Genworth Financial, Inc. - Climate Change 2019

C0. Introduction

C0.1

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

Genworth Financial, Inc. (NYSE: GNW) 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
Row 1	January 1 2018	December 31 2018	No	<Not Applicable>

C0.3

(C0.3) Select the countries/regions 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 consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

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 Financial 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.

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	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies	During one scheduled meeting, the Nominating and Corporate Governance Committee reviews and directs the strategy of the Company's environmental, social and governance practices, which includes the Company's environmental policy and implementing procedures. The Committee evaluates the Company's progress and objectives towards reducing Company environmental impacts. Furthermore, the Committee also oversees the risk management strategies, policies and implementation processes, which incorporate climate-related issues.

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)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief of Staff)	Both assessing and managing climate-related risks and opportunities	Annually
Sustainability committee	Both assessing and managing climate-related risks and opportunities	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 Executive Vice President of Human Resources (EVP-HR) reports directly to the CEO, who reports to the full Board of Directors. The EVP-HR leads the Company's Facilities department and previously led the Sustainability Committee (Committee). The Sustainability Committee now is managed by the Company's Executive Office with direct oversight residing with the CEO's Chief of Staff. The CEO's Chief of Staff is responsible for managing the sustainability activities implemented by the Committee, leading the Company's Corporate Social Responsibility efforts and conducting the final review of environmental reporting, such as CDP.

The Committee reports directly to the Chief of Staff and 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 structure 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 on reducing environmental impacts at work and on external reporting outcomes and scores, including CDP.

The Chief of Staff and the Committee are both responsible for climate-related issues because they 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 environmental compliance and regulations, educating employees on reducing environmental impacts in the workplace, and tracking the Company's greenhouse gas emissions. On an annual basis, the CEO's Chief of Staff and Committee report 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?

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).

Who is entitled to benefit from these incentives?
All employees

Types of incentives
Other non-monetary reward

Activity incentivized
Other, please specify (Volunteerism)

Comment
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 2018, Genworth’s employees volunteered over 19,000 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. For example, 11 volunteers in Richmond, Virginia volunteered a total of 42 hours collectively to support Tricycle, an urban agriculture organization focused on designing green spaces to provide access to healthy foods in urban areas.

Who is entitled to benefit from these incentives?
All employees

Types of incentives
Other non-monetary reward

Activity incentivized
Other, please specify (Matching Gifts)

Comment
The Genworth Foundation Matching Gifts program encourages employees to contribute to qualifying charitable organizations, which 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 2018, 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 $25,000 to environmentally focused non-profit organizations, and the Genworth Foundation, through matching gifts on these donations, contributed over $10,000in additional financial support.

Who is entitled to benefit from these incentives?
Other, please specify (Employees in specific locations)

Types of incentives
Other non-monetary reward

Activity incentivized
Emissions reduction project

Comment
Employees at the Genworth Richmond, Virginia, Lynchburg, Virginia and Raleigh, North Carolina locations who own a hybrid vehicle have access to charging stations while at work at no additional charge or fee.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term 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 could have considered 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 could also have considered the risk of fire at facilities during droughts, as well as railway ground erosion due to droughts or flooding. Climate-related issues 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 have considered the risk of fire at facilities during droughts, as well as railway ground erosion due to droughts or flooding. Climate-related issues 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).

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	3 to 6 years	Genworth’s Risk Framework describes 6 key risk types that are managed across the business: Credit, Market/Liquidity, Insurance, Operational, Housing, and Model. Climate change is relevant to, and integrated into, the assessment and management of several of these risk types, including credit risk (losses arising from the inability or failure of a borrower to meet its obligations) and operational risk (including losses from external events such as severe weather). Credit risks include the potential for the physical impacts of climate change to negatively impact our clients’ operations. At the physical asset level, operational risk factors such as energy price, grid reliability and access to clean energy are relevant considerations, as are physical risks such as the potential for flooding and severe weather events.

C2.2b

(C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.

