Fidelity Investments Life Insurance Company
Empire Fidelity Investments Life Insurance Company
NAIC Climate Risk Disclosure Survey
Reporting Year 2023

GOVERNANCE

1. *Disclose the insurer's governance around climate-related risks and opportunities.*

In disclosing the insurer's governance around climate-related risks and opportunities insurers should consider including the following:

- Identify and include any publicly stated goals on climate-related risks and opportunities.
- Describe where climate-related disclosure is handled within the insurer's structure, e.g., at a group level, entity level, or a combination. If handled at the group level, describe what activities are undertaken at the company level.

A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.

In describing the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks, insurers should consider including the following:

• Describe the position on the board and/or committee responsible for the oversight of managing the climate-related financial risks.

Fidelity Investments Life Insurance Company (FILI") and Empire Fidelity Investments Life Insurance Company ("EFILI") are wholly owned subsidiaries of FMR LLC ("Fidelity"). Therefore, we follow the policies of the parent company as it relates to sustainability initiatives.

Over the course of 2023, Fidelity introduced 3 publications highlighting their approach, strategy, and progress on 3 key areas of the overall organization: Environmental Impact, Diversity and Inclusion, and Sustainable Investing and Stewardship.

Environmental Impact - Fidelity Investments published its Environmental Report highlighting progress in managing the environmental efforts achieved to date. Over the past decade, Fidelity's sustainability efforts have been focused primarily on energy efficiency and resource conservation in our 11-million-square-foot real estate footprint. Fidelity is in the early stages of adopting a sustainability approach throughout our business and building climate resilience into our day-to-day operations. A copy of the 2023 Environmental Report is available upon request.

Diversity & Inclusion - In Fidelity's most recent Diversity and Inclusion (D&I) Report, they outlined the deliberate steps they took in 2022 to strengthen our commitment to diversity and inclusion at every level in our organization, and they committed to sharing more information and data about how our firm is making progress. For Fidelity to offer superior products and experiences, and to respond with empathy and understanding in their customer interactions, it is vital that their workforce reflects the diversity that exists across their broad customer base. A copy of the 2022 Fidelity Investments Diversity and Inclusion Report is available upon request.

Sustainable Investing & Stewardship Update --The report describes enhancements to Fidelity's sustainable investing and research capabilities as well as an update on Fidelity's stewardship efforts. ESG considerations have been part of Fidelity's investment stewardship and research process for many years. Since its founding, Fidelity has sought to build the broadest mosaic possible to identify investment opportunities and risks— across all asset classes, investment styles, and geographies. Pertinent to these evaluations are the long term physical and transition risks associated with climate change and the growing opportunities resulting from the decarbonization of the economy. Fidelity believes the operating behaviors, principles, and outcomes associated with ESG initiatives are integral to a company's long-term economic success, and thus should be incorporated into the investment research process. Therefore, ESG research at

Fidelity is guided by the same intellectual rigor and proprietary analysis that shape all their active management capabilities. A copy of the 2022-2023 Sustainable Investing and Stewardship Report is available upon request.

Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. We apply our investor mindset to sustainability, using empirical data to make decisions, taking a long-term perspective, and not making short-term trade-offs that imperil progress towards our objectives. The Corporate Sustainability Team is responsible for stewarding Fidelity's corporate sustainability strategy across the enterprise. Ownership of sustainability initiatives is decentralized so that teams can implement and scale effectively. By grounding in a shared "north star," teams across Fidelity are empowered to develop products, services, and initiatives from the bottom up, a process that has proven successful throughout Fidelity's history.

Executive leadership has long established and reinforced the investor mindset as a key tenet of Fidelity's culture and decision-making. Business units are empowered to develop their own roadmaps and data-driven strategies. The Corporate Sustainability Office within the centralized Corporate Services function is responsible for best practice sharing, centralized reporting, and cross-functional governance.

