



Our Commitment to Care

*Building the Foundation
for a Sustainable Tomorrow*

A Message From Genworth's President and Chief Executive Officer

We are pleased to share with you our 2020 Sustainability Report, as we reflect on a year that truly was like no other. We encountered loss, experienced isolation, and grappled with uncertainty. Yet, in the midst of the unimaginable, we began to re-imagine; in the midst of hopelessness, we found hope.

Over the past year, we have focused on promoting well-being – of our employees, as they transitioned to remote working arrangements in early March; of our policyholders, among the most vulnerable during the pandemic, as they, in conjunction with their caregivers, made choices to protect their health and safety; of individuals and families as they sought to remain in their homes in the face of financial hardship; and of our communities, as they confronted the harsh realities of the economic dislocation resulting from COVID-19, exacerbating the needs of so many and bringing unexpected scarcity to so many more.

The tragic loss of African American lives in 2020 and, most recently, the lives of Asian Americans, has compelled us to reckon with the stark realities of racial prejudice and inequality, bringing social

justice to the fore of our collective consciousness. Through candid conversations, focused training, and targeted contributions in support of organizations dedicated to strengthening opportunities for members of underserved communities, we have sought to acknowledge the pain of the past, confront the realities of the present, and change the trajectory of the future.

As we recommit ourselves to becoming a more inclusive company, in our pursuit of a more inclusive world, we look forward to the benefit of even greater diversity of background and perspective in the composition of our Board of Directors. We will continue to respond, with intention and care, to honor every experience and respect every voice.

As a company, we faced our share of challenges in 2020, but continued to deliver on our promises to help families become more financially secure, self-reliant, and prepared for the future. Our mortgage insurance products helped over 350,000 individuals achieve the dream of homeownership, and we paid more than \$2.1 billion in long term care insurance benefits. We also remained focused

on executing our strategic priorities, including reducing debt and strengthening our balance sheet while working to stabilize our U.S. Life Insurance business. We look forward to helping more individuals plan for their long-term care needs and more families purchase their first homes.

During this time, our commitment to advancing our sustainability platform never waned. We recognize that the success of our business over the long term is inextricably linked to our efforts to build a better tomorrow by caring for people, the planet, and the communities in which we live.

We invite you to join us in re-imagining the future, sharing in the hope and promise of a brighter tomorrow.

With care,



TOM MCINERNEY



About Us

Genworth Financial, Inc. (Genworth) is a Fortune 500 public holding insurance company dedicated to addressing the financial challenges of aging and helping individuals achieve the dream of home ownership:

Long-Term Care (LTC): We believe aging is not something to be endured. It is something to be embraced. We know first-hand that aging and the issues that come with growing older do not just affect one person. They affect all of us.

Our U.S. Life Insurance (USLI) business offers customers long term care insurance, which provides coverage for the care needs of individuals who require assistance with activities of daily living or suffer from severe cognitive impairment.¹

Homeownership: Our U.S. Mortgage Insurance business (USMI) offers private mortgage insurance that enables borrowers to buy homes with lower down payments,² thus removing barriers to homeownership. We protect lenders against the risk of default to ensure that loans with affordable down payments are broadly accessible.

About this Report

This is our first sustainability report, and details our environmental, social, and corporate governance (ESG) approach, in addition to our performance, progress, and achievements, with a particular focus on our results in 2020. We also have included information about some of our efforts in previous years to provide additional context for our current initiatives and our plans for the future.

The report covers all aspects of our operations, detailing our company commitments to sustainability, with references to other supporting documents. It aligns with the standards and framework of the Sustainability Accounting Standards Board (SASB).

¹ While we currently service our existing book of life and annuity policies, we no longer sell these products.

² Less than 20% of the home's value

³ Genworth Mortgage Insurance Mexico has been recognized with the Distinction of Socially Responsible Company by CEMEFI (Mexican Center for Philanthropy) for the past three years.

⁴ On February 28, 2021, Genworth announced the sale of its entire ownership position in Genworth Mortgage Insurance Australia Limited.

At a Glance



U.S. Based Policies

USLI: More than 2.9 million policyholders

USMI: More than 936,000 policies



Gross Written Premium

USLI (life, annuity, LTC): \$3,945.1 million

USMI: \$943.6 million



Employees

More than 3,000 colleagues spread across the U.S., Mexico,³ and beyond⁴



Locations

Our U.S. offices are in Richmond, VA; Lynchburg, VA; Raleigh, NC; Stamford, CT; and Waltham, MA



Legacy

Genworth traces its roots back to 1871 to Richmond, VA, where our current corporate headquarters is located

Strategy

Our core business platforms are focused on promoting and facilitating sustainable lifestyles. We enable individuals and families to have access to insurance products that help them to maintain their lifestyles as they age. We also are enabling more individuals and families to achieve the dream of homeownership.

Our strategy is simple – it is rooted in a commitment to care for people, our planet, and the communities in which we live. We will continue to build and advance our sustainability platform, engaging our stakeholders along the way, while embracing sound ESG practices.

We look to the United Nations' Sustainable Development Goals (SDGs) to provide the global framework for achieving a better and more sustainable future for all, and use the 17 SDGs – which address such critical issues as good health along with decent work and economic growth – to measure our own impact. During 2020, through our activities and business products, we contributed to four key goals:

SDGs and How We Support Them



Good Health and Well-being

- Enabling policyholders to address their long-term care needs
- Promoting healthy aging initiatives
- Advancing research initiatives for dementia-related illnesses
- Enabling more people to experience the pride and joy of home ownership
- Contributing to programs that improve the quality of life for older adults
- Safeguarding the well-being of our employees, with special attention to mental health concerns



Gender Equality

- Being intentional about the gender-balance on our Board of Directors
- Supporting philanthropic charities championing women
- Promoting diversity and inclusion across our company



Decent Work and Economic Growth

- Employing more than 3,000 colleagues across the U.S., Mexico, and beyond
- Becoming a founding corporate partner of *Virginia Ready*, which retrain individuals in Virginia impacted by job loss
- Supporting Operation HOPE, which advances financial literacy and business ownership in underserved communities



Reduced Inequalities

- Enabling homeownership through our mortgage insurance products
- Supporting non-profit organizations that focus on affordable housing and homelessness



“As a member of the Nominating and Corporate Governance Committee of the Genworth Board of Directors, I am pleased that you have taken the opportunity to read our first Sustainability Report. Genworth embraces and promotes sound governance practices while fostering an environment of excellence, integrity, inclusion, and well-being – essential components of our Commitment to Care. We look forward to continuing our progress toward a sustainable tomorrow.”

