

2020 Sustainability Report

2020



First American

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2020 At-A-Glance

Unless otherwise noted, this report is as of December 31, 2020, and only speaks to operations within the United States (excluding all international operations) and facility data includes only facilities owned by the company.

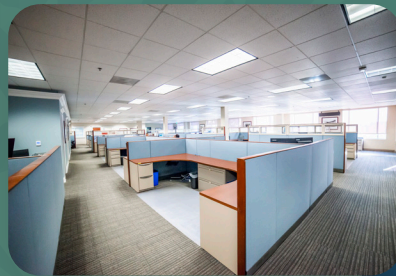
Environmental



We expanded our greenhouse gas (GHG) inventory to account for **employee commuting** for the first time.



Our total waste to landfill emissions were **100 percent offset** by recycling practices.



Between 2013 to 2020, we **reduced GHG emissions by 66 percent** (scope 1 and 2) for our home campus office in Santa Ana, California.



Our GHG scope 1 and 2 emission intensity by revenue **decreased by 25 percent** compared to the previous reporting year.

Social

Early on in the coronavirus pandemic, we committed to our employees that we would not make any layoffs through the end of the second quarter of 2020.

We received a **perfect score of 100 percent** on Human Rights Campaign Foundations' Corporate Equality Index.

Approximately **35 percent** of our employees have been with the company for over 10 years.

We maintained a **10.7 percent** voluntary employee turnover rate.

We continued to donate to various social causes, including to **organizations that support women's health**.

FORTUNE
100
BEST
COMPANIES
TO WORK FOR®
2020

For the fifth consecutive year in 2020, we were named to the **Fortune 100 Best Companies to Work For®** and the **Best Workplaces for Women™** list.

According to our biennial employee engagement surveys, based on the Trust Index© survey by Great Place to Work®, **92 percent** of employees at First American say it is a great place to work.



We continued our commitment to gender and workplace diversity.

Approximately **53 percent** of our mid-management employees and more than **60 percent** of our supervisors are women.

Approximately **29 percent** of our employees self-identify as black, indigenous or other persons of color.

Governance



The Governance Committee of the Board of Directors reviews and considers material environmental, social, and governance trends applicable to the company and related company practices on an annual basis, including a review of this report.

We have been publicly reporting on our corporate responsibility and sustainability performance in our proxy statements since 2018.

Board of directors stats:

Approximately **89 percent** of our directors are "independent," as defined by the New York Stock Exchange for listed companies.

Approximately **25 percent** of standing board-level committees are chaired by women.

Approximately **22 percent** of the board of directors are women.

2021 Preview

- In 2021, First American for the sixth year in a row was nationally recognized on the Fortune 100 Best Companies to Work For® list as well as:
 - Fortune Best Workplaces for Women
 - Fortune Best Workplaces in Financial Services & Insurance
- For the first time in 2021, we were also recognized on PEOPLE Companies that Care





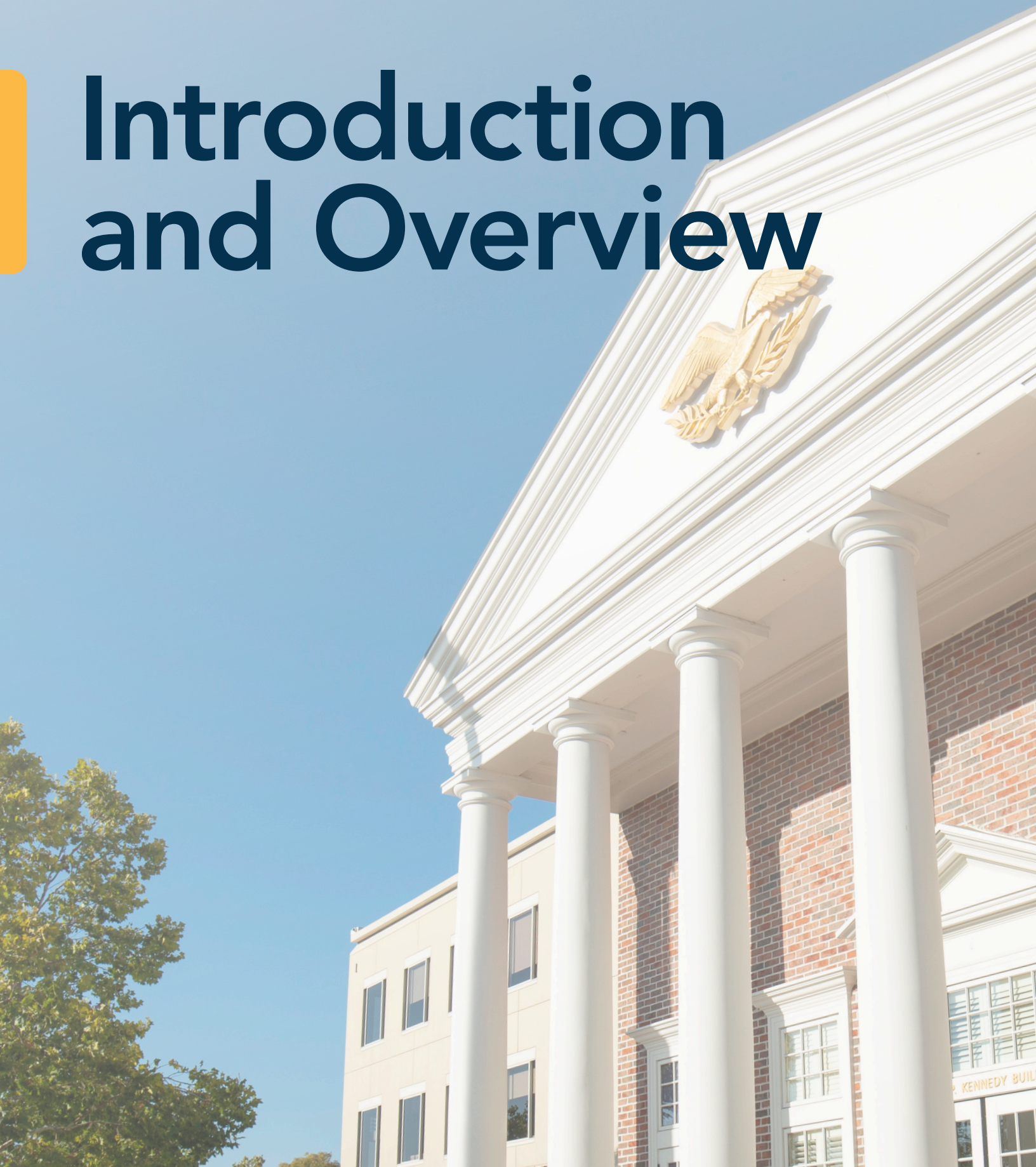
COVID-19 Response

The coronavirus pandemic had, and continues to have, a significant impact on our employees, customers, and overall global community and launched a period of volatility, uncertainty, and economic disruption. During this difficult time, First American has been and remains committed to supporting the health and safety of our employees, customers, and the communities in which we operate, while meeting the service needs of our customers. Our Executive Team responded to the pandemic in a manner consistent with our “People First” philosophy—focusing on doing right by our employees, customers, and shareholders.

Early on in the pandemic, we activated our long-standing business continuity plans, which included allowing most employees to work from home. We committed to our employees that we would not make any layoffs through the end of the second quarter of 2020. We believed that this was the right approach given the unique circumstances. Although we expected this commitment to negatively impact our short-term results, we believed the benefits to our people, our customers and ultimately, our shareholders were worth the long-term investment. Surprisingly, as it turned out, our residential business quickly rebounded and softened the impact of this decision. Our IT department also worked tirelessly to accommodate and facilitate work-from-home environments to meet individual needs and requirements.

For more information on our response to COVID-19, please see the Social Responsibility section of this report or visit: www.firstam.com/covid-19-update/index.html.

Introduction and Overview



Company Profile

First American Financial Corporation (or “First American”) is a leading provider of title insurance, settlement services and risk solutions for real estate transactions that traces its heritage back to 1889.

