

First American

2021 Sustainability Report



First American

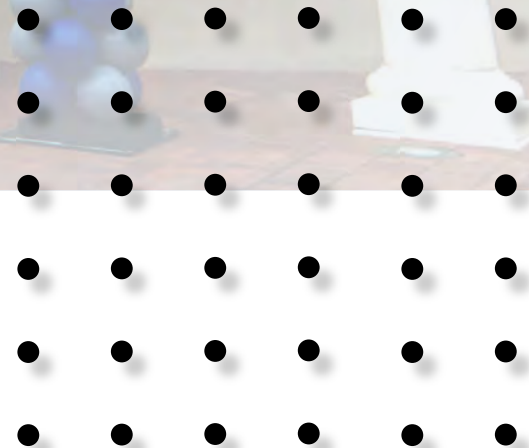




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2021 At-a-Glance

Social

- For the sixth consecutive year, we were named to the **Fortune 100 Best Companies to Work For®** and the **Best Workplaces for Women™** list.
- We received a **perfect score of 100 percent** on Human Rights Campaign Foundation's Corporate Equality Index.
- We continued our commitment to gender, and racial and ethnic diversity in the workplace.
 - Approximately 40 percent of senior leadership and 61 percent of our mid-level management employees are women.
 - Approximately **30 percent of our employees self-identify as being from racial/ethnic minority groups.**
- Approximately **32 percent** of our employees have been with the company for over 10 years.
- We had a **13.4 percent** voluntary employee turnover rate, compared with the United States Finance and Insurance sector average of 16.0 percent.
- According to our 2021 survey, based on the Trust Index© survey by Great Place to Work®, **92 percent** of respondents said that First American is a great place to work.



2021 At-a-Glance

Environmental

- Maintained **Management B score** in 2021 CDP Climate Change submission
- Expanded scope of greenhouse gas inventory to account for leased facilities
- **Decreased energy use** at owned facilities by 9.9 percent year-over-year
- **Decreased waste-to-landfill** at owned facilities by 13.1 percent year-over-year



2021 At-a-Glance

Governance

- The Governance Committee of the Board of Directors reviews and considers material environmental, social, and governance (ESG) trends that are applicable to the company and related company practices on an annual basis, including a review of these Sustainability Reports.
- We have been publicly reporting on our corporate responsibility and sustainability performance in our proxy statement since 2018.
- We formed **an executive-level ESG Committee in late 2021** to provide strategic oversight, direction, and execution support for the company's ESG initiatives.
- Board of Directors composition:
 - **8 of our 9** Board Directors are "independent," as defined by the NYSE.
 - **2 members** of the Board of Directors are women.
 - **1 member** of the Board of Directors self-identifies as belonging to a racial/ethnic minority group.



2022 Preview

- In 2022, First American was nationally recognized for the seventh year in a row on the Fortune 100 Best Companies to Work For® list.
- We demonstrated our commitment to climate change disclosure by making our CDP response fully public for the first time. This questionnaire was submitted in July 2022 and reflects our GHG inventory, activities, and metrics for the 2021 calendar year.
- Kenneth D. DeGiorgio, appointed chief executive officer (CEO), also joining the Board of Directors. Outgoing CEO Dennis J Gilmore transitions to Chairman of the Board of Directors.
- The company added a third woman, Marsha A. Spence, to its Board of Directors.
- The company implemented an inclusive paid parental leave program that provides financial support to our employees during maternity leave and/or to care for a new child, whether as a biological parent, through adoption, or foster placement as a legal guardian.





About This Report



This 2021 Sustainability Report marks First American's fifth year publishing a public annual report on our actions taken on environmental, social, and governance (ESG) matters.

This report, however, marks our first year aligning to the standards set forth by the Sustainability Accounting Standards Board (SASB). The SASB Standards, which were developed by the Value Reporting Foundation, define disclosures for sustainability information that are financially material to specific industries. We believe that SASB alignment adds an important level of validity and transparency to our reporting.

We are aligning our disclosures to two industry standards. The primary is the Services Sector: Professional & Commercial Services Standard (SV-PS), and the secondary is the Financials Sector: Insurance Standard (FN-IN). Refer to the SASB Index at the end of this report for more information.

Unless otherwise noted, this report is as of December 31, 2021, and excludes the company's international and specialty insurance operations, which together account for 10 percent of the company's revenue.



Letter from the CEO



Over its 130-year history, First American has grown to become a leader in financial services for the real estate industry. Our residential business supports home ownership, a key economic driver that builds generational wealth and provides social benefits that strengthen communities across the country. None of this would be possible without our talented workforce that continues to be recognized for its diversity and superior culture.

First American is also investing heavily to digitize many of our real estate related service offerings, thereby reducing the need for the generation and distribution of paper documents and the need for travel. These initiatives as well as others mentioned in the report, such as broadening the scope of our greenhouse gas emissions inventory to include our network of leased office facilities, have reduced our overall impact on the environment.

This year marks our fifth issuance of the Sustainability Report and reaffirms our commitment to our employees, environment, ethical business practices, and the communities we serve.

Sincerely,

Ken DeGiorgio

CEO



In this section

Introduction and Overview



About First American

First American Financial Corporation (“First American”) is a premier provider of title, settlement, and risk solutions for real estate transactions. With its combination of financial strength and stability built over more than 130 years, innovative proprietary technologies, and unmatched data assets, the company is leading the digital transformation of its industry.

First American also provides data products to the title industry and other third parties; valuation products and services; mortgage subservicing; home warranty products; banking, trust, and wealth management services; and other related products and services. With total revenue of \$9.2 billion in 2021, the company offers its products and services directly and through its agents throughout the United States and abroad.

Fast Facts

- In 2021, the company issued approximately 1 million title insurance policies through our direct operations across the United States
- 14,716 employees in the United States (22,233 worldwide)
- Approximately 800 facilities in the United States with our corporate headquarters in Santa Ana, California



- In 2021, total revenue of \$9.2 billion
- In 2021, \$11.14 diluted earnings per share
- 2021 total return to shareholders of 56 percent (5-year return of 20 percent annualized)

Supporting Homeownership



First American is a leading provider of title insurance and closing services, which play an important role in supporting and enabling homeownership and other real estate transactions.

For many Americans, their home is their most valuable asset and a key driver of household wealth, however, buying a home is never without risk. That's why most mortgage lenders and purchasers of real estate choose to be protected from loss or impaired value in the event of defects in the title of the subject property through the purchase of a title insurance policy.

The Closing Process

In the United States, title insurance is essential to the real estate closing process in most transactions. Depending on local custom or regulation in a given geographic area, the closing or settlement function (also known as "escrow") may be performed by a lawyer, an escrow company, or a title insurance company or agent, generally referred to as a "closer." Once all documentation has been prepared and signed, and any required mortgage lender payoff demands are obtained, the transaction closes. The closer typically records the appropriate

title documents and arranges the transfer of funds to pay off prior loans and extinguish the liens securing such loans. Title policies are issued as part of the closing process.

Title Policies

First American helps homebuyers and sellers, real estate agents and brokers, mortgage lenders, commercial property professionals, homebuilders and developers, title agencies, and legal professionals to close transactions. Providing title insurance to homebuyers and lenders gives vital protection against losses from certain title issues including forgery, fraud, liens, and other issues that might limit a homeowner's use and enjoyment of their property.

The beneficiaries of title insurance policies generally are real estate buyers and mortgage lenders. A title insurance policy indemnifies the named insured and certain successors in interest against specified title defects, liens, and encumbrances existing as of the date of the policy and not specifically excepted from its provisions. The policy typically provides coverage for the real property mortgage lender



in the amount of its outstanding mortgage loan balance and for the buyer in the amount of the purchase price of the property.

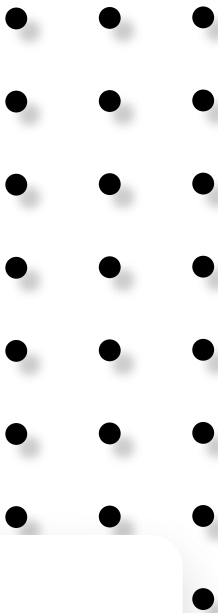
The Importance of Homeownership

Real estate and homeownership play an integral role in the United States economy. The sector also has significant social implications for community development. In terms of residential real estate, the market provides housing for families and represents a significant source of wealth and savings. Commercial real estate creates workplaces for employees, thus establishing a source of income for their communities. Changes in the real estate market have the potential to impact other economic activities such as consumer spending and employment rates.

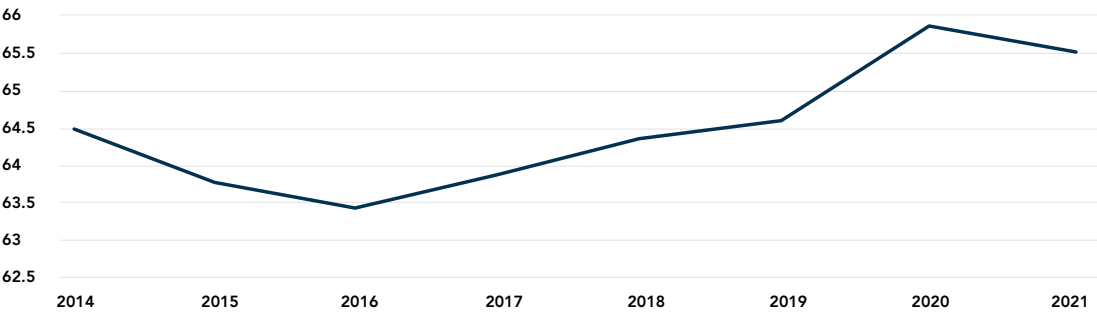
Fostering first-time homebuyer demand is critical for the future growth of the housing market. In addition, beyond the benefits of owning a home to the homeowners themselves, the positive economic impacts ripple across a host of industries, firms, and countries, highlighting the important role housing plays in the economy and global marketplace.

The housing market rebounded sharply in the summer months of 2020 (after a brief halt in the spring due to the COVID-19 pandemic), with the homeownership rate rising to 65.5 percent at year-end 2021, primarily driven by younger millennials aging into prime home buying years and higher-income households. However, housing affordability continues to be a challenge.

Our commitment is to facilitate homeownership across all communities. We acknowledge the persistent gaps in homeownership, and we continue to look for opportunities to support all individuals in their efforts to become homeowners.