MELINA E. HIGGINS
GENWORTH FINANCIAL, INC.
BOARD OF DIRECTORS





Stakeholder Engagement* – *Caring About Communication and Collaboration*

INITIATIVE/ORGANIZATION	PURPOSE	IMPACT
Investor Engagement		
Earnings Calls and Annual Stockholder Meeting	To update investors on strategic initiatives throughout 2020, and permit them to ask questions about issues of interests	Clarity and Transparency – Numerous one-on-one follow-ups and investor updates to address rapidly changing events
Governmental/Trade Engagement		
Federal and State Lawmakers	To monitor legislation, including pandemic-related legislative initiatives	Compliance with the latest laws, rules, and regulations
Governmental Entities and Enterprises	To advance strategic priorities, primarily in support of our USMI business (Government Sponsored Enterprises – Fannie Mae and Freddie Mac, and their regulator, the Federal Housing Finance Agency)	Progress on strategic priorities and alignment with GSE initiatives, such as COVID-19 mortgage assistance programs
State Insurance Regulators	To engage on COVID-19-specific policyholder accommodations and discuss strategic priorities	Compliance with requirements and progress on strategic priorities
National Association of Insurance Commissioners	To monitor key regulatory developments that impact our USLI business, most notably related to the Long-Term Care (EX) Task Force, and our USMI business	Engagement on regulatory and policy matters important to our business
Trade Organizations	To monitor key initiatives and advocate for policy, legislative, and regulatory initiatives that impact our business	<p>Engagement and Advocacy – American Council of Life Insurers (ACLI) and U.S. Mortgage Insurers: Genworth employees hold leadership positions and/or committee appointments within these trade organizations</p> <p>Mortgage Bankers Association (MBA): leveraging certified education program (USMI CEO serves on Residential Board of Governors)</p> <p>Helpful engagement through various state trade associations</p>

* While we participate in several Stakeholder Engagement activities, we have listed our primary points of contact.

INITIATIVE/ORGANIZATION	PURPOSE	IMPACT
Employee Engagement		
Regular Leader Communications	To provide updates to employees on progress toward company goals, policies and procedures, as well as current events	Informed Employees – Established rhythm for general business; benefit; diversity and inclusion; and COVID-19-specific updates
UpLift (Corporate Social Responsibility Communications)	To share information about (1) community events and initiatives, (2) volunteer opportunities, and (3) environmental awareness	Employee Engagement – Encouraged community involvement and environmental awareness
Government Relations Election Communications	To provide an information resource hub for the 2020 Presidential Election and encourage employees to participate in the electoral process	Civic Engagement – Improved access to quality information and colleague engagement
Policymaker Engagement		
Cost of Care Survey	To track the cost of long-term care on a national and regional basis in order to identify and report trends	Public Information – Published 16th annual survey in 2020, often cited to relay the cost of long-term care
COVID-19 Consumer Sentiment Survey	To understand how individuals had been impacted by the pandemic	COVID-19 Impact Data – Key Finding: Respondents were juggling work with caregiving and had greater awareness of the need for long-term care planning
COVID-19 Partners in Care Survey	To understand the experiences of professional long-term care providers	COVID-19 Impact Data – Key Finding: Already-increasing cost of receiving care was exacerbated by the pandemic
The Beyond Dollars Survey⁵	To understand the experiences and perspectives of caregivers, beyond financial impacts	Caregiving Impact Data – Key Findings: 46% reported negative impacts on own health, and 50% experienced negative effects on their own careers
Milken Institute – Financial Innovations Lab	Sponsored an initiative to explore improvements for long-term care financing and delivery	Policy Research – Findings/recommendations to be released April 2021
Customer and Consumer Engagement		
“That MI Guy”	Blog featuring USMI national spokesperson to provide helpful information to mortgage/real estate professionals	Industry Awareness – Heighten awareness among mortgage professionals across the industry
USMI First-Time Homebuyer Report	Quarterly reports that describe trends in the first-time homebuyer market	Support First-Time Home Purchasers – Provide helpful information to lending partners and housing industry stakeholders
Policyholder Communications	To provide caregiving information, helpful resources, including those to help protect against identity theft, and/or information to make informed choices regarding long-term care rate increases	More Informed Policyholders – Greater awareness and empowered decision making
Customer Service Calls, Internet, and Social Media Engagement	To provide helpful resources to policyholders and social media followers	Consumer Information – Access to resources to respond to general inquiries and service requests. Helpful voter information was also shared on social media during the 2020 Election cycle

⁵ Beyond Dollars was last published in 2018.



Governance – *Caring About Compliance and Controls*

Our Code of Ethics, *Integrity First*, serves as the beacon that guides our interactions with our shareholders, our policyholders, consumers and each other. We expect our colleagues to put *Integrity First* in every decision, every day, and we are committed to adhering to the highest standards of ethical behavior, as embodied in the [Code's Guiding Principles](#).

Genworth Financial Board of Directors

Our Board of Directors is elected by our stockholders to oversee management and to ensure that the long-term interests of stockholders are served. It has four standing committees – Audit, Management Development and Compensation, Nominating and Corporate Governance, and Risk – and has established written charters for each that outline its specific responsibilities.