First American also provides title plant management services; title and other real property records and images; valuation products and services; home warranty products; banking, trust, and wealth management services; and other related products and services. With total revenue of \$7.1 billion in 2020, the company offers its products and services directly and through its agents throughout the United States and abroad.

We also provide products and services in a number of countries outside of the United States. Today we have direct operations and a physical presence in several countries, including Canada, the United Kingdom, South Korea, and Australia.

The company's common stock is listed on the New York Stock Exchange under the ticker symbol “FAF.”

Our corporate headquarters are located at 1 First American Way Santa Ana, California, 92707-5913.

About this Report

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NAME

First American Financial Corporation

INDUSTRY

Financial Services & Insurance

HEADQUARTERS

Santa Ana, California

WORLDWIDE EMPLOYEES

19,597 (full-time and part-time employees)

Supporting Home Ownership



The Real Estate Closing Process and The Importance of Title Insurance

Real estate has always played a key role in the United States economy and continues to be an important driver of the national economy. In fact, housing's combined contribution to gross domestic product (GDP) generally averages between 15-18 percent through residential investment (3-5 percent) and consumption spent on housing (12-13 percent).

For many Americans, their home is their most valuable asset and a key driver of household wealth. The median income homeowner has 40 times the household wealth of the median income renter—over \$250,000 for the homeowner with just over \$6,000 for the renter. Buying a home is never without risk, however. 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. Title insurance is a means of providing such protection. First American is a leading provider of title insurance and closing services, that play an important role in supporting and enabling home ownership and other real estate transactions.

The Closing Process

In the United States, title insurance is essential to the real estate closing process in most transactions involving real property mortgage lenders. Owner policies are also used to cover owners when there are no lenders involved. The closing or settlement function is sometimes called an "escrow" in western states. Depending on the local custom in the region, the escrow function may be performed by a lawyer, an escrow company, or a title insurance company or agent, generally referred to as a "closer." Once

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 then issued, typically insuring the priority of the mortgage of the real property mortgage lender in the amount of its mortgage loan and the buyer in the amount of the purchase price.



15-18%

Housing's combined contribution to GDP generally averages between 15-18 percent.



Title Policies

Title insurance policies insure the interests of owners or lenders against defects in the title to real property. These defects include adverse ownership claims, liens, encumbrances, or other matters affecting title. Title insurance policies generally are issued on the basis of a title report, which is typically prepared after a search of one or more of public records, maps, documents, and prior title policies to ascertain the existence of easements, restrictions, rights of way, conditions, encumbrances, or other matters affecting the title to, or use of, real property. In certain limited instances, a visual inspection of the property is also made.

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 certain 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. In some cases, the policy might provide insurance in a greater amount or for automatic increases in coverage over time. The potential for claims under a title insurance policy issued to a mortgage lender generally ceases upon repayment of the mortgage loan. The potential for claims under a title insurance policy issued to a buyer generally ceases upon the sale or transfer of the insured property.

The Importance of Homeownership and Real Estate in the Economy

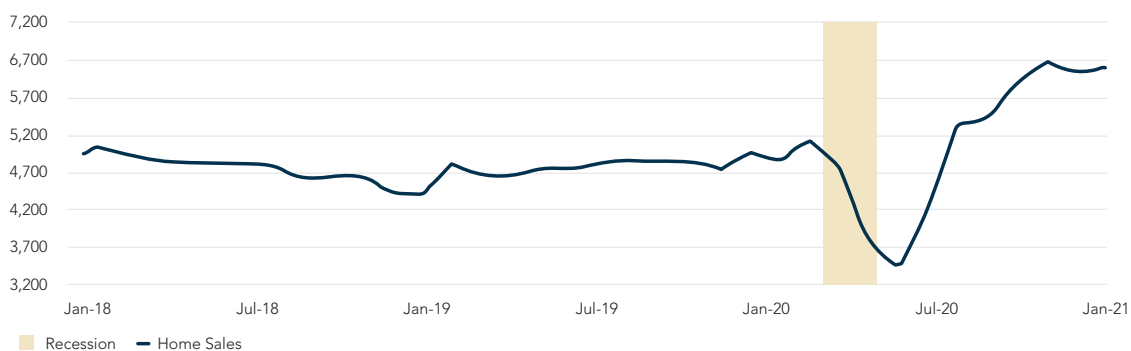
Homeownership is important to the economy and fostering first-time homebuyer demand is critical for the future growth of the housing market. In a 2020 study from the National Association of Home Builders (NAHB), the new construction of 1,000 average single-family homes generated 2,900 full-time jobs, \$189.0 million in wages, \$138.6 million in business income and \$111.0 million in tax revenue. Commercial real estate development and operation of existing buildings, supported 8 million American jobs in 2020, contributed \$1.0 trillion to the United States GDP, and generated \$338.1 million in salaries and wages. Between October 2019 and October 2020, in the midst of the COVID-19 pandemic, construction activities rose 3.7 percent, whereas gross domestic product (GDP) fell 3.6 percent. 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.

Real estate plays an integral role in the United States economy. 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 space for jobs in retail, offices, and manufacturing, thus establishing a source of income for the public. Changes in the real estate market have the potential to impact other economic activity such as national GDP, consumer spending, and employment rates, and vice versa.

The shutdown of large discretionary consumption segments of the economy, with the intent to slow and prevent the spread of COVID-19, triggered one of the fastest contractions in economic activity ever observed. While the housing market did come to a brief halt during the spring of 2020 when the pandemic shut down the economy, it rebounded sharply in the summer months and continued to strengthen through the fall and winter months. Existing-home sales even hit a 14-year high in 2020. However, commercial real estate did not recover as quickly as residential, with retail, office, and hospitality being the hardest hit commercial sectors in this unique health-driven recession.

Existing Home Sales (thousands, seasonally adjusted annual rate)



Source: National Association of REALTORS®, August 2021

Consumer Information About Our Products and Services

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 provide information on our title insurance products and the real estate settlement process, including information about fraud prevention and awareness, on our website, www.firstam.com. Such information is also available through the industry trade association (American Land Title Association, or ALTA) website.

Questions about our title insurance products and settlement services are often directed to non-employee trusted advisors, such as real estate agents, title agents, and independent escrow officers. The company conducts training for its employees to help them address consumer questions and makes such training available to non-employee trusted advisors, as appropriate.

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 facilitate a more transparent transaction, help the consumer understand the loan costs and settlement services fees, and understand which services the consumer can shop for. These forms include the loan estimate, closing disclosure, and settlement statement and are typically required to be made within three days of the mortgage loan application, just ahead of the transaction closing and at settlement, respectively. Generally, the consumer will receive the loan estimate and closing disclosure from their lender, while the settlement statement will be provided by their title company, escrow officer, or settlement agent. A detailed explanation of these forms is provided on the company's website, www.firstam.com, in the Ownership Information Center.

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 provide information on our title insurance products and the real estate settlement process, including information about fraud prevention and awareness, on our website, www.firstam.com.





Environmental Responsibility



First American's Planet First Council

The First American Planet First Council is a cross-functional leadership team (facilities, corporate communications, strategic sourcing, investor relations, finance, human resources, and more) charged with identifying, managing, and measuring the company's environmental sustainability strategies, programs, and practices that benefit the environment and support our business goals.



The Planet First Council directs energy efficiency, water reduction, waste elimination, and carbon management improvements. It also develops communications about our sustainability initiatives and corporate stewardship. This Planet First Council is chaired by Elise Luckham, Vice President of Corporate Real Estate, who reports to Mark Seaton, our Chief Financial Officer. The Planet First Council is the result of the merger of the company's Green Team, established in 2011, and the former Planet First Council, launched in 2012.

Financial Incentives

As part of the annual performance review process, our facility managers are evaluated on their progress against environmental goals. For example, facility managers at the home office campus have an annual goal to reduce energy consumption compared to the previous year, thus incentivizing energy reduction initiatives that also drive the reduction of greenhouse emissions. If the goals are met, facility managers are awarded a bonus.

