addressed appropriately.

The Enterprise Risk Management Committee (ERMC) is an enterprise committee, consisting of C-suite level executives including the CEO, CFO, CRO, and Chief Investment Officer, who are responsible for reviewing risks and associated strategy across the business. The ESG risks are included in the overall F&G risk register that is the basis for quarterly risk assessments. The overall risk posture of the organization is updated in the quarterly ERM dashboard report. The development of an enterprise-ESG program, including climate-risks, is included in F&G's Own Risk

and Solvency Assessment (“ORSA”) summary report, and articulates the responsibility for actively monitoring and focusing resources on ESG-related activities.

The Investment Committee provides oversight of investments held, approves new asset classes, and reviews investment managers and mandates. The Investment Committee also oversees the relationships with F&G’s Asset Management companies, which includes assessing their ESG policies and practices for consistency with F&G’s missions and vision.

2 Strategy

2.1 Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

F&G completed a qualitative assessment of climate risks and opportunities in 2023 with input from the ESG Executive Steering Committee and ESG working group. The assessment identified potential impacts of climate change on the F&G businesses and financial plans over short-, medium-, and long-term time horizons. Generally, short term is defined as present and 1 – 5 years in the future, medium-term is 5- 10 years in the future, and long-term is 10-30 years in the future. The assessment also identified the risks applicable to F&G based on physical presence, products sold, and credit/counterparty risk.

The tables below summarize the risks and opportunities initially identified in the qualitative risk and opportunities assessment that could impact F&G and its stakeholders. Most risks can be addressed more acutely in the short and medium term, as well as being assessed and integrated into long-term planning.

Figure 2: F&G climate-related risks

Risk Category	Description	Time Horizon	Potential Impact	Residual Risk
Market	Physical and transition risks due to climate change could adversely impact an issuer's creditworthiness, ability to pay debt obligations, or equity valuation. This could also lead to illiquidity and market volatility in investments.	short-, medium-, and long-term	Reduced revenues	Low
Reputational	The risk of stakeholder scrutiny on F&G (both positively and negatively) due to divergent views on the impacts of climate and sustainability; F&G's actions or lack of actions could result in reputational risk.	short-, medium-, and long-term	Reduced revenues	Low
Regulatory	Increased legislation and disclosure requirements, which requires additional resources and carries non-compliance risk.	short-, medium-, and long-term	Increased expenses	Medium
Operational	Increased climate-related weather events (acute such as fires, floods, hurricanes, etc.) impact office buildings and technology infrastructure for F&G.	short-, medium-, and long-term	Increased expenses	Low
Client/Product	Higher likelihood of chronic weather changes such as long-term heat exposure and weather events (acute) may impact mortality for insurance clients.	medium-, and long-term	Reduced revenues	Low

The following climate-related opportunities were also identified in the preliminary qualitative risk and opportunities assessment:

2.2 Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.

Figure 3: F&G climate-related opportunities

Opportunity Category	Description	Time Horizon	Potential Impact
Product	There may be increased demand for climate and sustainable insurance products and while this is less mature today, it may develop further in the future.	medium-, and long-term	Increased revenues
Operational	Increased efficiency through operational innovations or low carbon building features.	short-, medium-, and long-term	Reduced expenses
Reputational	Some employees are increasingly concerned with climate and sustainability matters, which may be a driver for attracting and retain top talent.	short-, medium-, and long-term	Increased revenues

F&G's product solutions provide social good by supporting clients to achieve their retirement goals and to improve their financial lives, while protecting against unforeseen events through life insurance policies. This sentiment of service provides the foundation for F&G's culture and guides business operations as well as interactions within our communities.

Through the underlying ESG investment policies of F&G's asset management partners, the investment portfolio supporting the current range of products offered by F&G considers climate-related risks and the transition to a low carbon economy. As long-term investors, F&G understands the energy transition will be gradual, and the focus should be on investment outcomes that will support our shareholders, fiduciary duty to our clients and the investment goals of our clients.

Figure 4: Case Study

Case study: ESG integration at Blackstone

F&G has a strategic partnership with Blackstone as the primary manager for the investment portfolio. As applicable for each strategy, Blackstone incorporates ESG factors into their investment framework to create long-term value, manage risk, and improve operational and financial performance.