Homeownership Rate (Percent) 2014-2021



Source: JCHS Tabulations of US Census Bureau, Housing Vacancy Surveys.



Enhancing the Customer Experience

Real estate transactions are complex, involving numerous steps and many different parties. In addition, most consumers are involved in real estate transactions only infrequently and, consequently, they can be confusing. We make an active effort to keep our customers informed by providing relevant information.

For most people, buying a home means securing a mortgage. During the mortgage application and closing process, home buying consumers will receive required disclosure forms intended to

provide a more transparent transaction, help the consumer understand the loan costs and settlement services fees, and understand which services the consumer can shop for. A detailed explanation of the homebuying process, our products, as well as the required forms, are provided on the company's website, www.firstam.com, in the Ownership Information Center. We also provide similar guidance, including videos, in Spanish, Chinese, Korean, Japanese, and Vietnamese at www.firstam.com/title/multiculturalresources/.

First American is committed to continuously improving its operational efficiency and the customer experience through the digital transformation of its products, services, and solutions. We continue to invest in strategic

initiatives including digital closing and title automation, and the expansion and enhancement of the data assets that fuel them. The company has also developed a number of customer platforms in most of its business lines that have added significant productivity to the transaction process for our customers, making it easier to do business with us. Not only do these innovations reduce transaction times and boost customer satisfaction, but they also reduce our environmental footprint associated with the production and distribution of paper documents. One of these customer platforms is *IgniteRE* in our direct division which is focused on residential transactions.



We make an active effort to keep our consumers informed and communicate relevant information on a market-by-market and state-by-state basis.



Spotlight on FirstAm IgniteRE™

FirstAm IgniteRE is our new mobile-friendly technology platform that enhances the residential real estate transaction experience for real estate professionals, buyers, and sellers. We are delivering single sign-on access to the latest technology, tools, and industry leading expertise that First American offers.

FirstAm IgniteRE features several comprehensive tools, within one unified platform.

All Customers

- **Transactions** – a secure portal to send and receive important messages, complete opening paperwork, review escrow and title documents online, and monitor transaction status.

Real Estate Professionals – added capabilities

- **Properties** – easily search through a publicly-recorded database for property characteristics, comparable sales, transaction histories, and other reports.
- **Marketing** – an affordable business solution to help real estate professionals develop marketing materials to promote their listings (available in select markets).
- **Continuing Education** – our real estate course registration tool that streamlines check-in and payment processing.
- **Calculators** – an easy way to quickly calculate a variety of estimates including closing costs for buyers and seller net sales proceeds sheets using location specific data.





In this section

Social Responsibility



Caring for Our Community

First American has a rich tradition of serving the communities where our employees live and work. Employees consistently share their passion, time, and resources to drive the company's philanthropic outreach efforts through the FirstAmCares program.

The program has identified the following enterprise-wide charities as on-going partners:

- American Cancer Society
- American Heart Association
- American Red Cross
- Feeding America
- Habitat for Humanity
- Team Rubicon
- YouGiveGoods

FirstAmCares works with these national programs as well as other local and regional organizations to focus efforts and make the greatest impact by supporting three core causes:

- Community Development
- Human Services
- Women's Advocacy



Community Development



Human Services



Women's Advocacy

Community Development

First American prides itself on the support and assistance we offer to underserved communities to help them thrive. First American and our employees engage with organizations that work to create and sustain affordable housing, revitalize low-to moderate-income neighborhoods, and support community services and economic development.

Habitat for Humanity

In collaboration with the nonprofit organization Habitat for Humanity, we support community development through building and renovating homes.

Since 2017, First American has participated in 101 build events and donated over \$300,000 towards community development. In 2021, we sponsored seven build events across the country and donated approximately \$25,000 to the organization. We continue to support our employees who volunteer at a build during the work week by providing paid time off.

Employees shared photos of various builds on FALive, our company intranet, including our Yamhill County, Oregon team and the Cleveland National

Commercial Services (NCS) team who helped frame a basement in a new Habitat for Humanity home.

Disaster Relief

Natural disasters can be devastating for communities and recovery is often difficult. We have supported various relief organizations in recent years to assist when disaster strikes. In 2021, we initiated a partnership with Team Rubicon, who unite the skills and experiences of military veterans with first responders to rapidly deploy emergency response teams where they are needed. We donated over \$41,000 to Team Rubicon in 2021, which helped them provide aid for the following events:

- August: Donations to Haiti earthquake relief
- September: Donations to Hurricane Ida relief
- November: Fundraising for the Clay Hunt Fellowship Program, which hones the leadership skills of veterans as they rejoin civilian life
- December: Donations to tornado relief in Arkansas, Illinois, Kentucky, Missouri, and Tennessee. Seventeen First American employees also volunteered with Team Rubicon to assist with these efforts.

First American also provided \$216,000 in financial support for employees who were significantly affected by winter storm emergencies and Hurricane Ida.





National Volunteer Month

Throughout the COVID-19 pandemic, First American had demonstrated that inspiration, passion, and commitment runs deep within our organization. In 2021, we kicked off a new initiative – First American National Volunteer Month. This initiative, running for the entire month of April, saw our employees participate in food drives, a virtual relay, and other activities helping charities deliver support to those in need while the COVID-19 pandemic persisted. The month-long program was a great success, **with \$24,000 raised for Feeding America, \$94,000 of in-kind donations for YouGiveGoods, and 260 participants in the Annual Coast to Coast Virtual Relay.**

Other Engagements

While the ongoing impacts of the pandemic meant that more communities were in need of assistance in 2021, the philanthropic landscape also evolved as a result of social distancing and remote work, allowing more of our employees to engage in aid activities, such as:

- Donating funds to Old Pueblo Community Services in Tucson, Arizona, which offers housing,

counseling, and support services for homeless families, youth, and veterans.

- Employees assisted with an event for Arizona Mission of Mercy (AMOM), which provides dental treatment at no cost to individuals who cannot access or afford dental care.
- Employees from our Maine Agency team volunteered as “guest chefs” at Ronald McDonald House Charities to provide meals to families whose children have been hospitalized.
- Employees in Omaha, Nebraska participated in Nebraska Humane Society’s Walk for the Animals, contributing to a highly successful fundraising event for the charity.

Caring Eagle Awards

In 2021, First American collected nominations for its third annual Caring Eagle Awards. This award honors employees who actively participate in their communities through activities such as volunteering and consistently giving back. Out of 50 nominations, there were eight winners who received monetary Giving Cards to donate to the charity of their choice.

Human Services

First American supports organizations that provide access to services, benefits, and opportunities for the disadvantaged. Helping serve the communities where we live and work is key to the First American identity, with our employees consistently putting in time and effort to engage in these philanthropic endeavors.



Women's Advocacy

As women make up approximately **70 percent** of First American employees, we are proud to support charities that provide benefits, programs, and services that promote and bring awareness to issues on women's health, professional growth, and quality of life.

In partnership with the American Cancer Society's Making Strides Against Breast Cancer, 2021 was another successful year of getting our employees involved in breast cancer awareness and prevention. **We hosted a Breast Cancer Awareness Month in October, where employees participated in three challenges: Be Active for a Cure, On Wednesdays We Wear Pink, and Got Pink? virtual relay.** For the first challenge, employees were encouraged to get active for an average of 15 minutes each day for two weeks. For the second activity, employees wore pink on Wednesdays and First American donated money for each photo posted by employees, **resulting in over 1,000 photos posted in support of cancer patients and survivors.** For the third and final challenge, employees were able to get competitive in the Got Pink? virtual relay. From the range of fundraising initiatives our employees undertook, more than 2,200 employees participated, raising over \$55,000 for the American Cancer Society.

Heart health was another key focus of our women's advocacy philanthropic activities, with our company honoring Heart Month throughout the month of February. On National Wear Red Day, February 5th,

employees wore red in support of American Heart Association's vision to end heart disease and stroke. Overall, we raised \$20,000 for the organization. Employees also participated in a virtual blood drive with the American Red Cross to support cardiovascular health in 2021.



Investing in our People

Employee Engagement

It is our strong belief that engaged employees will serve our customers well and that satisfied customers, along with our efficient operation of the business, will benefit our stockholders. This is why we have adopted a “People First” philosophy, which celebrates all members of our team and places value on the qualities each employee brings to the company.

We are proud to have been included on the **Fortune 100 Best Companies to Work For® list for the sixth year in a row.** In 2021, we were recognized as a best workplace on six other lists:

- Fortune Best Workplaces for Financial Services & Insurance™
- Fortune Best Workplaces for Women™
- Fortune Best Workplaces in the Bay Area™

- Great Place to Work’s Best Workplaces in Texas™
- PEOPLE Companies that Care®
- Human Rights Campaign Foundation’s Corporate Equality Index Best Places for LGBTQ+ Equality

We view these awards as validation that the company’s “People First” culture resonates with our employees and is indicative of a highly engaged workforce.

Striving to continually improve the company and wellbeing of employees, employee surveys have provided key feedback to executive management to acknowledge where and how we as a team can do better. While previously conducting a survey every two years, in 2021, we began conducting short, semi-annual employee feedback surveys using the Great Place to Work® Trust Index© model to receive more timely feedback from our United States employees.

Our 2021 Great Place to Work® Trust Index© engagement score was 89%.



95
percent

feel welcome when
joining the company

92
percent

of employees say
First American is a
great place to work

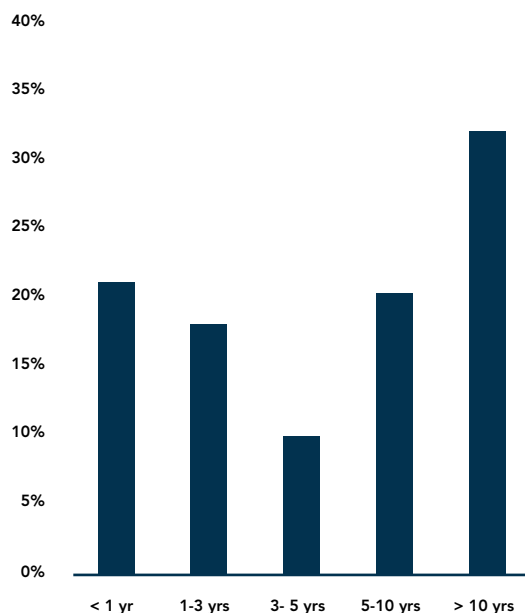
94
percent

are proud to tell
others they work at
First American

Employee Tenure

While we continue to grow and add employees, we make sure our employees grow with the company.

