Genworth

2023 Task Force for Climate-Related Financial Disclosures (TCFD) Report

About Genworth

Genworth Financial, Inc ("Genworth", the "Company", "we", "us", and "our") (NYSE: GNW) is a Fortune 500 company focused on empowering families to navigate the aging journey with confidence, now and in the future. Headquartered in Richmond, Virginia, Genworth and its CareScout businesses provide guidance, products, and services that help people understand their caregiving options and fund their long-term care needs. Genworth traces its roots back to 1871 and became a public company in 2004. In September 2021, Genworth completed a minority initial public offering of Enact Holdings, Inc. ("Enact") (NASDAQ: ACT), a leading provider of private mortgage insurance to lenders. As of the publication of this report, Genworth's ownership interest in Enact's common shares is approximately 81% and Enact is included within Genworth's reporting boundary.

About This Report

This report contains climate-related information about Genworth for the reporting year 2023 and follows the framework outlined in the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The report is structured around four key thematic areas: governance, strategy, risk management, and metrics and targets.

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Governance

Describe the board's oversight of climate-related risks and opportunities

Board governance occurs at the enterprise holding company level, or Genworth, while risk exposures are assessed and managed at the entity level. Genworth's Board of Directors receives periodic updates related to Genworth sustainability initiatives and environmental, social, and governance (ESG)-related topics. For more information about Genworth's board governance structure and our sustainability initiatives, see [Genworth's 2023 Sustainability Report.]

The Genworth Board includes directors who possess core qualities that the Board believes assist it in overseeing Genworth's operations and developing and pursing Genworth's strategic objectives. In addition to the core qualities, the Board identifies certain key qualities, experience and skills, from time to time, that it believes are currently important to Genworth's business. All Genworth's current directors have risk management experience and can provide critical perspectives for the Board's role in overseeing the risks facing Genworth, including climate-related issues.

Over the last four years, Genworth has added five new independent directors to our Board, representing approximately 56% of our Board. These directors bring a variety of qualities, experiences, skills and new perspectives, helping the Board continue to provide effective oversight of the Company and its businesses. When directors join the Board, as a part of the orientation process, each new director receives educational briefings by senior management on Genworth's strategic plans, financial statements and key policies and practices. In addition, directors are encouraged to participate in external continued education courses and seminars to help them stay abreast of key topics and evolving responsibilities, such as climate-related matters. Three of these newer directors currently serve on the Risk Committee, including the Chair of the Risk Committee. Specialized orientation sessions for the new Risk Chair were conducted, and ongoing educational and update sessions related to ESG investment matters and climate-related risks have been incorporated into Risk Committee meetings. In addition, all Genworth Board members participated in an in-depth ESG educational session in 2022.

The Nominating and Corporate Governance Committee (NCGC) of the Genworth Board has general oversight of our ESG policies and practices, and regularly reviews our sustainability platform, including climate-related issues. This committee reviews Genworth's environmental policy and practices during at least one of its annually scheduled meetings and receives regular updates (at least annually) on the Company's sustainability initiatives, including the implementation of new procedures and reporting metrics. The NCGC's oversight has extended to enhanced environmental disclosures, including the publication of Genworth's 2023 sustainability report, and more frequent updates from the Chief Sustainability Officer (CSO). Four of the Genworth Board's eight independent directors serve on this committee.

The Risk Committee of Genworth's Board is responsible for oversight of both climate-related risks and Genworth's investment portfolio and strategy. This committee considers climate-related risks in its assessments of standard operational risks, which also include risks related to the regulatory environment, technology, and Genworth's reputation. This committee has received reports related to (1) Genworth's Investments ESG Policy Statement, (2) Genworth's Investments ESG Committee, (3) implementation of an ESG sensitive sector strategy and an ESG scoring system applied to Genworth's corporate and municipal bond holdings and (4) the risk framework management developed to assess qualitative and quantitative climate risk exposures. In 2023, this committee received updates on climate scenario analysis and the potential impact of climate risk. In addition, this committee has received reports from Enact on potential risks associated with mortgage loan delinquencies as well as risk mitigation actions following natural disasters. Four of the Genworth Board's eight independent directors serve on the Risk Committee.

Enact has its own Board governance structure. The Enact Board receives regular updates on ESG issues and Enact's Board also has standing committees that receive briefings on ESG practices and associated risks and is engaged on matters such as climate-related risks and opportunities. For additional information see Enact's 2023 ESG Report.

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

At the management level, Genworth's Executive Council, comprised of the Company's senior management, is an advisory group to the Chief Executive Officer (CEO) in connection with the implementation, oversight and long-term sustainability of Genworth's strategy and execution. Among other things, this council has responsibility to ensure our policies, processes and governance models are effective and fit for purpose. Genworth's CEO is a member of the Genworth Board and generally participates in all meetings of the Board's NCGC in addition to its Risk Committee, where climate risks are discussed as a standing agenda item at least annually. Genworth's CEO also is a member of Enact's Board of Directors.