Pre-investment, as applicable and appropriate, Blackstone strives to consider ESG factors as part of our investment evaluation process; further, the Investment Committees are apprised of material findings where applicable. Post-investment, Blackstone strives to monitor the performance of investments; for example, Blackstone Credit & Insurance may assess financial, operational, industry-specific and ESG-related factors for investments as applicable. This may be accomplished through an annual ESG questionnaire for certain private credit positions where Blackstone Credit & Insurance aims to gain additional insight into how portfolio companies are considering and advancing on material ESG matters. Additionally, as applicable, and appropriate, Blackstone may seek to engage with portfolio companies, focusing on value accretive ESG resource offerings.

As part of the strategic partnership, Blackstone has made investments in assets focused on renewable energy and climate change solutions which form part of F&G's investment portfolio. These investments include a solar power company that provides clean electricity to commercial, industrial, and municipal clients across the US, and one of the nation's premier companies in residential solar financing. Earlier this year, Blackstone, on behalf of F&G, invested in an infrastructure deal to finance the construction and operation of an Electric Vehicle battery manufacturing facility in Arizona.

Operational sustainability and workforce flexibility

F&G aims to reduce the company's environmental footprint through a variety of sustainable and environmentally sound programs within its LEED-certified headquarters building in Des Moines, Iowa. F&G also promotes flexible work from home arrangements which reduce commute time, greenhouse gas emissions, and paper usage.

F&G is committed to providing employees with the opportunities and flexibility they need to succeed, as well as ensuring a culture of belonging and inclusion by:

- Providing well rounded benefits that support employees diverse needs such as, domestic partner medical coverage, gender dysphoria services, \$50k lifetime maximum for infertility services (\$35k is United Health Care standard), travel & lodging reimbursement for services rendered out-of-state due to state law, Employee Assistance Program including 6 free counseling sessions per person per incident per year, in addition to other emotional health solutions, \$10k in adoption assistance benefit, parental leave benefits, flexible PTO and wellness reimbursements.
- Supporting employee training, development, and education through live and on-demand development opportunities (including a LinkedIn Learning subscription) on a wide array of topics (e.g. Using gender inclusive language, Fueling your company culture, inclusive leadership, unconscious bias, etc.), tuition reimbursement and manager and leadership training. Hosting educational and developmental events such as: LGBT 101 and Trans/Non-binary 101 trainings, Asian Culture Awareness, Mental Awareness and Racial Equity Master Class, a Mental Health panel, and a panel on Neurodiversity.
- F&G's Executive Management Committee is comprised of 50% female leadership.
- Recognized by Top Workplaces for Cultural Excellence in the following categories: Employee Well-Being (2022-23), Employee Appreciation (2022-23), Work-Life Flexibility (2022-23, Compensation and Benefits (2022-23), Innovation (2022-23), Leadership (2022-23), and Professional Development (2023) with 2024 awards currently being tabulated. Recognized by the Des Moines Register as a Top Workplace 6 consecutive years (2018-2023) with the 2024 award to be announced in September 2024.

Diversity and Inclusion

The Diversity, Equity, and Inclusion ("DEI") Advisory Council ("Council") is an ongoing cross functional group that includes the CEO, CFO, and VP-HR. The Council was established to help create a comprehensive DEI strategy, objectives, and success metrics for DEI. The Council provides advice, guidance, and championship for the DEI strategy execution, and helps to ensure a high-functioning interaction model for the Council, Employee Resource Groups ("ERG"), Human Resources, Communications, and the business lines. The Council reports initiatives and progress up through the Management Committee as needed.

F&G identified four DEI pillars of focus in 2024: Education for Team Members, Inclusive Hiring & Retention, Employee Resource Groups (ERGs), and Supplier Diversity.

- F&G provides DEI education for all team members to grow in the Center Equity competency. Education offerings meet team members where they are in their DEI journey and provide a safe space to learn and grow.
- F&G is committed to attracting diverse candidates and fostering an inclusive culture where all team members can thrive and grow.