Over 30 percent of our workforce has been with the company for more than 10 years.



FA Appreciation

It is important to recognize the collective hard work and dedication of our First American employees. In 2021, during **Employee Appreciation Week**, we held special celebrations to enhance our culture of support and camaraderie amongst the First American team with the theme of “Together as One.” We hosted virtual and in-person events throughout the week, including virtual escape rooms and ice cream sundae-making parties. The virtual Wall of Thanks returned this year, where employees were encouraged to send “Thank You” notes to recognize fellow employees.

Other ways employees are able to recognize each other are through programs like **People First Awards**, **FA Recognition** program, and DPK Sales Program, which honored 52 high-performing individuals across the company’s operating divisions in 2021.



Work is always fun, but this week was extra special. We are extra grateful to be employees at First American Title this week!

Danielle R.

Escrow Assistant, Grand Rapid, Minn.



We are all super grateful to be a part of the First American family. Thank you to all for making this week special for us!

Sierra C.

Sales Support Coordinator,
Santa Ana, Calif.



Training and Career Development

Given our mindset that a company is only as strong as the people who support it, we have implemented many professional development programs to build and strengthen the skill sets of our employees. While COVID-19 has caused disruptions to First American's training and career development programs over the last two years, there have also been notable benefits as programs became more accessible to a broader group of our employees.

In 2021, along with our diversity, equity and inclusion (DEI) training program and our Women in Leadership program, we continued offering the **Emerging Leader program** for new managers looking to share ideas and be inspired to be the best they can be. We nearly doubled participation in this program in 2021, with 90 employees taking part in four programs.



This program was excellent; the content is exactly what I was hoping for to give me concrete ways to improve my leadership skills. I particularly liked the simulation and I think that it probably worked even better with an online class than it would have in person. I took the Emerging Leaders program in person and I actually prefer this online format.

Anonymous



The **First American Leading Through Others**

program also continued in 2021, which provides managers with resources and skills training to lead as part of a community. As a result of the pandemic, the structure of this program changed in 2021 from a week-long conference to a virtual series of modular sessions taking place over the course of a few weeks. We saw significant benefits from this new structure, as the program became more accessible to a broader range of participants. Of the 136 employees who have attended this program since its inception in 2018, 89 percent are still working at First American.

The First American **internship program** focuses on introducing new faces and perspectives into the First American culture, creating professional opportunities for young talent, and helping build the capacity of the company's workforce. Running as a two-track program for both undergraduate and graduate students, we had 60 participants in 2021 who took part in a range of virtual activities and events, including weekly presentations, live learning sessions, panel discussions and workshops.

Other professional development in-house training programs include **First American Eagle Academy®, DNA University, Mortgage Solutions University, Strategic Markets Certification**, and First American's online training portal.

Employees can also take advantage of **tuition reimbursement**, which can cover the costs of books, fees, and other supplies. In 2021, 100 employees received reimbursements totaling \$382,000.

Occupational Health and Safety

We consistently strive to maintain a clean, safe, and healthy environment for all employees. The First American safety guidelines, available through the employee handbook and through our HR portal, cover a range of safety topics. These topics include general safety rules, ergonomics, hazard identification, accident reporting, and procedures for medical emergencies, fires, earthquakes, and bomb threats.

Benefits and Perks

First American provides a number of less traditional benefits to our employees to promote overall wellbeing and success within the company.

FA Wellbeing

We offer a comprehensive wellbeing program that offers a variety of services and support to help our employees get and stay healthy physically, mentally, and financially. FA Wellbeing offers interactive programs that are fun and easy to use. Employees can earn points for taking steps to improve their overall wellbeing through personal health coaching, online health programs, and biometric screenings. We provide incentives such as fitness discounts and gym reimbursements to encourage healthy lifestyles for employees.

In 2021, we partnered with Enrich, a company focused on financial wellbeing, to provide incentives through the FA Wellbeing platform. We launched the Enrich challenges during the Financial Wellness month of September. This ongoing series featured financial literacy courses and videos to help employees improve their financial capability.

COVID-19 Employee Support

Throughout 2021, we continued to provide various resources to ensure our employees felt supported during the ongoing COVID-19 pandemic. These included telehealth services to all full and part-time employees and a company-sponsored PTO program for employees unable to work due to personal or familial COVID-related issues. We also covered the cost of any COVID-19 testing or in-network hospitalizations for benefited employees and their family members.

The work-from-home environment that many of our employees continued to experience in 2021



demonstrated that geographic boundaries do not limit our ability to connect with each other. As in 2020, First American maintained regular communications through our Employee Resources page on FALive, including COVID-19 updates, 24/7 Employee Assistance Program support, and more. Employees also regularly interacted through online chat and video conferencing, reaching out to each other via virtual happy hours and sending messages of encouragement during the pandemic.

Paid Time Off (PTO) Sharing

The PTO Sharing program, initiated in July 2020, allows employees to donate a portion of their PTO balance into a pool that allows other employees to request the use of these additional hours in a time of serious need. Employees can donate up to 40 hours to the pool, and qualified employees can request up to 80 hours for medical emergencies or natural disasters.

Adoption Assistance

We want to help and encourage employees who choose to adopt. First American financially supports employees through our reimbursement program which provides up to \$6,000 per child with a \$10,000 maximum. The reimbursement can be applied to all aspects of adoption, including application fees, legal fees, lodging, and transportation.

WINFertility

In 2021, we continued our partnership with WINFertility to offer comprehensive fertility management services to eligible First American employees and their spouses/domestic partners. This family-building benefit provides personalized guidance and support for those who are struggling with infertility.

Employee Assistance Program

This no-cost program helps employees with a number of work/life services, including counseling services, home services, and elder care assistance.



Diversity & Inclusion

Our workplace strives to be representative of the diverse communities where we live and work. Support programs promote growth from recruitment to retirement and our culture welcomes new ideas and professional aspirations. It is a People First philosophy that resonates across our organization—a vast array of unique individuals whose diversity embodies the core strength that is First American. We are committed to being a company of integrity and care—longstanding principles that not only support us, but also inform who we are as one First American. Where People First is For All.

As a company, we seek to operate using equitable systems and practices; to educate and engage with employees to foster a welcoming workplace; and to reach out to a diverse talent pool to help us maintain our leadership in our industry. **For the sixth consecutive year, employees who took the 2021 Great Place to Work® Trust Index® survey overwhelmingly agreed that they are treated fairly, regardless of age, race, gender, or**

sexual orientation. In our most recent survey, the percentage of respondents who agreed with these four separate statements ranged from 94 to 97 percent.

Diversity Policy

As an equal opportunity employer, we are committed to an active nondiscrimination policy for our employees. This policy is distributed to all employees as part of our employee handbook which is required to be reviewed and acknowledged by employees on an annual basis.


Our Nominating and Corporate Governance Committee of the Board of Directors recognizes the value of having a diverse Board and takes this into consideration when identifying and evaluating candidates for Board membership. The Committee utilizes a broad conception of diversity, including professional and educational background, prior experience on other boards, political and social perspectives, as well as race, national origin, gender, and sexual orientation as detailed in the company's corporate governance guidelines, which are available online through our website.

The following programs and initiatives are supported to maintain diversity and inclusion within First American:

Diversity, Equity, and Inclusion Advisory Council

In 2020, our then CEO, Dennis Gilmore, tasked the management team with revisiting our diversity, equity, and inclusion (DEI) strategy. To foster even more momentum in our DEI efforts, the decision was made to give DEI greater visibility across the enterprise, and the DEI Advisory Council was formed in the same year.

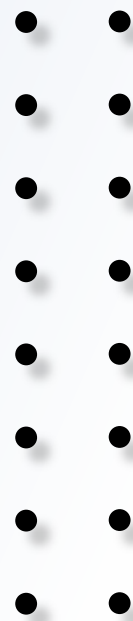
The council provides a broad perspective, enabling discourse from people across different cultures as well as different business units within the organization. As of 2021, 12 members were on the DEI Advisory Council, all of whom have made a personal commitment in time and effort to assist us on this very important journey of meaningful inclusivity.





By embracing diversity and inclusion we ensure that we have the talent and experience required to drive innovation and solve problems for the benefit of our customers. It enables us to maintain our leadership in our industry.

Ken DeGiorgio,
CEO



As we continued to broaden our DEI strategy, in 2021, we identified three key areas of focus:

- 1 Deepen our recruitment sourcing relationship and retention strategy to foster a more inclusive talent pool
- 2 Embed DEI in our policies, programs, and procedures so that all employees achieve their full potential
- 3 Integrate DEI strategy with corporate goals and objectives through leadership engagement, initiatives and support



Below are ways in which we are tackling these three focus areas.

1

Deepen our recruitment sourcing relationship and retention strategy to foster a more inclusive talent pool

In 2021, we worked with a consulting firm to review our careers site and job descriptions to ensure the use of inclusive language and eliminate any unconscious bias. In addition, the firm assisted our company in identifying methods to increase support for certified diverse suppliers.

As a company with hundreds of offices throughout the United States, we are conscientious about having an employee base reflective of the areas where we do business. We have initiated new relationships with various organizations to enhance our diversity outreach strategy and recruiting efforts, including, but not limited to, Housing Opportunities,

Mortgage Assistance, & Effective Neighborhood Solutions, Inc. (H.O.M.E.S.), National Action Council for Minorities in Engineering (NACME), Oregon Outreach, and University of San Francisco's Black Achievement Success and Engagement (BASE) Program.

While we are pleased with the early results of these initiatives, it will take some time to determine which of these, or other efforts will achieve long term success as part of the company's diversity recruiting program.



2

Embed DEI in our policies, programs, and procedures so that all employees achieve their full potential

Across our People First brand, we incorporated the concept of “FOR ALL,” putting particular focus on our DEI practices.

FALive, our intranet, includes DEI-related links, community resources, and blog posts. Topics include DEI Glossary of Terms, live panel discussions, guidance on how to be an ally, and reviews of books on diversity.

We also seek opportunities to educate ourselves on diverse cultures, celebrating cultural days and months such as the Lunar New Year, International Women’s Day, Black History Month, Diwali, Pride Month, and more.