For more information on how our executive officers are incentivized on ESG matters, see the Governance section.

Environmental Risk Management

The company maintains a formal enterprise risk management (ERM) program. With direct oversight by the company's Board of Directors and its Audit Committee, the company's ERM hierarchy/structure encompasses senior executive leaders from all facets of the business, including the company's Vice President of Corporate Real Estate, who chairs the company's Planet First Council and has direct responsibility and accountability for climate-related issues, sustainability communications, and all of the company's facilities. If the ERM program were to identify an environmental risk that could be a top risk to the company, including climate-related risks within our own operations or within our insurance underwriting activities, that risk would be

managed under our ERM program and overseen by the company's Board of Directors and its Audit Committee. The ERM program is described in more detail in the Governance section.

On a quarterly basis, the Audit Committee reviews risk factors disclosed in the company's Security and Exchange Commission (SEC) filings, which include climate-related issues and other risks. Environmental risks that could have a significant impact on the company, but that do not rise to the level of a top risk overseen by our Board of Directors, would be managed under our business continuity management (BCM) and business continuity risk assessment programs, which would likely include specific procedures and actions to be implemented in the event of an emergency. Through our ERM and BCM programs, we have determined that there are no environmental risks that would have a substantive impact on our company.

The company's determination that there are no environmental risks that would have a substantive impact on First American is consistent with and supported by the Sustainable Accounting Standards Board (SASB) SASB Materiality Map. SASB is an organization that develops and disseminates sustainability accounting standards intended to help public corporations disclose sustainability information to investors that may be financially material to the company. SASB's approach to determining materiality for the purposes of standard setting is informed by the provisions of the federal securities laws, court opinions and the regulations, interpretations and guidance issued by the United States Security and Exchange Commission (SEC).

On a quarterly basis, the audit committee reviews risk factors disclosed in the company's SEC filings, which include climate-related issues and other risks.



The table below depicts sustainability issues that are likely to affect the financial or operating performance of a company within several industries. The Financials industry and the Professional & Commercial Services sector (under the Services industry) have been included, as they have been deemed most relevant to First American’s business and operations. Consumer Goods, Extractives & Minerals Processing, and Transportation are also included for comparison.

Dimension	General Issue Category	Consumer Goods	Extractives & Minerals Processing	Financials	Professional & Commercial Services	Transportation
Environment	GHG Emissions		■			■
	Air Quality		■			■
	Energy Management	■	■			■
	Water & Wastewater Management	■	■			
	Waste & Hazardous Materials Management		■			■
	Ecological Impacts		■			■

■ Issue is likely to be material for more than 50% of industries in sector

■ Issue is likely to be material for fewer than 50% of industries in sector

□ Issue is not likely to be material for any of the industries in sector



The SASB information above about environmental risks for financial services companies confirms and supports the company's conclusion that there are no environmental risks that are likely to have a material financial impact or operating impact on the company.



First American supports sustainability as a company and as individuals. At the corporate level, we're committed to reducing energy, water, waste and greenhouse gas emissions across our offices. As employees, we give back to the communities where we live and work. We do this because sustainability supports our corporate values—it's the right thing to do.

Elise Luckham

Vice President, Corporate Real Estate



Environmental Consultants and Data Management Systems

Since establishing our sustainability program, we have expanded our engagement with third-party consultants to help improve our climate change mitigation performance, monitoring, and reporting. With the help of these consultants, 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 2020, monthly

data on electricity, gas, water, and waste usage were collected for our owned assets in the United States, which includes the facilities at our home office campus. These facilities constitute approximately 17 percent of total First American owned and leased offices, by square footage. First American's management team prioritizes energy efficiency and sustainability programs and improves sustainability reporting using this information and other relevant data.

Greenhouse Gas Inventory

In 2015, we completed our first GHG emissions inventory following the GHG Protocol Corporate Standard, which provides standards and guidance for organizations preparing a GHG emissions inventory. A GHG emissions inventory is the foundation for developing, implementing, and monitoring climate change mitigation and reduction initiatives. By collecting, standardizing, and analyzing our GHG emissions, we are able to measure the impact of carbon reduction initiatives and changes in business operations.

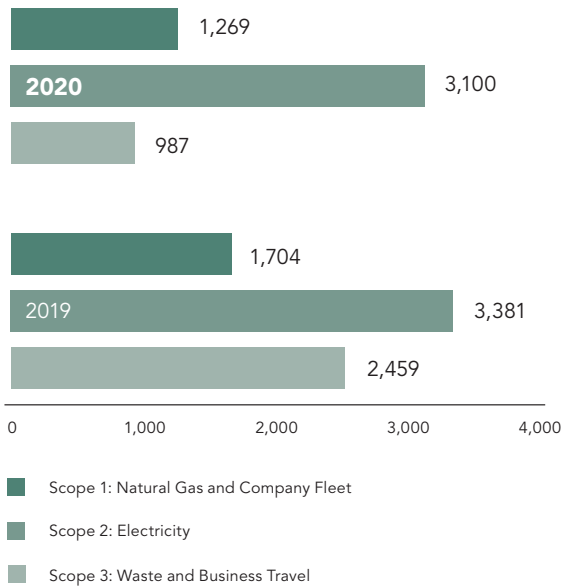
The scope of our inventory includes GHG emissions from our owned facilities in the United States. As such, emissions from company fleet, rental fleet, and business travel are also only from employees based in these facilities.

Comparing 2020 to 2019, we note a few key points:

- Decreases across scopes 1, 2, and 3 emissions due to the adoption of work-from-home and travel restriction policies put in place for most of 2020 in response to the pandemic, as well as efficiency measures
- These pandemic polices also impacted water usage and waste disposal metrics in 2020
- 14 percent decreases in scopes 1 and 2
- 67 percent decrease in scope 3, business travel
- Calculated a new scope 3 category, employee commute, for the first time in 2020, in an effort to expand our data collection and reporting. Emissions were 11,102 MT CO₂e.

Preparation of a more comprehensive annual GHG inventory demonstrates an important step forward with regards to sustainability and business transparency efforts. Our continued effort to measure and reduce carbon emissions from scopes 1, 2, and 3 sources demonstrates our commitment to sustainability. We are committed to improving the quality of our inventory. As such, we have begun to consider how to collect data from our more extensive leased offices so we can measure and potentially reduce their GHG emissions.

Emissions by Scope (MT CO₂e)

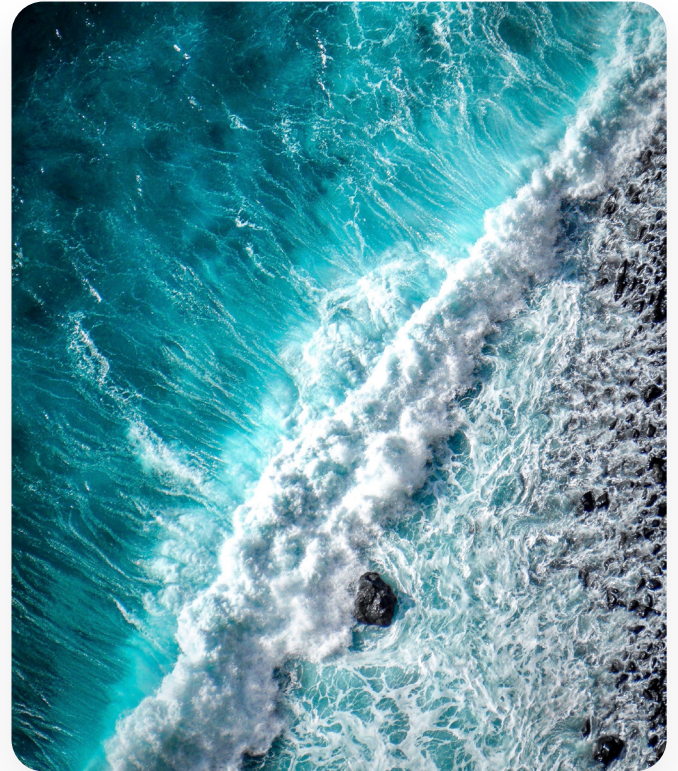


The scope 3 category of employee commute was first calculated for 2020. Therefore, this graph portrays the scope 3 categories of waste and business travel only to allow for a meaningful comparison between 2019 and 2020.

