# Genworth Financial, Inc. - Climate Change 2020

## C0. Introduction

### C0.1

**(C0.1) Give a general description and introduction to your organization.**

Genworth Financial, Inc. (NYSE: GNW) (“Genworth”) is a Fortune 500 insurance holding company committed to helping families achieve the dream of homeownership and address the financial challenges of aging through its leadership positions in mortgage insurance and long-term care insurance. Headquartered in Richmond, Virginia, Genworth traces its roots back to 1871 and became a public company in 2004.

### C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

| | Start date | End date | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|---|---|---|---|---|
| Reporting year | January 1 2019 | December 31 2019 | No | <Not Applicable> |

### C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

United States of America

### C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

### C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

### C-FS0.7

**(C-FS0.7) Which organizational activities does your organization undertake?**

Investing (Asset owner)
Insurance underwriting (Insurance company)

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

| Position of individual(s) | Please explain |
|---|---|
| Board-level committee | The Nominating and Corporate Governance Committee of the Genworth Board of Directors is responsible for climate-related issues. This Committee oversees the Company's environmental, social and governance programs. This Committee periodically reviews the Company's environmental policy and practices during its scheduled meetings. Four of the Genworth Board's eight directors serve on this Committee. The Committee is keenly focused on Genworth's ESG initiatives. Its most substantial business decision in 2019 was the deliberate push further to expand ESG issues within Genworth's direct operations. |
| Chief Executive Officer (CEO) | The Chief Executive Officer attends meetings of the Nominating and Corporate Governance (NCGC) Committee of Genworth's Board of Directors and is responsible for Corporate Social Responsibility, Government Relations and External Affairs. While the CEO is not an official member of the NCGC, he actively participates in all NCGC discussions that involve climate-related issues. The CEO has encouraged the Company's continued focus on and advancement of ESG issues in general and climate-related issues in particular. |

## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated | Scope of board-level oversight | Please explain |
|---|---|---|---|
| Scheduled – some meetings | Reviewing and guiding strategy<br>Reviewing and guiding risk management policies<br>Setting performance objectives<br>Monitoring implementation and performance of objectives<br>Monitoring and overseeing progress against goals and targets for addressing climate-related issues | Climate-related risks and opportunities to our own operations<br>Climate-related risks and opportunities to our investment activities<br>The impact of our own operations on the climate<br>The impact of our investing activities on the climate | During one scheduled of its scheduled quarterly meeting, the Nominating and Corporate Governance Committee (NCGC) reviews and directs the strategy of the Company's environmental, social and governance practices, which includes the Company's environmental policy and implementing procedures. However, the NCGC may raise sustainability and other ESG-related matters during other scheduled meetings. The NCGC evaluates the Company's progress and objectives towards reducing Company environmental impacts and oversees, in conjunction with the Board's Risk Committee, the risk management strategies, policies, and implementation processes that incorporate climate-related issues. The Board's Risk Committee regularly receives updates on topics identified using Genworth's Risk Framework assessments. Climate-related risks are incorporated into the Risk Committee's assessments of standard operational risks related to the regulatory environment, technology, and reputation. In addition, in its reporting to the Board's Risk Committee, Genworth's Mortgage Insurance business, which is more directly affected by climate-related natural disasters, includes information on potential risks associated with mortgage loan delinquencies and risk mitigation actions subsequent to natural disaster events. |
| Sporadic - as important matters arise | Reviewing and guiding strategy<br>Reviewing and guiding risk management policies<br>Reviewing and guiding business plans | Climate-related risks and opportunities to our own operations<br>Climate-related risks and opportunities to our investment activities<br>The impact of our own operations on the climate<br>The impact of our investing activities on the climate<br>The impact of our insurance underwriting activities on the climate | Genworth's Chief Executive Officer attends both the NCGC and Risk Committee quarterly meetings. He is well-engaged in the discussions in both Committee meetings including the NCGC's ESG topics, and has encouraged the Company's continued focus and advancement in this area in general and climate-related matters in particular. |

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

| Name of the position(s) and/or committee(s) | Reporting line | Responsibility | Coverage of responsibility | Frequency of reporting to the board on climate-related issues |
|---|---|---|---|---|
| Other C-Suite Officer, please specify (Chief of Staff) | CEO reporting line | Both assessing and managing climate-related risks and opportunities | Risks and opportunities related to our own operations | Annually |
| Sustainability committee | CEO reporting line | Both assessing and managing climate-related risks and opportunities | Risks and opportunities related to our own operations | Annually |

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The Chief of Staff is a direct report to Genworth's Chief Executive Officer and is responsible for Corporate Social Responsibility, Government Relations and External Affairs, among other responsibilities. Accordingly, the Chief of Staff, as a member of the Company's Executive Council, has direct oversight of the Sustainability Committee and is responsible for managing activities implemented by the Committee and conducting the final review of environmental reporting, such as CDP.

The Committee is comprised of representatives from the facilities, investments, travel, sourcing, risk, and corporate social responsibility functions. Each member of the Committee reports to management through the organizational structural line of accountability applicable to their functional expertise. The Committee is responsible for reducing the Company's environmental impact through implementing sustainability activities, such as energy and water conservation, waste reduction and recycling. The Committee is also responsible for educating employees about reducing environmental impacts at work, and environmental external reporting outcomes and scores, including CDP.

The Committee leverages the functional expertise of its members:

The **Facilities** team monitors energy metrics, implements emissions-reduction projects and coordinates the environmental interface with vendors that supply product and services related to the operation of our primary work locations. The **Sourcing** team conducts an annual review of Genworth's primary third-party service suppliers to ensure that they have implemented business continuity/disaster recovery plans and comply with applicable environmental laws and regulation. The **Risk** Team assesses, monitors and reports on risks and mitigants across the enterprise, including those that are climate-related. The **Corporate Social Responsibility** team manages the company's community engagement platform, including projects and employee-initiatives that promote sustainability. Members of our **Investments** and **Corporate Travel** teams take an active role in considering our sustainability strategy and identifying initiatives and processes to enhance our effectiveness in this regard.

The Chief of Staff and the Committee are tasked with implementing the Genworth's Environmental Policy, in which the Company clearly sets forth the guiding principle that directs its sustainability efforts – "Sustainability of lifestyle—through financial security provided by Genworth, requires a sustainable environment in which to live that lifestyle in a healthy, safe manner." Climate-related initiatives include ensuring compliance with environmental regulations, educating employees on reducing environmental impacts both at home and in the workplace, and tracking the Company's greenhouse gas emissions. On an annual basis, the CEO's Chief of Staff reports to the Nominating and Corporate Governance Committee to review the Company's commitment to and progress towards reducing environmental impacts.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

| | Provide incentives for the management of climate-related issues | Comment |
|---|---|---|
| Row 1 | Yes | |

## C1.3a

### (C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

| Entitled to incentive | Type of incentive | Activity inventivized | Comment |
|---|---|---|---|
| All employees | Non-monetary reward | Other (please specify) (Volunteerism) | All Genworth employees receive 40 hours of volunteer time-off annually to support the non-profit organizations of their choosing, including organizations focused on environmental improvements. In 2019, Genworth's employees volunteered over 15,000 hours collectively. In addition to the volunteer time-off, Genworth's Corporate Social Responsibility team identifies and organizes volunteer opportunities specifically for Genworth employees, which can be environmentally focused. In 2019, Genworth employees volunteered over 100 hours working on environmentally-focused initiatives that addressed education, conservation, protection, beautification and environmental quality. |
| All employees | Non-monetary reward | Other (please specify) (Matching Gifts) | The Genworth Foundation Matching Gifts program encourages employees to contribute to qualifying charitable organizations to improve the communities in which they live and work. Employees are eligible for a 50% matching gift on any qualified donation up to $5,000 per calendar year ($10,000 for Genworth officers and the Genworth Financial Board of Directors). In 2019, the Genworth Foundation offered a special giving opportunity on Earth Day with a 100% matching gift to the Earth Day Network. Genworth contributed over $40,000 to environmentally focused non-profit organizations, many of which focus on conservation efforts, through employee and director personal contributions and the Genworth Foundation matching gifts. |
| Other, please specify (Employees in specific locations) | Non-monetary reward | Emissions reduction project | Employees at the Genworth Richmond, Virginia, Lynchburg, Virginia and Raleigh, North Carolina locations who own a hybrid vehicle are provided access to charging stations while at work at no additional charge or fee. |

## C-FS1.4

### (C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

| | We offer an employment-based retirement scheme that incorporates ESG principles, including climate change. | Comment |
|---|---|---|
| Row 1 | No | |

# C2. Risks and opportunities

## C2.1

### (C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

## C2.1a

### (C2.1a) How does your organization define short-, medium- and long-term time horizons?

| | From (years) | To (years) | Comment |
|---|---|---|---|
| Short-term | 0 | 1 | We evaluate risks related to climate-related incidents, such as flooding, tornados, hurricanes, and snow. We may also consider the risk of fire at facilities during droughts, as well as railway ground erosion due to droughts or flooding. |
| Medium-term | 1 | 3 | We evaluate risks related to climate-related incidents, such as flooding, tornados, hurricanes, and snow. We may also consider the risk of fire at facilities during droughts, as well as railway ground erosion due to droughts or flooding. Climate-related issues associated with coal, nuclear, gas, etc. could affect our businesses if individuals experience job lost as a result and are unable to make insurance payments (Life, LTC, or mortgage). |
| Long-term | 3 | 15 | We evaluate risks related to climate-related incidents, such as flooding, tornados, hurricanes, and snow. We may consider the risk of fire at facilities during droughts, as well as railway ground erosion due to droughts or flooding. Climate-related issues associated with coal, nuclear, gas, etc. could affect our businesses if individuals experience job lost as a result and are unable to make insurance payments (Life, LTC, or mortgage). |

## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

When identifying and assessing climate-related risks, Genworth defines substantive or strategic impact on our business as an impact to net income over $5MM. Amounts over $5MM would have a penny or more impact to Genworth earnings per share and may raise stakeholder concern.

