2023 F&G TCFD Report

Contents

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., and F&G Life Re Ltd, international reinsurance companies, along with other holdings. F&G Life Insurance Company of New York is wholly owned by FGLIC.

Our Company and our Board of Directors seek to address ESG issues to better serve our employees, business partners, and the communities impacted by our business. The F&G Audit Committee of the Board (“AC”) has responsibility for oversight of environmental, social, and governance risks which includes any climate-related risks and opportunities. 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 cybersecurity risk and 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 Chief Risk Officer (“CRO”) on a quarterly basis regarding Enterprise Risk Management (“ERM”) including a review of current and emerging risks. The AC receives updates on climate risk as a subset of investment risks, and may also receive updates 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 planned 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 Working Group, with the ESG Executive Steering Committee having more senior oversight.

Figure 1: F&G ESG governance structure and responsibilities

Audit Committee of the F&G Board of Directors
Provides oversight of ESG strategy, risks and opportunities

ESG Executive Steering Committee
Oversees the ESG and climate strategy. Committee is chaired by the Chief Risk Officer and meets quarterly.

- Chief Risk Officer
- General Counsel
- SVP Chief People Officer
- Deputy Chief Investment Officer
- SVP Investor & External Relations
- Chief Financial Officer
- F&G CEO & President

ESG Working Group
Cross functional working group that supports the integration of ESG principals into business unit level strategies, policies, procedures, and leads the execution of key ESG initiatives. Working group is comprised of functional and business unit leaders and is chaired by VP of Risk.

Task forces/Project Groups
Development and implementation of new initiatives by ad hoc task forces and project groups.

[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% and remains committed to F&G's growth and long-term success.

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 Audit Committee, who reports our ESG progress and efforts to the Board of Directors.

F&G's Chief Executive Officer ("CEO") has ultimate responsibility for governance-related matters at F&G. The CEO, with other C-Level executives, comprise the ESG Executive Steering Committee which is responsible for making key enterprise decisions around strategy, capital and asset allocation, planning and budgeting, and developing human capital. The CRO chairs the committee, and is responsible for driving the initiatives through collaboration, facilitation, and ultimately making recommendations to the committee. The Deputy Chief Investment Officer ("D-CIO"), General Counsel ("GC") and Senior Vice President of People Operations ("SVP-PO") are responsible for assessing the recommendations and providing effective challenge prior to agreeing on strategy, initiatives, or other course of action. The Senior Vice President of Investor & External Relations and Chief Financial Officer ("CFO") are consulted for input prior to final approval of actions. The ultimate decision rests with the CEO.

The ESG Working group is comprised of functional and business-level management who are responsible for performing any underlying analysis, research, documentation, and implementation in support of 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 that was performed in 2023.

Additional governance committees

In addition, these groups utilize and rely on other committees within F&G to ensure all risks and opportunities related to ESG and specifically climate risk and opportunities are addressed appropriately.

The ERM Committee is an enterprise committee, consisting of the C-Level executives including the CEO, CRO, and Chief Investment Officer ("CIO") who are accountable for reviewing the risk appetite and strategy relating to key risks across the business.

The Investment Committee provides oversight of investments held, approves new asset classes, and reviews investment managers and mandates.

The Diversity, Equity, & Inclusion ("DEI") Advisory Council ("Council") is an ongoing cross functional group including the CEO & President. 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 (ERGs), Human Resources, Communications, and the business lines. The DEI Counsel reports initiatives and progress up through the Management Committee as needed. The Council considers the social impacts of climate both to F&G employees (e.g., considerations for talent attraction and retention) and F&G clients (e.g., physical impacts of climate change).

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.

The assessment also identified the applicable risks to F&G based on physical presence, products sold, and credit/counterparty risk. The identified risks will be added to the enterprise risk register for inclusion in the quarterly self-assessment and annual risk assessment processes. Generally, short term is defined as present and 1 – 5 years in the future, medium-term is from 5- 10 years, and long-term is from 10-30 years.

The table below summarizes 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.

These risks will be further discussed by the ESG Steering Committee to determine the materiality of the risks to appropriately integrate them into the risk register and risk taxonomy. The following climate-related opportunities were also identified in the preliminary qualitative risk and opportunities assessment:

Figure 2: F&G climate-related risks

Risk Category	Description	Time Horizon	Potential Impact
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 liquidity and market volatility in investments.	short-, medium-, and long-term	Reduced revenues
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
Regulatory	Increased legislation and disclosure requirements, which requires additional resources and carries non-compliance risk.	short-, medium-, and long-term	Increased expenses
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
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

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

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

F&G's product solutions provide a 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.