As an example of this centralized vision, decentralized execution model in action, Fidelity's real estate team innovates to achieve positive environmental outcomes with our owned and leased space globally. The team measures and tracks key performance indicators and with an eye towards operational resilience and long-term business continuity.

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

Fidelity has established the Sustainability governance Structure as described above.

STRATEGY

2. *Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy, and financial planning where such information is material.*

In disclosing the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy and financial planning, insurers should consider including the following:

- Describe the steps the insurer has taken to engage key constituencies on the topic of climate risk and resiliency. *
- Describe the insurer's plan to assess, reduce, or mitigate its greenhouse gas emissions in its operations or organizations. *

Resilience planning means ensuring we can prepare for, withstand, and recover from climate-related disruptions. Fidelity remained focused on these efforts in 2023. By understanding and planning for the impacts of extreme weather events and long-term climate change to our operations, supply chain, and overall business continuity, we are better able to support our commitment to operational excellence across our physical campuses. We do this to provide consistent service for our clients and a safe working environment for our associates. We also recognize that the resilience of our sites contributes to the broader climate resilience of the communities in which we work. Highlights of our 2023 efforts include:

• Applied climate-scenario modeling to assess exposure of our real estate portfolio to short- and long-term climate-related risks; we used this data to inform future planning for the firm and to reduce risk in the management of our sites and facilities.

• Partnered with Fidelity's engineering teams to understand the design limitations of existing critical infrastructure relative to climate projections and identify opportunities to inform the design of new equipment.

• Developed site-level climate risk profiles showing top risks, illustrative adaptation options, and regional benchmarks to help inform real estate decisions, including strategic leasing and acquisition decision-making.

A key focus of Fidelity's sustainability strategy is understanding and quantifying their emissions and prioritizing the company's efforts to minimize our environmental impact. While Fidelity's carbon impact strategy focuses on mitigating GHG emissions, the climate resilience strategy focuses on adapting to current and projected climate variability and change. In addition to limiting potential risks affecting Fidelity's real estate and associates, this work helps to ensure that Fidelity is well positioned to support customers and clients as society navigates the transition to a low-carbon economy. Information about Fidelity's carbon strategy can be found in the response to question 4.

> *A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.*

In describing the climate-related risks and opportunities the insurer has identified over the short, medium, and longer term, insurers should consider including the following:

- Define short, medium, and long-term, if different than 1-5 years as short term, 5-10 years as medium term, and 10-30 years as long term.

Fidelity regularly updates a physical climate risk assessment of our real estate portfolio to understand the impacts of climate change under a range of global warming scenarios. Using climate models that look at risks from today to the year 2100, we assess the exposure of Fidelity's sites to the nature, frequency, and severity of the following climate risks: flood, wind, heat, cold, precipitation, fire, and drought. This regular assessment helps us understand the short- and long-term impacts of climate variability at each of our sites so that we can consider and employ climate adaptation options. We factor climate data into the risk assessments and decision-making processes that inform all of our site management. Regional action plans have been developed to address the physical risks and develop resilience in our regional locations.

> *B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.*

In describing the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning, insurers should consider including the following:

- Discuss if and how the insurer provides products or services to support the transition to a low carbon economy or helps customers adapt to climate-related risk.
- Discuss if and how the insurer makes investments to support the transition to a low carbon economy.

Fidelity manages portfolios with the goal of providing the greatest possible long-term return to our investors consistent with the investment guidelines and objectives of each strategy. Strong capital markets are crucial to Fidelity's mission of strengthening the financial well-being of our clients. We believe financially material ESG factors can impact market risks and returns, influencing the long-term performance of the securities in which we invest.

Fidelity is committed to providing its investment teams with the resources required to inform their investment decisions. Fidelity's investment teams have access to a wide array of research and insights, including ESG research and ratings, to support investment decision-making when they believe the information is material to a security's long-term value and relevant for their portfolio's strategy and objectives. Fidelity's ESG ratings are grounded in its proprietary assessment of the financial materiality of a given factor and tailored sector-by-sector. These ratings are meant to enhance our ability to identify how financially material ESG factors influence an issuer's earnings outlook, business model, and strategic vision.