Genworth's Chief Risk Officer (CRO) reports to the CEO and Genworth's Board Risk Committee. The CRO is responsible for ensuring that climate risk exposure is assessed and reported, and that appropriate mitigation plans are in place where needed. Enact also has a Chief Risk Officer who functionally reports to Genworth's CRO.

Climate-related risks are managed through our existing enterprise risk management (ERM) function and framework, which is directed by Genworth's CRO. Our risk, legal, and compliance functions align to review and assess risks and controls. The Leader of ERM and Reporting Risk is responsible for assessing our exposure to climate change risks across the enterprise. Additionally, Genworth has assigned risk managers, dedicated to Credit Risk, Market Risk, Insurance Risk, and Operational Risk, all of whom report directly to Genworth's CRO. These risk managers are responsible for identifying, analyzing, mitigating, and reporting key risks in their respective risk domains.

Genworth's Chief Investment Officer (CIO) is responsible for oversight of the Company's Investments ESG policy and its incorporation into investment guidelines and practices. The CIO provides ESG investment performance updates to the Board's Risk Committee on a regular basis. Genworth's management Investments ESG Committee assists in reviewing ESG-related investment strategies, risks, and opportunities to guide investment decision-making.

Genworth's Chief Sustainability Officer (CSO), with input from the Board, manages Genworth's sustainability program, including Genworth's environmental policy and general oversight of the assessment and management of climate-related risks and opportunities. The CSO leads our management Sustainability Committee, which supports work to assess and manage climate-related risks and opportunities. Our management Sustainability Committee is comprised of designated members of Genworth's Executive Council, including the CRO, CIO, Chief Financial Officer and Chief Human Resources Officer, along with representatives from communications, corporate social responsibility, facilities, investments, risk management, controllership, and supplier relations. This management committee meets at least quarterly, with greater frequency as it deems necessary or appropriate to carry out its duties and responsibilities.

See Figure 1 below for an illustration of Genworth's governance structure for climate risk.

Governance Forum	Key Function
Genworth Board Risk Committee (Inform to Legal Entity Boards)	• Risk oversight and governance • Feedback
Executive Council	• Ongoing review of key risks • Risk review and acceptance
Sustainability Committee	• Sustainability oversight • Climate related Disclosures (CDP)
Division Risk Committees	• Risk oversight and inform to stakeholders • Reporting
Business Working Groups e.g. Investments ESG Committee	• Own and assess risk • Monitor and respond

Figure 1. Climate Risk Governance Structure

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term

Genworth recognizes that climate change poses significant potential risks to the environment, the global economy, and to human health and well-being. The Company has chosen to align its definition of applicable time horizons with those used in our financial and strategic planning. Short-term is represented as zero to three years, medium-term as four to 10 years, and long-term as 11 to 30 years.

Physical Risk

Operational Risk: Increased severity of extreme weather events, such as hurricanes, may have the potential to cause operational disruptions at our facilities, reputational risks, increased capital costs related to the restoration of damaged property, and employee benefit costs associated with the increased risk of injury in the short-term. To mitigate these potential risks, in 2020, Genworth invested approximately $570,000 to implement Business Continuity Plans and remote work capabilities. In 2023 a "Remote and Flexible Work Arrangements" policy was published to outline our hybrid work environment and remote and flexible work arrangements which is supportive of our efforts to maintain business operations in the event of extreme weather events. We invest approximately $550,000 every five years ($110,000 per year) to enable employees to log into our systems from home. These efforts enable our employees to work remotely should we encounter extreme weather-related events.

In general, we conduct physical security assessments of our facilities every two years. In 2022, we engaged an independent consultant to assist us in completing a physical risk assessment of Genworth's Operations. A more detailed discussion of the physical risk scenario analysis is included in the *Scenario Analysis* section below.

In addition, Enact, like other mortgage insurance providers, is subject to policy protections that defer potential claim payments when the primary cause of borrower default is physical damage until a property is restored to its original condition.

Underwriting Risk

Acute Risk: A natural disaster, such as a hurricane, could lead to unexpected changes in persistency rates if policyholders and contract holders who are affected by the disaster are unable to satisfy 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. A natural disaster could also significantly increase our mortality and morbidity experience in the affected region, exceeding assumptions that supported the pricing for our insurance and investment products previously sold through our U.S. Life insurance business. In 2022, we engaged an independent consultant to assist us in completing a quantitative hypothetical scenario analysis of the U.S. Life Insurance business' traditional life and long-term care (LTC) insurance inforce liability portfolios. A more detailed discussion of this analysis is included in the Scenario Analysis section below.

Should a natural disaster trigger an economic downturn in the geographic areas affected directly or indirectly, Enact, our majority-owned mortgage insurance subsidiary, could, among other things, experience a decline in business and/or increase in delinquencies in those areas, which potentially could lead to increased incurred loss experience and/or the need for reserve adjustments. Enact's experience with local natural disasters shows improved delinquency performance due to economic stimulus provided by rebuilding efforts. Therefore, Enact has not experienced material losses attributable to natural catastrophes. Disasters also could disrupt public and private infrastructure, including communications and financial services, which may impact our normal business operations.