Employee Resource Groups

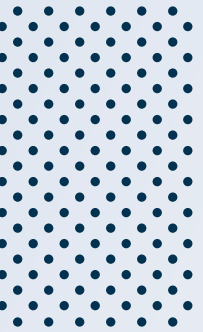
Over the past few years, we have been forming Employee Resource Groups (ERGs). ERGs are employee-led groups that come together to support and advocate for a particular gender, ethnicity, religious affiliation, or interest. In addition to the already existing Early Professionals Networking Group (est. in 2019), **in 2021, we were excited to launch the LGBTQplus, Latinx/Hispanic, Black/African American, and Asian/Pacific Islander ERGs.** These ERGs are great places for employees to meet new people with similar interests, participate in open and honest communication, and contribute innovative ideas that can improve our business. We are also working towards expanding this to include Veterans and Employees with Disabilities ERGs.



The LGBTQplus ERG pushes for inclusivity on issues that are not always well understood. Our goal is to (be) industry leaders while amplifying voices, educating others, and being a resource.

Britt Leblanc

Sales Representative, New Orleans, La.



Our People First culture is rooted in a strong sense of belonging—being a part of a caring professional family. The goal of our Employee Resource Groups is to foster this inclusivity and provide a safe space where employees can be themselves and contribute in their own way. We are proud of our employee resource groups, and they will continue to play a vital role in our DEI journey.

Sharon Wingfelder,

SVP and Chief Human Resources Officer

3

Integrate DEI strategy with corporate goals and objectives through leadership engagement, initiatives, and support

At First American, the responsibility for crafting, implementing, and measuring an effective DEI strategy starts at the top. Our CEO works directly with management at both the executive and business unit levels to heighten DEI effectiveness by building structure around it.



As leaders, we tend to think that we have to do it alone, and this program shows that we don't. There are others out there that are facing the same issues and challenges. We need to start learning from each other instead of struggling.

Mercedes Gunter

Home Warranty

Diversity and Leadership Development

In July 2021, we launched our new development program, DEI² (DEI Through the Power of Dialogue, Experiences, and Insights). Sponsored by our DEI Advisory Council, DEI² is for our people-leaders. Managers from divisions across the country explore topics around bias, self-identification, and actions they can take to create a team environment that strengthens our For All culture at the local level.



Women in Leadership and Technology

We are especially proud of our Women in Leadership (WIL) program, which promotes professional growth opportunities for women at First American. Each year, a cross-functional WIL project team works to address business challenges and opportunities identified across the organization and presents their recommendations to senior management. WIL is designed to provide participants with the opportunity to continue their professional development, grow their self-awareness, build deep relationships across business lines, drive results, and lead change. **Since its formation in 2012, WIL has seen over 100 graduates, over 40 percent of whom have been promoted at least once since completing the program. In 2021, with 13 new participants and 84 active alumnae, we celebrated 10 years of the WIL program at First American.**



In April 2021, First American launched the **WIL Mentoring Program**, a 12-month program that engages the WIL alumnae network as mentors. We implemented an online mentorship tracking program which was used by 10 mentors and 10 mentees, tracking over 250 hours of mentorship activity. The Early Professionals Networking Group (EPNG) Employee Resource Group mentorship program was also tracked using this platform, where four mentors and four mentees completed over 75 hours.

In 2019, First American introduced **SPARK**, an initiative developed by the WIL alumnae. The mission of SPARK is to create availability of leadership development and networking to a broader group of First American women through regional events and to provide an opportunity for the current WIL alumnae to have an active role in the professional development of women at First American. During the pandemic, our program pivoted from an in-person to a virtual format, and we were able to expand the reach of this program, allowing significantly more women to attend than might have otherwise been able to. The results have been tremendous with a total of 186 Spark alumnae as of 2021.



At First American, we value placing energy on the development of future employees by sponsoring **Advancing Women in Technology (AWT)**, a non-profit organization dedicated to the endowment of educational scholarships and creation of opportunities that promote women's personal and professional growth. Our CIO and an IT director both sit on the Board of AWT. In 2021, First American contributed \$10,000 to a

technology-focused scholarship fund which awarded scholarships to women in college in California. One of our employees was also awarded the AWT Rising Star Award this year, which is offered to women who demonstrate true potential for success in their field and constantly challenge themselves to step outside their comfort zone.



Human Rights Campaign

In 2021, First American earned a perfect score of 100 percent for the fourth consecutive year on the Human Rights Campaign Foundation’s 2021 Corporate Equality Index (CEI) and has earned the title of “2021 Best Place to Work for LGBTQ+ Equality.” This national benchmarking survey and report evaluates corporate policies and practices related to workplace equality. CEI evaluates four main criteria: nondiscrimination policies across business entities, equitable benefits for LGBTQ+ workers and their families, supporting an inclusive culture, and accountability metrics to promote LGBTQ+ inclusion competency and public commitment to LGBTQ+ equality.

Over the years, First American has implemented the following changes in support of the Human Rights Campaign and the CEI:

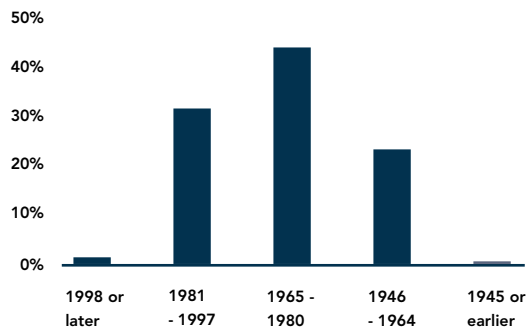
- Updated company policy in the employee handbook to include equal opportunity for gender identity and expression, including our policy against harassment, discrimination, and retaliation;
- Implemented a supplier diversity policy to promote fair opportunities for businesses owned by minorities, women, disabled people, veterans, disabled veterans, LGBTQ+ people;
- Sponsored local Orange County LGBTQ Center event;
- Implemented transgender inclusion benefits;
- Created the Gender Transition Guidelines; and
- Developed quantitative metrics to evaluate workforce diversity and inclusion efforts.

Employee Demographics

First American has a dynamic workforce, which helps us maintain our vibrant and productive work environment. We track demographics for all regular employees in our corporate human resources system, which represents approximately 95 percent of our total United States workforce.

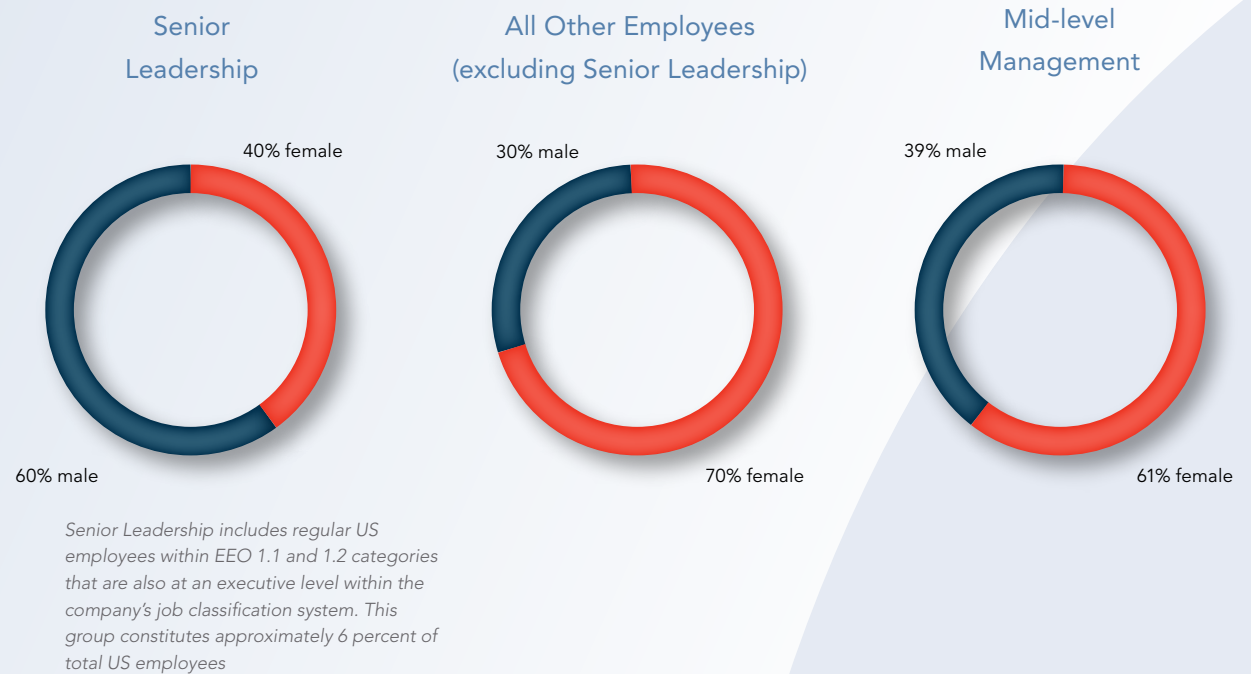
Employee Age

The majority of our employees were born in 1980 or earlier as seen below. However, **we have seen our Millennial/Gen Z population more than double from 15 percent in 2015 to approximately 31 percent in 2021.**



Employee Gender

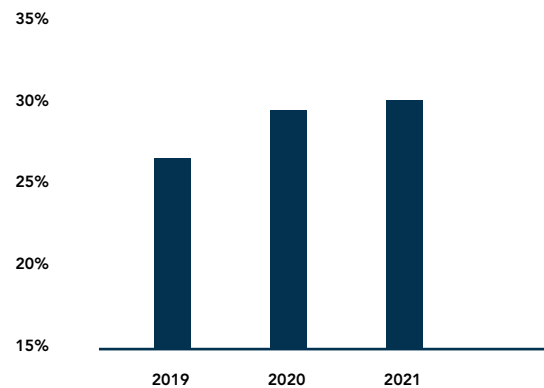
Gender equality is very important to First American. Nearly 70 percent of our employees are women, many of whom hold a management position. **In 2021, women constituted over 60 percent of mid-level management positions.** We are proud to again be named among Fortune® magazine's Best Workplaces for Women in 2021.



Workplace Diversity

We strive to support a diverse and inclusive work environment. **30.2 percent of all our employees self-identify as being from racial/ethnic minority groups, up from 28.2 percent in 2020 and 26.9 percent in 2019.**

Racial/Ethnic Minority (REM)
Percentage (all employees)



Includes 14,019 regular US employees included in the company's centralized human resources system, as of 12/31/2021.