Sustainability Goals and Targets

Our long-term goal is to continue to improve our sustainability management program, which includes implementing or maintaining corporate initiatives for reducing emissions and enhancing sustainability practices overall. By investing in emissions reduction strategies, we hope to reduce costs, improve operational efficiency, and reduce our climate change impact. In addition, our company culture encourages employees to incorporate sustainable solutions wherever possible.

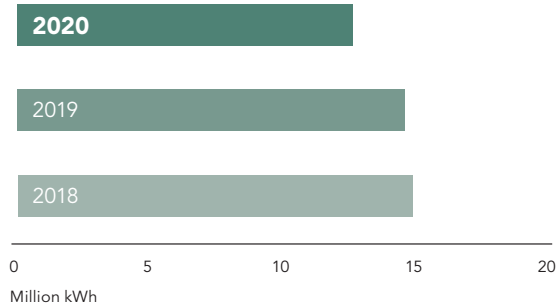
We currently have a number of programs and initiatives in place directed at reducing environmental impacts through energy efficiency, water conservation, and waste management. We set annual resource reduction targets for water, natural gas, and electricity and our company's facilities teams and engineering groups work to implement projects that meet these targets. Our facilities management team strives to implement new or improved energy and fuel efficiency projects at the home office campus on a regular basis. Potential projects are identified and prioritized by the facilities management team based on factors such as cost and energy savings. In addition, we have invested funds to collect and understand our emissions. **As a result of the emissions reduction activities, the home office campus reduced combined scope 1 and 2 emissions by 66 percent between 2013 and 2020.**



By investing in emissions reduction strategies, we hope to reduce costs, improve operational efficiency, and reduce our climate change impact.



2018-2020 Electricity Usage Comparison



Energy Efficiency

Over the last several years, projects at the home office campus implemented to increase energy efficiency include:

- LED lighting initiatives throughout the campus
- Variable speed drives installed to air conditioning chillers in two office buildings to limit load capacity
- Water heater units in two office buildings replaced with more reliable and efficient ENERGY STAR® certified units
- Uninterruptible power supplies (UPS) units replaced to ensure a reliable backup power source and build resiliency
- Energy-efficient equipment upgraded, such as the installation of an ENERGY STAR® certified steam cooking oven and a high-quality water filtration system, as part of the campus café remodel
- Building automation controls replaced with new Delta units to save electricity and natural gas usage in four buildings

In 2020, First American reduced the quantity of electricity used at our owned facilities by 1,779,440 kWh (12.2 percent) compared to 2019, a savings equivalent to the electricity used in **167** homes for one year.



Innovating Paperless Solutions

We are committed to reducing our environmental footprint by shifting our business towards digitized operations. We utilize many software programs that conveniently streamline the paperwork process and reduce the overall amount of paper waste and energy usage to distribute and collect information which is an integral part of the real estate title and settlement process

AgentNet®

AgentNet is an innovative underwriting and business resource software system that simplifies the title production process for title agents and attorneys. Through the AgentNet platform, title agents and attorneys can create standard documents contained in insurance policies, generate approved personal liability insurance, search back title history, and

calculate fees all online, reducing overall paper usage. AgentNet customers have convenient online access to invoices and statements and electronic remittance capabilities, reducing the amount of paper waste that may be generated.

myFirstAm®

We have driven innovation in our field operations by developing software and web applications used by real estate agents, brokers, and the general public. myFirstAm allows users quick access to property information, estimates for title/escrow fees, and more. In addition, we launched a mobile version for those in the real estate industry in order to provide users with the information they need when they need it and where they need it, whether it is in the office or in the field. With the use of myFirstAm, users can leverage cloud-based services that boost efficiency and productivity, while also going paperless.



EaglePro®

EaglePro is our web-based title policy delivery system designed for use by home building professionals. Users have 24-hour access to all information related to projects, including commitments, preliminary title reports, exception documents, assessor tax maps, and more. With Eagle Pro, time spent making copies and manually searching for specific information is mitigated through this paperless system.

Endpoint®

Endpoint is a digital title and escrow company, built from the ground up to deliver a re-imagined closing experience for real estate agents and their buyers and sellers. Through its digital platform, Endpoint aims to keep everyone effortlessly and securely in the know throughout the transaction, while providing a simplified real estate closing from start to finish. Endpoint was founded in 2018 with a diverse team of digital natives and industry veterans.

Secure Portal

First American's Secure Portal is a modern, secure communication tool between sellers, buyers, and borrowers that helps to facilitate faster closings and reduce the risk of attempted wire fraud. This online account enables buyers to upload their opening packages, e-sign paperwork, and use secure messaging to establish wire instructions and communicate in a timely and efficient manner about the progress of their transaction.

ExpressMap®

ExpressMap is an innovative and cost-effective underwriting tool facilitating land title insurance coverage. The ExpressMap allows for provision of title insurance coverage, addresses survey exceptions to satisfy most lender requirements, and allows for the issuance of a lender's title policy. The ExpressMap service eliminates the field time and resources needed for a traditional ATLA survey.

First American Docutech®

Our integrated document technology solutions for mortgage, home equity, and consumer lending include dynamic document generation, eDelivery, eSignature, eClosing, eVaulting, and a direct-to-fulfillment API. We are advancing the digital mortgage experience to enable lenders to ensure compliance, reduce cycle times, and accelerate the closing process.

CleanFile Solutions®

CleanFile Solutions is a suite of post-closing and servicing tools for curing, perfecting, and completing collateral files. These tools not only streamline the post-closing document management process, but also cut down on paper use.



Waste Management

We work with the public and our employees to follow best practices with regard to waste.

As part of our goal to reduce onsite waste, the home office campus has partnered with the local Southwest Community Center since 2015. Prepared, leftover food is collected and placed in sealed containers for collection twice a week by the center to provide daily meals to the homeless, low-income, and economically disadvantaged. This results in reduced landfill waste, while making a significant positive impact in our surrounding communities.

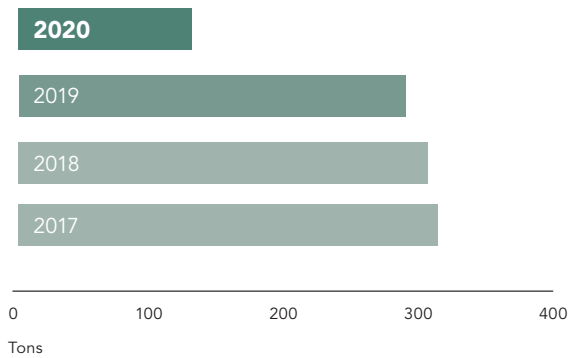
Additional waste-reduction initiatives include:

- Onsite and offsite recycling to decrease the amount of landfill waste produced at facilities
- Employee education about the 3Rs (recycle, reuse, and repurpose) at the annual Eco Fair to promote sustainable waste management practices (*the annual Eco Fair in 2020 was canceled due to the COVID-19 pandemic*)
- Automatic towel dispensers in restrooms to reduce paper use and waste
- Environmentally friendly plates, utensils, and to-go boxes for the campus café to reduce waste and encourage recycling
- Partnership with secure paper shredding services to recycle paper waste

In 2020, over 20 tons of waste was recycled, which represents over **31.5 percent** of our generated waste.

To further offset waste emissions at the home office campus, First American manages the disposal of hazardous waste through partnerships with compliant hazardous waste disposal programs. Items that are safely recycled and/or disposed of include e-waste materials and batteries. Through our IT hardware recycling partnership, the avoided emissions for 2020 totaled 52.4 metric tons of CO₂e.

2017 to 2020 Waste to Landfill Comparison



The chart above illustrates our year-over-year waste reduction in total tons of waste sent to landfills. This figure demonstrates a decrease in landfill waste at First American facilities by approximately 152 tons in 2020, compared to 2019.