We are pleased to include even greater diversity of background and perspective in the composition of our Board of Directors. Of the nine director nominees seeking election at our Annual Meeting of Stockholders in May 2021, 44% (four) are female and 22% (two) are diverse. (Read more about our diversity and inclusion initiatives in the [Colleagues](#) section.)

Sustainability Governance

The Nominating and Corporate Governance Committee (NCGC) of the Genworth Financial Board of Directors oversees our ESG strategy. The NCGC evaluates our progress and objectives related to ESG risks and initiatives, offering guidance as required. Progress, policies, and procedures are reviewed at least annually.

The Risk Committee oversees our enterprise risk management practices along with investment strategies and performance. Oversight of legal and regulatory compliance requirements are delegated to the Board's Risk and Audit Committees.

The company's management-level Sustainability Committee, with members representing several key functional areas, is tasked with implementing our Environmental Policy. The Committee is responsible

for assessing and reducing our environmental impact, tracking greenhouse gas (GHG) emissions, educating employees, and implementing sustainability activities, as well as managing environmental reviews and reporting, including our CDP (Carbon Disclosure Project) submission.

Enterprise Risk Management and Governance

Our enterprise risk management framework incorporates key components to review, manage, and mitigate risks, including identification of risk exposures; business strategy and planning; governance; risk quantification (both qualitative and quantitative); risk appetite; and stress testing.

Several management-level committees operate to provide oversight of specific risks, including:

- Investment Committee
- Enterprise Data Privacy and Security Council
- Genworth Information Technology Risk Council
- USLI – U.S. Life Insurance Risk Committee and Asset Liability Management Committees
- USMI – U.S. Mortgage Insurance Risk Committee
- Genworth MI Mexico – Mexico Risk Committee

Our Most Significant Risks

We have identified the following risk categories as the most significant for our business, frequently reporting on them to both senior management and the Risk Committee of the Genworth Board:

- Credit
- Insurance
- Strategic
- Model
- Market
- Housing
- Operational
- Information Technology (IT)

Genworth also maintains a dedicated Information Risk Management Program, aligned with industry guidelines and best practices. The framework for Genworth's Data Security and Cybersecurity program includes written IT policies and standards that are designed to safeguard the confidentiality, security, integrity, and availability of personal information in accordance with all applicable laws and regulations. The program is reviewed regularly by internal and external parties and is benchmarked against competitors.

See Genworth's 2020 Form 10-K for additional information regarding Risk Management and Cybersecurity: *Part I – Item I – Business – Risk Management*.

Protecting Data and Privacy

Genworth takes data privacy and cybersecurity very seriously. We strive to adhere to high standards of information security governance, treating information security as a critical business issue and creating a security-conscious environment. We continuously invest in tools, resources, security controls, and personnel that help us safeguard the personal information of our policyholders. Our information security team monitors for threats continuously so that the personal data of our customers, and the systems that manage it, are maintained as securely as possible.

Genworth utilizes a suite of IT security controls that are fully functional whether work is performed within Genworth facilities or from alternate locations, including from the homes of our employees. These IT security controls include, but are not limited to, Virtual Private Network (VPN) access, full-disk encryption, multi-factor authentication, long passwords, screensaver timeouts, Data Loss Prevention (DLP), antivirus/antimalware, restricted internet access, personal firewalls, and routine patch management, augmented by an informative and engaging monthly IT Security Awareness employee training curriculum.

Systemic Risk Management

We actively manage capital and continue to focus on evaluating and executing alternative strategic plans to enhance liquidity to address our September 2021 debt maturity, as well as other near-term liabilities and financial obligations, and to maximize shareholder value. See Genworth's 2020 Form 10-K regarding securities lending and liquidity risks for additional information: *Part I – Item 1A – Risk Factors, and Part II – Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources*.

Compliance

Genworth has a robust compliance risk framework, which enables us to monitor closely and carefully assess our adherence to insurance regulatory standards and other requirements.⁶ The framework includes controls to address (among other issues) money laundering, bribery, corruption, insider trading, conflicts of interest, and whistle-blowing.

Each year, Genworth employees are required to acknowledge their understanding of and compliance with the responsibilities and policies in *Integrity First*, including the obligation to report possible violations of law or a Genworth policy through one of the available Genworth channels, including the confidential Ombuds network.

We consult regularly with *Stakeholders* across our industry as we seek to remain current on legislative and regulatory initiatives and changes.

⁶ We use the Department of Justice's "Guidelines for Evaluation of Corporate Compliance Programs" as well as other internal and external benchmarking standards.

Caring through COVID-19

The past year was extraordinary and required us to engage in new and different ways to support our colleagues and our communities. Our response has been care-centered, not only to maintain health and safety but also to promote overall well-being.

Colleagues

Caring for our colleagues took on an urgency in 2020 with the seismic impacts of COVID-19 on both physical and mental health. New benefits and holistic adjustments have included:

- Transitioning all employees to remote work (except for a core essential services team) and permitting flexible work schedules;
- Allowing unlimited paid time-off for illness (personal or family) or other COVID-19-related circumstances (e.g. child care);
- Providing financial support to enable our employees to set up and maintain home offices;
- Providing access to medical resources, including free telemedicine, onsite testing, and recently-administration of the vaccine;
- More than doubling the number of covered Employee Assistance Program appointments;
- Providing free virtual fitness and personal training, as well as weekly mindfulness sessions to manage stress; and
- Providing virtual learning resources and weekly webinars to address various needs.

Community

Extending our *Commitment to Care* into our communities, we contributed more than \$218,000 to over 27 organizations supporting specific causes, including national and local food banks, Meals on Wheels, and senior centers.

We also were pleased to:

- Distribute 1,000 essential needs care packages;
- Deliver 900 large-print books to senior care facilities;
- Facilitate the donation of 30,000 N-95 masks to health organizations serving at-risk communities;
- Arrange for weekly volunteer lunches and donor snacks for blood donation centers during the pandemic in four of the cities where our offices are located; and
- Donate 25 computers to IT4Causes which were used to equip a local homeless shelter.