- ERGs provide a network for employees to raise awareness, learn and grow, inspire connection, and promote advocacy across various affinity groups.
Current ERGs include:
 - Women’s Empowerment – invest in women to create an environment that celebrates their unique contributions, champions their professional and personal growth and fosters experiences in which all women can thrive.
 - Thrive – cultivate a culture of well- being by providing resources, support and initiatives to promote physical, mental and emotional health for all employees, raise awareness that those with disabilities have vital skills and unique talent differences, and foster an inclusive and supportive environment where members can collaborate, grow, and promote diversity, equity and inclusion within the company.
 - Pride – inspire inclusion, awareness and understanding of LGBTQ+ individuals within F&G and communities by providing advocacy and support for employees through education, mentorship, professional development, and community resources.
 - VALOR – Veterans and Allies Leading Organizational Results- aims to provide a supportive community and voice for veterans and allies by fostering camaraderie, professional development, and advocacy.
 - BOLD – Black Originators, Leaders, and Doers - promote the development of Black employees within the organization by educating, supporting, and amplifying the voices and needs of Black employees and allies.
 - APIA - Asian Pacific Islander Alliance - serve as ambassadors who empower and unite F&G’s Asian-Pacific community and allies to broaden awareness of Asian-Pacific cultures while actively cultivating an inclusive environment for all stakeholders.
- F&G is committed to incorporating diverse-owned business in our strategic sourcing and vendor management processes. F&G includes diverse suppliers in Requests for Information (“RFI”) and Requests for Proposals (“RFPs”) where qualified diverse suppliers are identified. To increase second tier spend, one diverse reseller was added to the three bids and a buy process with plans to add another before year end.

F&G also supports specific diversity and inclusion programs and organizations such as:

- The International Association of Black Actuaries and The Organization of Latino Actuaries, both of which F&G employees are members of and serve as a network for potential new hires.
- Women Lead Change, an organization dedicated to the development, advancement and promotion of women, their organizations, and impact on the economy and future workforce.
- Capitol City Pride, which brings together members of Iowa’s LGBTQ+ community, allies and businesses.

Community engagement

The F&G mission is to help people turn their aspirations into reality. One of the ways to fulfill that mission is through supporting distribution partners, policyholders, and team members through causes they are passionate about. Volunteering and giving promotes living our values, strengthening relationships, and making a positive impact in the communities where we live and work. Several examples of community engagement include community events and volunteer opportunities, the matching gift program, the United Way campaign, and the Des Moines Corporate Games.

F&G Giving Pillars

F&G recognizes that helping people meet their essential needs is critical for turning aspirations into reality. F&G community engagement is built on four giving pillars, and the organizations supported are in line with these giving pillars:

- Food – Ensuring access to healthy food.
- Housing – Securing affordable, safe housing.
- Education – Providing quality and culturally relevant education.
- Health & Safety – Creating access to quality and culturally appropriate physical and mental healthcare.

In recent years, F&G has won multiple awards for its corporate support and employee involvement with United Way, including Outstanding Corporate/Foundation Philanthropist for 2023 from the Association of Fundraising Professionals Central Iowa Chapter. Other community investments include:

- Serving as founding partner of the American Council of Life Insurer's 360 Community Capital Initiative to make housing affordable and sustainable in underserved communities.
- Fostering partnerships in the Des Moines community with the Iowa Food Bank and Polk County Housing Trust.
- Offering company-wide volunteer events for employees to impact locally with organizations like Rebuilding Together.
- Providing employees with 16 hours of paid time off per year for personal volunteering and 16 hours of paid time off for volunteering with company sponsored events.
- Supporting dozens of other community organizations identified by F&G employees in support of essential needs within the community where they live and work.
- Junior Achievement of Central Iowa helps young people gain the knowledge and skills to own their own economic success, plan for their futures, and make smart academic and economic decisions.
- Ellipsis is a care provider for kids and families in Iowa that provides residential care and treatment, counseling and therapy, behavioral health intervention services, care coordination, and family support.
- ChildServe is an organization that improves the health and well-being of thousands of children each year through specialized clinical, home, and community-based programs and services.

2.3 Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

F&G conducted a scenario analysis exercise in 2023 with the advisory support of Baringa using BlackRock's Aladdin Climate technology (incorporating Baringa's industry-leading Climate Change Scenario Model). This analysis included an overall scenario analysis on the investment portfolio and assessed the transition risks by asset class and sector for the portfolio using different climate scenarios. The overall scenario analysis covered multiple industry-recognized scenarios, including a 2°C or lower scenario. The pilot run scenario included nine sectors of the global economy in three countries, representing a cross-section of F&G's physical and transition risk exposures across 21 securities. These securities were a high-level representation of F&G's public asset ownership and real estate assets. The selection captured high-carbon positions to better understand those risks.