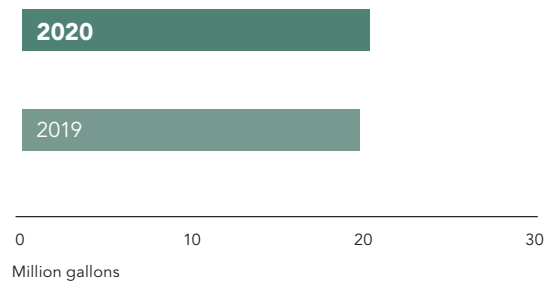
Water Conservation

Beginning with the creation of the Planet First Council and Green Team, numerous water-related projects have been implemented at the home office campus.

Water efficiency projects that have been implemented over the past several years include:

- Updating water fixtures in the bathrooms, cafeteria, and landscaping to reduce water consumption by 177,000 gallons in one year
- Installing a WeatherTRAK system to measure rain, wind, and solar temperature, which adjusts water output depending on outside conditions and specific plant requirements, saving more than 1.2 million gallons of water (equivalent to roughly two Olympic-sized swimming pools) and \$50,000 in water costs every year
- Installing soft water filters and EZ-Float technology for cooling towers in two buildings to reduce the amount of water needed to treat and cycle for the Santa Ana data centers

2019-2020 Water Usage Comparison



Our water usage comparison for 2019 vs. 2020 for our home office campus. Water consumption at the home office campus increased by 4.9 percent in 2020 compared to 2019. Many of our employees moved to work-from-home during the pandemic, causing water usage to decrease in several of our office buildings. However, due to hotter weather in 2020, we used more water for irrigation and maintaining our HVAC systems in our data center.



Transportation Strategies

Electric Vehicle Charging Stations

We have installed four electric vehicle charging stations at the home office campus to encourage our employees to drive electric vehicles to lower their carbon footprint.

Ride Sharing

We implemented an Off-Peak Rideshare program that encourages carpooling and utilization of public transport to help reduce our scope 3 emissions associated with employee commuting. Employees are eligible if they carpool to work (at least two people), use public transportation, walk, or ride a bike. Eligible employees receive a monetary reward for participating and are entered into quarterly raffle drawings to win additional prizes. Although the Rideshare program was not widely used during 2020 due to the pandemic, employee commuting trips have been reduced by over 1,000,000 vehicle trips since the program's inception in 2016.

Employee Engagement

We host an annual Eco Fair to engage our employees in sustainable practices. Through the Eco Fair, we share the latest information on the home office campus's conservation and sustainability practices and activities, such as e-waste disposal, document shredding, and battery recycling. Employees also learn about energy efficiency, water conservation, recycling, and other sustainability topics that encourage their own conservation efforts. 2020's Eco Fair was canceled due to the COVID-19 pandemic, but we look forward to resuming it in the future.

Stakeholder Communications and Transparency – CDP and Sustainability Reporting

Since 2015, we have been formally responding to CDP (formerly known as the Climate Disclosure Project), the globally recognized organization responsible for measuring the improvement of participating organizations' environmental risk.

At its inception in 2002, the CDP Climate Change questionnaire primarily focused on emissions management and reporting. As investors, consumers, and other stakeholders have heightened their scrutiny of companies' sustainability performance and response to climate change, CDP has broadened and grown in prominence. CDP now encourages a more holistic company approach to climate change that involves risk and opportunity management, governance, and strategy, in addition to the emphasis on emissions.

Our 2020 disclosure represents our activities and GHG emissions for the 2019 calendar year. **We are proud to earn a score of Management B, demonstrating that we are taking coordinated action on climate change. It is our highest score in our history of CDP disclosure.** We disclosed again in 2021.

Through this annual disclosure, we can benchmark our environmental performance against industry peers and receive feedback on the progress made each year. In 2020, we scored on par with other companies in the financial services sector. We exceeded the average score of Disclosure D for all North American companies, as well as the global average of Awareness C.

First American scored particularly well in the following areas:

Leadership level (A or A-)

Governance

Risk disclosure

Emission reduction initiatives

Management level (B or B-)

Business strategy & financial planning

Risk management processes

Opportunity disclosure

Social Responsibility



Caring for Our Community

First American has a rich legacy of serving the communities where our employees live and work. Employees have shared their passion, time, and resources to fill needs wherever they arise.

From the local and regional level to the national and global level, First American's employee philanthropy program, **Caring for Our Community**, helps to focus efforts and make the greatest impact by supporting three core causes:



Community Development



Women's Advocacy



Human Services

Community Development

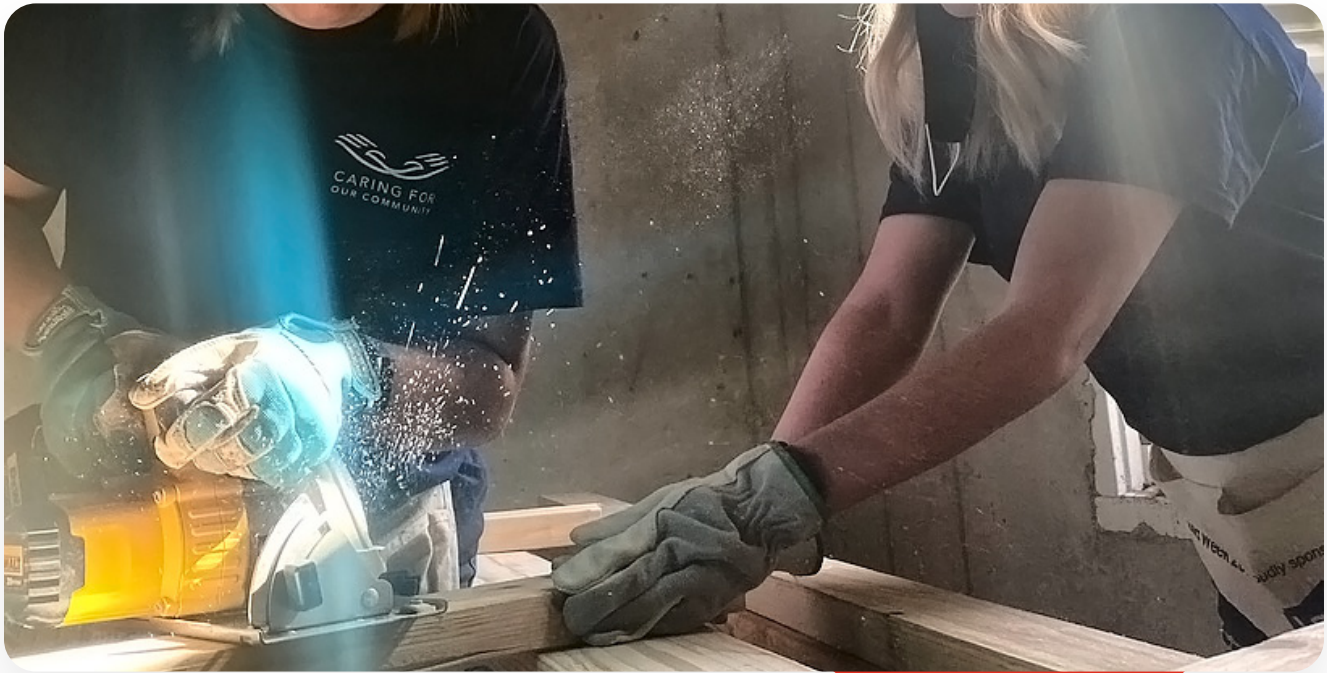
First American and our employees support organizations that work to create and sustain affordable housing, revitalize low-to moderate-income neighborhoods, and support community services and economic development.

Habitat for Humanity and Heading Home

In collaboration with Habitat for Humanity, a nonprofit organization dedicated to building and repairing homes for displaced people worldwide, we support community development through building and renovating homes in the communities where our employees live and work.