Exposure to climate-related risks is encompassed in Fidelity's ESG ratings framework. Fidelity has developed analytics that allow their investment teams to assess individual issuer level risk as well as overall portfolio exposure to carbon and climate-related issues. Fidelity continues to enhance these tools and educate their investment team on considerations and risk exposure to carbon related issues.

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

To date, climate-risk related initiatives have been focused in 2 main areas: ensuring our enterprise is preparing for potential physical risks resulting from climate change and ensuring our investment team is aware of the underlying physical and transitional risks within their investments.

Fidelity's investment teams calculate and monitor several ESG risk metrics and ratings, including the carbon risk of our portfolios, on a periodic basis. As data quality improves, Fidelity continues to evolve its analysis and reporting on climate transition risk, including scenario analysis tools, both at the issuer and fund levels. We believe physical and transition risk can be material from an investment risk management and opportunity perspective.

RISK MANAGEMENT

3. *Disclose how the insurer identifies, assesses, and manages climate-related risks.*

In disclosing how the insurer identifies, assesses, and manages climate-related risks, insurers should consider including the following:

• Describe how the insurer considers the impact of climate related risks on its underwriting portfolio, and how the company is managing its underwriting exposure with respect to physical, transition and liability risk. *

• Describe any steps the insurer has taken to encourage policyholders to manage their potential physical and transition climate related risks, if applicable. *

• Describe how the insurer has considered the impact of climate-related risks on its investment portfolio, including what investment classes have been considered. *

A. Describe the insurers' processes for identifying and assessing climate-related risks.

In describing the insurers' processes for identifying and assessing climate-related risks, insurers should consider including the following:

• Discuss whether the process includes an assessment of financial implications and how frequently the process is completed. *

Fidelity generally supports the view that companies can enhance value and long-term profitability by considering all financially material factors when developing their strategic plans, including those that are climate related. Fidelity believes that the most immediate opportunity to better address climate-related risks is to encourage transparency through the disclosure of material and accurate information. Fidelity believes management teams that focus on financially material climate-related risks are often better positioned to deliver shareholder value over the long term. Through discussions and engagement, Fidelity seeks to learn more about company management's focus on material environmental sustainability issues.

Our proprietary datasets may include information disclosed in corporate social responsibility reports, company or government agency websites, or other sources. These types of data are generally not available in a structured form from any other source making Fidelity's deep quantitative and fundamental expertise critical to our effort to continue to incorporate new and emerging data into our analysis. Enhanced carbon framework Carbon emissions modeling aids in evaluating companies' relative positioning for a low-carbon transition, helping to identify potential transition-related business risks or opportunities. Traditional climate modeling and third-party data have focused on companies' current and historical emissions. The underlying data is often self-reported, based on estimates and methodologies not necessarily comparable across companies, and subject to yearly revisions, raising questions about data quality and reliability. Forward-looking evaluations are more relevant for investment decision-making, but these require confidence and stability in the datasets the forward-models rely on. Recently, significant improvements were made in science-based climate data estimation and modeling, which have enabled the development of more accurate and forward-looking forecasts using advanced machine learning approaches. We have leveraged these advancements to enhance our carbon emissions model by incorporating forward-looking information from companies projected decarbonization pathways. The transition pathway analysis is aided by our new proprietary Scope 3 model, which allows us to estimate and evaluate carbon emissions throughout a company's entire value chain—even for companies not reporting this information. By addressing these limitations, we can provide a more comprehensive understanding of a company's value-chain emissions and its competitive positioning in the transition.