Genworth's leaders and others involved in the development and implementation of Genworth's Environmental Policy watch for, report on and discuss climate-related risks and opportunities. Climate change risk is integrated into decisions made in several operational areas. Genworth’s Risk Framework describes 6 key risk types that are managed across the business: credit, market/liquidity, insurance, operational, housing and model. Climate change is relevant to, and integrated into, the assessment and management of several of these risk types, including credit risk (losses arising from the inability or failure of a borrower to meet its obligations) and operational risk (including losses from external events such as severe weather). Credit risks include the potential for the physical impacts of climate change to negatively impact our clients’ operations. At the physical asset level, operational risk factors such as energy price, grid reliability and access to clean energy are relevant considerations, as are physical risks such as the potential for flooding and severe weather events. Genworth (1) continually monitors and seeks to manage business travel and paper usage responsibly, (2) considers whether space it leases is located in buildings with LEED or other similar designations, and (3) has implemented environmental risk management processes in connection with certain investment classes, most notably with real estate investments. A climate-related risk is considered to have a substantive financial impact when Genworth experiences a $5 million loss in revenue as a result.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, sometimes included	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. Our insurance operations are subject to a wide variety of laws and regulations and extensive regulatory oversight. 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. "Cap and Trade" systems represent an example of a 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 sometimes 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.
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 Genworth location in Richmond, Virginia, causing potential increases in capital costs and operating costs related to equipment replacement and insurance costs, respectively. 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 have environmental assessments performed for real estate we are planning to acquire for investment purposes and 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. Accordingly, Genworth conducts annual reviews of our top third-party suppliers to ensure we partner with suppliers who are compliant with environmental practices.
Reputation	Relevant, sometimes included	Our relationships with our customers may influence both the amount of business they conduct directly with us and also their willingness to continue to approve us as a mortgage insurance provider for loans that they purchase. 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 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.
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 out of natural disasters, including earthquakes, hurricanes, floods and tornadoes. For example, a natural or man-made disaster or a pandemic 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 or man-made disaster or a pandemic could trigger an economic downturn in the areas directly or indirectly affected by the disaster. These consequences could, among other things, result in a decline in business and increase in claims from those areas, as well as an adverse effect on home prices in those areas, which could lead to increased loss experience in our mortgage insurance businesses. Disasters or a pandemic also could disrupt public and private infrastructure, including communications and financial services, which could impact our normal business operations.

	Relevance & inclusion	Please explain
Chronic physical	Relevant, sometimes included	We assess chronic physical risks through our Risk Framework, and classify them under Operational Risks. Genworth is exposed to various risks arising out of natural disasters, including earthquakes, hurricanes, floods and tornadoes. For example, a natural or man-made disaster or a pandemic could disrupt our computer systems and our ability to conduct or process business. It could also 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. In addition, Genworth could experience a significant increase in our mortality and morbidity experience, above the assumptions we used in pricing our insurance and investment products. A natural or man-made disaster or a pandemic could trigger an economic downturn in the areas directly or indirectly affected by the disaster. These consequences could, among other things, result in a decline in business and increase in claims from those areas, as well as an adverse effect on home prices in those areas, which could lead to increased loss experience in our mortgage insurance businesses. Disasters or a pandemic also could disrupt public and private infrastructure, including communications and financial services, which could impact our normal business operations.
Upstream	Relevant, sometimes included	Our suppliers and third-party service providers are exposed to various risks arising out of natural disasters, including earthquakes, hurricanes, floods and tornadoes. These various risks are assessed through our Risk Framework, and classified under Operational Risks. For example, a natural or man-made disaster could disrupt the operations of these suppliers and service providers. In turn, this may impact our ability s to provide service to our customers, potentially leading to reduced revenue from lower sales and output. Accordingly, Genworth considers business continuity and disaster recovery plans in our assessment and selection of suppliers and service providers.
Downstream	Relevant, sometimes included	Our relationships with our customers may influence both the amount of business they conduct directly with us and also their willingness to continue to approve us as a mortgage insurance provider for loans that they purchase. 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 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.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Genworth has developed a comprehensive risk management programs that include risk appetite, limits, identification, quantification, governance, policies and procedures, and seeks appropriately to identify, monitor, measure, control, mitigate and report the types of risks to which we are subject. We regularly review our risk management programs and work to update them on an ongoing basis to be consistent with evolving global best market practices. Identified climate change risks are managed and prioritized based on the following criteria: the likelihood of the risks occurring, the severity of impact should the risk occur, and the resources required to mitigate and manage the risks appropriately. Other risk management methods are based on our evaluation of information regarding markets, customers and customer behavior, macroeconomic and environmental conditions, catastrophic occurrences and potential changing paradigms that are publicly available or otherwise accessible to us.