Chronic Risk: Longer-term shifts in climate patterns, such as rising temperatures and sea level rise, could have a significant impact on our business. Since we rely on historical results to price future liabilities in our U.S. Life insurance division, a longer-term shift in climate patterns could lead to an increase in our mortality and morbidity experience in life and LTC, exceeding the assumptions we used in pricing these insurance products. In 2022, we engaged an independent consultant to assist us in completing quantitative hypothetical scenario analyses of Genworth's physical operations and the U.S. Life Insurance business' traditional life and LTC insurance inforce liability portfolios. A more detailed discussion of this work is included in the *Scenario Analysis* section below.

A longer-term shift in climate patterns could also disrupt investment in business, housing, and infrastructure and lead to changes in demographics, family formation, and consumer behavior – the results of which are being assessed and evaluated as an Emerging Risk.

In the shorter term (as noted above), climate-related risks could lead to unexpected changes in persistency rates, as policyholders affected by a natural disaster may be unable to satisfy their contractual obligations, such as payment of premiums. Increased coastal hurricane activity, for example, could gradually, but steadily, result in economic deterioration: home price depreciation, lower origination, and lower tax revenues in areas where we have mortgage insurance exposure. Consequently, among other things, we could experience a decline in business and increase in claims in those areas which may lead to increased loss experience in Enact and/or the need for reserve adjustments. Policy protections allow a mortgage insurance provider to deny a claim until the property is restored to its original condition if the primary cause of a borrower default is property damage. In 2023, Enact continued the process of assessing its inforce portfolio's climate risk exposure based on climate data related to physical risks. A more detailed discussion of this analysis is included in the *Scenario Analysis* section below.

Credit Risk: Physical Risks may also impact the credit risk of both Genworth's and Enact's investment portfolios. Extreme weather could impact the physical assets and/or activities of companies in which we invest. Further, extreme weather may impact the underlying property values of our real estate investment portfolio.

Transition Risk

Reputation Risk: Certain ESG-sensitive exposures in our investment portfolio potentially could cause reputational damage to Genworth. In 2021, we adopted an ESG investment policy and formed an Investments ESG Committee to consider the impact of ESG criteria as we seek to continue to manage our investment portfolio prudently. We also began the implementation of an internal Investments ESG scoring system to assess our portfolio and to ensure that we are not overly exposed to high-risk assets in this regard. The Investments team began the initial build of a platform in 2020 to track and analyze these exposures which was implemented in 2021. Approximately 80% of our fixed income portfolio was scored as of the fourth quarter of 2023. The investments team conducts peer analysis annually that compares peer exposures to an internally created benchmark measuring common exclusions from ESG indexes. The Investments team also conducts internal carbon scoring that tracks both gross emissions and carbon intensity for 70% of our public corporate holdings. A more detailed discussion of this work is included in the *Risk Management* section below.

Credit Risk: Genworth's investment portfolio is subject to transition risks as climate regulations may impact the profitability of certain industries. Our Investments team continues to undertake ESG initiatives as part of its overall investment due diligence that enable us to assess these risks, determine impact, and consider potential mitigation where appropriate. Genworth has identified the imposition of a carbon pricing mechanism that affects our public energy portfolio as a transition risk that could negatively affect credit risk. After conducting an analysis of greenhouse gas (GHG) emissions data associated with our public energy portfolio, we concluded that the credit impacts due to carbon pricing on this portfolio are insignificant. In 2023, utilizing the same climate scenarios modeled for the liability analyses, we evaluated the impact of climate risk on our investment portfolio. The combined U.S. Life asset and liability quantitative scenario analyses for LTC and traditional life resulted in insignificant impact. This analysis will inform future climate-related disclosures and climate risks assessments. A more detailed discussion of this planned work is included in the *Scenario Analysis* section below.

Genworth has identified "Cap and Trade" systems as an example of a climate transition risk, and the California Cap-and-Trade Program specifically 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 greater credit risk if high-emitting companies in our portfolio are adversely affected by their inability to comply with cap-and-trade requirements.

Technology Risk: Genworth considers mandates implemented by governments and regulators that require the use of renewable resources or energy efficiency equipment (those with minimum energy efficiency ratings) as a relevant transition-related technology risk. These additional requirements could increase our capital costs associated with the installation of renewable resources or energy efficient equipment replacements, although these costs are likely to be at least partially offset by associated long-term cost savings.