Since 2017, First American has participated in 82 build events and donated over \$185,000 towards community development. Specifically in 2020, we sponsored six build events across the country and donated approximately \$25,059 to the organization. The company supports its employees who volunteer at a build during the work week with time off at their regular pay.

In February 2020, our Mortgage Solutions Folsom, California team participated in their third Habitat for Humanity of Greater Sacramento Build. They worked on a house that was in its final stages, only a few weeks away from its dedication ceremony. The team helped with the final touches, which included landscaping and some internal and external cleaning.



We have worked on several homes in this Habitat neighborhood and it was nice to come back and see families settled in. Ryan, the construction manager, patiently taught us how to hang doors, and showed us how to PROPERLY fill gaps and holes on trim boards and paint. We were an all women crew and we accomplished a great deal as a team.

Lori R., Agency Division, South Portland, Maine

In Maine, the Agency division volunteered for the Scarborough, Maine Habitat build. During one build, the all-female team worked side by side with the soon-to-be homeowner and her two teenage sons.

A similar organization to Habitat for Humanity is Heading Home, a partnership with our National Commercial Services division. Since 2014, we have hosted volunteer events for Heading Home both in and out of the office, such as the “Up and Out” event in which a mother, father, and three young children were moved from a shelter into a permanent residence.

Disaster Relief

Natural disasters can have devastating consequences for communities, and it can often be difficult for communities to recover. We have supported relief organizations, such as the American Red Cross. During 2020, First American donated \$25,000 and our employees donated over \$22,000 to the American Red Cross organization’s relief efforts. First American also provided a total of \$4,098 in financial support for employees who were permanently or temporarily displaced due to natural disasters.

Women's Advocacy

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

Breast Cancer Awareness

In partnership with the Susan G. Komen Race for the Cure and the American Cancer Society's Making Strides Against Breast Cancer, we have had the opportunity to significantly give back to organizations that benefit women's health. In 2020, First American donated over \$104,000 to organizations that support women's health, including to American Cancer Society's Breast Cancer Research and Support program, American Heart Association, and Ragnar-Banner University's Medicine Heart Institute with the University of Arizona.

In 2020, more than 450 of our employees participated in 45 virtual races across the nation, raising over \$80,000 in total for breast cancer awareness organizations.



The Susan G. Komen Race has been important to me because my best friend has breast cancer, among other close friends. Last year, I was diagnosed with breast cancer—those are some words no woman ever wants to hear. I am a cancer survivor of 1 year, 7 months! THANK YOU from the bottom of my heart First American.

Becky C., Agency Division, Bedford, TX



Human Services

First American supports organizations that provide access to services, benefits, and opportunities for the disadvantaged, including programs that promote direct access to health services for patients and their families.

Emergency COVID-19 Response

Throughout the COVID-19 crisis, First American demonstrated the inspiration, passion, and commitment that runs deep within our organization. In 2020, First American raised over \$86,000 to support communities throughout the pandemic. Employees also did their part to help those struggling during the COVID-19 pandemic, including providing hand-sewn masks and hygiene kits, as well as donating countless meals.

The pandemic also increased the urgency to provide assistance to those who lack stable access to food. At a national level, we raised nearly \$50,000 for Feeding America during our first ever virtual relay, as well as donated \$10,000 to Feeding America's COVID-19 Response Fund. We also hosted a Virtual Family

Volunteer Day, where we provided 500 DIY kits for kids to create hand-made thank you cards for first responders.

In our regional branches, First American employees participated in various events to give back to their local communities during this pandemic:

- Our National Commercial Services (NCS) Chicago office completed its 2020 Second Quarter Charity Event to benefit front-line healthcare workers at Rush Hospital. Over \$3,000 in donations were collected by the team and they were able to supply 100 boxed lunches to Rush workers, as well as provide more than \$2,000 in cash to the Rush COVID-19 Fund.
- Our NCS Florida office donated to Feeding America's COVID-19 Response Fund, as part of a charitable raffle. Additionally, employees participated in sorting food for Feeding America-South Florida, where they sorted approximately 3,500 pounds of food.
- Our home office campus in Santa Ana raised over \$36,000 for local causes, including the Boys & Girls Club, Caterina's Club, Power of One, and Grandma's House of Hope.

Caring Eagle Awards

In 2020, First American held its second annual Caring Eagle Awards to honor employees who are active in their communities, passionate about volunteering, and consistently give back. Over 100 First American employees were nominated, with winners receiving monetary Giving Cards totaling \$6,250 to donate to the charity of their choice.



It's an honor to work for a company which places so much emphasis on 'doing good' in the world. The fact that FA makes charitable giving a priority makes me proud to be a FA Caring Eagle.

Victoria H., Santa Cruz, Calif

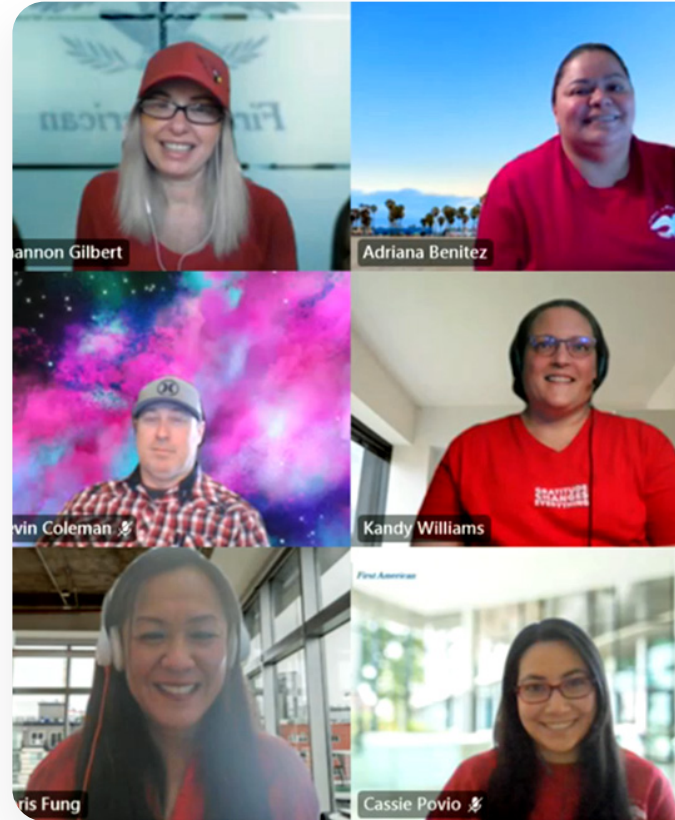
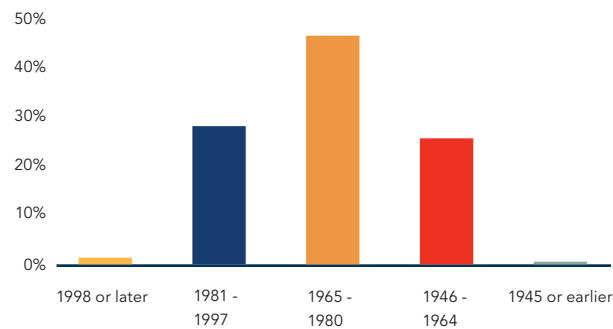


Employee Demographics

First American has a dynamic workforce, which helps us maintain our vibrant and productive work environment. We track various metrics on our demographics for our United States operations.

Employee Age

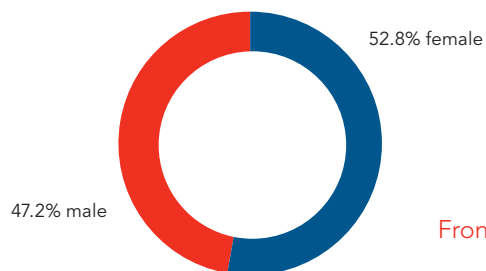
Employees by birth year



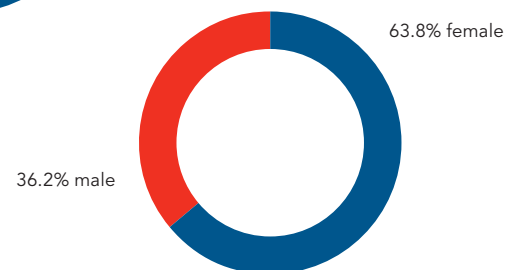
Employee Gender

Gender equality is very important to First American. More than two-thirds of our employees are women, many of whom hold a management position. **As of 2020, women constitute over half of mid-level management positions.** We are proud to again be named among Fortune® magazine's Best Workplaces for Women in 2020.