As an example of how this process is applied to physical risk, we identified Genworth to be potentially at risk for increased frequency or severity of catastrophic weather events, such as snowstorms. Under our current prioritization process, we have classified this risk with the likelihood of 'About as likely as not' of occurring within a 1-3 year, medium time horizon. Increased severity of extreme weather events may have the potential to cause Genworth to incur increased capital costs related to restoration of damaged buildings. In order to mitigate this potential risk, Genworth invested $570,000 to implement Business Continuity Plans and remote capabilities, such as the Work From Home Policy, for all associates to allow them to work remotely in times of extreme weather-related events.

As an example of how this process is applied to transitional risks, we identified Genworth to be potentially at risk for increased stakeholder concern or negative stakeholder feedback in the event that Genworth suppliers are associated with poor environmental practices. We have classified this risk with the likelihood of 'About as likely as not' and a low magnitude of impact. This risk would have the potential to indirectly reduce Genworth's stock price (market valuation). To mitigate this risk, Genworth's Sourcing Team conducts annual reviews of Genworth's top third- party service providers, who we require to have a business continuity/disaster recovery plan, to ensure they are in compliance with applicable environmental laws and regulations. Furthermore, Genworth mobilizes the Enterprise Risk Management team to receive and analyze feedback from customers, who have a direct influence on whether our company has a positive or negative reputation.

The process for managing climate-related opportunities is decentralized at the facility asset levels and respective departments. For example, the facility managers have ownership over climate-related 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 team has oversight over separate climate-related opportunities, such as the development of online platforms like MyGenworth, which would allow paperless capabilities to customers and reduce the amount of paper used during the transfer of information.

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

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact

<Not Applicable>

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 (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 for Genworth, 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 higher facility costs, increased travel expenses, and higher insurance expenses. The financial impact depends on the climatic sensitivity of the business, its location, and the management practices the business has in place.

Management method

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.

Cost of management

1000000

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact

Increased capital costs (e.g., damage to facilities)

Company- specific description

Genworth has business operations located in Richmond, Virginia, an area prone to severe snowstorms. An increase in the frequency or severity of catastrophic weather or other natural events possibly related to climate change could temporarily impact our business operations, interrupting new business processing and servicing of existing policy/ contract holders and requiring increased capital costs to replace facilities or equipment. It could also increase our operating expenses related to higher property insurance or energy costs; however, Genworth does not think these possible expense increases present a significant risk.

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 increase in capital costs 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. In connection with our real estate ownership, 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.

Management method
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)

Cost of management
570000

Comment

Identifier
Risk 3

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

Risk type
Transition risk

Primary climate-related risk driver
Reputation: Increased stakeholder concern or negative stakeholder feedback

Type of financial impact
<Not Applicable>

Company- specific description
Genworth partners with several third-party service providers through the normal course of business that may be more directly impacted by climate-related developments. More specifically, Genworth is aware of the potentially negative publicity associated with a supplier's poor environmental practices. The negative publicity surrounding a supplier's poor environmental practice may indirectly reduce Genworth's stock price market valuation. As of the 2018 fiscal year, Genworth's stock price was valued at $4.66.

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 do stay abreast of their actions. Should an environmental issue be highlighted publicly, we may choose to take appropriate steps as necessary. We base 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.

Management method
While the impact is largely reputational rather than financial, an inquiry into each suppliers' environmental practices and disaster recovery capabilities is part of our regular review process during the supplier selection process, and the lack of clear position or an unsatisfactory finding in this area is taken into consideration. We require our top third-party service providers to have a business continuity/disaster recovery plan, and our Sourcing Team conducts annual reviews of these suppliers. The cost of management figure ($776,000) represents the resources used to conduct, compile and complete the annual business reviews for key third party service providers.

Cost of management
776000

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

Type of financial impact
Other, please specify (Reduced 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 9,871,267 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.

Strategy to realize opportunity
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.