Climate-Related Opportunities

Genworth recognizes the opportunities stemming from prudent climate action, such as potential reputational benefits and reduced operational and credit risks. In 2023, for the fifth year in a row, we were awarded a Management "B" score for our CDP assessment. Genworth's physical presence in Richmond, Virginia, Genworth's headquarters, has evolved over the past several years. In early 2022, Genworth's Richmond associates began working in a temporary space while Genworth worked to repurpose its old campus and renovate a new, permanent space throughout 2023. Environmental impact and sustainability matters were considered as a part of the design elements for the new headquarters to minimize waste and landfill impact. Some of these considerations included planning selective demolition, salvaging lights and fixtures, and utilizing LEED principles for construction and demolition waste management and disposal. Management also worked with vendors embracing sustainability principles as Genworth sought to incorporate environmentally friendly efficiencies. Some examples of the resulting design choices include:

- Indoor water use reduction fixtures
- Optimizing Energy Star equipment
- LED interior lighting
- Carpet tile, wall panels, countertops, and ceiling tiles that include carbon-neutral, Green Label Plus-certified and recycled materials
- Selecting furniture and finishes with environmental product declarations, recycled content, and low-emitting materials

In addition, Genworth has identified opportunities to position our investment portfolio for the climate transition. We believe incorporation of sustainable investing practices improves risk-adjusted returns and enhances the long- term value of our investments. Accordingly, we pursue investment opportunities that we deem supportive of ESG considerations yet also fall within our core investment parameters and provide sustainable market returns.

When we purchase a security or issue a commercial real estate loan, we evaluate the investment for ESG considerations. Once a security is in the portfolio, our Investments team performs regular ESG assessments. We also conduct periodic reviews of the ESG policies of our external managers and independent advisors working in emerging markets, alternative assets, and middle market loans. All of our external asset managers are UN PRI signatories and have ESG policies.

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

Recognizing and incorporating climate risks and opportunities into our business strategy will drive financial benefits as our organization's resiliency to climate-related risks continues to improve. We are utilizing our Enterprise Risk Management framework to assess climate impact on our existing risks.

We have initiated a multi-phase climate risk management process. In 2022, we began work on a series of risk assessments and scenario analyses, the first of which was performed in our mortgage insurance subsidiary, Enact. In 2023, we completed work on three hypothetical scenario analyses with the assistance of an independent consultant. We first assessed Genworth's physical operations under two climate scenarios. We then conducted quantitative analyses of the U.S. Life Insurance business' traditional life and LTC insurance inforce liability portfolios and the traditional life and LTC investments portfolios to test resilience to the potential impact of climate change. A more detailed discussion of these analyses is included in the *Scenario Analysis* section below.

Products and Services

Climate-related risks and opportunities have informed our strategy when evaluating the products and services offered by our mortgage insurance subsidiary as extreme weather events, such as hurricanes, have the potential to lead to increased insurance claims liability for Enact. Enact accounts for a potential spike in delinquencies and hardships during natural disasters, such as hurricanes, by posting appropriate reserves in the event of job loss resulting from the disaster event, which may lead to default and, ultimately, claims on our mortgage insurance policies. Enact's experience with local natural disasters shows improved delinquency performance due to economic stimulus provided by rebuilding efforts. The Enact actuarial team estimates the impact of the event by analyzing performance of cures (i.e., a borrower becoming current on a loan by repaying all delinquent payments) and claims from similar events that occurred previously. In 2023, Enact continued the process of assessing its inforce portfolio's climate risk exposure based on climate data related to physical risks. A more detailed discussion of this analysis is included in the *Scenario Analysis* section below.

New business insurance volumes may shift permanently in geographies impacted by climate change events as those locations become less desirable for employers and home buyers. However, we have observed only temporary interruptions in this regard, followed by slightly higher economic activity due to rebuilding efforts. Over the long-term, home prices can be permanently impacted as locations often affected by climate-related events become unaffordable due to excessive property & casualty (P&C) premiums. While we have not observed any such permanent pricing anomalies, we continue to monitor.

Risks are discussed at various forums, including the annual inforce reviews that occur at the Enact management risk committee meetings attended by Enact's executive leadership. Key metrics (delinquencies, etc.) are monitored at monthly meetings of this committee.

Overall, Genworth considers climate-related risks associated with our products and services to have a medium-term time horizon.

Value Chain

We have considered the possibility that climate-related risks, such as a severe weather event, could cause an operational disruption for one of our third-party suppliers, particularly where we contract to provide services directly to our policyholders. To mitigate this particular risk, Genworth's Supplier Management team conducted reviews of 282 third-party service providers in 2023, who were identified using risk-based criteria (suppliers identified as "high risk" are reviewed annually; suppliers identified as "medium risk" are reviewed biennially). High and medium risk suppliers represent 68% of our annual procurement spend and many must comply with our requirement to have a business continuity/disaster recovery plan. During the review process, the Supplier Management team did not identify any material issues with the business continuity/disaster recovery plans for the select providers who were required to have them.

While third-party suppliers are required to make affirmative representations at the time of contract about their compliance with applicable laws and regulations, including those related to the environment, we attempt to assess their environmental efforts during our periodic reviews. We also assess the continued feasibility of outsourcing arrangements, considering a full spectrum of risks, in order to make informed choices that align with our strategic direction.

Genworth considers climate-related risks associated with our supply chain and/or value chain to have a medium-term time horizon.

Operations

Prior to the COVID-19 pandemic, Genworth identified alternative work sites as part of our Business Continuity Planning (BCP) and conducted tests to assess readiness for all employees to work from home. The COVID-19 pandemic further tested and confirmed the capability for all associates to work remotely and expanded the geographic dispersion of our associates. Hiring practices continue to support this geographic diversification of our workforce which will help to mitigate climate-related risks. Throughout 2023, most of our locations maintained a hybrid approach.