## C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**
Direct operations
Upstream
Downstream

**Risk management process**
Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**
Annually

**Time horizon(s) covered**
Short-term
Medium-term
Long-term

**Description of process**
Genworth has developed a comprehensive, multi-disciplined enterprise risk management program, which includes assessments of risk appetite, risk tolerance limits, along with risk identification, quantification, governance processes and applicable policies and procedures. The assessment evaluates our direct operations as well as inputs and impacts up and down stream. Identification, Assessment and Mitigation: During the risk identification process, we evaluate, as applicable, markets, customers and customer behavior, macroeconomic and environmental conditions, catastrophic occurrences and potential changing paradigms that are publicly available or otherwise accessible, among other things. This assessment is made across a spectrum of standard risk categories and time horizons. Genworth's enterprise risk management program also includes processes to monitor, measure, control, mitigate and report the types of risks to which the Company is subject. On an ongoing basis, we regularly review our risk management programs to ensure that they are aligned with evolving global best market practices. Climate-related risks identified through this process are prioritized based on the following criteria: the likelihood of the risks occurring, the severity of the potential impact, and the resources required to appropriately mitigate and manage the risks. Genworth considers as substantive those risks that potentially could result in an impact to net income of over $5MM, which equates to a ~$0.01 earnings per share impact. The Company's risk mitigation processes vary according to the risk type and the potential magnitude of the impacts. Climate-related risks liability risks are most directly applicable to our Mortgage Insurance business, Genworth first assesses the ability of the Property and Casualty (P&C) industry to pay claims to cover natural disasters, such as forest fires and floods, since property value losses resulting from natural disasters must be borne by P&C insurance for the loans we insure, according to our Master Policy. As the severity of natural disasters increases with climate change, Genworth regularly monitors the P&C industry to ensure that it is keeping pace with potential exposure in this area and is able to pay the claims associated with natural disasters. Due to the nature of the P&C industry, we conduct a quantitative assessment of the risk of geographies susceptible to certain climatic events, such as wildfires and hurricanes. To respond to potential loan delinquencies or losses, we may post appropriate reserves to account for the related increase in risks of default and claims on our mortgage insurance policies. We may also adjust new business pricing accordingly. We have provided an example of how the risk management process is applied to one of the risk categories we assess – operational/physical risks. Genworth's ability to deliver on our commitment to policyholders is heavily dependent on consistent operation of our Customer Service Centers. We identified operational/physical risks related to an increased frequency of catastrophic weather events, such as snowstorms, tornados, and hurricanes. Under our current prioritization process, we have classified the likelihood of this risk as 'about as likely as not' of occurring within a 1- to 3-year (medium) time horizon. Increased severity of extreme weather events may have the potential to cause operational disruptions, reputational risks, increased capital costs related to the restoration of damaged property, and employee benefit costs related to the increased risk of injury. In order to mitigate these potential risks, Genworth invested $570,000 to implement Business Continuity Plans and remote capabilities, including a Work From Home Policy, for all associates to allow them to work remotely should we encounter extreme weather-related events. We also have assessed the impact of an operational disruption incurred by one of our third-party suppliers, particularly those with whom we contract to provide services directly to our policyholders. To mitigate this particular risk, Genworth's Sourcing Team conducts periodic reviews of select third-party service providers, who we require to have a business continuity/disaster recovery plan. We also seek to ensure they are following applicable environmental laws and regulations. In addition, Genworth mobilizes the Enterprise Risk Management team to receive and analyze feedback from customers, who directly influence whether our company has a positive or negative reputation. Responsibility for climate-related opportunities associated with our work facilities is decentralized and managed at each work site. For example, the various facility managers have ownership over climate-sensitive building improvements, such as LED lighting replacements, for the buildings they oversee. New energy-efficient equipment replacements are implemented when the older equipment becomes obsolete or is no longer being supported by the suppliers. The operations teams in our respective businesses lead our efforts to identify climate-related process opportunities, such as the development of online platforms like MyGenworth that permit customers to engage with us in a paperless environment and reduce our overall carbon footprint.

## C2.2a

### (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

| | Relevance & inclusion | Please explain |
|---|---|---|
| Current regulation | Relevant, sometimes included | Our insurance operations are subject to a wide variety of laws and regulations and extensive regulatory oversight. Genworth's Risk Framework considers risks that pose a material threat to the viability of the Corporation, which includes current requirements imposed by, and potential changes to, the regulatory environment in which we operate. State insurance laws regulate most aspects of our U.S. insurance businesses. Our insurance subsidiaries are regulated by the insurance departments of the states in which they are domiciled and licensed. US Mortgage insurance is subject to a Master Policy Agreement with the GSEs. Changes in the Master Policy regarding Property and Casualty insurance, as well as capital calculations based on FEMA disaster areas, can impact our competitiveness. The Australia mortgage insurance business is subject to APRA's climate reporting requirements. "Cap and Trade" systems represent an example of another climate regulation. Specifically, the California Cap-and-Trade Program would be classified under our Risk Framework assessments as a Credit Risk. The California Cap-and-Trade Regulation would not directly impact Genworth as we are not considered a significant GHG emitter. However, it may indirectly result in reduced revenues from lower sales output if our large GHG emitting customers are unable to satisfy their contractual obligations. |
| Emerging regulation | Relevant, sometimes included | Genworth's Risk Framework considers risks that pose a material threat to the viability of the Corporation, including emerging regulations. An example of an emerging regulation that is included in our climate-related risk assessment is the "Cap and Trade" systems; under our Risk Framework assessments, this regulation would be classified as a Credit Risk. The California Cap-and-Trade Regulation would not directly impact Genworth as we are not considered as a significant GHG emitter. However, it may indirectly result in reduced revenues from lower sales output if our large GHG emitting customers are unable to satisfy their contractual obligations. |
| Technology | Relevant, sometimes included | Technology risks are included in our Risk Framework assessments. We believe it is important to reduce the environmental impacts associated with our business activities and to work towards environmental sustainability. Under our Risk Framework, we consider climate-related technology risks as Operational Risks. An example of a technology risk would be if governments and regulators were to implement mandates requiring the use of renewable resources or energy efficiency equipment with minimum energy efficiency ratings. These additional requirements may increase our capital costs related to installation of renewable resources or energy efficient equipment replacements. In both our Mortgage Insurance and U.S. Life businesses, there has been a significant transition away from paper to digital processing reducing the overall carbon footprint. |
| Legal | Relevant, sometimes included | As an owner and operator of real property, we are subject to extensive U.S. federal and state and non-U.S. environmental laws and regulations. Legal risks are assessed through our Risk Framework, and classified under various risk types, such as Insurance, Property and Operational Risks. Potential environmental liabilities and costs in connection with any required remediation of our properties is also an inherent risk in property ownership and operation. For example, increased severity of extreme weather events, such as severe snowstorms, may potentially affect our Richmond, Virginia and Lynchburg, Virginia work sites, causing potential increases in capital costs and operating costs related to equipment replacement and insurance costs. In addition, we hold equity interests in companies, and have made loans secured by properties, that could potentially be subject to environmental liabilities. We routinely conduct environmental assessments during diligence for real estate we are planning to acquire for investment purposes as well as real property to be acquired through foreclosure. We cannot provide assurance that unexpected environmental liabilities will not arise. However, based upon information currently available to us, we believe that any costs associated with compliance with environmental laws and regulations, or any remediation of such properties, will not have a material adverse effect on our business, financial condition or results of operations. |
| Market | Relevant, sometimes included | We regularly consider and assess Market Risks through our Risk Framework. These risks are generally classified under the Market/Liquidity Risk type. Genworth partners with third-party service providers who may be directly impacted by negative climate-related developments. Our reputation as a leading financial long-term care insurance organization and the value of our market share may be indirectly impacted if our third-party suppliers are found to engage in poor environmental practices, especially as consumer preferences shift toward environmentally-friendly products and services. Accordingly, Genworth conducts annual reviews of our top third-party suppliers to ensure we partner with suppliers who are compliant with environmental practices. Investments in certain industry segments, specifically oil and gas, are periodically impacted by natural disasters attributed to climate change. The investments group has clearly defined triggers which alert them to the need to consider potential asset reallocation decisions to lower the risk of holding investments negatively impacted by these climate-related incidents. |
| Reputation | Relevant, sometimes included | Our relationships with our customers may influence both the amount of business they conduct directly with us. Banks and mortgage lenders are the primary customers of our Mortgage Insurance business, so their willingness to continue to approve us as a mortgage insurance provider for loans that they purchase is critically important to our continued success. The loss of current business from significant customers could adversely affect our ability to write new business and, consequently, our financial condition and operational results. As part of our climate-related risk assessment, we consider reputational risks to be classified under Market Risks. Genworth sometimes contracts with third-party service providers who may be directly impacted by negative climate-related developments. Our reputation as a leading financial long term care insurance organization, and the value of our market share, may be indirectly impacted if we engage third-party suppliers who do not have robust environmental practices. Investment holdings of non-climate friendly corporations, specifically within the fossil fuel industry, may cause reputational damage to Genworth if they are viewed as an entity unconcerned with ESG issues. |
| Acute physical | Relevant, sometimes included | We assess acute physical risks through our Risk Framework and classify them under Operational Risks. Genworth is exposed to various risks arising from natural disasters, including earthquakes, hurricanes, floods and tornadoes. For example, a natural disaster, such as a hurricane, could disrupt our computer systems and our ability to conduct or process business. It also could lead to unexpected changes in persistency rates as policyholders and contract holders who are affected by the disaster may be unable to meet their contractual obligations, such as payment of premiums on our insurance policies, deposits into our investment products, and mortgage payments on loans insured by our mortgage insurance policies. They could also significantly increase our mortality and morbidity experience above the assumptions we used in pricing our insurance and investment products. A natural disaster could trigger an economic downturn in the geographic areas directly or indirectly affected by the disaster. These consequences could, among other things, result in a decline in business and increase in delinquencies from those areas, leading to increased incurred loss experience in our mortgage insurance businesses. Disasters also could disrupt public and private infrastructure, including communications and financial services, which could impact our normal business operations. |
| Chronic physical | Relevant, sometimes included | We assess chronic physical risks through our Risk Framework and classify them under Emerging Risks. Genworth could be exposed to a longer-term shift in climate patterns: global warming, changes in sea levels, persistent drought, and increased frequency of natural disasters. As a long-term care insurance company, Genworth assumes long-tail risk. Longer term shifts in climate patterns, such as rising temperatures and sea level rise, could have a significant impact on this business. Since we rely on historical results to price future liabilities, a longer-term shift in climate patterns could lead to an increase in our mortality and morbidity experience in life and long-term care, above the assumptions we used in pricing our insurance products - health impacts associated with climate change could affect mortality and morbidity trends. This occurrence could significantly impact our business results. In the shorter term, climate-related risks also could lead to unexpected changes in persistency rates, as policyholders affected by a natural disaster may be unable to satisfy their contractual obligations, such as payment of premiums. Increased coastal hurricane activity, for example, could gradually, but steadily, result in economic deterioration: home price depreciation, lower origination, and lower tax revenues in areas where we have mortgage insurance exposure. Consequently, we could, among other things, experience a decline in business and increase in claims from those areas which could lead to increased loss experience in our mortgage insurance businesses. A longer-term shift in climate patterns could also disrupt investment in business, housing, and infrastructure resulting in changes in demographics, family formation and consumer behavior – the exact results of which are being assessed and evaluated as an Emerging Risk. |

