NAIC CLIMATE RISK DISCLOSURE SURVEY
TCFD-ALIGNED QUESTIONS
UPDATED 2022

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.

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

The company's Board of Directors review and guide climate-related strategy, major plans of action, and risk management systems. The company maintains an extensive, structured ERM program, which is overseen by the Board of Directors and its Audit Committee. The Board of Directors reviews the ERM program at least annually, including top risks, risk monitors, and mitigation efforts. The First American Audit Committee, comprised entirely of independent directors, oversees the company's risk management process alongside the board of directors. Every quarter, the Audit Committee reviews risk factors disclosed in the company's SEC filings, which include climate-related issues.

The Nominating and Corporate Governance Committee reviews relevant ESG issues affecting the industry on an annual basis. The Committee incorporates sustainability matters into its charter, which include climate-related issues. The Committee also adopted and maintains a comprehensive formal board diversity policy, for which they review and make recommendations regarding the composition and size of the Board so that the Board has the requisite expertise, and its membership consists of persons with sufficiently diverse and independent backgrounds. For the reporting year 2023 Sustainability Report, the Nominating and Corporate Governance Committee also reviewed the report prior to publication and provided feedback as appropriate.

The Compensation Committee incorporates ESG into its review and adjustment of executive compensation. The company's executive compensation program is overseen by the Compensation Committee of the Board of Directors. The program is designed to enhance stockholder value by stipulating that a substantial portion of the executive officer's total compensation be at-risk and related to the company's consolidated financial performance. The Committee makes it explicit that its discretionary adjustments to executive officer compensation can take into consideration ESG actions, initiatives, or omissions that impact and reflect the role of the company in broader society, including employee development, employee engagement survey results and responsiveness, inclusion efforts, privacy and data protection, community involvement/development, sustainability/environmental impact, and business ethics.

The company maintains a formal ERM program. With direct oversight by the company's Board of Directors and its Audit Committee, the company's ERM hierarchy/structure encompasses senior executive leaders from all facets of the business, including operations, finance, accounting, treasury, information technology, legal/regulatory, internal audit, compliance, underwriting, and human resources. The company's Chief Risk Officer administers a biennial company risk survey that ultimately enables management to determine and prioritize its risks, while subsequently integrating appropriate controls to mitigate identified risks. The Audit Committee and the full Board of Directors regularly receive reports regarding the company's ERM activities from the Chief Risk Officer including the company's top risks, mitigation efforts, and risk monitors. In addition, our ERM program is assessed regularly via internal reviews by our Internal Audit function as well as various state and federal regulatory bodies. Climate-related risk was expressly considered in the company's most recent biennial enterprise risk assessment survey (performed in 2022), and the risk assessment process concluded that climate-related risk is not a top risk of the company.

The Chief Risk Officer (CRO) coordinates ERM activities identifying, evaluating, and monitoring top risks to help our businesses achieve their goals. The CRO, assisted by the ERM Committee, administers a biennial company risk survey that ultimately enables management to determine and prioritize its risks, while subsequently integrating appropriate controls to mitigate identified risks. In addition, the CRO drives our ERM strategy by providing strategic guidance to senior officers and risk management teams. The Audit Committee and the full Board of Directors regularly receive reports regarding the company's ERM activities from the CRO, including the company's top risks, mitigation efforts, and risk monitors.

The ESG Committee has oversight in assessing potential risks, including risks related to current and emerging regulation, technology, the legal environment, market, reputation, and acute and chronic physical risks. The CEO and CFO oversee the response to climate-related issues by managing potential risks and opportunities related to our insurance underwriting activities and own operations.

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. *

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.

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.

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

As a financial services company, our strategic priorities focus on immediate and direct risks that impact our underwriting decisions and client relationships. Currently, evaluating environmental dependencies and impact is not aligned with our core business objectives and all applicable regulatory requirements we adhere to, such as the SEC's ruling on climate-related disclosures.

Due to the nature of First American's core business of title insurance, First American is unlikely to be substantively affected by any climate-related risks. We have conducted risk assessments, and no climate-related risks that would have a substantive impact on the company have been identified. While some risk exists to our distributed offices within First American's network in the US, First American has sufficient insurance coverage and an enterprise risk management program, business continuity plans (BCP) and crisis management plans to minimize the financial and strategic impact on our business and to ensure continual operation of our business.

First American has an Enterprise Risk Management process in place where department/division leaders answer a survey to categorize potential substantive risks affecting First American. Climate-related risk was expressly considered in the company's most recent biennial enterprise risk assessment survey (performed in 2022), and the risk assessment process concluded that climate-related risk is not a top risk of the company. If any substantive climate-related risks were to be identified, our Audit Committee would oversee any that were top risks to the company and our business continuity program would oversee the management and mitigation of other environmental risks, assisted by the ESG Committee.