Unemployment Support

In 2020, we joined *Virginia Ready (VA Ready)* as a founding corporate partner to support those impacted by the pandemic. *VA Ready's* primary objective is to address the unprecedented employment crisis caused, in large part, by COVID-19. The organization supports job seekers by providing new educational and training opportunities which allow them to reskill and pivot to careers in growth industries (such as technology, healthcare, and manufacturing).

As a founding partner, Genworth is actively involved in developing the program's curriculum, and will participate in the *VA Ready* Scholar mentoring program and interview opportunities. Genworth's President and Chief Executive Officer serves on the *VA Ready* Board.

Customer Orientation – *Caring About Claimants and Consumers*

During the past year we supported our policyholders and other consumers who faced financial challenges with accommodations designed to ensure that their long-term care coverage and services were not disrupted and that borrowers were able to remain in their homes.

U.S. Life Insurance (USLI)

Supporting our policyholders through the pandemic

Our long term care insurance policyholders, who are 73 years old on average, have been among the most vulnerable during the pandemic. Genworth engaged in more than two million policyholder interactions in 2020 and paid over \$2.1 billion in long term care insurance benefits. We complied with all federal and state-specific pandemic protections, including premium payment extensions for those encountering financial challenges. We also offered short-term accommodations to permit more flexibility for vulnerable policyholders, including:

- Continuing facility payments, despite a policyholder's decision to return to a home care environment to mitigate the risks of contracting COVID-19;
- Waiving requirements for caregiver certifications, where appropriate; and
- Permitting family caregivers to be reimbursed.

To assist those caring for loved ones from miles away, we developed and provided a long-distance caregiving checklist to enable more effective remote care.

Supporting our policyholders through life

We are committed to supporting our policyholders throughout their aging journey, offering support and care as we pay all legitimate claims. In 2020, we piloted our free Healthy Living Service program to help policyholders maintain their independence and make more informed decisions about their care. The program has already gained tremendous traction and will include additional states in 2021. We expanded our Care Management program to assist more than 800 customers and families dealing with short-term, recoverable conditions, providing helpful guidance and resources to promote independence and aging in place.

Supporting our policyholders to understand long-term care rate increases

Our policies are generally held for the long-term, over 30 to 40 years. When they were initially priced, assumptions were made about the future number and costs of claims that would not be initiated until decades later. Many of those assumptions have evolved as both the cost of and demand for care have exceeded what was originally anticipated over the years.

Insurance companies, including ours, have incurred significant losses as a result, and many companies have left the market. Despite losing \$3.6 billion (statutory accounting basis) on our older legacy policies, we are committed to remaining in the business and look forward to helping individuals address their future long-term care needs. We have filed for rate increases on the older policies and certain newer ones to enable us to cover the cost of future approved claims.

We are mindful of the difficulty some policyholders may face as we implement rate increases and are providing a wide range of available reduced benefit options that allow most policyholders to partially or completely mitigate the impact of rate increases while still maintaining meaningful benefits.

In 2020, we made 37 enhancements to our Premium Increase Letters, and now provide more information to assist policyholders in their future planning, as well as additional coverage and premium payment options. Many policyholders can now review and submit coverage decisions online and can access expert healthy living content from Mayo Clinic. We stand ready to assist our policyholders and to address their questions and concerns.

Marketing to consumers

In 2020, we sold individual long term care insurance through telesales by licensed insurance agents, who were employees of our company. Our Marketing Team used several different media to provide information about the needs served by the product, including print media, websites, and both direct and electronic mail. Our group long term care insurance product was sold either through (1) brokers or benefit administrators, or (2) direct contact from employers with larger or self-managed Human Resources benefit organizations.

Our advertising materials are subject to rigorous compliance review to ensure that they comply with all regulatory requirements. Our market conduct policies and procedures are reviewed at least annually and subject to internal controls to monitor compliance. We also file marketing materials with the Interstate Product

Regulation Compact or directly seek approval in states, where required to do so.

For individual long term care insurance sales, agents are required to request suitability information from consumers that includes, at a minimum, a completed NAIC-designed Personal Worksheet. This includes important information and questions to help us, along with our applicants, review the suitability of our products for their needs. We also provide the Personal Worksheet to consumers applying for coverage through LTC employer group plans.

Finally, all long term care insurance applicants (individual and group) receive the NAIC Shopper's Guide to Long Term Care Insurance (or the state-required equivalent), an Outline of Coverage, and other important information to help ensure consumers understand the type of coverage they are purchasing.

U.S. Mortgage Insurance (USMI)

Supporting homeownership

USMI is engaged in the business of selling mortgage insurance to lenders directly (business-to-business), as opposed to borrowers or consumers. In 2020, our mortgage insurance products helped over 350,000 people own or refinance a home. We provided Homebuyer Kits to 275 of our lenders, enabling them to provide helpful information to those considering the purchase of their very first homes. We were pleased to offer Home Suite Home® coverage through our lenders to thousands of borrowers to help them defray costs and mitigate losses incurred from unexpected financial events.⁷



Supporting borrowers through the pandemic

In 2020, we supported programs that allowed approximately 23,000 policyholders affected by COVID-19 to avoid foreclosure and remain in their homes. Aligning with Fannie Mae and Freddie Mac policies, we empowered our lending partners and mortgage servicers to offer homeowners more flexible options, including forbearances, payment deferrals, and loan modifications, to avoid foreclosure. We provided customized default management training for our mortgage servicers and delegated our right to the customary review and approval of these options to them to enable borrowers in need to receive relief more promptly.

To offer additional support, we initiated a direct mail campaign to provide information to borrowers on homeowner assistance options. We also engaged borrower outreach specialists to speak with select homeowners and connect them with their mortgage servicers to discuss homeowner assistance options.

We provide training and materials to help our lender partners engage with borrowers, both of which are subject to rigorous compliance reviews.