## C-FS2.2b

**(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?**

| | We assess the portfolio's exposure | Please explain |
|---|---|---|
| Bank lending (Bank) | <Not Applicable> | <Not Applicable> |
| Investing (Asset manager) | <Not Applicable> | <Not Applicable> |
| Investing (Asset owner) | Yes | Climate-related information is currently evaluated in the diligence process by our external advisors for the alternative assets, middle market loans, and commercial real estate holdings in our investment portfolio. We also closely monitor trends specific to the Utilities (i.e. shifts in energy sources) and Energy sectors (i.e. regulatory impacts). Investments in certain industry segments, specifically oil and gas, are periodically impacted by natural disasters attributed to climate change. The Investments group has clearly defined triggers which alert them to the need to consider potential asset reallocation decisions to lower risk of holding investments negatively impacted by these climate-related incidents. |
| Insurance underwriting (Insurance company) | Yes | As a mortgage insurer, Genworth assesses the ability of the Property and Casualty (P&C) industry to pay claims to cover natural disasters, such as forest fires and floods since property value losses resulting from natural disasters must be borne by P&C insurance for the loans we insure, according to our Master Policy. As the severity of natural disasters increases with climate change, Genworth regularly monitors the P&C industry to ensure that it is keeping pace with potential exposure in this area and is able to pay the claims associated with natural disasters. Due to the nature of the P&C industry, a quantitative assessment of the risk of susceptible geographies to certain climatic events, such as wildfires and hurricanes, is conducted and evaluated. As a long term care insurance company, Genworth assumes long-tail risk. Longer term shifts in climate patterns could have a significant impact on this business. Since we rely on historical results to price future liabilities, a longer-term shift in climate patterns could lead to an increase in our mortality and morbidity experience in life and long-term care, above the assumptions we used in pricing our insurance products - health impacts associated with climate change could affect mortality and morbidity trends. This occurrence could significantly impact our business results. In the shorter term, climate-related risks also could lead to unexpected changes in persistency rates, as policyholders affected by a natural disaster may be unable to satisfy their contractual obligations, such as payment of premiums. Our assumptions are evaluated annually by an Assumption Governance Committee that includes actuarial leaders, business leaders, the Enterprise CRO and CFO, to determine if modifications are required. |
| Other products and services, please specify | Not applicable | |

## C-FS2.2c

**(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.**

| | Portfolio coverage | Assessment type | Description |
|---|---|---|---|
| Bank lending (Bank) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Investing (Asset manager) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Investing (Asset owner) | Minority of the portfolio | Qualitative | Climate-related risks are currently evaluated in the diligence process by our external advisors for our investment portfolio in the following areas: Alternative Assets – Advisors analyse ESG platforms of private equity managers and portfolio companies; Middle Market Loans – Genworth's advisor evaluates the current and potentially future ESG impact on a company's creditworthiness; and Commercial Real Estate – We routinely conduct environmental assessments during diligence for real estate we are planning to acquire for investment purposes as well as real property to be acquired through foreclosure. We also closely monitor trends specific to the Utilities (i.e. shifts in energy sources) and Energy sectors (i.e. regulatory impacts). Investments in certain industry segments, specifically oil and gas, are periodically impacted by natural disasters attributed to climate change. The Investments group has clearly defined triggers which alert them to the need to consider potential asset reallocation decisions to lower the risk of holding investments negatively impacted by these climate-related incidents. The Company has several long-tail liabilities associated with insurance products in its U.S. Life Insurance business and must employ appropriate investment strategies to pursue optimal asset/liability matching. |
| Insurance underwriting (Insurance company) | Majority of the portfolio | Qualitative and quantitative | While the insurance underwriting portfolio of Genworth's Global Mortgage Insurance (GMI) platform is most susceptible to climate-related risks and opportunities, our U.S. Life Insurance business portfolio also has exposure. These businesses together represent almost all of Genworth's insurance underwriting portfolio. Genworth's 2019 earnings were primarily driven by our GMI business platform, where the majority of our climate related risks lie. For our mortgage insurance businesses, there are three levels of climate related risk assessments: (i) Primary: Our Master Policy contractually requires that property value loss due to natural disasters is borne by P&C coverage. Hence, we endeavor to ensure that such coverage exists, and the insurer is able to pay those claims. Additionally, we account for a potential spike in delinquencies and hardships during natural disasters, often resulting from job loss, by posting appropriate reserves for the possibility of default and, ultimately, claims on our mortgage insurance policies. Past natural disasters such as Hurricanes Katrina (2005), Harvey (2017), and Irma (2017) have resulted in a 5-15 times higher delinquencies than normal rates in those geographies. These risks are discussed at various forums, including the annual in-force reviews that occur at the GMI Risk Committee meetings attended by the GMI CEO, CFO, CRO, General Counsel, and the CEOs of our Mortgage Insurance businesses in the U.S. and Australia. In addition, key metrics (new business, delinquencies, etc.) are monitored at monthly meetings of this Committee. ii) Secondary: There is a potential for the new insurance volumes to shift permanently in geographies often affected by climate change events as those locations become less desirable for employers and homebuyers. (iii) Tertiary: Home-prices can be permanently impacted as locations often affected by climate-related events become unaffordable due to excessive P&C premiums. As a long term care insurance company, Genworth assumes long-tail risk. Longer term shifts in climate patterns could have a significant impact on this business. Since we rely on historical results to price future liabilities, a longer-term shift in climate patterns could lead to an increase in our mortality and morbidity experience in life and long-term care, above the assumptions we used in pricing our insurance products - health impacts associated with climate change could affect mortality and morbidity trends. This occurrence could significantly impact our business results. In the shorter term, climate-related risks also could lead to unexpected changes in persistency rates, as policyholders affected by a natural disaster may be unable to satisfy their contractual obligations, such as payment of premiums. Our assumptions are evaluated annually by an Assumption Governance Committee that includes actuarial leaders, business leaders, the Enterprise CRO and CFO, to determine if modifications are required. |
| Other products and services, please specify | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## C-FS2.2d

**(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?**

| | We assess the portfolio's exposure | Portfolio coverage | Please explain |
|---|---|---|---|
| Bank lending (Bank) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Investing (Asset manager) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Investing (Asset owner) | Yes | Minority of the portfolio | Water-related risks are currently evaluated in the diligence process by our external advisors for our investment portfolio in the following areas: Alternative Assets – Advisors analyse ESG platforms of private equity managers and portfolio companies; Middle Market Loans – Genworth's advisor evaluates the current and potentially future ESG impact on a company's creditworthiness; and Commercial Real Estate – We routinely conduct environmental assessments during diligence for real estate we are planning to acquire for investment purposes as well as real property to be acquired through foreclosure. We also closely monitor trends specific to the Utilities (i.e. shifts in energy sources) and Energy sectors (i.e. regulatory impacts). Investments in certain industry segments, specifically oil and gas, are periodically impacted by natural disasters attributed to climate change. The Investments group has clearly defined triggers which alert them to the need to consider potential asset reallocation decisions to lower the risk of holding investments negatively impacted by these climate-related incidents. The Company has several long-tail liabilities associated with insurance products in its U.S. Life Insurance business and must employ appropriate investment strategies to pursue optimal asset/liability matching. |
| Insurance underwriting (Insurance company) | Yes | Majority of the portfolio | While the insurance underwriting portfolio of our Global Mortgage Insurance (GMI) platform is most susceptible to water-related risks, our U.S. Life Insurance business platform also has exposure. Together, these businesses represent almost all of Genworth's insurance underwriting portfolio. For GMI, there are three levels of climate-related risk assessments that include water-related risks; (i) Our Master Policy contractually requires that property value loss due to natural disasters is borne by P&C coverage. Flooding and other water-related risks are included in our risk assessments and are borne by P&C coverage. Hence, we endeavor to ensure that such coverage exists, and the insurer can pay those claims. We account for potential spikes in delinquencies and hardships during natural disasters, often caused from job loss, by posting appropriate reserves for the possibility of default and, ultimately, claims. Natural disasters such as Hurricanes Katrina (2005), Harvey (2017), and Irma (2017) have resulted in 5-15 times higher delinquencies than normal in those geographies. These risks are discussed at various forums, including the annual in-force reviews at the GMI Risk Committee meetings attended by the GMI CEO, CFO, CRO, General Counsel, and the CEOs of our MI businesses in the U.S. and Australia. Key metrics (new business, delinquencies, etc.) also are monitored at monthly Committee meetings. (ii)There is potential for the new insurance volumes to shift permanently in geographies often affected by climate change events as those locations become less desirable for employers and home-buyers. (iii) Home-prices can be permanently impacted as locations often affected by climate-related events become unaffordable due to excessive P&C premiums. As a long term care insurer, we assume long-tail risk. Since we rely on historical results to price future liabilities, a longer-term shift in climate patterns could increase in our mortality and morbidity experience in life and long-term care, above the assumptions used in pricing. Water-related risks also could lead to unexpected changes in persistency rates, if policyholders affected by a natural disaster are unable to satisfy contractual obligations, such as premium payment. Assumptions are evaluated annually by an Assumption Governance Committee that includes actuarial and leaders, the Enterprise CRO and CFO. |
| Other products and services, please specify | Not applicable | <Not Applicable> | |

## C-FS2.2e

**(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?**

| | We assess the portfolio's exposure | Portfolio coverage | Please explain |
|---|---|---|---|
| Bank lending (Bank) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Investing (Asset manager) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Investing (Asset owner) | Yes | Minority of the portfolio | Forests-related risks are currently evaluated in the diligence process by our external advisors for our investment portfolio in the following areas: Alternative Assets – Advisors analyse ESG platforms of private equity managers and portfolio companies; Middle Market Loans – Genworth's advisor evaluates the current and potentially future ESG impact on a company's creditworthiness; and Commercial Real Estate – We routinely conduct environmental assessments during diligence for real estate we are planning to acquire for investment purposes as well as real property to be acquired through foreclosure. We also closely monitor trends specific to the Utilities (i.e. shifts in energy sources) and Energy sectors (i.e. regulatory impacts). Investments in certain industry segments, specifically oil and gas, are periodically impacted by natural disasters attributed to climate change. The Investments group has clearly defined triggers which alert them to the need to consider potential asset reallocation decisions to lower the risk of holding investments negatively impacted by these climate-related incidents. The Company has several long-tail liabilities associated with insurance products in its U.S. Life Insurance business and must employ appropriate investment strategies to pursue optimal asset/liability matching. |
| Insurance underwriting (Insurance company) | Yes | Majority of the portfolio | The insurance underwriting portfolio of Genworth's Global Mortgage Insurance (GMI) platform is most susceptible to climate-related risks and opportunities. Genworth's 2019 earnings were primarily driven by our Global Mortgage Insurance business platform, where the majority of our climate related risks lie. For our mortgage insurance businesses, there are three levels of climate related risk assessments that include fire-related risks: (i) Primary: Our Master Policy contractually requires that property value loss due to natural disasters is borne by P&C coverage. Forest fires are considered integral to our risk assessments and are considered under natural disasters and are borne by P&C coverage. Hence, we endeavor to ensure that such coverage exists, and the insurer is able to pay those claims. We account for a potential spike in delinquencies and hardships during natural disasters (including fire-related events), often resulting from job loss, by posting appropriate reserves for the possibility of default and, ultimately, claims on our mortgage insurance policies. These risks are discussed at various forums, including the annual in-force reviews that occur at the GMI Risk Committee meetings attended by the GMI CEO, CFO, CRO, General Counsel, and the CEOs of our Mortgage Insurance businesses in the U.S. and Australia. In addition, key metrics (new business, delinquencies, etc.) are monitored at monthly meetings of this Committee. (ii) Secondary: There is a potential for the new insurance volumes to shift permanently in geographies often affected by climate change events as those locations become less desirable for employers and home-buyers. (iii) Tertiary: Home-prices can be permanently impacted as locations often affected by climate-related events become unaffordable due to excessive P&C premiums. |
| Other products and services, please specify | Not applicable | <Not Applicable> | |