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

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 ESG findings where applicable.[2] Post-investment, Blackstone strives to monitor the performance of investments; for example, BX Credit 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 BX Credit 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 our strategic partnership, investments that Blackstone has made in assets focused on renewable energy and climate change solutions form part of F&G's investment portfolio. These investments include Altus Power, a solar power company that provides clean electricity to commercial, industrial, and municipal clients across the US, and GoodLeap, one of the nation's premier companies in residential solar financing.

[2] Such determinations of materiality will be made by the relevant investment teams in their sole discretion, based on, among other factors, the ESG due diligence factors described above. The word "material" as used herein should not necessarily be equated to or taken as a representation about the "materiality" of such ESG factors under the US federal securities laws or any similar legal or regulatory regime globally.

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 competitive benefits offerings to meet diverse employee needs including more flexible PTO and a wellness reimbursement
- Supporting employee growth through learning programs, tuition reimbursement, and manager and leadership training
- Growing the share of women and people of color in leadership roles; F&G's executive team is now comprised of over 40% female leadership
- Ranking as a Top Workplaces company for four consecutive years

Diversity and inclusion

Specific diversity and inclusion programs and organizations supported by F&G include:

- The International Association of Black Actuaries and The Organization of Latino Actuaries where F&G employees are members 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 to the economy and future workforce
- Capitol City Pride, which brings together members of Iowa's LGBTQ+ community, allies and businesses
- Enabling our employee-led DEI Advisory Council's work in creating awareness and support around important topics such as mental health awareness, including the launch of five new Employee Resource Groups

Community engagement

F&G focuses its community engagement and charitable giving to support essential needs such as food insecurity and housing. In recent years, F&G has won multiple awards for its corporate support and employee involvement with United Way. Other community investments include:

- Serving as founding partner of the American Council of Life Insurer's ("ACLI") Impact Investments 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 companywide volunteer events for employees to make an impact locally with organizations such as Rebuilding Together
- Providing employees with 32 hours of paid time off per year for volunteering
- Supporting dozens of other community organizations identified by F&G employees in support of essential needs within the community where they live and work

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 pilot scenario analysis exercise with the advisory support of Baringa using BlackRock's Aladdin Climate technology (incorporating Baringa's industry-leading Climate Change Scenario Model). 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. The overall scenario analysis covered multiple industry-recognized scenarios, including a 2°C or lower scenario. The pilot run 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 ("NGFS") scenarios were leveraged for transition risk and Intergovernmental Panel on Climate Change ("IPCC") 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 anlysis.

For the pilot portfolio temperature alignment ("TA") was calculated, aligning F&G's pilot portfolio with a warming trajectory through 2050[3]. 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.

Overall results for the pilot scenario analysis indicated larger impacts under the Orderly and Disorderly scenarios by 2050, which is expected giving the targeting of the pilot towards energy-intensive industries to learn more about potential impacts from physical and transition risk. 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 the assessment and looking for opportunities to better incorporate into the investment and enterprise risk process. 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.