⁷ Where available our Home Suite Home program offers borrowers the choice of either appliance warranties, identity theft reimbursement and restoration services, or homeowners insurance deductible reimbursement.

Community and Foundation – *Caring About the Common Good*

Genworth and its employees are committed to improving the communities where we live and work by investing in eligible programming that aligns with the missions of our two business platforms and the interests of our employees. We strive to be a catalyst for community change.

The Genworth Foundation

The Foundation – in alignment with our two primary businesses – supports non-profit organizations that (1) encourage healthy aging and caregiving, (2) address affordable housing and homelessness, and/or (3) garner engagement from our employees. Since it was established in 2005, the Genworth Foundation has contributed more than \$35 million to non-profits serving our communities.

2020 Highlights

\$1.1 Million

The **Genworth Foundation** awarded over \$1.1 million in grants and funding, excluding employee matching gifts

\$1.4 Million

Genworth employees donated over \$1.4 million, including Foundation matching gifts and volunteer rewards

Over 100

Supported over 100 non-profit organizations around the globe

Foundation Giving

\$270,000

To address affordable housing and homelessness

\$198,500

To organizations aligned with employee interests and engagement

More than \$180,000

In special Foundation giving, including support for local United Way organizations in the communities where our primary worksites are located

\$277,500

To support healthy aging and caregiving

\$165,000

To assist in disaster relief efforts

\$50,000

For civil rights and economic empowerment

Supporting Civil Rights

In 2020, our nation and others around the world were forced to reckon with the realities of racial inequality, inequity, and exclusion. To advance efforts to address these issues, we provided financial support to two organizations that have been leaders in the charge for civil rights and economic empowerment:

\$20,000

To the **Lawyers' Committee for Civil Rights Under Law**, targeting in particular inequities faced by African-Americans and other racial and ethnic minorities

\$30,000

To **Operation HOPE**, which works to promote financial dignity, enhance financial literacy, and address longer-term economic goals, including assistance with home and business ownership

In addition, **VA Ready's** programming, referenced earlier, also is intended to address racial disparities – Genworth is a founding corporate sponsor. See the [Caring Through COVID-19](#) section for more information

Community Outreach

Genworth champions civic engagement and community investment through event sponsorships, regular programs such as our annual June “Month of Service,” as well as supporting and rewarding donations and volunteerism.

While the need to adhere to safety protocols during the pandemic impacted how we engaged with the community, it reinforced our *Commitment to Care* for the common good and to help those in need. Our employees volunteered 3,500 hours in 2020 to support their communities, and made charitable donations totalling over \$1.4 million, including matching gifts and other financial contributions linked to community service.⁸ We extended support to numerous non-profit organizations including those with programming that advanced civil and women’s rights, health and well-being, food and housing security, and financial stability.⁹

Each year, more than 50% of our long term care insurance claim dollars are directed to care for cognitive disorders, including dementia. We have long supported (1) efforts to address the causes and impact of these ailments, particularly Alzheimer’s Disease, and (2) research to identify a cure.

We have sponsored activities and raised money in support of the Richmond Chapter of Alzheimer’s Association for many years, including its Reason to Hope breakfast and Walk to End Alzheimer’s. In addition to sponsoring *USA Against Alzheimer’s* National Alzheimer’s Summit and its Trish Vradenburg Gala in both 2020 and 2019, we also served as the presenting sponsor for the Women’s Alzheimer’s Movement’s Move for Mind event in November of 2019. Genworth hosted the Women Alzheimer’s Movement and its founder, Maria Shriver, in Richmond for a brain health community summit in October of 2018.

We were pleased to serve as the presenting sponsor for the American Heart Association’s Richmond *Go Red* for Women 2020-2021 Fundraising Campaign that supports breakthroughs in science and technology, along with education and awareness campaigns to prevent heart disease and stroke.

Employee Volunteering

Our employees actively volunteer in their communities through Uplift, our outreach program, that includes programming ranging from providing educational activities for pre-schoolers (including work with United Way) and helping non-profits build their websites to the launch of the *Genworth Cares, Genworth Calls* program, which affords employees time during the workday to reach out to “seasoned citizens” to help combat social isolation. To encourage civic engagement, Genworth offers up to 40 hours of paid volunteer time off for full-time employees (20 hours for part-time employees) as one of its many employee benefits.

To learn more about employee benefits, see the [Colleagues](#) section.



⁸ Employees are eligible for a 50% matching gift for qualified donations up to \$5,000 per calendar year. Contributions are sometimes matched at 100%, most often for the organizations featured each month as part of an annual calendar of giving. Employees also accumulate cash rewards for each eligible volunteer hour, up to a maximum of \$200 per year, that can be directed to the qualifying non-profit organization of their choice. Employees who serve on non-profit boards are also eligible to request a \$500 donation from the Genworth Foundation to the non-profit that is the beneficiary of their board service.

⁹ For example, the National Urban League, Women for Women International, Feeding America, and Habitat for Humanity.



Colleagues – *Caring About Culture and Career*

This year, demonstrating our *Commitment to Care* for our colleagues was more important than ever before. We have focused on their well-being to enable them to care for themselves and for those who depend on them.

In 2020, we acted decisively to ensure that our employees would remain healthy and safe, while providing comprehensive support to address their needs through the COVID-19 pandemic. Special benefits and accommodations in response to the pandemic all currently remain in place, and we continue to provide (and, in some instances, enhance) our standard benefits (such as paid family leave, caregiver support, financial and legal services, child care subsidies, and tuition reimbursement).

Additionally, our colleagues regularly have access to an array of resources, including financial planning, legal services, tuition reimbursement, and resources for those who have children with developmental disabilities.

See the [*Caring Through COVID-19*](#) section for additional information on benefits and support services provided to employees to support their well-being during the pandemic.

Diversity and Inclusion

We are committed to creating a culture of accessibility and inclusion for all, and, as our CEO emphasized in his welcome message, we strive to respond with intention and care to honor every experience and respect every voice. In 2020, we were confronted with the brutal realities of racial prejudice and inequality.