## C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

| | We request climate-related information | Please explain |
|---|---|---|
| Bank lending (Bank) | <Not Applicable> | <Not Applicable> |
| Investing (Asset manager) | <Not Applicable> | <Not Applicable> |
| Investing (Asset owner) | Yes, for some | Climate-related information currently is evaluated in the diligence process for our investments in the following areas: Alternative Assets – Advisors analyse ESG platforms of private equity managers and portfolio companies; Middle Market Loans – Genworth's advisor evaluates the current and potentially future ESG impact on a company's creditworthiness; and Commercial Real Estate – We routinely conduct environmental assessments during diligence for real estate we are planning to acquire for investment purposes as well as real property to be acquired through foreclosure. We also closely monitor trends specific to the Utilities (i.e. shifts in energy sources) and Energy sectors (i.e. regulatory impacts). |
| Insurance underwriting (Insurance company) | No, but we plan to do so in the next two years | This question would primarily be applicable to our mortgage insurance business rather than our U.S. Life business, where our clients are consumers. In our mortgage insurance business, we do not currently request climate-related information from our clients, who are banks and mortgage lenders. However, Genworth Financial acknowledges and understands the importance of considering and managing climate-related risks within our clients/investees portfolios' to properly valuate and account for the full risk profile. We plan to start requesting this information and engaging with our clients on these matters in the next 2 years as part of our continuous development and enhancement of our risk assessment process. |
| Other products and services, please specify | Not applicable | |

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Legal | Other, please specify (Policy and legal: Increased pricing of GHG emissions) |

**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

GHG emissions regulations are in various stages of development in both the US and elsewhere in markets in which Genworth operates, including our Richmond, Virginia headquarters as well as Lynchburg, Virginia, where one of our Customer Service Center is located (our two largest branches). Governments and regulators are considering actions to reduce climate change impacts, such as regulating GHG emission; promoting energy efficiency and use of renewable resources; and implementing carbon taxation, "cap and trade" systems, or other measures. Actions such as these could have an indirect financial impact on Genworth, resulting in higher operating expenses, including higher facility costs, increased travel expenses, and higher insurance expenses. As we are a financial services company, regulations of this nature would not directly impact our business operations or revenue.

**Time horizon**

Long-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1000000

**Potential financial impact figure – maximum (currency)**

5000000

**Explanation of financial impact figure**
The estimated increased operating cost range of $1,000,000-$5,000,000 is calculated based on the combination of costs including higher facility costs, increased travel expenses, and higher insurance expenses. These expenses represent ~60%, ~5%, and ~30% respectively of the potential financial impact range. The estimated range includes 5% margin to account for higher or unanticipated expenses, given the variability in circumstances and potential costs. The financial impact depends on the climatic sensitivity of the business, its location, and the management practices the business has in place.

**Cost of response to risk**
1000000

**Description of response and explanation of cost calculation**
To manage the risks of increased pricing of GHG emissions, Genworth has focused on implementing a variety of building energy efficiency initiatives. For example, Genworth has installed more energy efficient chillers, all LED lights in our facilities, a more energy efficient roofing system in our Lynchburg office and changed the process to an automated process for managing the climate levels inside our buildings (how we heat and cool the facility) resulting in significant savings of kilowatt hours used for each of the past 10 years. The $1,000,000 cost of management is calculated based on the cost of the chiller installation and LED lighting at various Genworth offices and the cost of the energy efficient roofing system installed at our Lynchburg office.

**Comment**

---

**Identifier**
Risk 2

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Acute physical | Increased severity and frequency of extreme weather events such as cyclones and floods |

**Primary potential financial impact**
Increased capital expenditures

**Climate risk type mapped to traditional financial services industry risk classification**
Operational risk

**Company-specific description**
Genworth's ability to deliver on our commitment to policyholders is heavily dependent on consistent operation of our Customer Service Centers. The two hubs for these operations are located in Richmond, Virginia, and Lynchburg, Virginia, which are approximately 110 miles apart and sometimes are affected by similar weather conditions. Recently, these geographical locations have been subject to more frequent tornados and other severe weather events. A further increase in the frequency or severity of catastrophic weather or other natural events, resulting in large part from climate change, could cause us to encounter operational disruptions, reputational risks, increased capital costs related to the restoration of damaged property, and employee benefit costs related to the increased risk of injury. Specifically, the business could experience an interruption in new business processing, claims processing and other customer service-related activities for our U.S. Life Insurance business operations. Our mail facilities also are located in these two sites for this business segment, which could result in limited access to mail or other vital information critical to our ability to transact business. The company may also incur increased capital expenditures to repair or replace facilities or equipment in addition to other increases in operating expenses, including higher (1) property insurance, (2) energy costs, or (3) employee benefits insurance costs associated with the increased risk to employees on our campuses and otherwise.

**Time horizon**
Medium-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Low

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
1000000

**Potential financial impact figure – maximum (currency)**
5000000

**Explanation of financial impact figure**
The estimated financial impact ranges from $1,000,000-$5,000,000 and is calculated based on the outcome of our risk assessment, which includes an assessment of the likelihood of occurrence of a particular risk and the severity of its financial impact. Specifically, the company may incur increased capital expenditures to repair or replace facilities or equipment (~40% of the potential financial impact range) in addition to other increases in operating expenses, including higher (1) property insurance, (2) energy costs, or (3) employee benefits insurance costs associated with the increased risk to employees on our campuses and otherwise. These costs represent ~30%, ~20%, and ~3% respectively of the potential financial impact range. The estimated range includes ~7% margin to account for higher or unanticipated expenses, given the variability in both circumstances and potential costs.

**Cost of response to risk**
570000

**Description of response and explanation of cost calculation**
To manage the impact of these events, Genworth has implemented programs and policies, such as the Work from Home Policy and the Safety Training, for all associates. As it pertains to fire related incidents, Genworth invests $550,000 every 5 years ($110,000.00 per year) so employees are able to log into our systems from home. We also provide stipends for many of our employees who primarily work remotely to cover internet costs (roughly $325,000 per year) as well as network enabled phones to take calls (an additional $135,000) to mitigate risks associated with weather-related incidents. (Total Cost per year – $110,000 + $325,000 + $135,000 = $570,000).

**Comment**

---

**Identifier**
Risk 3

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Reputation | Increased stakeholder concern or negative stakeholder feedback |

**Primary potential financial impact**
Other, please specify (Reduced stock price (market valuation))

**Climate risk type mapped to traditional financial services industry risk classification**
Reputational risk

**Company-specific description**
Genworth partners with several third-party service providers in the normal course of business that often are more directly impacted by the potential for climate-related developments. Some are engaged as third-party administrators and provide services directly to our customers on Genworth's behalf. Beyond the operational risks, which should be mitigated by the business continuity/disaster recovery plans that we evaluate for select suppliers, potential affiliation with suppliers who do not have robust environmental practices may result in (1) the need to transition these services to other providers or to bring them inhouse, or (2) negative publicity for Genworth, and both of which present significant reputational risk. Under these circumstances, Genworth could incur considerable expense to manage a service transition, and our stock price and overall market valuation may decrease, or otherwise be impacted by an increase in volatility. The amount of additional expense, or extent of any potential stock price variation, would depend on the specific circumstances surrounding the event.

**Time horizon**
Medium-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Low

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
1000000

**Potential financial impact figure – maximum (currency)**
5000000

**Explanation of financial impact figure**
For select suppliers, we consistently monitor activity to stay informed about their business operations. Should an environmental issue arise that is highlighted publicly, we will evaluate the circumstances and take appropriate action to mitigate the impact. We have based our financial estimates on the outcome of our risk assessment, which includes an assessment of the likelihood of occurrence of a particular risk and the severity of its financial impact. We use a five-point scale for both likelihood and severity. Genworth developed its severity criteria, and the related financial impact ranges, for each scale (low through severe) after considering the impact of the risk to Genworth's reputation, operations, data integrity, information security and compliance. Given this criterion, we rated this risk as 'Medium' with a financial impact between $1,000,000-$5,000,000. We have considered the costs associated with managing a service transition, and the fact that our stock price and overall market valuation may decrease, or otherwise be impacted by an increase in volatility related to the reputational risk we have described. The amount of additional expense, or extent of any potential stock price variation, would depend on the specific circumstances surrounding the event. The financial impact range we have assigned relates to potential transitional expenses associated with a disruption in third-party servicing and the associated mitigation. However, we recognize that an incident of this kind could result in stock price variation in the range of potentially 0 to 10%, depending on the circumstances and the scope/materiality of the third-party service provider's engagement. (At the end of 2019, Genworth's stock was valued at approximately $4.40 per share). Due to mitigation efforts, we do not believe an incident of this kind would result in a permanent decrease in valuation, and therefore have not accounted for this in the financial impact figures.

**Cost of response to risk**
810000

**Description of response and explanation of cost calculation**
While the impact from an event of this kind is largely reputational, as opposed to financial, we consider a supplier's environmental practices and disaster recovery capabilities as part of our review process during supplier selection. We consider the absence of a clear position or an unsatisfactory finding in this area as we assess potential suppliers. We require select third-party service providers to have a business continuity/disaster recovery plan, and we conduct periodic reviews of these suppliers. The "cost of response to risk" figure ($810,000) represents the resources used to conduct, compile, and complete the annual business reviews for select third party service providers.