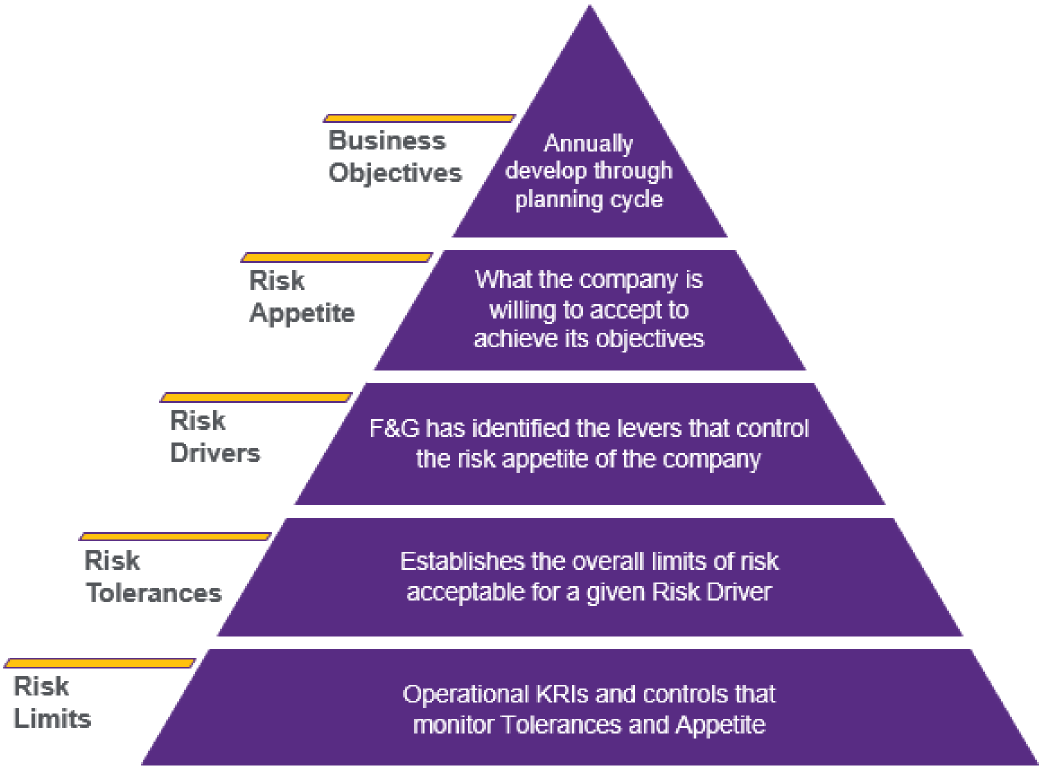
[3] TA is a forward-looking metric that attempts to convey the future trajectory of Green House Gas (GHG) emissions of a given entity or portfolio in terms of its estimated global temperature rise. Each sub-industry and region is modelled in order to target the source of emissions.

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 process includes a risk appetite statement which outlines the level of acceptable risk in the pursuit of overall financial and strategic objectives. 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 and captured in a risk library. The library identifies risk ownership, corresponding risk limits, and controls for monitoring, reporting, and mitigating material risks. F&G monitors risks via an annual risk assessment, quarterly risk self-assessments, quarterly ERM Committee meetings, monthly Investment Committee meetings, monthly Capital Committee meetings, and ad hoc analysis.

The overall risk posture of the organization is updated in the ERM dashboard report. The development of an enterprise ESG program, including climate risks, is included in F&G's 2022 Own Risk Self-Assessment ("ORSA") summary report, and articulates the Management Committee's responsibility for actively monitoring and focusing resources on ESG-related activities.

Overall climate risk is deemed to be minimal for the insurance-related products sold by F&G. Climate-related underwriting risk is monitored within the overall risk framework, although it is not considered material to F&G's overall business.

F&G conducted a qualitative assessment in 2023 to identify and assess these risks as described in the Strategy section. Assessment of the materiality of identified risks is planned including quantification where relevant. Any risks meeting the materiality threshold for inclusion in the risk register will be integrated and reported on in our quarterly risk dashboard and ORSA summary reports.

Since investment risk has been identified as one of F&G's key climate-related risks, F&G anticipates including the methodology and results from the pilot scenario analysis of the portfolio in future ORSA reports. F&G intends to undertake a broader quantitative climate scenario assessment to understand how climate change may impose physical and transition risks to our investments. F&G's asset managers have ESG policies and investment frameworks covering all asset classes managed, as climate-related considerations could impact credit/counterparty risks to the extent that issuers are not able to meet debt obligations.

F&G 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 by the Legal Department. Any new regulation passed related to ESG is entered into the Comply On Demand Enterprise ("CODE") 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.

Looking ahead, the ESG Executive Steering Committee will decide the level of granularity desired in embedding climate risk into existing risk frameworks. Climate-related risks will need to be quantified before any decisions can be taken about how to consider these risks.