We took action. We recommitted to our vision to address inequity, foster a more informed, inclusive environment, and promote economic empowerment in underserved communities. Our CEO signed the CEO Action for Diversity and Inclusion™ Pledge, joining a rapidly expanding global coalition committed to advance Diversity and Inclusion (D&I) in the workplace.

Last year, following the tragic deaths of African Americans that highlighted systemic racial inequities, our CEO issued a statement detailing the company's commitment to fostering an inclusive environment, followed by communications that reiterated this message from several other members of our Senior Leadership Team. In response to the recent untimely deaths of Asian Americans in Georgia and increased violence toward people of Asian descent, our CEO again communicated Genworth's strong condemnation of this conduct.

We held a focus group discussion with our African American Employee Resource Group (ERG) to discuss racial injustice and to provide a safe place for free and open dialogue. To continue the focus, we also (1) launched an intensive new training program, in partnership with a Richmond-based training solutions company, to provide our colleagues with a weekly “micro-lesson” on D&I issues, and (2) offered courses on inclusive leadership, disrupting unconscious bias, and other relevant topics. In 2020, we were pleased to designate Juneteenth as an official company holiday.

Our employees have access to cultural and demographic-based ERGs at their respective worksites to connect them with others who have similar interests. The ERGs participate in recruitment efforts and provide input into hiring strategies. We continue to focus on building a pipeline for talent to create more opportunities for workplace diversity and to enable greater representation within the company.

Our inclusive environment and extensive benefit platform were recognized by the Human Rights Campaign, which named us one of the Best Places to Work for LGBTQ Equality, and also by the Triangle Business Journal in North Carolina, which recognized USMI as one of the 2020 Best Places to Work.

To increase cultural awareness in our community in connection with our diversity efforts, we sponsored, among other things, the Virginia Museum of Fine Arts 2020 Family Day series, which reached an audience of 12,000 individuals with its three programs; *ChinaFest: Year of the Metal Rat*; *Celebrate the Art of Latin America: The Andes*; and *Celebrate African & African American Art: Egypt*.

Professional Development and Training

To refine the skills of our talent pipeline, we offer a wide array of leadership development opportunities. In 2020, despite the challenges posed by the pandemic, a total of 340 colleagues participated in leadership development opportunities; 60 of them attended cohort-based training that extended over a protracted period. Approximately 250 of our colleagues attended virtual trainings open to all employees, and 30 engaged in intensive individual development, working with mentors and external coaches to address specific leadership development needs.

In 2020, over 1,300 employees attended professional development programs and courses. Additionally, 1,000 employees used resources, such as LinkedIn Learning, which enabled them to learn at their convenience.



*“Richer perspectives inform better choices. At Genworth, we understand that an inclusive culture makes good business sense. But our **Commitment to Care** goes far beyond that. We know that potential is not confined to any specific segment of the population; that character and drive are not limited to any particular persuasion. We believe that only when we are many, can we truly be one.”*

ROHIT GUPTA

PRESIDENT AND
CHIEF EXECUTIVE OFFICER,
U.S. MORTGAGE INSURANCE





Climate – *Caring About Our Carbon Footprint*

Our *Commitment to Care* for our climate includes tracking greenhouse gas emissions, implementing environmentally focused activities, educating our employees, and environmental reporting.

Carbon Footprint

For the second consecutive year, in 2020, we were awarded a score of Management “B” for our CDP assessment, which demonstrates our long-standing commitment to caring for the climate and environment. The score is based on the climate-related programing, activities, and improvements relevant to the 2019 reporting year. In 2019, we improved the energy efficiency for our buildings by replacing:

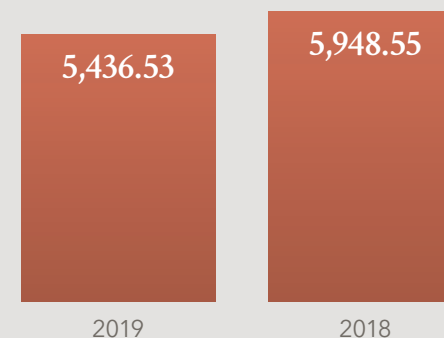
- Fluorescent tubes with LED lights – saving approximately 204,200 kWh annually; and
- Old boilers with energy-efficient HVAC alternatives – saving approximately 29,260 Dekatherm (Dth) annually.

Together, these measures allowed us to decrease our Scope 1 and 2 emissions by 28%, relative to the previous reporting year (2018).

We are currently in the process of calculating our carbon footprint for the 2020 reporting year. This data, which includes Scopes 1, 2, and selected Scope 3 emissions, will be subsequently verified and included in our 2021 submission to CDP and available on our website later this year.

We have, however, calculated the 2020 Scope 3 emissions associated employee commuting. In connection with our office closure on March 12, 2020 and transfer of all employees, save a core essential services team, to remote work, we estimate that approximately 4,402.44 metric tons CO₂e, related to employee commuting, were avoided.¹⁰

Total Scope 1 and 2 Emissions (metric tons CO₂e)



¹⁰ The estimated CO₂e savings is derived from the Distance Calculator method and the Environmental Protection Agency's Emission Factors for Greenhouse Gas Inventories: Employee Commuting (passenger cars). The distance is calculated based on the location of the employees' homes, assigned worksites, and the number of working days that were shifted to remote work in 2020 (the period between March 13, 2020 office closure to December 31, 2020, adjusted for vacation and company holidays).

Waste Management

Here at Genworth, we are conscious of the need to manage and reduce the amount of waste generated. In 2019, we engaged with our employees, policyholders, and the community to foster and promote waste management best practices.

Employees

To encourage recycling best practices with our employees, we hosted a campaign in 2019 where our employees in Lynchburg, Virginia collected and returned over 1,200 bags to a local Target store for baling and recycling. In addition, we held an event for employees at our Richmond, Virginia site to recycle previously used electronics.