**Comment**

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**
Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**
Opp1

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Resilience

**Primary climate-related opportunity driver**
Resource substitutes/diversification

**Primary potential financial impact**
Reduced indirect (operating) costs

**Company-specific description**
Regulatory changes may foster development of new investment instruments that we can add to our investment portfolios to enhance returns and asset-liability management activities. Regulation that promotes the development of cost-effective renewable energy sources or funnels research funds to identify break-through sustainable energy technologies someday may result in lower future operating costs, reduced GHG emissions and additional technology-driven advances in data processing. For example, we have the opportunity to provide solar electricity at our Richmond, Virginia facility. We currently have reduced our electricity consumption in Richmond by 15,096,474 kWh over the past 7 years. Potential developments in cost-effective renewable energy at our Richmond facility may result in further reductions in electricity consumption and reduce our operating costs.

**Time horizon**
Long-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
Development of new investment instruments and resource substitutes, such as renewable energy, may result in lower operating costs. We are unable to calculate any financial impact figures at this time.

**Cost to realize opportunity**
0

**Strategy to realize opportunity and explanation of cost calculation**
Genworth's Legal, Compliance and Government Relations departments continually monitor regulatory changes as part of normal business procedures to identify proposed, pending, and adopted regulations that impact our businesses. We currently do not have available calculations for the cost to realize opportunity, therefore the information provided is 0.

**Comment**

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**Identifier**
Opp2

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Energy source

**Primary climate-related opportunity driver**
Use of lower-emission sources of energy

**Primary potential financial impact**
Reduced indirect (operating) costs

**Company-specific description**
We believe that commitment, coupled with a responsible approach to environmental preservation, are critical to building trust and creating long term value for all of our stakeholders – including consumers, distribution partners, employees and investors. Our approach to reducing our environmental impacts includes replacing older energy-intensive equipment at our office buildings with equipment that is more energy-efficient. Over the past 7 years, we have reduced the energy consumption at our Lynchburg facility by 1,816,400 kWh, with a reduction of 222,400 kWh from 2018 to 2019. This would result in reduced operating costs associated with lower energy consumption.

**Time horizon**
Long-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
The use of lower-emission sources of energy, such as more energy efficient chillers and lighting, may result in reduced operating costs. We are unable to calculate any financial impact figures at this time.

**Cost to realize opportunity**
150000

**Strategy to realize opportunity and explanation of cost calculation**
As part of Genworth's environmental policy, we seek to mitigate environmental impacts through implementing measures designed to promote energy efficiency and water and resource conservation. For example, at our Lynchburg facility, we have upgraded our chiller and heating system, as well as our building automation system. Through our efforts, we have reduced electricity consumption at our Lynchburg facility by 9,774,901 kWh over 11 years. $150,000 is based on the cost of the replacement of our chillers.

**Comment**

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**Identifier**
Opp3

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Products and services

**Primary climate-related opportunity driver**
Development of new products or services through R&D and innovation

**Primary potential financial impact**
Other, please specify (Better competitive position to reflect shifting consumer preferences, resulting in increased revenues)

**Company-specific description**
Genworth is committed to developing programs designed to assist customers in reducing environmental impacts, such as paper use. For example, we developed the MyGenworth online platform in 2018, which permits customers to access their information and transfer documents electronically. Prior to 2018, we implemented DocuSign, an automated tool that permits policyholders to affix a digital signature to a form instead of a traditional ink signature (this process eliminated the previous requirement for paper transmission between Genworth and our U.S. Life Insurance policyholders). Within the last 5 months of 2018, Genworth began tracking the number of MyGenworth document submissions. Including DocuSign transactions, paperless submissions for 2018 totalled 206,479 - documents uploaded that otherwise would have been printed and mailed to Genworth. In 2019, we received 289,032 submitted using these paperless platforms. In 2019, we also launched online capabilities to enable long term care customers to make paperless selections if their policies were subject to rate increases. These capabilities were developed to make this process easier for the policyholders affected and, according to the survey data collected following the program's launch in April, 95% of the policyholders were satisfied with the ease of the process. We saw usage increase from 5 submissions in the month of April, when the initiative was launched, to a fourth quarter 2019 average of 259 submissions per month. These online platforms likely will continue to enhance our competitive position as they align with the preferences of those consumers who are environmentally-minded and are seeking eco-friendly, paperless options. Accordingly, they potentially could result in increased revenues.

**Time horizon**
Medium-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
The development of new products and services may indirectly result in increased revenues. We are unable to calculate any financial impact figures currently.

**Cost to realize opportunity**
0

**Strategy to realize opportunity and explanation of cost calculation**
Genworth Financial has been investing in the development of online platforms, such as MyGenworth, which permits customers to access their information and transfer documents electronically and DocuSign, an automated tool that permits policyholders to affix a digital signature to a form instead of a traditional ink signature. Within the last 5 months of 2018, Genworth began tracking the number of MyGenworth document submissions. Including DocuSign transactions, paperless submissions for 2018 totaled 206,479; documents uploaded that otherwise would have been printed and mailed to Genworth. In 2019, we received 289,032 submitted using these paperless platforms. Through these platforms, we have helped our customers reduce their paper usage. Moreover, they likely will continue to enhance our competitive position as they align with the preferences of those consumers who are environmentally-minded and are seeking eco-friendly, paperless options. Accordingly, they potentially could result in increased revenues.

**Comment**

## C3. Business Strategy

### C3.1

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes

### C3.1a

**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

### C3.1c

**(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?**

As an insurance holding company committed to helping families achieve the dream of homeownership and address the financial challenges of aging through its leadership positions in mortgage insurance and long-term care insurance, Genworth does not generate significant greenhouse emissions. Additionally, the risks of impact to our service offerings, associated with climate change scenarios, is less significant. The Sustainability Accounting Standards Board (SASB) considers environmental risks to Financial Services companies to be immaterial so we have not considered conducting a climate-related scenario analysis for Genworth.

As part of our global macroeconomic assumptions, Genworth does consider GDP growth, core inflation, unemployment rate, and home price appreciation in business strategy scenario analysis, all of which are impacted by climate-related factors.

We do not plan to implement climate-related scenario analysis in the next two years.

### C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

| | Have climate-related risks and opportunities influenced your strategy in this area? | Description of influence |
|---|---|---|
| Products and services | Yes | Climate-related risks and opportunities are considered when evaluating products and services in our mortgage insurance business. We account for a potential spike in delinquencies and hardships during natural disasters by posting appropriate reserves in case there is job loss as a result of the disaster event, which may lead to default and, ultimately, claims on our mortgage insurance policies. Past natural disasters such as Hurricanes Katrina (2005), Harvey (2017), and Irma (2017) have resulted in 5-15 times higher delinquencies than normal rates in those geographies. These risks are discussed at various forums, including the annual in-force reviews that occur at the GMI Risk Committee meetings attended by GMI CEO, CFO, CRO, General Counsel, and the CEOs of our Mortgage Insurance businesses in the U.S. and Australia. In addition, key metrics (new business, delinquencies, etc) are monitored at monthly meetings of this Committee. The incremental losses resulting from these natural disasters have not been material due to the nature of the mortgage insurance claims. New business insurance volumes may shift permanently in geographies often affected by climate change events as those locations become less desirable for employers and home-buyers. However, we have observed only temporary interruptions in new business in geographies affected by natural disasters followed by slightly higher economic activity due to rebuilding efforts. Over the long-term, home prices can be permanently impacted as locations often affected by climate-related events become unaffordable due to excessive P&C premiums. We have not observed any such permanent pricing anomalies, but we continue to monitor these. We would consider adjusting new business pricing accordingly. Overall, Genworth considers climate-related risks associated with our products and services to have a medium-term time horizon. |
| Supply chain and/or value chain | Yes | We have considered the possibility that climate-related risks, such as a severe weather event, could cause an operational disruption for one of our third-party suppliers, particularly those with whom we contract to provide services directly to our policyholders. To mitigate this particular risk, Genworth's Sourcing team requires third-party service providers to have business continuity/disaster recovery plans and conducts periodic reviews of select third-party service providers. In addition, Genworth mobilizes the Enterprise Risk Management team to receive and analyze feedback from customers, who directly influence whether our company has a positive or negative reputation. In 2019, Genworth did not engage new service providers, but our Sourcing team conducted 90 supplier reviews. During these reviews, the team did not identify any issues with the business continuity/disaster recovery plans for the select providers who are required to have them. We also assess the continued feasibility of outsourcing arrangements, considering a full spectrum of risk, in order to make informed choices that align with our strategic direction. Genworth considers climate-related risks associated with our supply chain and/or value chain to have a medium-term time horizon. |
| Investment in R&D | No | As an insurance holding company committed to helping families achieve the dream of homeownership and address the financial challenges of aging through its leadership positions in mortgage insurance and long-term care insurance, our investment in classic research and development is not as substantial as that of other companies in product-focused industries. As we look potentially to expand service offerings in our U.S. Life Insurance business, we will consider how climate-related severe weather conditions might disrupt the delivery of long-term care services and supports to those in need of these services. |
| Operations | Yes | We continue to develop paperless capabilities for customer transactions to enhance efficiencies, reduce our carbon footprint, and promote increasing comfort and acceptance among policyholders of a paperless environment. In 2018, we created a platform, called MyGenworth, which permits customers to access their information and transfer documents electronically. Prior to 2018, we implemented DocuSign, an automated tool that permits policyholders to affix a digital signature to a form instead of a traditional ink signature (this process eliminated the previous requirement for paper transmission between Genworth and our U.S. Life Insurance policyholders). During 2019, 289,032 documents were submitted either through the MyGenworth platform or DocuSign that otherwise would have been printed and mailed to Genworth. In August 2018, we began tracking document submissions through the MyGenworth platform and had a total of 206,479 documents uploaded, rather than printed and mailed. In 2019, we also launched online capabilities to enable long term care customers to make paperless selections if their policies were subject to rate increases. These capabilities were developed to make this process easier for the policyholders affected and, according to the survey data collected following the program's launch in April, 95% of the policyholders who used it were satisfied with the ease of this new process. We saw usage increase from 5 submissions in the month of April 2019, when it was launched, to a fourth quarter 2019 average of 259 submissions per month. Genworth also converted to the use of recyclable containers in our Richmond, Virginia and Lynchburg, Virginia cafeterias and changed default print setting to black and white to avoid unnecessary color printing. In our Raleigh, North Carolina site, the number of printers per floor of the building was reduced from 4 to 2 and recycle bins were added to all employee breakrooms (recycle bins already were in use in our Richmond, Virginia and Lynchburg, Virginia sites). Genworth considers climate-related risks associated with our operations to have a short-term time horizon. |