Genworth continues to explore Cloud solutions which will diminish the dependence on our existing physical data centers and expand the geographic diversification of our data centers.

Environmental impact and sustainability matters were considered as a part of our design elements with our new headquarters in Richmond, Virginia to minimize energy use, water use, waste, and landfill impact. Some of these considerations included planning selective demolition, salvaging lights and fixtures, and utilizing LEED principles for construction and demolition waste management and disposal. Enact's Raleigh, North Carolina headquarters is Gold LEED certified, using 30% less water than comparable buildings, in addition to other efficiencies.

In both Genworth's U.S. Life insurance businesses and Enact subsidiary, we have enabled a significant transition away from paper to digital processing, reducing the overall carbon footprint. In 2018, we created a platform, MyGenworth, which permits customers to access their information and transfer documents electronically. Prior to 2018, we implemented DocuSign, an automated tool that permits policyholders to affix a digital signature to a form instead of a traditional ink signature (this process eliminated the previous requirement for paper transmission between Genworth and our U.S. Life Insurance companies' policyholders).

In 2023, we continued to offer policyholders flexibility in their ability to conduct transactions electronically, reducing the need for paper. These initiatives resulted in approximately 111,300 transactions completed online, with over 355,000 LTC claims documents and more than 15,000 non-LTC claims documents uploaded using a special submission feature. Policyholders submitted over 287,000 payments electronically, eliminating the need to mail paper checks or place calls to our customer service center. An additional 16,042 customers enrolled in paperless options in 2023, which enabled them to conduct certain transactions electronically.

Investments

Climate-related risks are assessed in the diligence process for our investments in the following areas:

- Corporate/Municipal Bonds – Genworth assesses the risk related to ESG factors as part of its underwriting process;
- Alternative Assets/Middle Market Loans – Advisors consider ESG factors when evaluating investments; and
- Commercial Real Estate – We routinely conduct environmental assessments during the diligence process for real estate we are planning to lend against for investment purposes as well as real property to be acquired through foreclosure.

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

Investments in certain industry segments are periodically impacted by natural disasters attributed to climate change. The Investments team will closely monitor the impact to a company's creditworthiness resulting from a climate-related incident and will consider reducing exposure when warranted to lower risk. Sectors with heightened exposure are periodically reviewed as part of our Investments ESG Committee.

Genworth pursues investment opportunities that we deem supportive of ESG considerations that also fall within our core investment parameters and provide suitable market returns. As of 2023, Genworth and Enact together held $690 million in green, social, sustainability, and sustainability-linked bonds, with more than $235 million of investment in hydro, wind, solar, and energy-efficiency projects.

Financial Planning

Since we now have completed the scenario analyses described below, we are better positioned to gauge the potential impact of climate-related risks on financial performance and how they should be considered in future financial projections. In both the U.S. life insurance business as well as Enact, historical climate impacts are embedded in the experience used for pricing and reserving. In addition, ESG scoring is considered in evaluating the investment portfolio's risk and potential return.

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

In 2022, Enact analyzed its inforce portfolio's climate risk exposure based on climate data related to physical risks. While its master policy includes claim payment protections when the primary cause of borrower default is physical damage, Enact recognized the importance of a thorough assessment of potential transitionary climate-related risks to its business.

Enact used Moody's Investors Services' climate risk data to develop risk scores and exposure rankings, aggregated by ZIP code, based on projected average population distribution (2030-2040). This analysis considered both acute physical risks from hurricanes, floods and wildfires, and chronic climate risks from water stress, heat stress, and sea level rise. The results provided a view of relative risk scores across Enact's policies inforce. The scores ranged from a low of 'No Risk' (not exposed) to a high or 'Red Flag' risk, which indicated significant exposure to historical or projected risks and the potential for future negative impacts.

The analysis showed that Enact's insured portfolio has a relatively low level of risk related to climate change. The U.S. mortgage insurance industry protects lenders against credit risk as opposed to hazard risk. Therefore, Enact's master policy excludes claim payments resulting from defaults due to physical damage to the property. Enact will continue to monitor climate-related risks and perform additional analysis as its approach becomes more mature and additional data becomes available.

Scenario Analysis

We have conducted a multi-phase climate risk management process. In 2022, a series of risk assessments and scenario analyses were utilized to assess the potential impacts of climate change on Genworth's physical operations and select significant liability portfolios. In 2023, we evaluated the impact of climate risk on our investment portfolio utilizing the same climate scenarios for integration with the liability analyses. The combined U.S. Life asset and liability quantitative scenario analyses for LTC and traditional life resulted in insignificant impact. This analysis will inform future climate-related disclosures and climate risks assessments.

Methodology

These analyses utilized two Intergovernmental Panel on Climate Change (IPCC) scenarios – SSP 1-2.6 and SSP 5-8.5, which contemplate 1.8˚C and 4.4˚C surface temperature rises respectively by 2081-2100 (relative to preindustrial levels), to enable the widest range of results.