Customers

Through our MyGenworth platform, we provide account information access and digital signature and electronic transfer capabilities to our customers in efforts to reduce the use of paper. Using DocuSign, policyholders are permitted to submit digital signatures. In 2019, over 289,000 documents were submitted electronically, which represents the amount of paper saved/avoided.

In 2020, we automated several customer service transactions, which eliminated the need to download forms. As a result of these enhanced digital technologies, the number of paper submissions during this period declined slightly to 205,388.

Community

In an effort to encourage individuals to reduce their plastic waste, in 2019 we provided metal straws to our U.S.-based employees and distributed Genworth-branded metal straws at the Richmond Folk Festival, an event attended by over 200,000 members of the community.

Ethical Behavior in Our Supply Chain

We leverage opportunities to share and extend our principles throughout our supply chain and expect our suppliers to provide safe workplaces, protect the environment, and promote sustainable business practices. Our Code of Ethics for Suppliers makes clear that human rights and environmental sustainability concerns are key considerations when we assess supplier proposals and evaluate business relationships.

Changing Behaviors

We are committed to raising awareness about environmental impacts and supporting our colleagues to change behaviors both at home and at work. We expanded employee engagement in 2020 by establishing our cross-functional, cross-site Green Team.

Our 2020 environmental highlights include promoting home conservation activities as part of our virtual celebrations for the 50th anniversary of Earth Day and providing frequent environmental awareness activities and conservation tips (these were provided weekly during our annual “Month of Service”). Our Green Team created content for the environmental messaging included in our internal Corporate Social Responsibility communication, *UpLift*.

Managing Our Risk Exposure

Climate-related risks are most directly applicable to our Mortgage Insurance business where local natural disasters, such as hurricanes, may lead to a short-term rise in delinquencies. Mortgage insurance is a credit enhancement product, as opposed to a property and casualty hazard insurance product. Our mortgage insurance Master Policy contains protections that limit exposure to climate related events. Our Master Policy protection on physical damage includes damage to the home due to accidents or natural disasters as well as any environmental impairment.

USMI does not perform long-term climate change modeling. However, we do perform some modeling on natural disasters (such as hurricanes) as discrete events, based on observations from past events. Our experience with local natural disasters shows improved delinquency performance due to economic stimulus provided by rebuilding efforts. Therefore, we have not experienced material losses attributable to natural catastrophes.

Apart from the appraisal of a subject property, we do not incorporate environmental risks into our underwriting for process for individual contracts. Our Master Policy has provisions which protect the mortgage insurance provider from paying claims due to home damage.

USMI considers environmental risks (climate change) among its emerging risks. As a result, we have started to analyze climate change, with the objective of advancing our approach and analysis in 2021.

ESG Asset Management – *Caring about Capital Considerations*

We assess environmental, social, and corporate governance practices in our investment underwriting processes.

We devote substantial resources to fundamental credit, legal, and sector analysis as part of our rigorous underwriting and ongoing surveillance processes. We commit to purchasing a security only after evaluating the risks of its issuer, including ESG factors, and ensuring that (1) the deal structure adequately mitigates those risks, and (2) the pricing appropriately compensates us.

ESG factors are also evaluated in the diligence process for commercial real estate loans in our investment portfolio. We routinely conduct environmental assessments during loan diligence on commercial real estate as well as real property to be acquired through foreclosure. Our external managers and advisors for emerging markets, alternative assets, and middle market loans evaluate ESG factors in their diligence processes as well.

We have committed formally to incorporate an ESG framework into our investment process. While ESG considerations have always been a part of our underwriting, we plan to begin assigning internal ESG scores to our credit portfolio holdings in 2021. We are also in the process of establishing an ESG Investments Committee and adopting an ESG Investment Policy to guide this integration. We look forward to sharing additional information about our investments-related ESG activities in the years ahead.

Short and Long Term Derivatives By Asset Class*

Short Term	\$ 62,725,831	45.82%
Equity Call Options	\$ 50,635,233	
Equity Put Options	\$ 12,090,598	
Long Term	\$ 74,167,195	4.18%
Equity Call Options	\$ 883,924	
Cross Currency Swaps	\$ (6,502,910)	
Interest Rate Swaps	\$ 79,786,181	
Total	\$ 136,893,026	

* Excludes Holding Company derivatives

Short and Long Term Invested Assets By Class*

Stocks	\$ 136,835,290	0.25%
Common Stock	\$ 47,521,800	
Common Stock - Foreign	\$ 7,230,520	
Preferred Stock	\$ 82,082,970	
Short Term Bonds	\$ 15,805,866	0.03%
Commercial Paper	\$ 15,805,866	
Long Term Bonds	\$ 53,747,987,698	99.72%
Government (U.S.)	\$ 3,292,911,500	
Government (Non-U.S.)	\$ 700,277,217	
State and Political Subdivisions	\$ 2,635,036,505	
Other Bonds (U.S.)	\$ 29,989,668,487	
Other Bonds (Non-U.S.)	\$ 9,246,486,989	
Mortgage-Backed Securities (Residential)	\$ 1,690,951,056	
Mortgage-Backed securities (Commercial)	\$ 2,738,909,906	
Other Asset-Backed Securities	\$ 3,064,053,904	
Bank Loans	\$ 359,472,739	
Mortgage-Backed Securities Derivative	\$ 30,219,395	
Total*	\$ 53,900,628,854	

* Represents 99.5% of stocks and bonds that support our primary legal entities

Stock and Bond Investments By Industry*

Finance and Insurance	\$ 13,099,451,310	24.30%
Public Administration	\$ 10,294,997,714	19.10%
Manufacturing	\$ 9,598,356,970	17.81%
Utilities	\$ 9,286,819,955	17.23%
Information	\$ 2,600,473,492	4.82%
Real Estate and Rental and Leasing	\$ 2,207,077,786	4.09%
Transportation and Warehousing	\$ 1,761,913,964	3.27%
Professional, Scientific, and Technical Services	\$ 1,715,480,250	3.18%
Retail Trade	\$ 1,580,939,720	2.93%
Wholesale Trade	\$ 1,163,499,270	2.16%
Accommodation and Food Services	\$ 315,338,129	0.59%
Arts, Entertainment, and Recreation	\$ 119,706,772	0.22%
Administrative and Support and Waste Management and Remediation	\$ 101,195,254	0.19%
Construction	\$ 36,042,984	0.07%
Educational Services	\$ 19,335,285	0.04%
Grand Total	\$ 53,900,628,854	100%