## C3.1e

**(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

| | Financial planning elements that have been influenced | Description of influence |
|---|---|---|
| Row 1 | Revenues<br>Indirect costs<br>Capital expenditures<br>Assets<br>Liabilities<br>Claims reserves | Revenues: Genworth acknowledges that disasters, whether natural or man-made, may have a potential indirect impact on our future business operations, negatively impacting our revenues. For climate-related risks, primarily applicable to our Mortgage Insurance business, a potential spike in delinquencies and hardships during natural disasters, often resulting from job loss, may lead to default and claims on our mortgage insurance policies, which will impact operating income. Past natural disasters such as Hurricanes Katrina (2005), Harvey (2017), and Irma (2017) have resulted in a 5-15 times higher delinquencies than normal rates in those geographies. These risks are discussed at various forums including the annual in-force reviews that occur at the GMI Risk Committee meetings attended by the GMI CEO, CFO, CRO, General Counsel, and the CEOs of our Mortgage Insurance businesses in the U.S. and Australia. In addition, key metrics (new business, delinquencies, etc.) are monitored at monthly meetings of this Committee. The incremental losses resulting from these natural disasters have not been material due to the nature of the mortgage insurance claims. We also could adjust new business pricing accordingly if required. New business insurance volumes may shift permanently in geographies often affected by climate change events as those locations become less desirable for employers and home-buyers. However, we have observed only temporary interruptions in new business in geographies affected by natural disasters followed by slightly higher economic activity due to rebuilding efforts. Over the long-term, home prices can be permanently impacted as locations often affected by climate-related events become unaffordable due to excessive P&C premiums. We have not observed any such permanent pricing anomalies, but we continue to monitor these. We would consider adjusting new business pricing accordingly. We anticipate that the identified risks and opportunities potentially could impact our products and services within a 5-10-year timeframe. Capital expenditures: Genworth has focused on implementing a variety of building energy efficiency initiatives. For example, Genworth has installed more energy efficient chillers, all LED lights in our facilities, a more energy efficient roofing system in our Lynchburg office and changed to an automated process for managing the climate levels inside our buildings (how we heat and cool the facility) resulting in significant savings of kilowatt hours used for each of the past 10 years. Our organization has replaced older energy-intensive equipment at our office buildings with equipment that is more energy-efficient. Over the past 7 years, we have reduced the energy consumption at our Lynchburg facility by 1,816,400 kWh, with a reduction of 222,400 kWh from 2018 to 2019. We expect these investments to continue to result in reduced operating costs associated with lower energy consumption. Assets: Climate-related risk are assessed as in the diligence process for our investments in the following areas: -Alternative Assets – Advisors analyse ESG platforms of private equity managers and portfolio companies; -Middle Market Loans – Genworth's advisor evaluates the current and potentially future ESG impact on a company's creditworthiness; and -Commercial Real Estate – We routinely conduct environmental assessments during diligence for real estate we are planning to acquire for investment purposes as well as real property to be acquired through foreclosure. We also closely monitor trends specific to the Utilities (i.e. shifts in energy sources) and Energy sectors (i.e. regulatory impacts). Investments in certain industry segments, specifically oil and gas, are periodically impacted by natural disasters attributed to climate change. The investments group has clearly defined triggers which alert them to the need to consider potential asset reallocation decisions to lower the risk of holding investments negatively impacted by these climate-related incidents. Liabilities: As a long-term care insurance company, Genworth assumes long-tail risk. Since we rely on historical results to price future liabilities, a longer-term shift in climate patterns could lead to an increase in our mortality and morbidity experience in life and long-term care, above the assumptions we used in pricing our insurance products - health impacts associated with climate change could affect mortality and morbidity trends. This occurrence could significantly impact our business results. In the shorter term, climate-related risks also could lead to unexpected changes in persistency rates, as policyholders affected by a natural disaster may be unable to satisfy their contractual obligations, such as payment of premiums. Our assumptions are evaluated annually by an Assumption Governance Committee that includes actuarial leaders, business leaders, the Enterprise CRO and CFO, to determine if modifications are required. Moreover, as an owner and operator of real property, we are subject to extensive U.S. federal and state and non-U.S. environmental laws and regulations. Potential environmental liabilities and costs in connection with any required remediation of our properties is also an inherent risk in property ownership and operation. In addition, we hold equity interests in companies and have issued loans, secured by properties, that could potentially be subject to environmental liabilities. We cannot provide assurance that unexpected environmental liabilities will not arise. However, based upon information currently available to us, we believe that any costs associated with compliance with environmental laws and regulations or any remediation of such properties will not have a material adverse effect on our business, financial condition or operational results. We anticipate that the identified risks and opportunities potentially could impact our products and services within a 5-10-year timeframe. Claims reserves: We account for a potential spike in delinquencies and hardships during natural disasters, often resulting from job loss, by posting appropriate reserves for the possibility of default and, ultimately, claims on our mortgage insurance policies. Past natural disasters such as Hurricanes Katrina (2005), Harvey (2017), and Irma (2017) have resulted in a 5-15 times higher delinquencies than normal rates in those geographies. These risks are discussed at various forums, including the annual in-force reviews that occur at the GMI Risk Committee meetings attended by the GMI CEO, CFO, CRO, General Counsel, and the CEOs of our Mortgage Insurance businesses in the U.S. and Australia. In addition, key metrics (new business, delinquencies, etc.) are monitored at monthly meetings of this Committee. The incremental losses resulting from these natural disasters have not been material due to the nature of the mortgage insurance claims. |

## C3.1f

**(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

Genworth recognizes the importance of environmental, social and governance considerations, and we strive to conduct our business in a socially responsible manner, including integrating sustainability considerations into our business decisions. With the oversight of the Nominating and Corporate Governance Committee of Genworth's Board of Directors, we developed our Genworth Financial Environmental Policy, which focuses on reducing environmental impacts related to our business operations. Notwithstanding the pressing demands associated with the pending acquisition of Genworth Financial, this Board Committee continued to reiterate its commitment to climate-related concerns and other ESG considerations. The NCGS was apprised of several sustainability efforts, including converting to recyclable containers in the Richmond and Lynchburg cafeterias and changing default print setting to black and white to avoid unnecessary color printing.

Genworth understands that a responsible approach to preserving the environment is critical to building trust and creating long term value for our stakeholders— including consumers, distribution partners, employees, and investors. This commitment is embedded in our business objective and strategy, and we continue to work toward implementing best practices to support environmental sustainability, including:

· Tracking and assessing our carbon footprint through development of greenhouse gas inventory and engagement in environmental metrics and reduction targets;

· Considering environmental factors in conducting business activities, with a focus on reducing impacts through energy efficiency and water and resource conservation; and

· Development of programs designed to educate and assist our employees, business partners, and other stakeholders in mitigating environmental impacts. During the 2019 month of service, we provided metal straws to every US-based employee and also distributed Genworth-branded metal straws at the Richmond Folk Festival, an event attended by over 200,000 members of the community in an effort to decrease plastic waste. We also launched an internal communication initiative to highlight how small changes in our daily routines can favorably impact on our environment and hosted an event for employees at our Richmond, Virginia site to recycle previously used electronics.

We have been making progress on our commitments to reduce our environmental impacts. Over a five-year period from 2014 to this reporting period, Genworth has made reductions in Scope I & II emissions by ~57% (in metric tons) and the following Scope III emissions:

· travel decreased by ~56%, and paper use decreased by ~59%.

The most substantial business decision in this regard is related to our commitment to reduce environmental impacts through energy efficiency. In 2018, we replaced our chiller system at our Lynchburg, Virginia facility with a more energy-efficient system; this reduced our electricity consumption at the facility by 108,800 kWh or approximately 62 metric tons**.**

## C-FS3.2

**(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?**

No, but we plan to consider climate-related issues in our policy framework in the next two years

## C-FS3.2c

**(C-FS3.2c) Why are climate-related issues not considered in the policy framework of your organization?**

Climate-related issues are not integrated into the policy framework of Genworth because there has not been an internal push to have a further understanding of Genworth's impacts on the climate. In future years, we anticipate adding extensive climate-related policies to our policy framework in the next few years as there is a concerted effort by Genworth to understand climate-related and ESG issues facing Genworth and the Financial Services industry at large.

## C-FS3.3

**(C-FS3.3) Are climate-related issues factored into your external asset manager selection process?**

Yes, for some assets managed externally

## C-FS3.3a

**(C-FS3.3a) How are climate-related issues factored into your external asset manager selection process?**

| | Process for factoring climate-related issues into external asset management selection | Comment |
|---|---|---|
| Row 1 | Other, please specify (We look to determine whether an external asset manager incorporates ESG and climate-related risks into their assessments. Through our selection process we have discussions about how these risks are factored into their assessments.) | |

# C4. Targets and performance

## C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

No target

## C4.1c

**(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.**

| | Primary reason | Five-year forecast | Please explain |
|---|---|---|---|
| Row 1 | Important but not an immediate business priority | We expect our emissions to continue to decline modestly over the next five years. | As an insurance holding company committed to helping families achieve the dream of homeownership and address the financial challenges of aging through its leadership positions in mortgage insurance and long-term care insurance, Genworth's operations do not generate significant greenhouse gas (GHG) emissions. We expect our GHG emissions to decrease over the next 5 years through efforts, such as energy efficiency and water and resource conservation. |

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---|---|---|
| Under investigation | 0 | 0 |
| To be implemented* | 0 | 0 |
| Implementation commenced* | 0 | 0 |
| Implemented* | 2 | 386.19 |
| Not to be implemented | 0 | 0 |

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in buildings | Lighting |

**Estimated annual CO2e savings (metric tonnes CO2e)**
92

**Scope(s)**
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
21441

**Investment required (unit currency – as specified in C0.4)**
33000

**Payback period**
1-3 years

**Estimated lifetime of the initiative**
6-10 years

**Comment**
We replaced 3,570 32W fluorescent tubes to 10W LED tubes, which is estimated to save 204,204 kWh per year.

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in buildings | Heating, Ventilation and Air Conditioning (HVAC) |

**Estimated annual CO2e savings (metric tonnes CO2e)**
1612

**Scope(s)**
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
19351

**Investment required (unit currency – as specified in C0.4)**
134600

**Payback period**
4-10 years

**Estimated lifetime of the initiative**
11-15 years

**Comment**
We replaced two large 20-year old boilers to three small staging boilers, which burns 29,264 Dth less per year.

## C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

| Method | Comment |
|---|---|
| Employee engagement | Genworth periodically runs employee awareness efforts to increase employee engagement with Genworth's environmental and GHG reduction efforts. |

## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

No

# C5. Emissions methodology

## C5.1

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**

January 1 2007

**Base year end**

December 31 2007

**Base year emissions (metric tons CO2e)**

213

**Comment**

**Scope 2 (location-based)**

**Base year start**

January 1 2007

**Base year end**

December 31 2007

**Base year emissions (metric tons CO2e)**

16618

**Comment**

**Scope 2 (market-based)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

## C5.2

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

# C6. Emissions data

## C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

2714.86

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

## C6.2

**(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**
We are reporting a Scope 2, location-based figure

**Scope 2, market-based**
We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

**Comment**

## C6.3

**(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**
2714.86

**Scope 2, market-based (if applicable)**
<Not Applicable>

**Start date**
<Not Applicable>

**End date**
<Not Applicable>

**Comment**

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**
Yes

## C6.4a

**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**
Small leased assets

**Relevance of Scope 1 emissions from this source**
Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**
Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**
Emissions are not relevant

**Explain why this source is excluded**
Genworth Financial has operational control over several small leased offices. As they make up less than 5% of total building square footage under operational control, we consider these emissions to be de minimis and, therefore we do not consider them to be relevant.