Three scenarios (orderly, disorderly, and hot house) were used in the assessment to evaluate expected risk under forward-looking climate scenarios. Orderly and Disorderly scenarios include transition and physical risk while Hot House captured physical risk only. Network for Greening the

Financial System scenarios were leveraged for transition risk and Intergovernmental Panel on Climate Change scenarios were used for physical risk.

The Orderly scenario reflects an aggressive introduction of carbon pricing from 2030, which directly and negatively impacts the financials of those companies and sectors which are more carbon intensive. After the initial value decline, there is stabilization from 2030 onwards as the grid decarbonizes rapidly (reducing Scope 2 emissions for most companies)

The Disorderly scenario follows a similar profile to the Orderly scenario but there is little movement until 2030 when the delayed transition starts. At this point the value decline is very steep but flattens from 2035 onwards. Both Order and Disorderly arrive at a similar impact in 2050 by reaching net zero. In contrast, there is no transition risk in the Hot House scenario. In this scenario the only driver of value change is the impact of physical risks disrupting operations and/or causing damage to physical assets owned by individual companies. The impact is lower than the transition risk scenarios as physical risk becomes more significant in the modeling only after 2050, past the end point of the current scenario analysis.

For the pilot portfolio temperature alignment was calculated, aligning F&G's pilot portfolio with a warming trajectory through 2050. The analysis also included an assessment of physical risk of three commercial properties held in the F&G portfolio. The evaluation included electricity and gas expenditures, outdoor labor costs, vulnerability to rising sea levels, and weather-related catastrophes.

The overall results of the pilot scenario analysis indicated larger impacts under the Orderly and Disorderly scenarios by 2050, as expected, highlighting energy intensive industries. Utilities saw larger variability between the issuers, while energy and airlines saw more uniform impacts. Automobile manufacturers saw the largest impact and variability, while financials and structured products had smaller impacts.

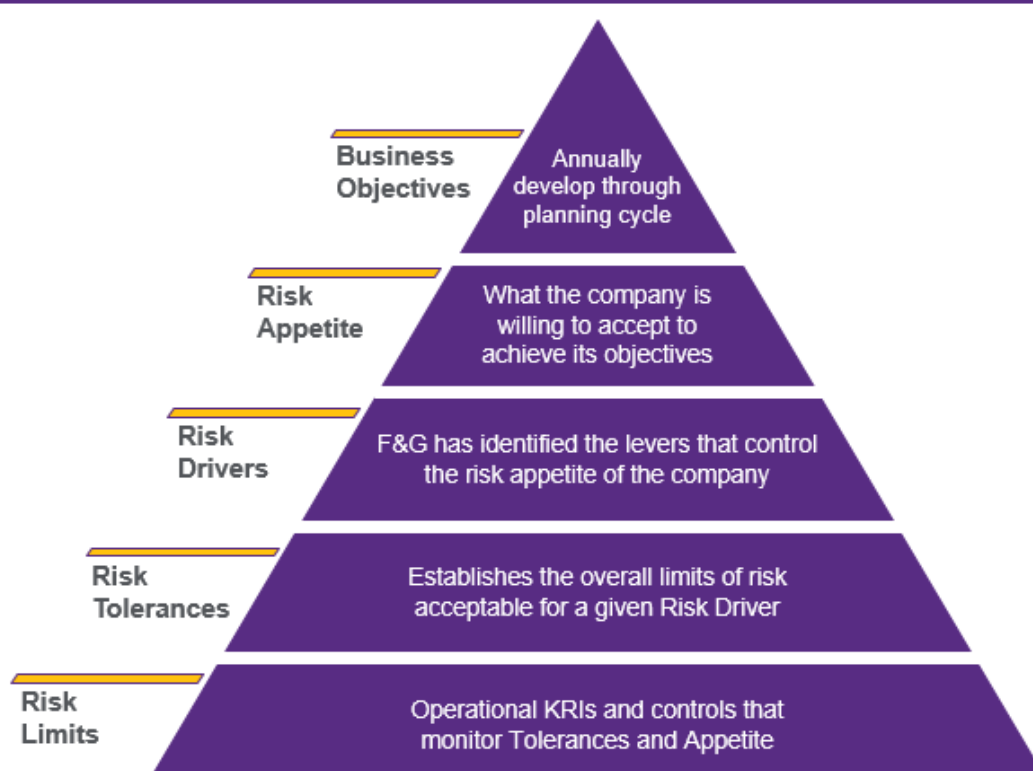
F&G plans to use climate scenario analysis with the intention of expanding its assessments and looking for opportunities to better incorporate its investment and enterprise risk process over the next few years. The pilot results will aid in developing a comprehensive strategy related to climate risk, which includes a plan to conduct an overall scenario analysis on the investment portfolio and to assess transition risk by asset class and sector for the portfolio using different climate scenarios.