Cost to realize opportunity
0

Comment

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

Type of financial impact
Reduced operational costs (e.g., through use of lowest cost abatement)

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 the replacing of older energy-intensive equipment at our office buildings with equipment that is more energy-efficient. For example, we replaced the chillers at our Lynchburg facility, which reduced our electrical consumption by 108,800 kWh in 2018. This would result in reduced operating costs from reduced 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.

Strategy to realize opportunity
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.

Cost to realize opportunity
150000

Comment

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

Type of financial impact
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description
Genworth Financial 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, which permits customers to access their information and transfer documents electronically. Within the last 5 months of 2018, Genworth began tracking the number of document submissions. 106,519 documents were uploaded that would have otherwise been printed and mailed to Genworth. This online platform may improve our competitive position as it aligns with the preferences of those who are environmentally-minded for eco-friendly, paperless options and 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 at this time.

Strategy to realize opportunity
Genworth Financial has been investing in the development of online platforms, such as MyGenworth to allow customers to access their account and submit documentation online. Through the last 5 months of 2018, we tracked that 106,519 documents were transferred to our system by our customers. Through this, we have helped our customers reduce their paper usage, which may put us in a better competitive position This online platform may improve our competitive position as it aligns with the preferences of those who are environmentally-minded for eco-friendly, paperless options, and potentially could result in increased revenues.

Cost to realize opportunity
0

Comment

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Not yet impacted	Genworth has not yet fully considered the impacts of our identified risks and opportunities on our products and services. However, our risk management process includes the development and introduction of new products and services. We have established a product development process that specifies a series of required analyses, reviews and approvals for any new product. For each proposed product, this process includes a review of the market opportunity and competitive landscape, major pricing assumptions and methodologies, return expectations and variability of returns, sensitivity analysis, asset-liability management, reinsurance and other risk mitigating strategies, underwriting criteria, legal, compliance and business risks and potential mitigating actions. Significant product introductions, measured either by volume, level or type of risk, require approval by our senior management team at either the business or enterprise level. Risks associated with products and services could potentially impact our company within 5-10 years.
Supply chain and/or value chain	Not yet impacted	Genworth has not yet fully considered the impacts of our identified risks and opportunities on our supply chain. We distribute our products through a wide variety of distribution methods, including through relationships with key distribution partners (including lender customers of our mortgage insurance businesses). These distribution partners are an integral part of our business model. We are at risk that key distribution partners may merge, change their distribution model affecting how our products are sold, or terminate their distribution contracts or relationships with us. Some distributors have, and in the future others may, elect to terminate or reduce their distribution relationships with us for a variety of reasons, including recent financial challenges (including adverse ratings actions). In the future, other distributors may elect to terminate or reduce their relationships with us as a result of, among other things, these challenges or and/or any future adverse developments in our business, adverse rating agency actions or concerns about market-related risks, commission levels or the breadth of our product offerings. Risks associated with supply chain could potentially impact our company within 5-10 years.
Adaptation and mitigation activities	Not yet impacted	Genworth has not yet considered the impacts of our identified risks and opportunities on our adaptation and mitigation activities. Risks associated with adaptation and mitigation activities could potentially impact our company within 5-10 years.
Investment in R&D	Not yet impacted	Genworth has not yet considered the impacts of our identified risks and opportunities on our investment in research and development. Risks associated with investments in R&D could potentially impact our company within 5-10 years.
Operations	Not yet impacted	Genworth has not yet considered the impacts of our identified risks and opportunities on our operations. For operations, we actively seek energy efficient buildings consistent with our environmental policy in action. Seeking energy efficient buildings can provide potential opportunities for our business operations and demonstrates our commitment to reducing the impact on the environment, which also could positively impact our reputation. Risks associated with operations could potentially impact our company within 5-10 years.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Not yet impacted	Genworth has not yet considered the impacts of our identified risks and opportunities on our revenues. However, we acknowledge that disasters, whether natural or man-made may have a potential indirect impact on our business operations in the future, thus negatively impacting our revenues. We anticipate that the identified risks and opportunities potentially could impact our products and services within a 5-10 year timeframe.
Operating costs	Not yet impacted	Genworth has not yet considered the impacts of our identified risks and opportunities on our revenues. However, we acknowledge that disasters, whether natural or man-made may have a potential indirect impact on our business operations in the future, thus impacting our operating costs. We anticipate that the identified risks and opportunities potentially could impact our products and services within a 5-10 year timeframe.
Capital expenditures / capital allocation	Not yet impacted	Genworth has not yet considered the impacts of climate-related risks and opportunities on our capital expenditures/capital allocation. We anticipate that the identified risks and opportunities potentially could impact our products and services within a 5-10 year timeframe.
Acquisitions and divestments	Not yet impacted	Genworth Financial is in the process of being acquired by China Oceanwide. As this transaction has yet to be completed, we are unable to determine the impacts of this merger on our financial planning process. However, we routinely conduct environmental assessments on real estate acquired for investment and real property to be acquired through foreclosure. We anticipate that the identified risks and opportunities potentially could impact our products and services within a 5-10 year timeframe.
Access to capital	Not yet impacted	Genworth has not yet considered the impacts of climate-related risks and opportunities on our access to capital. We anticipate that the identified risks and opportunities potentially could impact our products and services within a 5-10 year timeframe.
Assets	Not yet impacted	Genworth has not yet considered the impacts of climate-related risks and opportunities on our assets. We anticipate that the identified risks and opportunities potentially could impact our products and services within a 5-10 year timeframe.
Liabilities	Not yet impacted	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.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