---

**Source**
Diesel fuel at the Lynchburg facility

**Relevance of Scope 1 emissions from this source**
Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**
Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**
Emissions are not relevant

**Explain why this source is excluded**
Diesel fuel presents an immaterial source of GHG emissions as we expect these emissions to comprise less than 5% of Genworth's total Scope 1 and 2 emissions. Therefore, we do not consider diesel fuel emissions for our Lynchburg, Virginia facility to be relevant.

---

**Source**
Refrigerants

**Relevance of Scope 1 emissions from this source**
Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**
Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**
Emissions are not relevant

**Explain why this source is excluded**
GHG emissions related to the use of refrigerants for office HVAC purposes are expected to be immaterial and comprise of less than 5% of Genworth's total Scope 1 and 2 emissions.

---

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
3953.43

**Emissions calculation methodology**
Emission factor source: Recycled content tool, RECON TOOL, developed by U.S. EPA using GHG methods specified by the UN Intergovernmental Panel on Climate Change, IPCC; Assumes all paper was equivalent to "office paper." Annual usage - 1,290,391 pounds of paper, 814.31 Metric tons of C02-e for 2019. For purchased I.T. equipment and furniture, the Quantis GHG Evaluator was used.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
Purchased goods and services increased ~10% from 2018. This figure is a substantial increase from 2018 due to the inclusion of purchased I.T. equipment and furniture emissions associated with our Lynchburg headquarters.

**Capital goods**

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Genworth does not require the use of capital goods in the development of its l insurance and other financial products.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
All Fuel and Energy related activities are included in our Scope 1 and 2 calculations.

**Upstream transportation and distribution**

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Genworth does not create a physical product that requires the purchase, delivery or distribution of outside components, during the development process.

**Waste generated in operations**

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Genworth's development and offering of insurance and financial products does not require physical manufacturing or create a waste by-product.

**Business travel**

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
1237.19

**Emissions calculation methodology**
2019 Flights: GHG Flight definitions: short haul: less than 800km/1.6094 = ~500 miles (1.6094 is the conversion factor for kilometers to miles); medium haul: less than 2,575km/1.6094 = 1,600 miles; long haul: more than 2,575km/1.6094 = 1,600 miles. 2018 total air miles =6,632,380 (short haul -435,744; medium haul – 4,195,263, long haul – 2,001,373) = 990.29 Metric Tons CO2-e for 2019. Short haul flight: 0.215 kg CO2/mile; 0.0077 g CH4/mile; 0.0068 g N2O/mile. Medium haul flight: 0.133 kg CO2/mile; 0.0006 g CH4/mile; 0.0042 g N2O/mile. Long haul flight: 0.165 kg CO2/mile; 0.0006 g CH4/mile; 0.0052 g N2O/mile. 2019 Reimbursed Miles: 726,485 miles; 0.335 kg CO2/mile; 0.009 g CH4/mile; 0.008 g N2O/mile; 245.10 Metric tons of CO2-e for 2019. 2019 Rail: 15,825 miles; 0.113 kg CO2/mile; 0.0092 g CH4/mile; 0.0026 g N2O/mile; 1.80 Metric tons of CO2-e for 2019. Source: U.S. EPA. Emission Factors for Greenhouse Gas Inventories. Last Modified: 9 March 2020. https://www.epa.gov/sites/production/files/2020-04/documents/ghg-emission-factors-hub.pdf

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
Air travel has increased by ~1.5% from 2018. Reimbursed miles have decreased by ~1% from 2018. Rail travel was tracked, and GHG emissions were calculated for the first time in 2018. Business travel metric tons (including fleet cars) have decreased ~50% over the past five years, primarily due to lower employee count.

**Employee commuting**

**Evaluation status**
Not evaluated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Genworth did not complete an employee commuting survey in the year covered by this response.

**Upstream leased assets**

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
3506.15

**Emissions calculation methodology**
Raleigh: Scope 2 = 680.01; Scope 1 = 0 Lynchburg (700 Main St): Scope 2 = 1,491.44; Scope 1 = 1,334.70 Total Scope 3 emissions = 3,506.15 Source of emission factors: U.S. EPA. Emission Factors for Greenhouse Gas Inventories. Last Modified: 9 March 2020. https://www.epa.gov/sites/production/files/2020-04/documents/ghg-emission-factors-hub.pdf Source of raw data: invoices and intensity metrics

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
This figure includes emissions from Genworth's Raleigh and Lynchburg (700 Main St) facilities. This is the first year these facilities are being considered under upstream leased assets.

**Downstream transportation and distribution**

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
467.05

**Emissions calculation methodology**
2019 Fleet Cars: 1,384,385 miles; 0.335 kg CO2/mile; 0.009 g CH4/mile; 0.008 g N2O/mile; 467.05 Metric tons of Co2-e for 2019. Emission factors for downstream transportation and distribution (fleet) were sourced from: U.S. EPA. Emission Factors for Greenhouse Gas Inventories. Last Modified: 9 March 2020. https://www.epa.gov/sites/production/files/2020-04/documents/ghg-emission-factors-hub.pdf

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
This figure represents the total annual usage of Genworth's fleet cars. This figure increased slightly in 2019.

**Processing of sold products**

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Genworth does not create a physical product for consumers.

**Use of sold products**

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Genworth does not create a physical product for consumers.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Genworth does not create a physical product for consumers.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Genworth does not sell a physical product and does not own or lease space to do so. Sales professionals are not company employees and Genworth utilizes a third-party sales process in most cases.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Genworth does not utilize a franchise structure.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Scope III calculations are captured in the above categories.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Scope III calculations are captured in the above categories.

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**
3e-7

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**
2714.86

**Metric denominator**
unit total revenue

**Metric denominator: Unit total**
8096000000

**Scope 2 figure used**
Location-based

**% change from previous year**
52

**Direction of change**
Decreased

**Reason for change**
Total revenue in 2019 was slightly lower than 2018. However, some Genworth leased assets have been considered under Scope 3 emissions this year which is driving the substantial change.

---

**Intensity figure**
0.94

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**
2714.86

**Metric denominator**
full time equivalent (FTE) employee

**Metric denominator: Unit total**
2881

**Scope 2 figure used**
Location-based

**% change from previous year**
2

**Direction of change**
Decreased

**Reason for change**
The primary change in the Scope 1 and Scope 2 (location-base) emissions per full time employee was because we moved two facilities to be considered under Upstream leased assets.

---

## C7. Emissions breakdowns

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**
Decreased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

| | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation |
|---|---|---|---|---|
| Change in renewable energy consumption | 0 | No change | 0 | We do not have any renewable energy consumption. |
| Other emissions reduction activities | 1704 | Decreased | 28.6 | The decrease in emissions was attributed to LED lighting and HVAC boiler replacements. Change in Scope 1+2 emissions: 1,704. Previous year Scope 1+2 emissions: 5,948.55. 1,704/5,948.55*100% = 28.6%. |
| Divestment | | <Not Applicable> | | |
| Acquisitions | | <Not Applicable> | | |
| Mergers | | <Not Applicable> | | |
| Change in output | | <Not Applicable> | | |
| Change in methodology | | <Not Applicable> | | |
| Change in boundary | 3098.21 | Decreased | 53.3 | Genworth has included two facilities under its Scope 3 emissions in 2019 under Upstream leased assets as these facilities are not within our direct operational control (Scope 1 and 2 emissions). Previous year Scope 1+2 emissions: 5,813.07. 3,098.21/5,813.07*100 = 53.3%. |
| Change in physical operating conditions | | <Not Applicable> | | |
| Unidentified | | <Not Applicable> | | |
| Other | | <Not Applicable> | | |

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

# C8. Energy

## C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

| | Indicate whether your organization undertook this energy-related activity in the reporting year |
|---|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | No |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | No |

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

| | Heating value | MWh from renewable sources | MWh from non-renewable sources | Total (renewable and non-renewable) MWh |
|---|---|---|---|---|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 3679.87 | 3679.87 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 0 | 4258.86 | 4258.86 |
| Consumption of purchased or acquired heat | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Total energy consumption | <Not Applicable> | 0 | 7938.72 | 7938.72 |

## C9. Additional metrics

### C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| | Verification/assurance status |
|---|---|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | No third-party verification or assurance |

### C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
Verification.pdf

**Page/ section reference**
Pages 2 - 12

**Relevant standard**
ISAE3000

**Proportion of reported emissions verified (%)**
100

### C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

**Scope 2 approach**
Scope 2 location-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
Verification.pdf

**Page/ section reference**
Pages 2 - 12

**Relevant standard**
ISAE3000

**Proportion of reported emissions verified (%)**
100

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**
No, we do not verify any other climate-related information reported in our CDP disclosure

# C11. Carbon pricing

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**
No

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**
No, and we do not currently anticipate doing so in the next two years

# C12. Engagement

## C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**
Yes, our customers
Yes, other partners in the value chain

## C12.1b

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**
Engagement & incentivization (changing customer behavior)

**Details of engagement**
Other, please specify (Encourage customers to engage in waste reduction activities)

**% of customers by number**
80

**% of customer - related Scope 3 emissions as reported in C6.5**

**Portfolio coverage (total or outstanding)**
Majority of the portfolio

**Please explain the rationale for selecting this group of customers and scope of engagement**
Through its Environmental Policy, Genworth is committed to developing programs designed to help customers reduce environmental impacts. Our MyGenworth online platform provides paperless capabilities to our policyholders by permitting them to access and transfer information and documents electronically. Many of these initiatives are intended to enhance policyholder interactions with the company while reducing paper usage and promoting increasing comfort and acceptance among policyholders of a paperless environment.