* Represents 99.5% of stocks and bonds that support our primary legal entities

Mortgage Loans on Real Estate

Office	\$ 1,564,272,245	23.21%
Industrial	\$ 1,631,130,921	24.20%
Retail	\$ 2,435,718,065	36.14%
Apartment	\$ 956,302,021	8.37%
Mixed Use	\$ 286,372,740	4.25%
Other	\$ 258,647,065	3.84%
Total	\$ 6,740,443,057	

Note: Does not include real estate held of approximately \$13MM

Sustainability Accounting Standards Board (SASB) Index

TOPIC	ACCOUNTING METRIC	CODE	DISCLOSURE
Transparent Information and Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	FN-IN-270a.1	For details on legal proceedings, see <i>Genworth's 2020 Form 10-K – Part II–Item 8–Financial Statements and Supplementary Data–Note 20–Commitments and Contingencies</i> .
	Complaints-to-claims ratio	FN-IN-270a.2	Genworth considers the NAIC Closed Complaint Index to be the relevant metric to assess and compare the effectiveness of our operations to that of our peers. The Closed Complaint Index is calculated by dividing the company's share of complaints in the U.S. market by the Company's share of premiums in the U.S. market. For 2020, the indices were .87, .58, and .47 respectively for our GLIC, ¹¹ GLAIC, ¹² and GLICNY ¹³ legal entities compared to a national median ratio of 1. Genworth does not calculate a complaint-to-claims ratio, as this metric lacks the measurement consistency across companies permitted by the NAIC Closed Complaint Ratio. We do not calculate complaint ratios for our USMI business, as products are sold to lenders directly, as opposed to borrowers or consumers.
	Customer retention rate	FN-IN-270a.3	While Genworth currently does not calculate customer retentions rates, the overall lapse rates for our USLI products in 2020 are as follows: for our life insurance products – 6.5% and for our individual long term care insurance products – .65%. "Lapse rate" is defined as policy termination due to non-payment of premium and does not include policies in non-forfeiture status. We have excluded (1) our group long term care insurance products as they include a mix of employer-paid and voluntary coverage and contain different product features related to non-forfeiture, (2) annuity products, as we currently are servicing our existing customers and no additional premium payments are required to maintain the contracts, and (3) our mortgage insurance products, which are sold to lenders directly, as opposed to borrowers or consumers.
	Description of approach to informing customers about products	FN-IN-270a.4	See <i>Customer Orientation</i> section – "Marketing to Consumers" on page 11.

¹¹ Genworth Life Insurance Company

¹² Genworth Life and Annuity Insurance Company

¹³ Genworth Life Insurance Company of New York

TOPIC	ACCOUNTING METRIC	CODE	DISCLOSURE
Incorporation of Environmental, Social, and Governance Factors in Investment Management	Total invested assets, by industry and asset class	FN-IN-410a.1	See the tables provided on pages 18 - 19. Additional information about our investment portfolio can be found in Genworth's 2020 Form 10-K, see <i>Part II—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Investments and Derivative Instruments</i> .
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	FN-IN-410a.2	See ESG Asset Management section on page 18.
Policies Designed to Incentivize Responsible Behavior	Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	Given our current lines of business, this topic is not applicable.
	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	FN-IN-410b.2	See Customer Orientation section on pages 10 - 11.
Environmental Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	Genworth does not currently complete this modeling - See Climate section - "Managing Our Risk Exposure" on page 17.
	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	FN-IN-450a.2	While this topic is not relevant to our USLI business, it has been identified as an emerging risk for our USMI Business - See Climate section - "Managing Our Risk Exposure" on page 17.
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	FN-IN-450a.3	See Climate section - "Managing Our Risk Exposure" on page 17.

TOPIC	ACCOUNTING METRIC	CODE	DISCLOSURE
Systemic Risk Management	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	FN-IN-550a.1	Specific information related to derivatives can be found on <i>Schedule DB - Part D</i> filed with the National Association of Insurance Commissioners. Of the three categories identified, we have exposure in only one - noncentrally cleared derivatives - in the amount of \$229,044,099.
	Total fair value of securities lending collateral assets	FN-IN-550a.2	See Genworth's 2020 Form 10-K regarding securities lending for additional information: (1) <i>Part II - Item 8 - Financial Statements and Supplementary Data - Note 12 - Borrowings and Other Financings</i> .
	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	See Genworth's 2020 Form 10-K regarding (1) <i>Part I - Item 1A - Risk Factors</i> , and (2) <i>Part II - Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources</i> .
Activity Metric	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	FN-IN-000.A	See <u>At a Glance</u> section on page 3.

Cautionary Note Regarding Forward-Looking Statements

This report contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will" or words of similar meaning and include, but are not limited to, statements regarding the outlook for future business and financial performance of Genworth Financial, Inc. (Genworth) and its consolidated subsidiaries. Forward-looking statements are based on management's current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially due to global political, economic, business, competitive, market, regulatory and other factors and risks, including those discussed at the end of this presentation, as well as in the risk factor section of Genworth's Annual Report on Form 10-K, filed with the United States Securities and Exchange Commission (SEC) on February 26, 2021. Genworth undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.



Thank you for reviewing our 2020 Sustainability Report. We welcome your comments – email us at GNWCommunityRelations@genworth.com.

We look forward to sharing future updates with you as we continue to re-imagine the future.

We invite you to make your own *Commitment to Care*, and to join us as we build the foundation for a sustainable tomorrow.