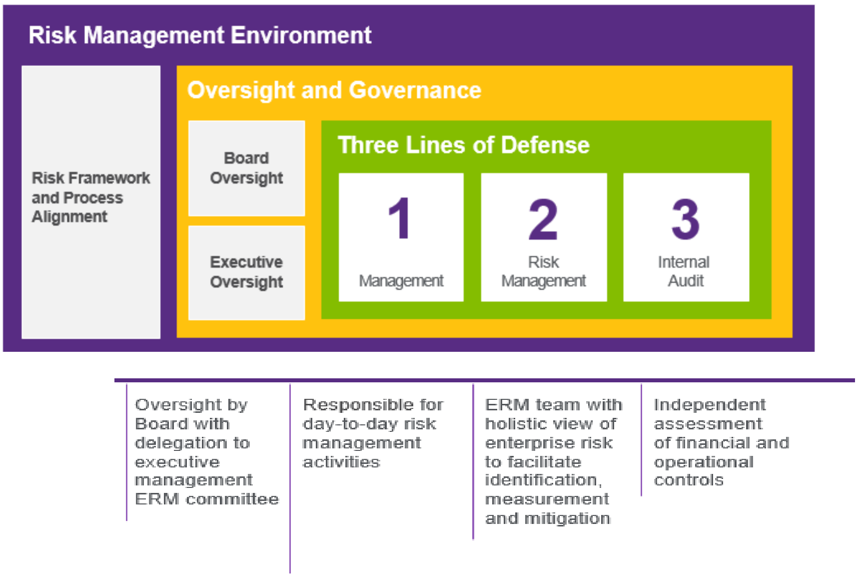
3.2 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Climate risks will be identified and assessed in accordance with the ERM Policy and managed through the ERM framework. The framework utilizes the three Lines of Defense ("LoD") model: Business/Operational Management, the ERM function (Risk Management), and Internal Audit.

The 1st LoD develops and implements mitigation activities for risks in business activities and provides monitoring and reporting of such risks on an ongoing basis; the 2nd LoD challenges and supports the 1st LoD, while helping to identify activities to mitigate risks and advise on risk management activities. The 3rd LoD 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. 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.

Figure 6: 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 is able to assess materiality, make recommendations, and develop and implement remediation plans, as needed.

Figure 7: F&G decision-making framework

Recommend	Agree	Input	Decide
Owns 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.**
Chief Risk Officer	General Counsel SVP People Officer Deputy Chief Investment Officer	SVP Investor & External Relations Chief Financial Officer	F&G CEO & President

Perform		
Implements activities and decisions		
AVP Investments Investments Analyst Corporate Paralegal VP Chief Compliance Officer	VP DEI & Culture Manager DEI & Culture Manager Workplace Services Manager Culture & Employee Experience	VP Strategic Risk Management VP PRT Risk Manager Investment Risk AVP Assistant Controller

Since investment risk is the largest single source of risk to the company, the Deputy CRO - Investments with the Deputy Chief Investment Officer will be responsible for integrating ESG, including understanding and managing climate-related risks, into F&G's investment process. F&G's asset managers use an integrated ESG approach in the investment review process incorporating relevant ESG factors, which include material ESG considerations including climate.

As discussed in Strategy and Risk Management section, the ESG Steering Committee is also exploring the development of a materiality definition for climate risks, incorporating relevant regulatory and industry guidance for both the definition and regularity of assessment of materiality assumptions, including associated risk metrics.

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 and opportunities to our business. F&G anticipates conducting an expanded quantitative analysis of the investment portfolio, as well as consideration of other metrics and proactive contribution to reducing uncertainty and filling data gaps, working with investment managers and other stakeholders to collect additional data on the subject of 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 gathers 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 and data centers. F&G's Scope 1 and 2 emissions, calculated using location- and market-based approaches, as well as total electricity for 2021 and 2022, are reported below. F&G added additional space in the headquarters building in 2022, driving a rise in electricity consumption and emissions.

Figure 8: F&G carbon footprint and electricity use at headquarters[4]

Carbon Footprint and Electricity Use at the Des Moines Headquarters		
	2021	**2022**
GHG Emission Scope	Total Scope 1& 2	Total Scope 1& 2
Location-based[5]	130.8 tCO2e	155 tCO2e
Market-based[6]	120.1 tCO2e	155 tCO2e
Electricity Consumption	294,419 kWH	341,581 kWH

F&G anticipates gathering Scope 1 and Scope 2 emissions in the coming year for additional office locations in New York and Bermuda. 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 17) 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] Total Scope 1&2: Location-based 2021 130.8 tCO2e, 2022 155 tCO2e; Market-based 2021 120.1 tCO2e, 2022 155 tCO2e; Electricity Consumption 2021 294,419 kWH, 2022 341,581 kWH.

[5] Location-based emissions allocation method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

[6] Market-based emissions allocation method reflects emissions from electricity that companies have purposefully chosen, deriving emission factors from contractual instruments.

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.