Mid-level management



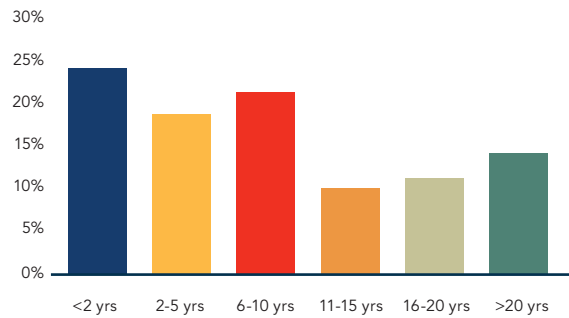
Front line/supervisor





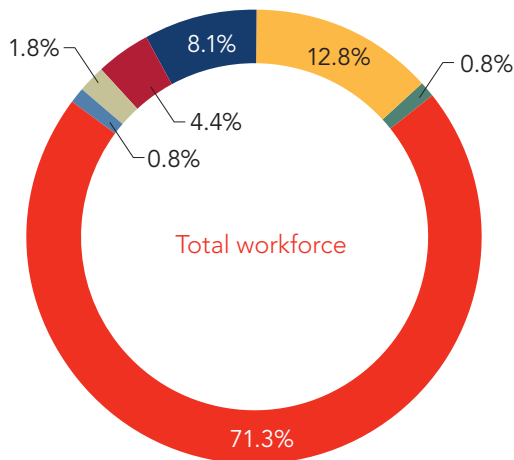
Employee Tenure

While we continue to grow and add employees, we make sure our employees grow with the company. **About 35 percent of our workforce has been with the company for more than 10 years.**



Workplace Diversity

We strive to support a diverse and inclusive work environment. **Approximately 29 percent of our employees self-identify as black, indigenous or other persons of color.**



- African-American/Black
- Asian
- Hispanic/Latino
- American Indian/Alaska Native
- Caucasian/White
- Native Hawaiian/Other Pacific Islander
- Two or more Races

Diversity and Human Rights

We believe in recruiting, developing, promoting, and retaining individuals who best fit our job positions and corporate culture, exclusive of any artificial barriers to entry. We have an abundance of talented, skilled, and unique employees that represent our organization's value of diversity.

At First American, diversity is a key characteristic of the business, and we are committed to creating and promoting a diverse and inclusive workplace. For the fourth consecutive year, employees who took the 2020 Great Place to Work® Trust Index© survey overwhelmingly agreed that they are treated fairly, regardless of age, race, gender, or sexual orientation.

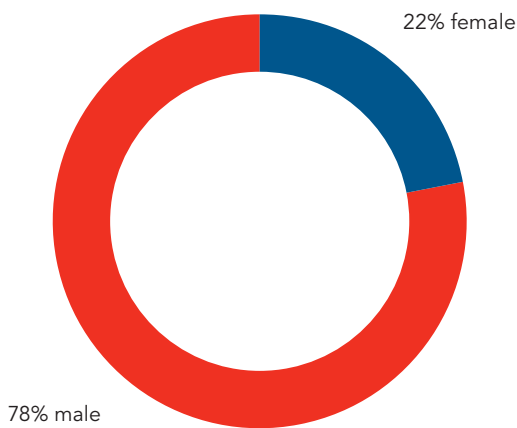
Diversity Policy

As an equal opportunity employer, we are committed to an active nondiscrimination policy for our employees. We have a written nondiscrimination policy that is distributed to all employees as part of our employee handbook.

Our Nominating and Corporate Governance Committee 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 of Directors (both public and private), political and social perspectives, as well as race, gender, national origin, and sexual orientation.

The California corporations code required publicly held corporations having their principal executive offices in California to have at least one female director by the end of 2019, and, for corporations that have six or more directors, to have three or more female directors by the end of 2021. In addition, the California corporations code requires such corporations to have at least one director from an underrepresented community by the end of 2021 and, for corporations that have nine or more directors, to have three or more directors from underrepresented communities by the end of 2022. In 2020, we had the minimum number of female directors and directors from underrepresented communities necessary to comply with California laws. Our Board of Director's diversity policy is detailed in the company's corporate governance guidelines available online on our website.

Board Level





First American's customers are a diverse and dynamic community, and we believe they are best served by employees who are equally diverse. The collective experience, skill, and knowledge that can only be gained by working with people from all backgrounds is a vital part of our success. As a leader in the communities in which we live and work, First American is committed to providing an inclusive workplace where all viewpoints are valued and respected.

Dennis Gilmore,
CEO, First American Financial Corporation

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

Diversity & Inclusion Taskforce

In 2020, First American furthered its commitment to empower and promote a diverse, equitable, and inclusive work environment by creating a Diversity, Equity, and Inclusion (DEI) Advisory Council. This council engages the enterprise at every level to help craft and implement a sustainable inclusion strategy that further strengthens our company and culture. The Diversity & Inclusion Taskforce has expanded into a dedicated Diversity & Inclusion HR Taskforce and divisional DEI Task Forces. The former provides

support to the DEI Advisory Council in the areas of branding/communication, learning programs, recruitment, and employee resource groups, while the latter supports local DEI initiatives, community-based programs, and projects. Since its inception, the taskforce has created many initiatives and guidelines to help support First American's diverse team.

The following are important components of the Diversity & Inclusion strategy:

- Continuing diversity job fair participation
- Targeting outreach to universities with highly diverse populations
- Partnering with organizations that have a robust DEI approach
- Educating experienced leaders, emerging leaders, and new hires through formalized diversity training
- Supporting female leadership by continuing the company's premier partnership with the Women in Leadership Institute™
- Increasing LGBTQ+ related diversity outreach

Our DEI initiatives have created many initiatives and guidelines to help support First American's diverse team. Examples include instilling a cross-generational collaborative mindset amongst the team, also known as "Three Generations-One First American," and supporting employees of the transgender community by creating the Workplace Gender Transition Guidelines. Additionally, we have partnered with multiple organizations with strong DEI initiatives, such as the American Heart Association, Habitat for Humanity, American Red Cross, and Feeding America.

In 2020, the Diversity & Inclusion HR Taskforce developed and launched their new program, "First American is..." (formally known as "Belonging at



First American"). This initiative focuses on building awareness of the value of belonging at First American to develop a strong foundation of diversity and inclusion. The program is employee-inspired and has three key components:

■ **First American is Me**

- As a global company, First American has the opportunity to bring together different voices, perspectives, and experiences. Doing so is at the heart of our "People First" culture. Only by incorporating ideas from a wide spectrum of sources can we cultivate the teamwork, innovation, and inclusion that makes First American a great place to work. And only by understanding that everyone has a unique, authentic self that they bring to work every day can we start to fully realize the potential that is brimming throughout our company.

■ **First American is You**

- In our first campaign, colleagues celebrated each other's unique contributions and how each person embodies our company values through conversational videos and having employees post on our recognition platform, telling the world about their amazing, unique, and invaluable teammates, and how they help their colleagues bring their best to First American.

■ **First American is Us**

- Our goal is to showcase the interconnectedness of our company. Whether through job roles, networking, development opportunities, or charitable activities, First American team members are connected throughout the company and throughout the country. During the pandemic, we have felt it has been particularly important to highlight the fact that no one stands alone.

- Every individual's unique, authentic contribution to our company culture, service and reputation creates an important network. By highlighting these connections, First American is Us depicts how our strength lies in the collective.