Individual investors and institutional investors increasingly value socially responsible companies that have a commitment to ESG principles. A significant and growing portion of institutional equity investments in the US incorporate ESG considerations into their equity selection process. If First American earns a favorable reputation, we could potentially attract incremental investor demand and trade at a higher share valuation. We have been continuously enhancing our sustainability reporting practices and programs, such as the development of a comprehensive Corporate Sustainability Responsibility (CSR) report, tracking and monitoring our GHG inventory, and reporting through CDP and ISS, all of which have the potential to improve our ESG reputation with investors. In 2022, as a result of increased investor interest in our ESG program, the decision was made to align the company's 2022 CSR report to the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD), providing more comprehensive and rigorous disclosure platforms. First American is closely monitoring the evolving requirements for climate-related reporting from regulators such as the Securities Exchange Commission (SEC) and International Sustainability Standards Board (ISSB) and is continuously assessing how best to strengthen our approach to ESG and potentially earn increased market valuation.

First American recognizes that emissions reduction activities generally improve efficiency which often results in cost savings. We have done various energy and emission reduction activities in the last few years, including HVAC and lighting upgrades in the current reporting year.

First American's strategy has not been significantly influenced by climate-related risks and opportunities. While we have created an ESG Committee to address topics such as climate change and portfolio impacts, we do not currently have a transition plan that aligns to a 1.5°C world. In the company's 2023 annual report on Form 10-K and in our subsequent quarterly reports on Form 10-Q, First American disclosed that risks related to climate change, such as severe weather or other catastrophe events, may have adverse effects on First American.

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. *

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

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.

The company maintains a formal ERM program. With direct oversight by the company's Board of Directors and its Audit Committee, the company's ERM hierarchy/structure encompasses senior executive leaders from all facets of the business, including operations, finance, accounting, treasury, information technology, legal/regulatory, internal audit, compliance, underwriting, and human resources. The company's Chief Risk Officer administers a biennial company risk survey that ultimately enables management to determine and prioritize its risks, while subsequently integrating appropriate controls to mitigate identified risks. The Audit Committee and the full Board of Directors regularly receive reports regarding the company's ERM activities from the Chief Risk Officer including the company's top risks, mitigation efforts, and risk monitors. In addition, our ERM program is assessed regularly via internal reviews by our Internal Audit function as well as various state and federal regulatory bodies. Climate-related risk was expressly considered in the company's most recent biennial enterprise risk assessment survey (performed in 2022), and the risk assessment process concluded that climate-related risk is not a top risk of the company.

If any substantive climate-related risks were to be identified, our Audit Committee would oversee any that were top risks to the company and our business continuity program would oversee the management and mitigation of other climate-related risks, assisted by the ESG Committee. On a quarterly basis, the Audit Committee reviews risk factors disclosed in the company's SEC filings, which include climate-related issues and other risks informed, in part, by the ERM process.

The recent shutdown of our property and casualty business has significantly mitigated the most immediate potential impact of these risks.

First American's core business line is providing title insurance for the real estate sector, meaning our portfolio's impact on the climate is not significantly relevant or material to the business, therefore considering forests- and water-related information about our clients/investees as part of our due diligence and/or risk assessment process is not a priority at this time.

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.

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

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

First American did not have a quantifiable target for 2023 although we do have a goal to reduce the energy and GHG emissions in our owned operations year-over-year.

First American has in place an enterprise-wide risk management program. Due to the nature of First American's core business of title insurance, we have assessed that we are unlikely to be substantively affected by any environment-related risks, therefore, scenario analysis was not identified as an immediate strategic priority. However, we acknowledge the growing importance of environmental factors, we continuously monitor the landscape and may reassess our approach as market and regulatory expectations evolve.

While some risk exists to our distributed offices within First American's network in the US, First American has sufficient insurance coverage and an enterprise risk management program, business continuity plans (BCP) and crisis management plans to minimize the financial and strategic impact on our business and to ensure continual operation of our business.

First American has an Enterprise Risk Management process in place where department/division leaders answer a survey to categorize potential substantive risks affecting First American. Climate-related risk was expressly considered in the company's most recent biennial enterprise risk assessment survey (performed in 2022), and the risk assessment process concluded that climate-related risk is not a top risk of the company. If any substantive climate-related risks were to be identified, our Audit Committee would oversee any that were top risks to the company and our business continuity program would oversee the management and mitigation of other environmental risks, assisted by the ESG Committee.

First American's strategy has not been significantly influenced by climate-related risks and opportunities. While we have created an ESG Committee to address topics such as climate change and portfolio impacts, we do not currently have a transition plan that aligns to a 1.5°C world. In the company's 2023 annual report on Form 10-K and in our subsequent quarterly reports on Form 10-Q, First American disclosed that risks related to climate change, such as severe weather or other catastrophe events, may have adverse effects on First American.

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