3 Risk Management

3.1 Describe the organization's processes for identifying and assessing climate-related risks.

F&G's ERM policy defines the approach to risk identification, risk assessment, and risk response. The ERM Council owns the ERM Policy and is responsible for reviewing and approving the policy annually. Updates to the policy are determined by the ERM leadership team. The ERM process includes a risk appetite statement which outlines the level of acceptable risk in the pursuit of overall financial and strategic objectives. Risk appetite statements and risk tolerances are linked to the strategic objectives set out in the corporate plan and are stressed using a variety of multifactor scenarios. Qualitative and quantitative approaches are used to manage risk appetite and are monitored as part of the strategy and planning process.

Figure 5: F&G risk appetite approach



Risks are defined in the risk taxonomy, based on International Organization for Standardization ("ISO") 31000, and captured in a risk library. The taxonomy includes four parent categories: Operational, Governance/Strategy, Product/Distribution, and Investments. These four parent categories are broken down further into 31 sub-categories (IMO/Agent Servicing, Business Continuity/Disaster Recovery, Third-Party Administration/Outsourcing, Fraud, Human Resources/People, Policy Administration, IT Systems, Information Security, Accounting and Financial Reporting, Actuarial and Governance Operations, Project Management, Model Risk, Compliance, Capital Management, Risk Management, Business Strategy, Corporate Governance, Marketing/Communications, ESG, Legal/Litigation, Regulatory Environment, Reputation, Pricing and Product Design, Product Governance, In-force Performance Management, Distribution, Asset Liability Management ("ALM"), Investment Guidelines and Compliance, Credit, Foreign Exchange, and Liquidity Risk). The library identifies risk ownership, corresponding risk limits, and high-level controls for monitoring, reporting, and mitigating material risks.

The development of an enterprise ESG program, including climate risks, is included in F&G's 2023 ORSA summary report, and articulates the Management Committee's responsibility for actively monitoring and focusing resources on ESG-related activities. Overall climate risk was deemed to be minimal by the ESG Steering Committee during a qualitative review of risks and opportunities based on the insurance-related products sold by F&G.

As a life insurance and annuities company, physical climate risks that are material risks for property and casualty insurers are less impactful. Climate-related underwriting risk (mortality/morbidity) is monitored within the overall risk framework, although it is not considered material to F&G's overall business.

The key risks identified in section 2.1 were further discussed by the ESG Steering Committee and ESG Risk Working Group to determine materiality to the businesses' value, while capturing outbound impact on external stakeholders. A materiality review was completed in first quarter 2024. Qualitative and quantitative inputs were used to determine the impact to F&G and the importance to stakeholders.

Figure 6: Summary of in-scope ESG topics to assess impact to F&G and importance to stakeholders

Category	Topic	Description
All	Sustainable investing	Consideration of environmental, social, and governance for investments. Allocation of financial resources to support initiatives, projects and activities that aim to address social challenges.
	Sustainable products & services	Designed with a focus on minimizing negative environmental and social impacts
Environment	Climate Change – investments & life insurance	The risks associated with the transition towards a greener economy and risks associated with an increase in extreme weather related to F&G's investment portfolio and life insurance, annuity and PRT products
	Climate Change – people, operations, & vendors	The risks associated with disruption to business operations from extreme weather
Social	Customer satisfaction & product quality	Reliability, accuracy, and integrity of the insurance products. Degree to which customers are content with the products, services and overall experience provided by F&G.
	Diversity, equity & inclusion	Systemic efforts to increase fair, equal and inclusive treatment of all individuals within F&G, through policies and practices to address day-to-day processes, interactions and decisions
	Employee retention, engagement & development	Essential components of human resource management aimed at building and maintain a skilled and engaged workforce. And the emotional commitment of employees to F&G and the contentment of the employees
	Employee health and safety	Measures and practices implemented to protect the wellbeing and welfare of individuals in the workplace
Governance	Governance and accountability	Structures, processes and principles that guide decision-making, oversight and responsibility within F&G
	Regulatory Compliance	Ensuring F&G operates within the legal and regulatory framework set forth by government agencies and industry authorities.
	Data security, privacy & cybersecurity	Robust IT infrastructure to protect the personal, financial and health related data of the policyholders
	Business ethics & fair treatment of customers	Values and standards that guide F&G's conduct and interactions with stakeholder. Ethical and equitable treatment of all customers by F&G
	Transparent information	Clear, honest and easily accessible details about products, services, pricing, policies and any other relevant information