	Senior Leadership	All Other Employees (excluding Senior Leadership)
White	81.7%	66.9%
REM	17.0%	31.0%
Asian	8.0%	8.4%
Black or African American	1.3%	5.9%
Hispanic-Latino	5.8%	12.7%
American Indian/Alaska Native	0.4%	0.9%
Native Hawaiian/Other Pacific Islander	0.5%	0.9%
Two or more races	1.0%	2.3%
Not Specified/Blank	1.3%	2.1%



In this section

Environmental Responsibility



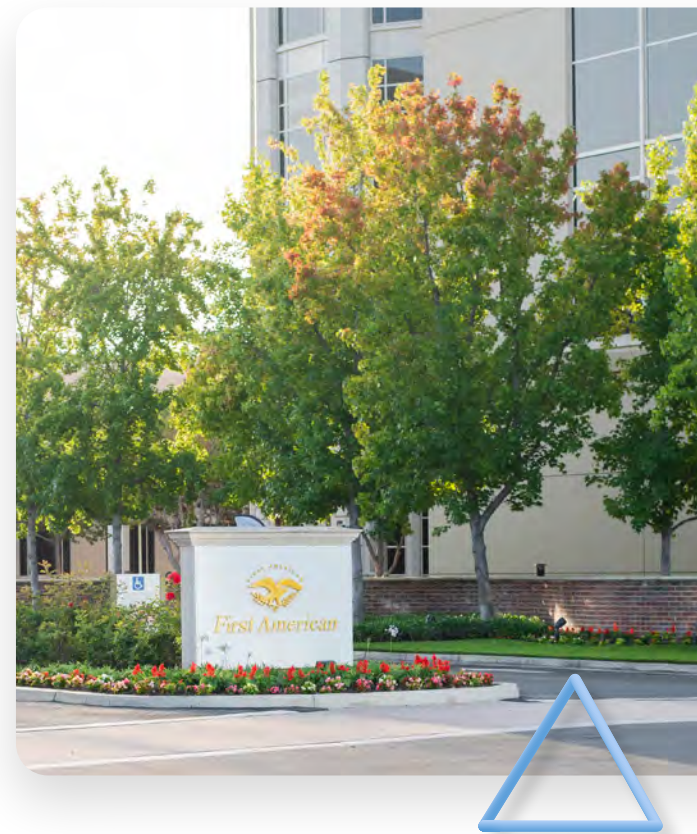
Our Approach

Since establishing our sustainability program, we have expanded our engagement with third-party advisors to help improve our climate change mitigation performance, monitoring, and reporting.

With the help of these advisors, we collect emissions-related data from owned facilities in the United States through established data management processes and methods, as well as implement assurance mechanisms and internal controls for greenhouse gas (GHG) reporting. In 2021, monthly data on electricity, gas, water, and waste usage were collected for 16 owned facilities in the United States, which includes our headquarters campus in Santa Ana, California. We have a small number of additional owned facilities, for which we do not have utility invoice or usage information, and therefore are not included in our environmental metrics. Any reference to our “owned facilities” in this section of the report refers only to these 16 owned facilities.

Additionally, for the first time, we have estimated emissions for 729 of our leased facilities in 2021 where we have facility square footage information. This figure represents about 94 percent of our total number of leased operations.

In summary, we are reporting GHG emissions for approximately 95 percent of our owned and leased facilities, with owned facilities comprising about



15 percent of reported square footage and leased facilities accounting for about 85 percent.

First American’s management team prioritizes energy efficiency and sustainability programs and improves sustainability reporting using this information and other relevant data.

Disclosure: CDP and TCFD

Similar to the way our financial performance is assessed, First American is regularly evaluated by various groups on our ESG performance. Our goal is to be transparent by providing our investors and other stakeholders with decision-useful information such as risk management, governance practices, and our approach to sustainability. Since 2015, we have been a respondent to CDP's Climate Change Program, a global disclosure platform on environmental impacts for companies. We currently report to CDP's climate change program's financial services sector; **CDP is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The TCFD framework recommends a review of topics such as climate-related governance and risk disclosure. First American performed particularly well in these areas of our 2021 CDP disclosure.**

In 2022, we further demonstrated our commitment to increasing transparency of our climate change disclosure by making our CDP response fully public for the first time. This questionnaire was submitted in July 2022 and reflects our GHG inventory, activities, and metrics for the 2021 calendar year.

First American 2021 CDP Performance

B

First American

B-

Global Average

C

North American Average

Strong areas



Emissions
reduction
initiatives



Governance



Risk
disclosures



Energy and Greenhouse Gases

Approach to Greenhouse Gas Inventory

First American’s GHG emissions are predominantly derived from four main sources: energy usage in our offices, business-related employee travel, employee commuting, and waste. We have performed empirical calculations for our 16 owned facilities for which we have invoice or usage data from third-party utility providers. For these facilities, we calculated emissions associated with onsite energy use (scope 1) and electricity use (scope 2).

Historically, the scope of our inventory has covered GHG emissions only from our owned facilities. In

2021, we built upon our existing data and estimated scope 2 emissions for our leased facilities in the United States where square footage information was available. For the 729 leased facilities with square footage data available, we estimated electricity usage and associated scope 2 emissions by using an intensity average based on square footage. The remaining 49 facilities, where no square footage data was available, were excluded from our estimates.

Scope 3 emissions associated with business travel (air and car mileage only), employee commuting, and waste were calculated from vendor data or spend data. Waste emissions are only calculated for our owned facilities, whereas emissions from business travel and employee commuting represent our company-wide activities in the United States.

Our inventory was prepared in accordance with the Greenhouse Gas Protocol.

Total First American GHG Emissions *(in metric tons CO₂e)*

Scope 1	
2021	Fleet/natural gas 2,010
2020	Fleet/natural gas: 1,269

Scope 2 (Location-based) - Owned	
2021	Electricity: 2,794
2020	Electricity: 3,100

Scope 2 (Location-based) - Leased	
2021*	Electricity: 11,297
*First year of calculation	

Scope 3	
Category 5: Waste	
2021	116
2020	66
Category 6: Business Travel	
2021	1,323
2020	1,054
Category 7: Employee Commuting	
2021	9,392
2020	11,102

2021 Total Scope 1 and 2:

16,101 metric tons CO₂e

2021 Total Scopes 1, 2, and 3:

26,932 metric tons CO₂e



Comparing 2021 to 2020, we note a few key points:

- 2021 marked our first year of accounting for scope 2 emissions from leased offices in our inventory. We have estimated scope 2 emissions for approximately 94 percent of the leased sites in our portfolio; emissions were 11,297 metric tons CO₂e and accounted for approximately 80 percent of our total scope 2 emissions. As such, the total (scopes 1, 2, and 3) emissions figure is not comparable to prior years.
- Our scope 1 emissions associated with mobile combustion increased in 2021 due to an increase in fleet usage and a change in our calculation methodology. In previous years, emissions were calculated based on actual gasoline consumption. However, due to the unavailability of data at the time of calculation, a spend-based method was used in 2021.
- Our scope 3 emissions associated with waste have increased due to a change in our calculation methodology for emissions associated with recycled waste. However, the actual amount of landfilled and recycled waste has remained largely unchanged in our owned facilities in 2021, compared with 2020.



Our continued effort to measure and reduce carbon emissions from scopes 1, 2, and 3 sources demonstrates our commitment to sustainability. We are also committed to improving the quality of our inventory and will continue to refine our data collection and estimation processes.

Resource Efficiency

We are constantly searching for ways to reduce energy use in our owned facilities. In 2021, we upgraded several dated infrastructure assets with more energy-efficient systems.

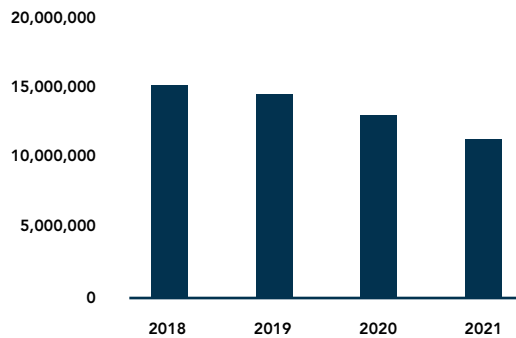
Energy consumption decreased in our owned facilities by 9.9 percent in 2021, compared to 2020 due to lower building occupancy and realized return-on-investments from previous projects. However, as employees return to the office, we anticipate energy consumption will rise. We strive to reduce energy use each year, and sustainability and energy efficiency will continue to be a strategic business objective of our facilities management team's approach to the identification and execution of projects.



Examples of 2021 home office campus projects to reduce energy:

- **Chiller Upgrade:** Repaired critical HVAC chiller systems and added variable speed drives. This is expected to reduce energy usage by more than 24 percent and extend the life of the compressors by more than five years.
- **Lutron Application:** Worked with lighting vendor to develop and execute an improved software system to manage lighting controls throughout our headquarter campus.
- **New HVAC System:** Installed two HVAC systems using new inverter technology that will contribute to energy/cost savings.
- **New UPS System:** Replaced our existing uninterruptible power supply (UPS) equipment with a new, state-of-the-art system. The newer unit is more compact and enables increased energy efficiency and cost savings.

Electricity Usage Comparison,
Owned Facilities (kWh)



Our home office campus also includes specific environmental features such as:

- Internet of things (IoT) automations and lighting retrofits that contribute to lower year-over-year energy consumption.
- Electric car charging stations to encourage our employees to lower their carbon footprint.
- WeatherTRAK system to measure rain, soil moisture, wind, and temperature to adjust water output to outside conditions and specific plant requirements, which saves water.



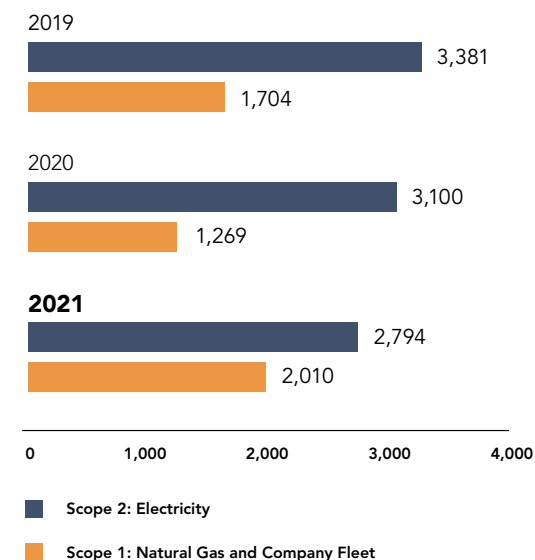


In 2021, First American reduced the quantity of electricity used at our owned facilities by almost 1,400 MWh (10.9 percent) compared to 2020, a savings equivalent to the electricity used in 130 homes for one year.