The operational assessment evaluated five perils, including both acute (flood, tropical cyclone, and wildfire) and chronic (drought and heat stress) risks over multiple time horizons through 2050, to provide insights on the present and future risk areas. The analysis included an evaluation of office and supplier locations, in addition to other location-specific considerations.

To conduct the quantitative scenario analysis of the traditional life and LTC insurance inforce liability portfolios, the independent consultant used the two IPCC scenarios noted above and key statistics from academic research focused on extreme heat and worsening air quality to generate stresses to some key mortality and morbidity assumptions. The stresses on these assumptions were evaluated through 2081, which aligns the timeframe contemplated by the analysis with the 60-year liability projection period for our traditional life and LTC products, to assess the potential net impact and financial materiality, given the hypothetical scenarios.

To complement the work performed on the traditional life and LTC insurance inforce liability portfolios the investments team, in collaboration with an independent consultant, conducted climate scenario analysis on the associated investment portfolios. Utilizing the same IPCC scenarios utilized for the inforce liability analysis, the independent consultant derived macroeconomic variables to determine the future impact on financial variables including treasury rates, corporate bond spreads, and equity valuation. The financial variables were then incorporated into Genworth's internal models to stress the investment portfolio through a time horizon aligned with the inforce liability analysis. Finally, the modeled results were evaluated to assess financial impact.

Initial Findings

The analysis of our inforce liability portfolios indicated that the potential aggregate impact from these stressed assumptions could be neutral or result in slight favorability to expected claims for our LTC insurance products, as morbidity and mortality stresses appear to partially offset each other. Because the peak claims years for our LTC legacy policies are expected to occur much sooner than 2081 (the ultimate long time horizon contemplated by the analysis), our book of business is less vulnerable to more severe climate change impacts based on the assumptions considered in this analysis.

Compared to our LTC legacy policies, our traditional life insurance business likely is more sensitive to the potential mortality impact associated with climate change risks, although the net impact indicated by the analysis appears to be modest.

The investment portfolio analysis resulted in a slight negative impact versus the base case portfolio assumptions as a negative impact on our equity portfolio was largely, but not fully, offset by positive impacts within our fixed income portfolio. When combined with the liability results the investment portfolio results did not significantly deteriorate the neutral to positive outcome of the liability analysis.

Relative to Genworth's physical operations, the analysis identified, among other things, some suppliers located in areas more prone to heat stress or tropical cyclones. This assessment may be considered in the evaluation and selection of our third-party suppliers.

Next Steps

Outcomes from the scenario analysis have been incorporated into our annual Sustainability Report and various disclosures. Relevant risks are assessed as part of the enterprise risk management annual process. Further, climate-related risks are monitored within our emerging risk trends process. We will reassess the availability of new climate scenarios, as well as current portfolio composition, to determine the feasibility of conducting any additional climate-related scenario analyses.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks

Climate-related risks identified through our processes are prioritized based on the following criteria: the likelihood of the risks occurring, the severity of the potential impact, and the resources required to mitigate and manage the risks appropriately. Genworth currently considers as substantive those risks that potentially could result in an impact to operating earnings over $5 million, which could equate to a ~$0.01 earnings per share or more impact. Climate risks are evaluated at least annually as part of the Enterprise Risk Management process and may be evaluated more frequently if we determine there is a material need to do so. The Company's risk mitigation processes vary according to the risk type and the potential magnitude of the impacts.

Climate-related liability risks are most directly applicable to our Enact subsidiary and are subject to a specific risk identification, assessment, and management process. Specific to Enact, when a climate-related event occurs, the actuarial team estimates the impact of the event by analyzing the performance of cures and claims from similar events that previously occurred to determine if a reserve adjustment is required.

Enact also tracks all loans in Federal Emergency Management Agency (FEMA) disaster areas, which enables the business to receive Private Mortgage Insurer Eligibility Requirements (PMIERs) capital credit for delinquent loans in a FEMA designated disaster area.

In Investments, we have implemented an ESG framework to assess our portfolio that calculates a discrete ESG score for all our corporate and municipal bond holdings (covering approximately 80% of our total bond portfolio as of the fourth quarter 2023). The ESG score in high transition risk sectors is based on information collected on the companies we hold in our portfolio, such as emissions, energy usage, emissions reduction targets, climate transition plans, TCFD disclosures, etc. and is used to guide investment decisions.

In 2023, our Investments team conducted internal carbon scoring that evaluates both gross emissions and carbon intensity for 70% of our public corporate holdings. The scoring process leveraged existing data available in a portfolio management system we currently utilize. As additional public data becomes available and/or scoring methodologies on non-covered assets are standardized, particularly for municipal bonds and structured investments, we will consider other options for this assessment and update our disclosures accordingly.