	ESG integration in operations	Incorporating environmental, social and governance factors into operations, risk management and business practices.
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The scoring methodology used in the materiality review was low, medium, high. For impact to F&G the scoring was evaluated based on the impact on cost/revenues or market value of investments. Importance to stakeholders included investors, customers, employees, and regulators.

Figure 7: ESG Materiality Matrix

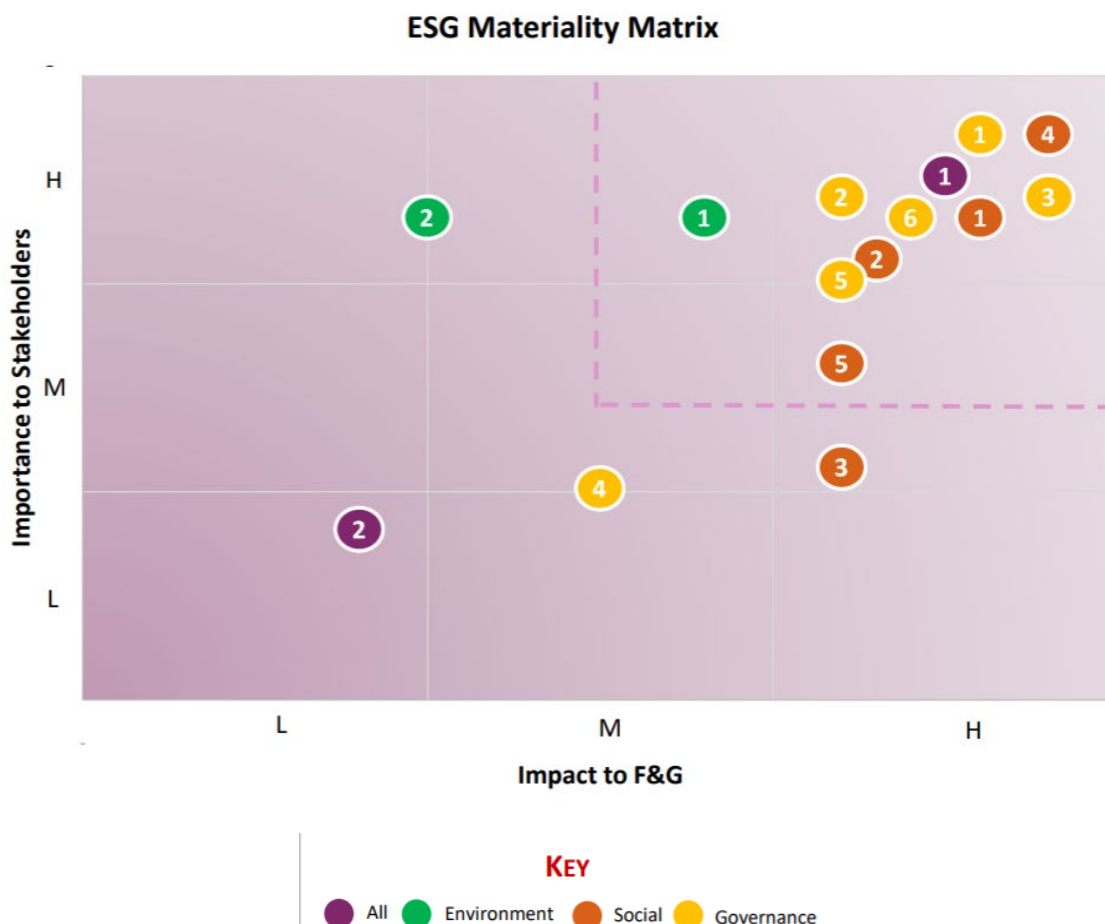


Figure 8: Prioritized ESG topics for F&G

Category		Topic	Impact to F&G explained	Importance to stakeholders explained
All	1	Sustainable investing	Potential for loss in investment value, e.g., prison bond loss	Higher returns and sustainable investing are mutually inclusive, opportunity to maximize returns
Governance	3	Regulatory Compliance	Mitigate financial, operational, and legal risks	Legal obligations
Governance	1	Governance and accountability	Enhances organizational performance	Builds trust and confidence
Social	1	Diversity, equity, and inclusion	Can lead to legal, reputational, and financial risks	Better understand and serve diverse customer base

Governance	6	Data security, privacy & cybersecurity	Financial losses due to stolen customer data and damage to company's reputation	Satisfy regulatory requirements
Governance	2	Business ethics & fair treatment of customers	Compliance with laws and regulations	Instills confidence and trust among investors
Social	2	Employee retention, engagement & development	Better customer service and corporate reputation	Increases productivity, innovation, and creativity
Governance	5	Transparent information	Improves customer satisfaction and loyalty	Comply with regulatory requirements
Social	4	Customer satisfaction & product quality	Increases repeat purchases and increases revenue and profitability. Brand reputation for delivering high quality products	Key differentiator in the saturated life insurance market Satisfy regulatory requirements, e.g., RILA
Environment	1	Climate change – investments & life insurance	Real estate and municipal bond investments are exposed to physical climate risks	PRT clients are concerned and ask a lot of questions about climate
Social	5	Employee health and safety	Retain top talent and reduce turnover	Increases productivity, innovation, and creativity
Social	3	Community engagement	Significant, time and money is focused on community engagement	Important to investors and clients that F&G are giving back to community, e.g., Volunteering (Earth Day)
Environment	2	Climate change – people, operations & vendors	Physical supply chain not that big, few based in Philippines and India exposed to climate risks but no historical disruption	Satisfy regulatory requirements
Governance	4	ESG integration in operations	Risk management and efficient investment decision making	Demonstrates F&G's commit to ESG principles