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

No, and we do not anticipate doing so in the next two years

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Genworth recognizes the importance of environmental, social and governance considerations, and we strive to conduct our business in a socially responsible manner, including integrating climate change considerations into our business decisions. With the oversight of the Nominating and Corporate Governance Committee of Genworth Financial's Board of Directors, we developed our Genworth Financial Environmental Policy, which focuses on reducing environmental impacts related to our business operations. We believe that a responsible approach to helping to preserve the environmental is critical to building trust and creating long term value for our stakeholders— including consumers, distribution partners, employees, and investors. As part of our business objective and strategy, we are committed to implementing best practices to support environmental sustainability, which includes the following:

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

-Considering environmental factors as part of 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.

We have been making progress on our commitments to reducing 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.

C3.1g

(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business 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, our products and services are not significantly and directly impacted by climate change scenarios.

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 beyond the next two years.

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 do not have 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 does 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) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

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	113.53
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 type
Energy efficiency: Building services

Description of initiative
HVAC

Estimated annual CO2e savings (metric tonnes CO2e)
61.76

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

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

Investment required (unit currency – as specified in C0.4)
150000

Payback period
4 - 10 years

Estimated lifetime of the initiative
Ongoing

Comment
We replaced the chiller system at our Lynchburg, Virginia facility with a more energy-efficient system. This reduced our electricity consumption by 108,800 kWh, which is an approximate 3% reduction from the previous year.

Initiative type
Energy efficiency: Building services

Description of initiative
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
51.77

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

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

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

Payback period
4 - 10 years

Estimated lifetime of the initiative
Ongoing

Comment
We replaced the outdoor parking lights with LED lights at our Lynchburg facility. This change effectively reduced electricity consumption by 91,200 kWh through the 6 months it has been in operation.

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 Scope 1 and Scope 2 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)

898.67

Start date

January 1 2018

End date

December 31 2018

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

5049.88

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

January 1 2018

End date

December 31 2018

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 operational control building square footage, we consider these emissions to be de minimis and, therefore, not 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 Financial's total Scope 1 and 2 emissions. Therefore, diesel fuel emissions for our Lynchburg, Virginia facility are not considered as 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 Financial's total Scope 1 and 2 emissions.

(C6.5) Account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
585.66

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 – 1,171,318 pounds of paper, 585.66 Metric tons of C02-e for 2018.

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

Explanation
Paper usage is down ~7% from 2017. Paper usage over the last five (5) years has decreased by ~59% overall. Reductions are due to employee awareness and education in reducing paper usage.