Describe the organization's processes for managing climate-related risks

Genworth utilizes a "three lines of defense" risk management model. The first line of defense represents a coordinated effort with mutual reinforcement roles across the organization. The second line of defense is comprised of the Risk, Legal, and Compliance teams. These teams assist the first line in assessing exposure and in ensuring remediation plans and appropriate regulatory reporting is in place where required. The third line is our Internal Audit team which is responsible for reviewing processes and control effectiveness and reporting any material deficiencies to management.

The risk assessment process involves the identification of new and emerging material risks, a review of changing status of the existing material risks, and a linkage of various risk management and monitoring activities related to those material risks. These assessment activities, which leverage first line of defense actions, form the basis for prioritization of material risks across Genworth and are conducted in proportion to the materiality of the risk. Genworth has risk managers dedicated to Credit Risk, Market Risk, Insurance Risk, and Operational Risk who are responsible for identifying, analyzing, mitigating, and reporting all risks in their respective risk domains. Identified climate risks are assessed annually, and emerging trends are monitored throughout the year.

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

Climate-related risks are integrated into Genworth's enterprise and emerging risk management programs which include risk identification, manifestation, impact and likelihood, mitigation actions, governance processes, and applicable policies and procedures. Identified climate risks are assessed annually and throughout the year external research is analyzed to inform on emerging trends.

During the risk identification process, we evaluate, among other things, markets, consumers and consumer behavior, macroeconomic and environmental conditions, catastrophic occurrences, and potential changing paradigms using information that is publicly available or otherwise accessible. This assessment occurs across a spectrum of standard risk categories and time horizons.

Genworth's enterprise risk management program also includes processes to monitor, measure, control, mitigate, and report the types of risks to which the Company is subject. We regularly review our risk management programs to ensure that they are aligned with evolving industry best market practices.

Updates on top risks and substantial changes to emerging risks are shared with management and Genworth Board Risk Committee throughout the year.

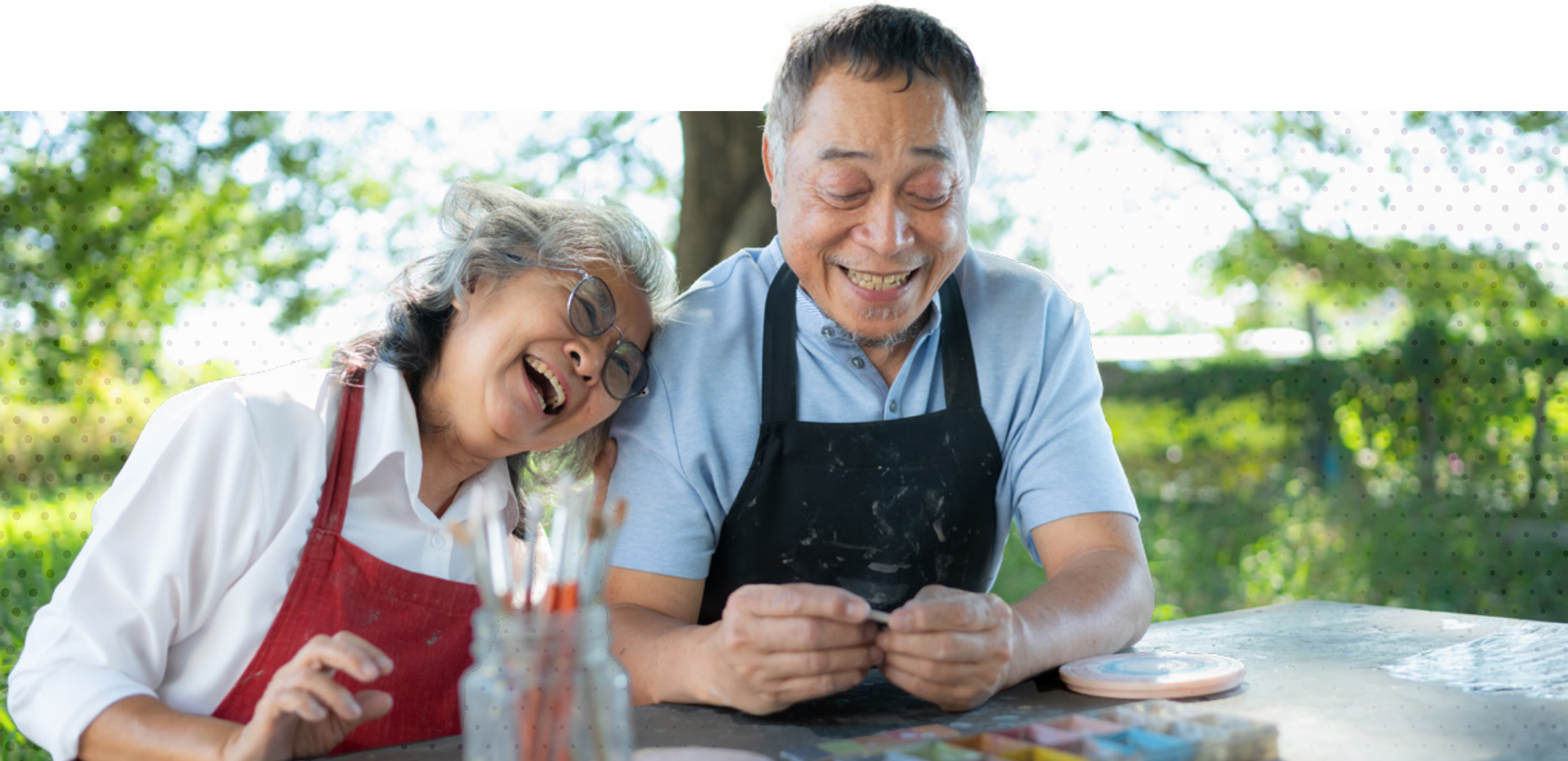
Metrics & Targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