All	2	Sustainable products & services	Clients do not select products based on these criteria	No sustainable products on the current strategy plan, green FABN product have been discussed

Investment risk is one of the largest sources of risk to the company, and the SVP-Investment Risk with the Deputy Chief Investment Officer are responsible for integrating ESG, including understanding and managing climate-related risks, into F&G's investment process. Our primary asset manager generally considers material ESG factors a key part of evaluating new investments. By considering applicable ESG factors in the investment process, they aim to identify and address material investment risks and opportunities. They also continuously monitor ESG related risks throughout the investment holding period and engage on certain focus areas such as Climate Risk, Diversity & Inclusion, and good Corporate Governance.

F&G also recognizes the rapidly evolving regulatory environment on climate-related risks and opportunities and has a regulatory monitoring process. The ongoing monitoring of ESG-related regulations is included in the overall regulatory monitoring process overseen by the Legal Department. Any new regulation passed related to ESG is entered into the Comply On Demand

Enterprise system and assigned to subject matter experts for review. If policy or procedure changes are required, the implementation of those changes is monitored through this system.

Based on the materiality review, future initiatives, and development of the ESG program at F&G will focus on the higher impact and importance to stakeholder categories, incorporating relevant regulatory and industry guidance, and including associated risk metrics.

3.2 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Climate risks are identified and assessed in accordance with the ERM Policy and managed through the ERM framework. The framework utilizes the three lines of defense model: Business/Operational Management, the ERM function (Risk Management), and Internal Audit.

The 1st line of defense develops and implements mitigation activities for risks in business activities and provides monitoring and reporting of such risks on an ongoing basis; the 2nd line of defense challenges and supports the 1st line of defense, while helping to identify activities to mitigate risks and advise on risk management activities. The 3rd line of defense provides management with independent, objective assurance of the overall effectiveness, and efficiency of the design and operation of internal controls.

The framework and process alignment includes utilization of committee structure to identify, assess, and prioritize risk to ensure both senior management and the board of directors understand and can manage the risk profile. Any changes in business trends because of climate change would be identified through Risk Management interaction with the 1st line of defense discussions and risk assessments. No material or significant changes due to climate change have been identified to date.