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>

Explanation
Genworth does not require the use of capital goods in the development of life insurance and 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>

Explanation
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>

Explanation
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>

Explanation
Genworth develops insurance and financial products which do not require physical manufacturing or create a waste by-product.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1268.4

Emissions calculation methodology
2018 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 = 6,524,173 (short haul -161,388; medium haul – 3,004,774, long haul – 3,358,011) = 1,010.96 Metric Tons CO2-e for 2018. Short haul flight: 0.225 kg CO2/mile; 0.0039 g CH4/mile; 0.0072 g N2O/mile. Medium haul flight: 0.136 kg CO2/mile; 0.0006 g CH4/mile; 0.0043 g N2O/mile. Long haul flight: 0.166 kg CO2/mile; 0.0006 g CH4/mile; 0.0053 g N2O/mile. 2018 Reimbursed Miles: 734,646 miles; 0.343 kg CO2/mile; 0.019 g CH4/mile; 0.011 g N2O/mile; 254.52 Metric tons of CO2-e for 2018. 2018 Rail: 20,717 miles; 0.14 kg CO2/mile; 0.0087 g CH4/mile; 0.0031 g N2O/mile; 2.92 Metric tons of CO2-e for 2018. Emission factors for business travel were sourced from U.S. EPA. Emission Factors for Greenhouse Gas Inventories. Last Modified: 9 March 2018. https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf.

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

Explanation
Air travel has increased by 15% from 2017 due to increased medium haul (cross country and international) travel for business related priorities. Reimbursed miles have increased by ~10% from 2017. 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>

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

Upstream 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>

Explanation
GHG emissions from upstream leased assets are calculated and reported as part of our Scope 1+2 emissions because our reporting boundary is based on operational control. Because we have operational control of upstream leased assets and report these as part of our Scope 1+2 emissions, Scope 3 emissions from upstream leased assets are not relevant to Genworth Financial.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
446.28

Emissions calculation methodology
2018 Fleet Cars: 1,288,161 miles; 0.343 kg CO2/mile; 0.019 g CH4/mile; 0.011 g N2O/mile; 446.28 Metric tons of Co2-e for 2018. Emission factors for downstream transportation and distribution (fleet) were sourced from U.S. EPA. Emission Factors for Greenhouse Gas Inventories. Last Modified: 9 March 2018. https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf.

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

Explanation

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>

Explanation
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>

Explanation
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>

Explanation
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>

Explanation
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>

Explanation
Genworth does not utilize a franchise structure.

Investments

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>

Explanation
There is a potential that investments made by the Company have an emissions factor. An initial investigation into whether or not the Company investments have emissions factors has not been conducted.

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>

Explanation
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>

Explanation
Scope III calculations are captured in the above categories.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?
No

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
7.06e-7

Metric numerator (Gross global combined Scope 1 and 2 emissions)
5948.55

Metric denominator
unit total revenue

Metric denominator: Unit total
8430000000

Scope 2 figure used
Location-based

% change from previous year
1.5

Direction of change
Increased

Reason for change
Total revenue in 2018 was 1.6% higher than 2017, and scope 1 and 2 emissions increased by ~3.2% from 2017. The main reason for the change is due to operational control updates—our leased assets were previously included in our Scope 3 emissions and have since been updated to be included within our Scope 1 and 2 emissions.

Intensity figure
1.99

Metric numerator (Gross global combined Scope 1 and 2 emissions)
5948.55

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
2990

Scope 2 figure used
Location-based

% change from previous year
2

Direction of change
Increased

Reason for change
There was an increase in the employee population from end of year 2017 to 2018 of ~1%. This may be the primary driver in the scope 1 and 2 emissions increase of ~3% from 2017. Furthermore, as reported under operational control, we have updated our GHG inventory to include our leased assets under our Scope 1 and 2 emissions, whereas the emissions were previously included in our Scope 3 emissions.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	897.73	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	0.48	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	0.46	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	898.67

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Richmond, VA	59.76	37.36	77.3
Lynchburg, VA	608.79	37.24	79.8
Stamford, CT	60.48	41.07	-73.55
Raleigh, NC	169.64	35.89	-78.65
Waltham, MA	0	42.39	-71.26

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	5049.88		11949.06	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2 location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Richmond, VA	2414.38	
Lynchburg, VA	1999.11	
Stamford, CT	93.59	
Raleigh, NC	531.38	
Waltham, MA	11.42	

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?