Although we had more employees working from our offices in 2021 compared to 2020, our scope 2 emissions in our owned facilities decreased, in

part due to energy efficiency upgrades. Our scope 1 emissions from natural gas remained about the same in 2021, although those from our company fleet increased. This change is likely attributable to greater use of the fleet in 2021. Some variation may have also occurred due to the change in calculation methodology.

GHG Emissions Comparison, Owned Facilities (metric tons CO₂e)



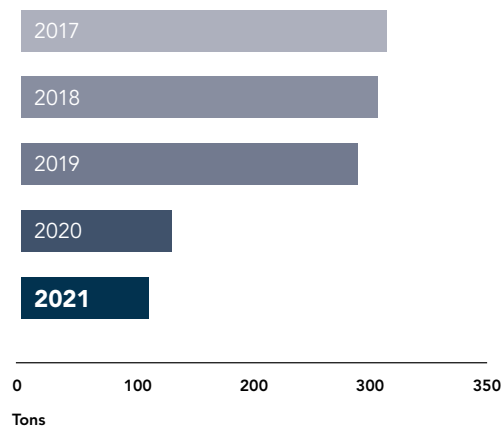


Waste and Water

As a professional services company, First American does not generate significant amounts of waste compared to a company with manufacturing operations. However, we are cognizant that our business still creates an environmental footprint through our operations and purchasing decisions. To minimize impacts, we partner with companies that also share our passion and commitment to sustainability.

For example, to further offset waste emissions at the home office campus, First American partners with a certified vendor who manages the disposal of our hazardous waste. The vendor is certified to standards such as ISO standards, e-Stewards, and R-2. Items that are safely recycled and/or disposed of include end-of-life assets such as desktop computers and mobile phones. **Through this IT hardware recycling partnership, we have conserved 12,200 MWh of energy, equivalent to nearly 2,200 metric tons CO₂e in 2021.**

Waste-to-Landfill Comparison,
Owned Facilities (Metric Tons)



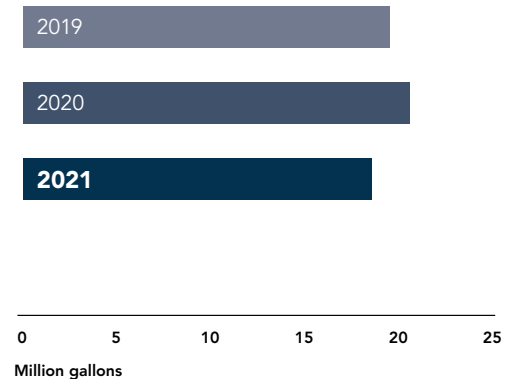
The chart above illustrates our year-over-year waste reduction in total tons of waste sent to landfills from our owned facilities. This figure demonstrates a **decrease of 13.1 percent in 2021**, compared to 2020.



We also continued efforts to lessen greenhouse gas emissions by investing in energy efficient technologies and ensuring that recyclables from First American offices are recycled properly. **In 2021, First American recycled over 3.3 million pounds of paper from our owned facilities.** That figure equates to over 8,900 trees saved.

In addition, First American also monitors the use of water within its home office campus. Our water consumption is attributed mostly to usage in restrooms, breakrooms, and our cafeteria, as well as landscape irrigation purposes and is provided by the local municipality, the city of Santa Ana.

Water Consumption Comparison, Home Office Campus



Water consumption at the home office campus decreased by 10.8 percent in 2021 compared to 2020. Even though we had more employees returning to the office in 2021, the weather was milder in 2021 compared to 2020, so less water was needed for landscape irrigation. This reduction also showcased the effectiveness of our WeatherTRAK system.



In this section

Governance



Governance Overview

First American Financial Corporation is a public company trading on the New York Stock Exchange (NYSE) under the ticker symbol "FAF." As such, the company is subject to rules and regulations promulgated by the United States Securities and Exchange Commission (SEC) and the NYSE, each of which requires the company to comply with rigorous corporate governance practices.

In addition to the SEC and the NYSE, First American is subject to regulations as both an insurance holding company and a savings and loan holding company. The corporate governance practices of the company are periodically reviewed by these regulators. The company's Board of Directors and each Committee of the Board evaluate their own performance at least annually.

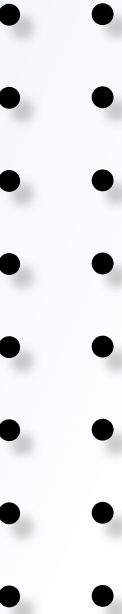
The company is guided by a written set of Corporate Governance Guidelines and a Code of Ethics and Conduct. Our Board of Directors has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee, each of which is made up entirely of independent directors and is guided by a written charter. These publicly disclosed documents are essential to understanding the company's corporate governance and can be found in the Corporate Governance section of our website at <https://www.firstam.com/investors>.





The importance of ESG has grown to the point where we could better execute our key initiatives, including enhancing our disclosures, by creating an enterprise-wide committee. This coordinated approach will align our efforts to achieve the results our stakeholders expect.

Mark Seaton,
CFO



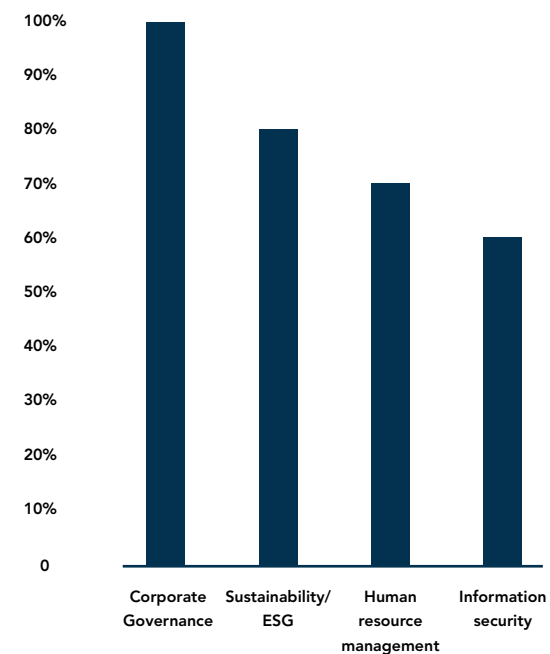


ESG Oversight

As ESG continues to grow in prominence, we took the important step of **creating an executive-level ESG Committee in late 2021**. The Committee's Charter is to provide strategic oversight, direction, and execution support for the company's ESG initiatives. Sponsored by Mark Seaton, our chief financial officer, the Committee is cross-functional and spans investor relations, HR, risk management, facilities, legal, finance, and marketing & communications.

Starting in 2020, the Board's Nominating and Corporate Governance Committee began reviewing relevant ESG issues affecting our industry on an annual basis. In 2021, First American's directors were also asked to self-report their experience in various issues. **Eighty percent of directors said they were "experienced to highly experienced" in sustainability/ESG issues.**

Percentage of Directors Experienced in ESG-related Topics

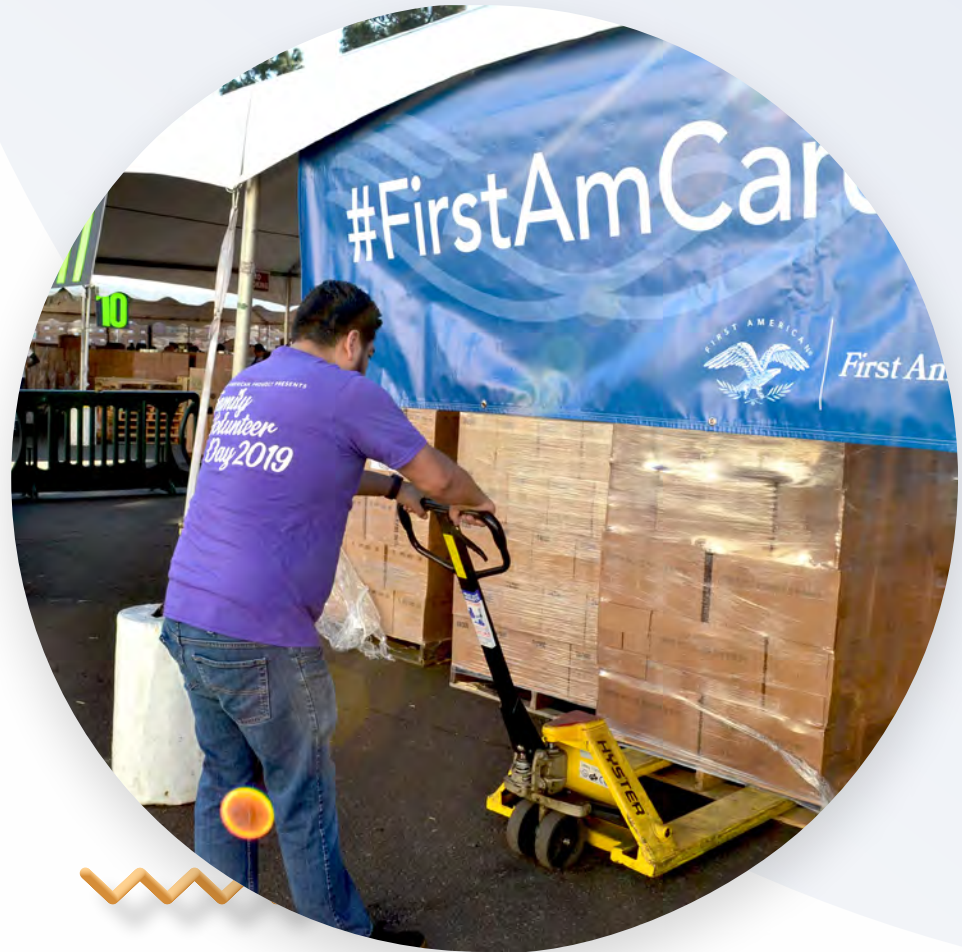


ESG in Executive Compensation

The company's executive compensation program is overseen by the Compensation Committee of the Board of Directors. The program is designed to enhance stockholder value by stipulating that a substantial portion of the executive officer's total compensation be at-risk and related to the company's consolidated financial performance.

In 2020, the Committee made it more explicit that its discretionary adjustments to executive officer compensation can take into consideration ESG actions, initiatives, or omissions that impact and reflect the role of the company in broader society, including:

- employee development,
- employee engagement survey results and responsiveness,
- inclusion efforts,
- privacy and data protection,
- community involvement/development,
- sustainability/environmental impact, and
- business ethics.