Figure 9: F&G risk management framework



F&G has established the following decision-making framework to oversee the management and monitoring of climate-related risks, led by the CRO. Through this decision-making framework, F&G assesses materiality, makes recommendations, and develops and implements remediation plans, as needed.

Figure 10: F&G decision-making framework

Recommend	Agree	Input	Decide
Owens communication, shares F&G activities with D	Works with R to ensure all needs are met and represented	Provides input and valuable questions to consider when determining position and activities	Approves recommendation of position and activities. Holds organization accountable.
<ul style="list-style-type: none"> VP, Operational Risk Officer 	<ul style="list-style-type: none"> SVP Chief of Government, Regulatory & Compliance Affairs EVP Chief Risk Officer VP Deputy Chief Investment Officer SVP Human Resources SVP Investment Risk 	<ul style="list-style-type: none"> SVP Investor & External Relations EVP Chief Financial Officer President 	<ul style="list-style-type: none"> Chief Executive Officer
Perform			
Implements activities and decisions			
<ul style="list-style-type: none"> Sr Investments Analyst Corporate Paralegal VP Asset Liability Management & Economic Capital AVP Talent Mangement and Inclusion 	<ul style="list-style-type: none"> Director Workplace Services AVP Assistant Controller AVP Financial Reporting VP Chief Compliance Officer 	<ul style="list-style-type: none"> AVP Market Research Manager Retail Risk Management Manager Investment Risk 	

4 Metrics and targets

4.1 Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

F&G is evaluating how climate-related metrics can be leveraged to better understand the potential risks to and opportunities for our business. F&G anticipates conducting an expanded quantitative analysis of the investment portfolio, as well as considering other metrics and proactive contributions to reduce uncertainty, filling data gaps, and working with investment managers and other stakeholders to collect additional data about climate risks.

4.2 Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

F&G's parent FNF currently reports Scope 1 and 2 emissions as well as total electricity usage. FNF reports information related to the Des Moines home office of F&G in their overall Scope 1 and 2 emissions. Given F&G's business activities, Scope 1 and 2 emissions are primarily driven by electricity consumption at office locations. F&G's Scope 1 and 2 emissions, calculated using location- and market-based approaches, as well as total electricity for 2021 - 2023, are reported below.

Figure 11: F&G carbon footprint and electricity use at F&G locations

	Des Moines		Bermuda		Cayman	
Square Footage	102865 RSF		3046 RSF		2780 RSF	
Metric	Location/ Market MT CO2e	Total Electricity Use	Location/ Market MT CO2e	Total Electricity Use	Location/ Market MT CO2e	Total Electricity use
2021	156.75	344.54K				
2022	146.20	341.58K				
2023	141.66	330.97K	15.72	22.95K	16.16	23.6K
Percent Change	-9.6%	-3.9%				

Utility bills gathered from each location were entered into the Workiva Carbon application to calculate the MT CO2e. Reporting in prior years was partially based on utility bills and partially from square footage estimates, using actual numbers slightly impacted the previously reported 2021 calculations. F&G expanded gathering Scope 1 and Scope 2 emissions in 2023 to include additional office locations in Cayman and Bermuda. For the Des Moines headquarters location, emissions decreased 9.6% and electricity usage decreased 3.9% from 2021 to 2023.

F&G is also evaluating industry developments related to the available frameworks and methodologies to quantify and collect emissions to inform our scope 3 emissions footprint. Within Scope 3, there are fifteen categories of value chain emissions as defined by the GHG Protocol, although not all categories are relevant for every company. Investments, defined as “financed emissions” in accordance with the Partnership for Carbon Accounting Financials (“PCAF”) are defined as category 15, and are expected to be the most material emissions for F&G carbon footprint. Other categories, including business travel (category 6) and employee commuting (category 7) are also being evaluated. F&G will continue to assess relevant climate metrics associated with our investment portfolio to improve our management of climate-related risks and opportunities.

4.3 Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

F&G’s existing risk management framework includes various metrics to manage risks across the investment portfolio. F&G is currently assessing the development of climate-related targets to improve the existing risk management framework. Efforts will continue to develop and enhance key policies and statements to reflect our ongoing commitment to mitigating climate-related risk, including climate scenario analysis, and F&G will continue to monitor risks and opportunities related to our climate risk assessment.