B. Describe the insurer's processes for managing climate-related risks.

Fidelity is focused on resilience planning to ensure we can prepare for, withstand, and recover from climate related disruptions. By understanding and planning for the impacts of extreme weather events and long-term climate change to our operations, supply chain, and overall business continuity, we are better able to support our commitment to operational excellence across our physical campuses. We do this to provides consistent service to our clients and a safe working environment for our associates. We also recognize that the resilience of our sites contributes to the broader climate resilience of the communities in which we work. Fidelity established an enterprise risk group that monitors risk exposure of our various business units and ensures the policies, practices and controls are established at the business unit level where climate is a material factor.

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

In describing how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management, insurers should consider including the following:

- Discuss whether climate-related risks are addressed through the insurer's general enterprise-risk management process or a separate process and how frequently the process is completed.
- Discuss the climate scenarios utilized by the insurer to analyze its underwriting risks, including which risk factors the scenarios consider, what types of scenarios are used, and what timeframes are considered.
- Discuss the climate scenarios utilized by the insurer to analyze risks on its investments, including which risk factors are utilized, what types of scenarios are used, and what timeframes are considered.

Business continuity assessments focus on the enterprise climate-relate risk associated to ensure appropriate controls are in place. Concurrently, the supplier/vendor management programs seek to assess and ensure these risks are managed by upstream and downstream suppliers and vendors. Both programs document controls and resilience plans.

Physical climate risks are assessed through Fidelity's Real Estate company, which regularly assesses the exposure of Fidelity's physical real estate footprint to a range of global warming scenarios.

Fidelity's investment teams continue to evolve their analysis and reporting on climate transition risk, including scenario analysis tools, both at the issuer and fund levels. Fidelity believes physical and transition risk can be material from an investment risk management and opportunity perspective.

METRICS AND TARGETS

4. *Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.*

In disclosing the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material, insurers should consider including the following:

- Discuss how the insurer uses catastrophe modeling to manage the climate-related risks to your business. Please specify for which climate-related risks the insurer uses catastrophe models to assess, if any.

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

In disclosing the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process, insurers should consider including the following:

- In describing the metrics used by the insurer to assess and monitor climate risks, consider the amount of exposure to business lines, sectors, and geographies vulnerable to climate-related physical risks [answer in absolute amounts and percentages if possible], alignment with climate scenarios, [1 in 100 years probable maximum loss, Climate VaR, carbon intensity], and the amount of financed or underwritten carbon emissions.

As an enterprise, Fidelity regularly updates a physical risk assessment of its global real estate portfolio to understand its exposure to the impacts of climate change under three global warming scenarios in the short and long term. This includes assessment of exposure of sites to the nature, frequency, and severity of the following climate-related risks: heat, cold, fire, flood, wind, water stress and precipitation.

Fidelity's Asset Management team continues to develop analytics to assess the climate related risks within its investments. These analytics include portfolio assessments of:

- Alignment to a 2-degree scenario
- Implied Temperature Rise
- Carbon Intensity
- Climate Value at risk

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

Fidelity's total 2023 CO_2 Equivalent emissions were 151,910 Metric Tons ($MTCO_2e$), broken down by scope as follows: Scope 1 (8,659 MT), Scope 2 (49,523 MT), Scope 3 (93,728 MT).

Fidelity's emissions of carbon dioxide and equivalents in 2023 were reduced by 58% compared with their baseline year of 2007. These reductions were achieved by eliminating the source of emissions where possible through investments in energy efficiency and resource conservation, consolidation and optimization of data centers, and a host of other initiatives.

Methodologies to quantify the impact of the pandemic on Fidelity's operations are still being developed and refined, and additional research is needed to account for these effects more accurately, which are expected to remain relevant as the expectations and policies for how we work continue to evolve.

Please refer to our 2023 Environmental Report for GHG reporting and a discussion on the related risks.

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

Although no formal targets are published externally, Fidelity is focused on continuing to reduce its emissions footprint and invest in initiatives that focus on improving the environmental footprint.

* Asterisks represent questions derived from the original Climate Risk Disclosure Survey.