**Impact of engagement, including measures of success**
By promoting the use of our online platform, we were able to encourage customers to utilize the paperless capabilities we have built. In 2018, we created a platform, called MyGenworth, which permits customers to access their information and transfer documents electronically. Prior to 2018, we implemented DocuSign, an automated tool that permits policyholders to affix a digital signature to a form instead of a traditional ink signature (this process eliminated the previous requirement for paper transmission between Genworth and our U.S. Life Insurance policyholders). We measure the success of these initiatives by tracking the number of document submissions using the MyGenworth and DocuSign platforms, measured by the number of documents uploaded, as we look to reduce paper usage and promote increasing comfort and acceptance among policyholders of a paperless environment. 289,032 documents were submitted in 2019 either through the MyGenworth platform or DocuSign that otherwise would have been printed and mailed to Genworth. In August 2018, we began tracking document submissions through the MyGenworth platform, and over the course of the last 5 months of that year, as reported in last year's CDP questionnaire, 106,519 customer service documents were uploaded that otherwise would have been printed and mailed to Genworth. In addition to that number, 97,836 documents were uploaded related to long term care claims, and 2,124 documents were submitted through DocuSign, bringing 2018 total usage even higher than previously reported to 206,479 paperless transactions. In 2019, we launched online capabilities to enable long term care customers to make paperless selections if their policies were subject to rate increases. These capabilities were developed to make this process easier for the policyholders affected and, according to the survey data collected following the program's launch in April, 95% of the policyholders who used it were satisfied with the ease of this new process. We saw usage increase from 5 submissions in the month of April 2019, when it was launched, to a fourth quarter 2019 average of 259 submissions per month.

## C12.1d

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

Genworth is committing to educating other partners in the value chain, namely our over 3,000 employees, about the roles they play in reducing environmental impacts both at home and at work. We encourage our employees to reduce the carbon impacts associated with their respective commutes by offering several commuting amenities. For example, at our Richmond, Virginia; Lynchburg, Virginia; and Raleigh, North Carolina locations, we offer electric vehicle charging stations for our employees to charge their vehicles at no additional charge or fee. We also offer bike racks at our Richmond, Virginia; Lynchburg, Virginia; and Stamford, Connecticut locations. In 2019, we launched an internal communication initiative to highlight how small changes in our daily routines can favourably impact the environment and distributed metal straws to our U.S.-based employees when we rolled out this initiative in an effort to decrease plastic waste. We also hosted an event for employees at our Richmond, Virginia site to recycle previously used electronics.

## C12.3

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**
Other

## C12.3e

**(C12.3e) Provide details of the other engagement activities that you undertake.**

1. The Sustainability Committee is comprised of representatives from the facilities, investments, travel, sourcing, risk, and corporate social responsibility functions and is responsible for much of the decision-making related to matters concerning sustainability and our environmental impact as a company. This Committee also is responsible for implementing our Environmental Policy and building awareness among employees about the Company's environmental impact. Each member of the Committee reports to management through the organizational structural line of accountability applicable to their functional expertise. Ultimately, the Committee reports to a Committee of the Board of Directors annually to review the Environmental Policy, steps taken in building awareness, and any external reporting outcomes and scores, including the CDP score.

2. Genworth's employees receive 40 hours of volunteer time-off annually to support the non-profit organizations they care about most, including organizations focused on environmental improvements. In addition to the volunteer time-off, Genworth's Corporate Social Responsibility team identifies and organizes volunteer opportunities specifically for Genworth employees, some of which are environmentally focused.

In 2019, among other things, Genworth employee volunteers in our various work sites engaged in several environmentally-focused initiatives, including working with Tricycle, an urban agriculture organization that designs green spaces to provide access to healthy foods in urban areas; participating in clean-up efforts at a koi pond at a public park; helping to clear invasive plants, plant native trees, and beautify public spaces; supporting the establishment of a learning trail to enable preschoolers to discover and appreciate nature; and collecting and returning plastic grocery bags (our employees in Lynchburg, Virginia collected and returned over 1,200 bags to Target for bailing and recycling). In an effort to reduce plastic waste, we distributed Genworth-branded metal straws at the Richmond Folk Festival, an event attended by over 200,000 members of the community.

3. The Genworth Foundation Matching Gifts program encourages employees to contribute to qualified charitable organizations, which ultimately helps to improve the communities in which they live and work. Employees are eligible for a 50% matching gift on any qualified donation up to $5,000 per calendar year ($10,000 for Genworth officers and the Genworth Financial Board of Directors). In 2019, the Genworth Foundation offered a special giving opportunity on Earth Day with a 100% matching gift to the Earth Day Network. Throughout the year, employees and Directors personally donated over $30,000 to environmentally focused non-profit organizations, and the Genworth Foundation matched over $10,000 of those donations.

## C12.3f

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

From a governance perspective, the Sustainability Committee is comprised of representatives from the facilities, investments, travel, sourcing, risk, and corporate social responsibility functions and is responsible for much of the decision-making related to matters concerning sustainability and our environmental impact as a company. This Committee also is responsible for implementing our Environmental Policy and building employee awareness about environmental impacts. Each member of the Committee reports to management through the organizational structural line of accountability applicable to their functional expertise. Genworth's Chief of Staff oversees these initiatives in addition to the Company's government relations and broader corporate social responsibility activities as a central point of contact.

The coordination and alignment of activities and climate change strategy is evident in operational initiatives Genworth has embraced to promote paperless transactions with the policyholders in our U.S. Life Insurance business, including MyGenworth, DocuSign, and the ability of our policyholders subject to rate actions to make applicable selections online. These initiatives were intended to enhance policyholder interactions with the company while reducing paper usage and promoting increasing comfort and acceptance among policyholders of a paperless environment. The Company also converted to the use of recyclable containers in our Richmond, Virginia and Lynchburg, Virginia cafeterias and changed default print setting to black and white to avoid unnecessary color printing. In our Raleigh, North Carolina site, the number of printers per floor of the building was reduced from 4 to 2 and recycle bins were added to all employee breakrooms (the recycle bins already were in use in our Richmond, Virginia and Lynchburg, Virginia sites). In addition, Genworth has established eligibility requirements organizations must meet to receive donations from its Matching Gifts program. These organizations may include climate-related organizations.

From a Risk perspective, our Global Risk organization is aligned to consider processes and activities across our global enterprise. We have aligned the Risk organization around a matrix structure of six risk types, two risk functions, and our existing business platforms. Aligning the organization in this way permits a comprehensive understanding and assessment of each type of risk, facilitates the sharing of - knowledge across the enterprise more effectively, enhances daily decision-making for the business, enables better management of risk, and maximizes risk/return for each business platform,  investments, and the company as a whole. This structure, along with additional planned enhancements, will help ensure that our risk management processes align with evolving global best market practices and with converging global regulatory requirements and expectations concerning proper Enterprise Risk Management.

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**
In mainstream reports

**Status**
Complete

**Attach the document**
Annual report.pdf

**Page/Section reference**
44

**Content elements**
Risks & opportunities

**Comment**
Year on year reductions in relevant Scope 3 emissions

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**Publication**
In voluntary communications

**Status**
Complete

**Attach the document**
Genworth_Financial_2019_CDP_Disclosure.pdf

**Page/Section reference**
Pages 1 - 39

**Content elements**
Other, please specify

**Comment**
Entire 2019 CDP Submission (for Calendar Year 2018) was published on the Environmental Impact section of Genworth's website.

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## C-FS12.5

**(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?**

| | Industry collaboration | Comment |
|---|---|---|
| Reporting framework | Please select | Genworth is evaluating reporting frameworks, industry initiatives and environmental commitments. |
| Industry initiative | Please select | |
| Commitment | Please select | |

# C14. Portfolio Impact

## C-FS14.1

**(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)**

| | We conduct analysis on our portfolio's impact on the climate | Disclosure metric | Comment |
|---|---|---|---|
| Bank lending (Bank) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Investing (Asset manager) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Investing (Asset owner) | No | <Not Applicable> | |
| Insurance underwriting (Insurance company) | No | <Not Applicable> | |
| Other products and services, please specify | Not applicable | <Not Applicable> | |

## C-FS14.1c

**(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 “Investments” emissions or alternative carbon footprinting and/or exposure metrics)**

Investing (Asset owner)

Climate-related information is currently evaluated in the diligence process for our investment portfolio in the following areas:

**Alternative Assets** – Advisors analyse ESG platforms of private equity managers and portfolio companies;

**Middle Market Loans** – Genworth’s advisor evaluates the current and potentially future ESG impact on a company’s creditworthiness; and

**Commercial Real Estate** – We routinely conduct environmental assessments during diligence for real estate we are planning to acquire for investment purposes as well as real property to be acquired through foreclosure.

We also closely monitor trends specific to the Utilities (i.e. shifts in energy sources) and Energy sectors (i.e. regulatory impacts).

Investments in certain industry segments, specifically oil and gas, are periodically impacted by natural disasters attributed to climate change. The Investments group has clearly defined triggers which alert them to the need to consider potential asset reallocation decisions to lower risk of holding investments negatively impacted by these climate-related incidents.

We are evaluating other ways to analyze our portfolio impacts.

Insurance underwriting (Insurance company)

As of 2019, Genworth Financial has not yet quantified Scope 3 emissions associated with our portfolio. However, Genworth Financial recognizes and acknowledges the growing importance and utility of understanding and managing Scope 3 emissions associated with our portfolio with respect to mitigating climate-related impacts. We will be taking steps toward this increased level of management and understanding going forward, which includes submission to CDP’s Financial Sector-Based Questionnaire.

## C-FS14.3

**(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?**

| | We are taking actions to align our portfolio to a well below 2-degree world | Please explain |
|---|---|---|
| Bank lending (Bank) | <Not Applicable> | <Not Applicable> |
| Investing (Asset manager) | <Not Applicable> | <Not Applicable> |
| Investing (Asset owner) | No | As of 2019, Genworth Financial did not actively seek to align our portfolio to a well below 2-degree world. Genworth has not made plans to do so as of this reporting year, since we first will focus on more general assessments of how our portfolio impacts the climate. However, Genworth Financial recognizes the growing importance of financial companies aligning and managing their portfolios to a well below 2-degree world to mitigate climate-related risks. As part of Genworth Financial’s future ESG initiatives, we will begin to evaluate our portfolio with respect to managing and mitigating climate-related risks, which includes this submissions to CDP’s Financial Sector-Based Questionnaire. |
| Insurance underwriting (Insurance company) | No | As of 2019, Genworth Financial did not actively seek to align our portfolio to a well below 2-degree world. Genworth has not made plans to do so as of this reporting year, since we first will focus on more general assessments of how our portfolio impacts the climate. However, Genworth Financial recognizes the growing importance of financial companies aligning and managing their portfolios to a well below 2-degree world to mitigate climate-related risks. As part of Genworth Financial’s future ESG initiatives, we will begin to evaluate our portfolio with respect to managing and mitigating climate-related risks, which includes this submissions to CDP’s Financial Sector-Based Questionnaire. |
| Other products and services, please specify | Not applicable | |

## C15. Signoff

## C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## C15.1

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

| | Job title | Corresponding job category |
|---|---|---|
| Row 1 | Chief of Staff (Other C-Suite Officer Equivalent) | Other C-Suite Officer |

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

| | I am submitting to | Public or Non-Public Submission |
|---|---|---|
| I am submitting my response | Investors | Public |

**Please confirm below**

I have read and accept the applicable Terms