Increased

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	113.53	Decreased	1.97	The emissions reduction activities are related to the replacement of the chiller system and installation of the LED parking lot lighting at our Lynchburg facility. (2018 Change in Scope 1+2 emissions related to other emissions reduction activities: 113.53/ 2017 Scope 1+2 emissions: 5,766.26) x 100=1.97%
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
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 undertakes this energy-related activity
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 MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	4942.85	4942.85
Consumption of purchased or acquired electricity	<Not Applicable>	0	11949.06	11949.06
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	16891.91	16891.91

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
4900

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
42.85

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor
10.21

Unit
kg CO2 per gallon

Emission factor source
U.S. EPA. Emission Factors for Greenhouse Gas Inventories. Last Modified: 9 March 2018.
https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf

Comment

Natural Gas

Emission factor
53.06

Unit
kg CO2e per million Btu

Emission factor source
U.S. EPA. Emission Factors for Greenhouse Gas Inventories. Last Modified: 9 March 2018.
https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf

Comment

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
No purchases or generation of low-carbon electricity, heat, steam or cooling accounted with a low-carbon emission factor

Low-carbon technology type
<Not Applicable>

Region of consumption of low-carbon electricity, heat, steam or cooling
<Not Applicable>

MWh consumed associated with low-carbon electricity, heat, steam or cooling
<Not Applicable>

Emission factor (in units of metric tons CO2e per MWh)
<Not Applicable>

Comment

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 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 1

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
DNV GL Verification Statement- Genworth_CDP template-Final_July 31_2019.pdf
Verification Report_Genworth Financial Inc_2018 GHG and Energy_Final.pdf

Page/ section reference
DNV GL Verification Statement- Genworth_CDP template-Final_July 31_2019 Page 1-2 Verification Report_Genworth Financial Inc_2018 GHG and Energy_Final Page 4-8

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope
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
DNV GL Verification Statement- Genworth_CDP template-Final_July 31_2019.pdf
Verification Report_Genworth Financial Inc_2018 GHG and Energy_Final.pdf

Page/ section reference
DNV GL Verification Statement- Genworth_CDP template-Final_July 31_2019 Page 1-2 Verification Report_Genworth Financial Inc_2018 GHG and Energy_Final Page 4-8

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?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Total Energy Consumption)	ISAE3000	In addition to verifying Scope 1 and 2 emissions, Genworth had its Total Energy Consumption figure verified for the 2018 reporting year. DNV GL Verification Statement- Genworth_CDP template-Final_July 31_2019.pdf Verification Report_Genworth Financial Inc_2018 GHG and Energy_Final.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

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
Collaboration & innovation

Details of engagement
Other – please provide information in column 5

% of customers by number
80

% Scope 3 emissions as reported in C6.5

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. Genworth Financial's MyGenworth online platform provides paperless capabilities to its customers by permitting customers to access and transfer information and documents electronically.

Impact of engagement, including measures of success
By promoting the use of our online platform, we were able to encourage customers to register and utilize the online platform's paperless capabilities. We measure the success of this engagement by tracking the number of document submissions using the MyGenworth platform; any number of document submissions over the platform would be considered a success to our program. In August 2018, we began tracking document submissions conducted over the MyGenworth platform. Over the course of the last 5 months in 2018, 106,519 documents were uploaded that would have otherwise been printed and mailed to Genworth Financial.

C12.1c

(C12.1c) 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 2,990 employees, about the roles they play in reducing environmental impacts at work. We encourage our employees to reduce the carbon impacts associated with their respective commutes by providing 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.

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 structure applicable to their r 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, which can be environmentally focused. For example, volunteers in Richmond, Virginia frequently work with Tricycle, an urban agriculture organization focused on designing green spaces to provide access to healthy foods in urban areas.

3. The Genworth Foundation Matching Gifts program encourages employees to contribute to qualifying charitable organizations, which 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 2018, 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 $25,000 to environmentally focused non-profit organizations, and the Genworth Foundation matched over $10,000 on 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 awareness among employees about the Company's environmental impact. Each member of the Committee reports to management through the organizational structure applicable to their functional expertise. For example, the 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 that 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 and Investments, as well as for the company as a whole. This structure, along with additional planned enhancements, will help ensure that our risk management processes are consistent with evolving global best market practices and also align 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 voluntary sustainability report

Status
Underway – previous year attached

Attach the document
Genworth Financial 2017 CSR.pdf

Page/Section reference
Page 4

Content elements
Other metrics

Comment
Year on year reductions in relevant Scope 3 emissions

C14. 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.

C14.1

(C14.1) 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

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

Please confirm below
I have read and accept the applicable Terms