Engaging Employees in ESG

Our Planet First Council, which has existed in its current form for nearly a decade, continues to be charged with identifying and managing specific environmentally-focused projects. The Council spans departments and aims to engage and educate employees on ESG, for instance through our annual EcoFair. At this event, we typically share information on our own conservation and environmental practices and activities. Employees can also learn about energy efficiency, water conservation, recycling, and other sustainability topics. Although the EcoFair was suspended during the COVID-19 pandemic, we are excited to re-launch it again in 2023.

A Foundation of Integrity

Code of Ethics and Conduct

As part of our commitment to ethical business practices, we have a long-standing Code of Ethics and Conduct. The Code of Ethics and Conduct has the primary objective of establishing guidelines for First American's employees to promote adherence to ethical business conduct and compliance with the laws and regulations impacting the company's business. We also have a separate, supplementary Code of Ethics for our Chief Executive Officer and Senior Financial Officers. All employees must review the Code of Ethics and Conduct annually. The Code of Ethics and waivers to the company's Code of Ethics for directors and certain executive officers are publicly disclosed on our website.

Employees who witness violations of the laws, regulations, and rules of the Code of Ethics are advised to report the offense to their direct supervisors or appropriate personnel. Violations

may also be reported to First American's Financial Accuracy and Compliance Hotline. The hotline is available in many different languages, toll free, 24 hours a day, seven days a week. Reporting to the hotline is confidential and can be made anonymously.

To support adherence to regulations by various governmental agencies as well as statutory guidelines, the company manages a compliance program, which includes employee training, investigations, and remediation tracking of identified issues. It also maintains a complaint management system that logs complaints received directly from consumers or made through regulatory agencies, providing for follow up and resolution, as appropriate or required. These processes may be used to identify training opportunities.

Anti-Corruption

We make readily available our Anti-Bribery and Foreign Corrupt Practices Act (FCPA) policy to employees through the employee handbook and our intranet. United States-based employees in roles with international duties and/or related to procurement must complete extensive training

every two years. Employees can report on potential corrupt activities anonymously to First American's Financial Accuracy and Compliance Hotline. In addition, both the Internal Audit and Corporate Compliance teams periodically perform audits related to anti-corruption and FCPA compliance.

Political Advocacy

The company supports our employees, as private citizens, taking an active interest in current issues and supporting the interests of sound government and healthy communities. Our approach remains entirely non-partisan, and employees are welcome to participate in civic and political activities, so long as it is not on behalf of the company. As a corporation, First American follows applicable laws when engaging in political activities or making political contributions.

Protecting Your Data and Privacy

Fraud Prevention

At First American, we know that buying a home is an exciting and important life milestone. For many people, their home will be their most valuable asset. Unfortunately, property and real estate transactions are increasingly targeted by opportunistic criminals looking to divert fund transfers or sales proceeds to their own accounts. First American is committed to minimizing fraud risks through effective and strategic internal controls that detect and prevent fraud.

We do a significant amount of training for employees, including:

- "Flash" trainings and enterprise-wide education campaigns on general and targeted fraud schemes
- Annual Fraud Awareness Week, which has a heavy focus on education and training on procedures

- Phishing email reporting to First American's information security department
- Wire fraud prevention recognition programs for employees

Fraud and loss prevention tips and education are available to consumers via our website and wire fraud prevention information is proactively provided to customers engaged in certain transactions. In addition, we provide tools to customers to reduce fraud risk, such as:

- **Transaction portal** – A simple, mobile, and secure communication tool between participants in the real estate transaction that helps lower the risk of wire fraud attempts by reducing risky email communications.
- **Notification letters** – As a safety precaution in appropriate circumstances, First American sends the property owner a letter to confirm that the property owner is aware of the transaction.
- **FraudGuard®** – A mortgage support tool that helps lenders identify potential fraud risk and errors in mortgage applications, comply with regulations, improve the application review process, and increase loan quality.

A new tool in our toolbox: SAFEvalidation®

We take security very seriously at First American. In late 2021, we launched our new SAFEvalidation tool, which helps safeguard against funds being sent to the wrong bank account. It works by using a two-pronged approach: 1) validating ownership of the recipient account by authenticating the payee bank account information, and 2) validating that the payoff instructions are associated with a valid account. Many of our residential transactions are now systematically run through SAFEvalidation.





Information Security Program

Structure and Oversight

First American has a formal information security program managed by our Chief Information Security Officer (CISO) and overseen by our Board of Directors, its Audit Committee, and an executive-level Information Security Oversight Committee (ISOC). The Audit Committee receives regular reports from the company's information security department, business technology solutions group, and enterprise risk management director, as well as from internal and external auditors. The ISOC meets regularly to review identified information security risks, vulnerabilities, and remediation actions and to provide general program oversight, our CISO reports to the Board twice a year on information security matters. First American also maintains insurance coverage for certain costs associated with our information security risk exposure.

Rigor and Assurance

The company dedicates significant resources to securing our systems and to protecting non-public personal and other confidential information. These include resources dedicated to intrusion prevention

(firewalls, endpoint protection, behavior analysis tools), vulnerability identification (vulnerability scans and penetration tests), and remediation.

Our information security program is based on the National Institute of Standards and Technology (NIST) Special Publication 800-53. NIST 800-53 guides organizations on how to select security controls based on their level of risk. Our offshore entities are certified to the ISO 27001 standard for information security management. Our onshore entities have undergone Service Organization Control (SOC) audits and generated SOC1 and SOC2 reports to provide an extra level of assurance.

Our crisis management plan, which is enacted in the event of a data breach, is periodically reviewed with our executive team. Each year, we run a tabletop exercise of our incident response plan. If critical technology systems or infrastructure become unavailable, Disaster Recovery Plans (DRP) are enacted to restore the application, system, or infrastructure component. Furthermore, our Information Security Helpline is designed to detect, deter, and respond to threats to First American's data, property, physical security, infrastructure, or information in a professional and consistent manner.

Safeguarding Privacy

We are dedicated to consumer privacy and have a number of controls in place in order to ensure data collected by First American is secure. Some of these controls include adhering, when practicable, to the company's data retention policy and schedule, data encryption and data management of Non-public Personal Information (NPPI) data throughout the product (process or data) life cycle. First American conducts business process reviews on data ingestion and retention practices with a focus on reducing ingestion, storage, and retention of NPPI data and limiting its use only when necessary to conduct business. These business process reviews, when practicable, also include the modification of technology platforms so that NPPI data is not allowed to be introduced if not needed, or in other cases is periodically redacted or deleted. First American's Data Privacy Program ensures the company's compliance with the current privacy regulations, including the California Consumer Privacy Act (CCPA). Our [privacy policy](#) is designed to provide transparency into our privacy practices and principles.

Managing Risk

Enterprise Risk Management

The company maintains an extensive and structured enterprise risk management (ERM) program overseen by our Board of Directors and

its Audit Committee. The program's hierarchy and structure encompass senior executive leaders from all facets of the business, including operations, human resources, finance, accounting, treasury, information technology, legal/regulatory, internal audit, compliance, underwriting, and real estate. The Company's Chief Risk Officer (CRO) coordinates ERM activities and is involved in identifying, evaluating, and monitoring top risks to help our businesses achieve their goals. In addition, the CRO drives our ERM strategy by providing strategic guidance to senior officers and risk management teams.

The Audit Committee and the full Board of Directors regularly receive reports regarding the company's ERM activities from the Chief Risk Officer including the Company's top risks, mitigation efforts, and risk monitors. In addition, our ERM program is assessed regularly via internal reviews by our Internal Audit function as well as various state and federal regulatory bodies.

Vendor Risk Management

Vendor risk management activities are supported by an Enterprise Vendor Management Program which establishes the organizational structure and practices for oversight of vendor risk. This includes providing guidance and education to company personnel responsible for managing vendor relationships. The program facilitates vendor risk categorization and completion of required vendor assessments which may include assessments covering information security, privacy, business continuity and disaster recovery, financial stability, and insurance coverage. Vendors that meet certain risk profiles are assessed annually.

Our vendor security risk management (VSRM) program is based on standardized security due diligence. If a vendor meets a certain risk profile, that vendor is evaluated relative to an information security control scheme to determine if certain information security guidelines are met. We use a standard format to gather granular information on a broad spectrum of data security metrics.



Supplier Code of Conduct

We intend to select and retain suppliers that share and embrace our commitment to integrity. Though suppliers are independent entities, we expect all suppliers who conduct business with, or on the behalf of, First American to adhere to standards of business conduct and compliance that are similar to what we expect from our employees. Suppliers are expected to avoid conflicts of interest and uphold our same commitments to diversity, equal employment opportunity, and a safe and harassment free workplace. For more information, please refer to our [Supplier Code of Conduct](#) available on our website.

Business Continuity

Our Audit Committee receives periodic reports regarding our Business Continuity Management (BCM) Program. This program includes maintaining plans to address operational disruption (business continuity), technology disruption (disaster recovery), mass absenteeism (infectious disease management), and crisis management to properly manage risks to our business operations. Plans detail specific procedures and actions to be taken to address events and emergency situations to minimize impact and ensure business operations and services can continue. A primary objective of all planning is to minimize economic loss resulting from operational disruption.

Early on in the pandemic, we activated our long-standing business continuity plans, which included allowing employees to work remotely to meet individual needs and requirements, while meeting the service needs of our customers. Our business continuity plans were extremely effective in minimizing disruptions to the business during the pandemic throughout 2020 and 2021.

SASB Index

We have identified two SASB sector standards that most closely align with our business operations: Primary - Services Sector: Professional & Commercial Services Standard (SV-PS) and Secondary - 2) Financials Sector: Insurance Standard (FN-IN).

Unless otherwise noted, the SASB Index is as of December 31, 2021, and excludes disclosures specific to the company's international and specialty insurance business operations, which together account for 10 percent of the company's revenue.