Genworth monitors our energy use, Scope 1, Scope 2, and all relevant Scope 3 GHG emission categories except Scope 3 Category 15 (Investments), which was excluded due to time, cost and inconsistency in methodologies.

As noted in the *Risk Management* section above, however, we have implemented a framework to assess our investment portfolio that includes a discrete ESG score for all our corporate and municipal bond holdings (covering approximately 80% of our total bond portfolio as of the fourth quarter 2023). This ESG score is based, where relevant, on information collected on the companies in our investment portfolio, such as emissions, energy usage, emissions reduction targets, climate transition plans, TCFD disclosures, etc.

In addition, the Investments team conducted internal carbon scoring in 2023 that evaluates both gross emissions and carbon intensity for 70% of our public corporate holdings. As additional public data is available and/or scoring methodologies on non-covered assets are standardized, particularly for municipal bonds and structured investments, we will consider other options for this assessment and update our disclosures accordingly.



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

Genworth and Enact GHG Emissions Inventory[1]

Note: Rounding may influence totals in the table

Scope	Genworth & Enact Combined		Genworth Only MT Co_2e (2023)	Enact Only MT Co_2e (2023)
	MT Co_2e (2022)[2]	MT Co_2e (2023)		
Scope 1 Emissions	769	659	456	203
Scope 2 Emissions	4,288	6,882	6,212	670
Scope 3 Emissions[3]	37,294	59,926	54,341	5,584
Purchased Good and Services	30,269	24,361	21,552	2,809
Capital Goods	4,096	9,881	8,500	1,381
Fuel-And-Energy-Related Activities[4]	1,127	1,999	1,751	247
Waste Generated in Operations	188	19,504	19,497	7
Business Travel	555	1,308	865	443
Employee Commuting[5]	1,058	2,872	2,175	697

[1] Our Scope 1, 2, and 3 emissions calculations have been verified by a third-party reviewer who provided limited assurance that they conform with The GHG Protocol Corporate Accounting and Reporting Standard (revised edition).

[2] Our 2022 Scope 1 & 2 emissions have been recalculated from previously reported data to account for additional information gathered with enhanced monitoring protocols.

[3] We have not calculated Scope 3, Category 15 (Investments) in our 2022 or 2023 GHG Emissions Inventory.

[4] For Fuel and Energy Related Activities, the entire emissions amount was attributed to Genworth as the combined data for this category could not be separated.

[5] Includes emissions related to employees working from home.

In 2023, Genworth experienced an increase in emissions due to the temporary increase in the number of our office facilities along with resulting construction in connection with our transition to a new headquarters in Richmond, Virginia. Genworth's Scope 1 emissions decreased in 2023 and primarily came from the use of natural gas, heating oil, gasoline for company vehicles, and diesel fuel for backup generators. Our Scope 2 emissions, primarily comprised of purchased electricity, increased in 2023. Our Scope 3 emissions also increased, driven largely by a significant increase in our generation of waste materials from the remodel of our headquarters facility.

We moved to our new headquarters building in April 2024. As we continue our transition from a larger physical footprint, we anticipate increased variability to our expected average emissions but expect that to stabilize in coming years.

Our new headquarters was an existing building that we renovated throughout 2023 and early 2024 with environmental impacts top of mind. The design of this renovation sought to minimize future waste and landfill impacts, along with energy and water use. Some of these considerations included selective demolition, salvaging lights and fixtures, and utilizing LEED principles for construction and demolition waste management and disposal. Some examples of the resulting design choices include indoor water use reduction fixtures, Energy Star appliances, LED interior lighting, materials such as carpet tile, wall panels, countertops, and ceiling tiles that include carbon-neutral, Green Label Plus-certified and recycled materials, as well as furniture and finishes with environmental product declarations, recycled content, and low-emitting materials.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

Genworth has not yet established targets relevant to the management of climate-related risks and opportunities. Given the changes to our physical footprint over the last several years as described above, we have not felt that any annual emissions year has been representative of our future emissions projections. With the transition to our new headquarters, we hope to be in a better position to determine a credible baseline year and assess the feasibility of setting a target in line with the Science Based Targets Initiative.

Genworth®

Thank you for reviewing our 2023 Task Force for Climate-Related Financial Disclosures (TCFD) Report. We welcome your comments, which can be emailed to us at GNWSustainability@genworth.com.

We look forward to sharing future updates with you, and we invite you to join us in creating a sustainable future built on compassion and care.

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