Professional & Commercial Services

Data Security

SASB Metric	SASB Code	Response	Reference
Description of approach to identifying and addressing data security risks	SV-PS-230a.1	First American has a formal information security program managed by our Chief Information Security Officer and overseen by our Board of Directors.	2021 Corporate Sustainability Report: Information Security Program, Pgs. 55-56
Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	<p>We are subject to laws and regulations that enact standards to protect the confidentiality and security of customer non-public personal information. Our Internal Audit and Compliance team conducts audits to the regulations.</p> <p>First American's records retention policy and schedule are informed by laws, regulations, statutory requirements, audit requirements, and other operational requirements.</p> <p>First American's data privacy policy outlines our commitment to the protection of personal information. This comprehensive privacy policy discusses how we collect, use, and share data across our businesses, and provides greater detail on the types of data we collect. The company's data privacy program provides governance around our privacy principles and standards.</p>	<p>2021 Corporate Sustainability Report: Protecting Your Data and Privacy, Pg. 53</p> <p>First American Privacy Policy</p>
(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	SV-PS-230a.3	Except as a matter of public record, the company does not disclose information concerning data security breaches. In accordance with SEC requirements, First American discloses all material or significant legal proceedings, other than ordinary course lawsuits and regulatory proceedings, in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.	2021 Annual Report: Litigation and Regulatory Contingencies, Pg. 96

Workforce Diversity & Engagement

SASB Metric	SASB Code	Response	Reference
Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	SV-PS-330a.1	<p>Approximately 69% of our employees are women.</p> <p>Approximately 30% of our employees are from racial/ethnic minorities.</p>	2021 Corporate Sustainability Report: Employee Demographics, Pgs. 35-36
(1) Voluntary and (2) involuntary turnover rate for employees	SV-PS-330a.2	In 2021, First American's voluntary and involuntary turnover rates were 13.4% and 1.9%, respectively.	.
Employee engagement as a percentage	SV-PS-330a.3	Our 2021 Great Place to Work® Trust Index© engagement score was 89%.	<p>2021 Corporate Sustainability Report: Employee Engagement, Pg. 19</p> <p><u>Great Place to Work – Certified</u></p>

Professional Integrity

SASB Metric	SASB Code	Response	Reference
Description of approach to ensuring professional integrity	SV-PS-510a.1	<p>First American has a comprehensive program to promote ethical business practices and regulatory compliance, including a Financial Accuracy and Compliance Hotline which provides 24/7, anonymous reporting of any legal or ethical concerns by its employees. Significant elements of the program are disclosed in Governance Documents section on the company's website.</p> <p>The company also maintains a records and information management policy, which details the record retention schedule for different types of information.</p>	<p>2021 Corporate Sustainability Report: A Foundation of Integrity, Pgs. 52-53</p> <p><u>Governance Documents</u></p> <ul style="list-style-type: none"> ■ <u>Governance Guidelines</u> ■ <u>Code of Ethics and Conduct</u> ■ <u>Code of Ethics for Chief Executive Officer and Senior Financial Officers</u> ■ <u>Code of Ethics Waivers</u> <p><u>2021 Annual Report: Report of Independent Registered Public Accounting Firm, Pgs. 47-49</u></p>
Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	In accordance with SEC requirements, First American discloses all material or significant legal proceedings, other than ordinary course lawsuits and regulatory proceedings, in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.	<u>2021 Annual Report: Litigation and Regulatory Contingencies, Pg. 96</u>

Activity Metrics

SASB Metric	SASB Code	Response	Reference
Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	SV-PS-000.A	As of December 31, 2021, First American had 14,716 employees in the United States and 22,233 employees worldwide. Almost all of our employees are employed full-time. In addition, the company employed approximately 400 contract/contingent workers in our domestic operations at year end.	
Employee hours worked, percentage billable	SV-PS-000.B	Not relevant to our business.	.

Insurance

Transparent Information & Fair Advice for Customers

SASB Metric	SASB Code	Response	Reference
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	In accordance with SEC requirements, First American discloses all material or significant legal proceedings, other than ordinary course lawsuits and regulatory proceedings, in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.	2021 Annual Report: Litigation and Regulatory Contingencies, Pg. 96
Complaints-to-claims ratio	FN-IN-270a.2	<p>First American's complaints-to-claims ratio was 0.50 complaints per 1,000 claims for 2021 for our title and settlement services business. This ratio covers closed, confirmed complaints as reported by the National Association of Insurance Commissioners (NAIC).</p> <p>NAIC also reports a National Complaint Index which measures closed and confirmed claims relative to a company's market share. First American's National Complaint Index score was 0.68 in 2021. This represents a strong performance as our complaints were 68% of what would be expected, given our share of the market.</p>	



Transparent Information & Fair Advice for Customers (cont'd)

SASB Metric	SASB Code	Response	Reference
Customer retention rate	FN-IN-270a.3	Not applicable as title policies are long term and policies in force are not tracked.	
Description of approach to informing customers about products	FN-IN-270a.4	<p>First American is committed to empowering consumers and informing those who buy and sell real estate about their rights to select service providers and receive transparent disclosures. The company also seeks to inform homebuyers about the importance of safeguarding their investment and securing their transactions.</p> <p>The scope of First American's internal guidelines for marketing & communications includes all efforts to promote our brand image, products, services, or related experiences to customers, employees, investors, and other important audiences. This would include almost any form of communication between the company and our customers (both individuals and businesses), agents, and the general public. Communication and marketing vary by business division and could include, but is not limited to, website, online advertising, email, and printed materials.</p> <p>The guidelines also include guidance on how to comply with First American's Privacy Policy and applicable regulation, including the Real Estate Settlement Procedures Act (RESPA) and the Federal Trade Commission's (FTC) Unfair and Deceptive Acts and Practices (UDAP).</p> <p>For more information on how we distribute our title insurance policies and related products and services through our direct and agent channels, as well as our marketing and communication efforts, refer to our 2021 Annual Report.</p>	<p>2021 Corporate Sustainability Report: Enhancing the Customer Experience, Pgs. 12-13</p> <p>Ownership Information Center</p> <p>Multicultural Resources Center</p> <p>2021 Annual Report: Distribution, Sales and Marketing, Pgs. 7-8</p>

Incorporation of ESG Factors in Investment Management

SASB Metric	SASB Code	Response	Reference
Total invested assets, by industry and asset class	FN-IN-410a.1	<p>First American’s \$10.6 billion in total investments are summarized by asset class in the Annual Report.</p> <p>The majority of First American’s debt securities are invested in US governmental agency mortgage-backed securities, municipal bonds, and other government bonds not subject to industry classification. In addition, most of the company’s equity securities are in index funds with broad industry exposure.</p> <p>The company is currently evaluating an appropriate industry classification system to implement to support industry classification of its investment portfolio.</p> <p>First American did not use derivative financial instruments in any material amount in 2021.</p>	2021 Annual Report: Summary of Investments, Pg. 99
Description of approach to incorporation of ESG factors in investment management processes and strategies	FN-IN-410a.2	<p>First American does not directly incorporate ESG factors into investment management processes and strategies through any formal process. The company generally uses external fund managers who manage to a limited set of investment guidelines established by the company. External investment managers may employ their own ESG analysis to assist in asset and individual security selection.</p>	

Policies Designed to Incentivize Responsible Behavior

SASB Metric	SASB Code	Response	Reference
Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	Not applicable given the nature of title insurance policies.	
Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	FN-IN-410b.2	Not applicable given the nature of title insurance policies.	

Environmental Risk Exposure

SASB Metric	SASB Code	Response	Reference
Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	Not applicable given the nature of title insurance policies.	
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	Not applicable given the nature of title insurance policies which do not directly cover these perils.	
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	<p>Environmental risks are not relevant in the underwriting of individual title policies.</p> <p>Due to the nature of First American's core business of title insurance, the company is unlikely to be substantively affected by any climate-related risks. We have conducted risk assessments, and, to date, no environmental risks have been identified that would have a substantive impact on the company. While some physical risk exists related to our distributed office network in the US, First American has sufficient insurance coverage and an enterprise risk management (ERM) program, business continuity plans (BCP) and crisis management plans to minimize the financial and operational impact on our business.</p> <p>As part of our ERM process, department/division leaders respond to a survey to categorize potential substantive risks affecting First American. Climate-related risk was expressly considered in the company's most recent enterprise risk assessment survey, and the risk assessment process concluded that climate-related risk is not a top risk of the Company. If any substantive environmental risks were to be identified in the future, our Audit Committee would oversee any that were top risks to the company and our business continuity program would oversee the management and mitigation of other environmental risks, assisted by the ESG Committee.</p>	<p>2021 Corporate Sustainability Report: Managing Risk, Pgs. 56-57</p> <p>2022 CDP Climate Change Disclosure</p> <p>2021 Annual Report: Risk Factors, Pgs. 13-22</p>



Systemic Risk Management

SASB Metric	SASB Code	Response	Reference
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	First American did not use derivative financial instruments in any material or significant amount in 2021.	2021 Annual Report: Interest Rate Risk, Pgs. 44-45
Total fair value of securities lending collateral assets	FN-IN-550a.2	First American did not engage in any securities lending activity in 2021.	

Systemic Risk Management (cont'd)

SASB Metric	SASB Code	Response	Reference
Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	<p>First American has defined policies and procedures in place to effectively manage capital and liquidity-related risks.</p> <p>The company maintains capital monitors, which are reviewed quarterly, to assess the adequacy of capital at the holding company and our significant regulated subsidiaries. Stress testing our investment portfolio is performed on a quarterly basis assuming several different interest rate scenarios. At the beginning of each year, management reviews with the Board of Directors an annual financial plan or budget which outlines the expected financial results for the current calendar year. Subsequently, regular financial updates are provided to the Board of Directors as the year progresses. Management also prepares, and reviews with the Board of Directors, a five-year financial plan which includes a base case and scenarios that stress test the plan under differing market and economic conditions.</p> <p>For liquidity management purposes, First American maintains a five-year annual holding company cash flow forecast. The Board of Directors reviews holding company liquidity levels on a quarterly basis.</p> <p>On an annual basis, the Board of Directors reviews and approves policies regarding liquidity risk and contingent funding. These policies establish cash and liquidity targets and delineate a full spectrum of liquidity management tools that could be deployed if our operating cash on hand is insufficient.</p> <p>First American does not have any material or significant exposure to derivatives.</p>	<p>2022 Proxy Statement, Risk Oversight, Pgs. 22-23</p> <p>2021 Annual Report: Risk Factors, Pgs. 13-22;</p> <p>Quantitative and Qualitative Disclosures About Market Risk, Pgs. 44-45;</p> <p>Liquidity and Capital Resources, Pgs. 41-44</p>



Activity Metric

SASB Metric	SASB Code	Response	Reference
Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	FN-IN-000.A	Not relevant for First American’s title and settlement services segment.	

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