First American is Me is my reality, and I am proud of it. I am very grateful to work for a company that allows me to be authentically myself, and I get to bring my authentic self to work every day. I consider the people I work with to be family. I am glad we are all in this together and it's encouraging to know that we are supported, and I feel positively that we are going to come out of this better and stronger together. That's why First American is Me.

Netty M., Direct Division, Spokane, Wash.



Diversity and Leadership Training

The goal of First American's diversity and leadership training is to establish leadership-training and career-advancement programs to develop and prepare First American employees for leadership roles.

This training is largely split between three training modules:

- **Becoming an Employer of Choice:** As part of the Emerging Leader program, this module addresses the advantages of diversity, overall workforce trends, and core strategic initiatives for maintaining a positive and supportive work environment.
- **Understanding Your Leadership Style:** This module, also part of the Emerging Leader program, addresses employee work behavior, differing personalities, and effective managerial strategies.

- **Experienced Leader:** First American's Experienced Leader program features a four-hour training module designed to understand the different aspects of diversity (relational, occupational, cognitive, physical, societal, and values) as well as related business strategies driven by market, talent, values, goodwill, and innovation.

Women in Leadership and Technology

We are especially proud to support our Women in Leadership (WIL) Institute, which promotes professional growth opportunities for women within the First American organization. Each year, a WIL project team addresses business challenges and opportunities identified across the organization and presents their recommendations to senior management. **Since its formation in 2013, WIL has seen 91 graduates with 43 percent having been promoted at least once since completing the program. 82 percent are still employed at First American.**

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 2020, First American contributed to a technology-focused scholarship fund which awarded 10 scholarships to women in college in California.

Human Rights Campaign

In 2020, First American Financial Corporation earned a perfect score of 100 percent for the third consecutive year on the Human Rights Campaign Foundation's 2021 Corporate Equality Index (CEI). This national benchmarking survey and report evaluates corporate policies and practices related to lesbian, gay, bisexual, transgender, queer, and others (LGBTQ+) workplace equality. CEI evaluates four main criteria: nondiscrimination policies across business entities, equitable benefits for LGBTQ+ workers and their families, internal education, and accountability metrics to promote LGBTQ+ inclusion competency and public commitment to LGBTQ+ equality.

We were one of 767 businesses that earned a perfect score on the CEI in 2020. Over the years, First American has implemented the following changes in support of the Human Rights Campaign and the CEI:

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

In 2020, First American Financial Corporation earned a perfect score of 100 percent for the third consecutive year on the Human Rights Campaign Foundation's 2021 Corporate Equality Index (CEI).





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" mentality, 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 since 2016. Along with this, we were recognized on four other Fortune® Best lists including Best Workplaces for

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

95
percent

feel welcome when joining the company

10.7
percent

voluntary employee turnover

Financial and Insurance Service Companies, Best Workplaces in Texas, Best Workplaces for Women, and Best Workplaces in the Bay Area.

Striving to continually improve the company and wellbeing of employees, employee engagement surveys have provided key feedback to upper management to acknowledge where and how we as a team can do better. While previously conducting a survey every two years, we recently adopted the Great Place to Work® Trust Index® survey to systematically conduct employee engagement surveys on a more frequent basis.



Since 1889, our values have guided our business. Core to our culture, our values will continue to serve us well for many years to come. These values that have long propelled our success and which still inspire us to deliver the outstanding customer and employee experiences that have earned us national acclaim.

Dennis Gilmore,
CEO, First American Financial Corporation



Benefits and Perks

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

FA Wellbeing & Fitness

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 helps employees improve in the areas they care about with interactive programs that are fun and easy to use. As part of this program, employees can earn points for taking steps to improve their overall wellbeing, such as personal health coaching, online health programs, biometric screenings, and more. We also provide incentives, such as fitness discounts and gym reimbursements to encourage healthy lifestyles for employees.

COVID-19 Employee Support

Throughout 2020, we provided multiple resources to ensure our employees felt supported during this unprecedented time. For instance, we began offering telehealth services to all full- and part-time employees and continued to do so until the end of 2020. We also created a company-sponsored PTO program for employees unable to work due to personal or familial COVID-related issues, as well as covered the cost of any COVID-19 testing or in-network hospitalizations for benefited employees and their family members.

The work-from-home environment largely implemented during 2020 has shown that geographic boundaries do not limit our ability to connect to with others. First American maintained regular communications through our Employee Resources page on FALive with regular coronavirus updates, as well as weekly emails covering health and wellness tips, advice on how to prepare kids for the new school year, guidance on navigating the pandemic during the holidays, 24/7 Employee Assistance Program support, and more. Employees also regularly interacted through the FALive platform, reaching out to each other via virtual happy hours and sending messages of encouragement during the pandemic.

PTO Sharing

The PTO Sharing program, initiated in July 2020, allows employees to donate a portion of their Paid Time Off 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.

Professional Development

With the mentality 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 set of employees. Along with diversity and leadership training and our Women in Leadership program, we also offer an **Excellence in Underwriting Program**. This three-day workshop is dedicated to strengthening underwriters' soft skills, such as decision-making and problem-solving and is a valuable opportunity for underwriters to network with other professionals and learn skills for career development.

Our two-track **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.

Other professional development in-house training programs include First American Eagle Academy®, Database Solutions University training, Mortgage Solutions University, Strategic Markets Certification, Data Boot Camp, and First American's online training portal (KnowledgeSPOT).

Employees can also take advantage of tuition reimbursement, which can cover the costs of books, fees, and other supplies. In 2020, 74 employees received reimbursements totaling more than \$110,461.

FA Appreciation

First American finds it important to recognize the collective hard work and dedication employees put in throughout the year. This year, we held special celebrations during our virtual **Employee Appreciation Month**, to instill a culture of support and camaraderie amongst the First American team. In 2020, the companywide theme was "People Powered." We hosted a series of virtual events throughout the month, with different activities each

week. This included creating a virtual Wall of Thanks where employees were encouraged to write thank you notes and recognize fellow employees. Along with this, managers and peers can also nominate employees for their commitment to the team, customers, and their communities they serve through the **People First Awards, FA Recognition** program, and DPK Circle of Excellence program, named after First American's Chairman Emeritus, Donald P. Kennedy.

Adoption Assistance

We want to help and encourage those 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 applies for all aspects of adoption, including application fees, legal fees, lodging, and transportation.

WINFertility

In 2020, we partnered with WINFertility (WIN) 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. WIN's unique expertise has achieved impressive results for patients, including improved pregnancy rates, reduced multiple births, decreased NICU hospital admissions, and exceptional patient satisfaction scores. Many of First American's employees value family-building support, making WIN a natural fit for our employees.

Ovia Family Building

In July 2020, First American partnered with Ovia Health, a top health app for women and families, to provide access to a greater level of content than their standard app. This web-based solution provides three areas of focus including fertility, pregnancy, and parenting. It is an accessible and interactive way to



plan for pregnancy, track the baby's development, get pregnancy-related questions answered, and navigate early parenting. It even has resources for returning to work. Ovia Health is available at no cost to all benefit-eligible employees and spouses.

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.

Onsite Amenities

Our home office campus offers a range of onsite amenities to ease stress, help with time management, and encourage a healthy lifestyle. Examples of these amenities include:

- Campus Café
- Starbucks Café
- Shoeshine and repair service
- Dry-cleaning service
- Car wash service
- Massage therapy
- Discount ticket sales
- Tech B@r
- Charging stations

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.

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 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.

Occupational Health and Safety

We strive to maintain a clean, safe, and healthy environment for all employees. Employees are expected to become familiar with the First American safety guidelines, available through the employee handbook and through our HR portal, which cover a range of safety topics, including general safety rules, ergonomics, hazard identification, accident reporting, and procedures for medical emergencies, fires, earthquakes, and bomb threats.



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.

A few of such practices include the following:

- The company is governed by a Board of Directors, a majority of whom are "independent," as defined by SEC and NYSE rules.
- The company operates consistent with its publicly-disclosed certificate of incorporation and bylaws, which among other matters define the permissible number of directors, quorum and voting requirements, and corporate officer roles.
- The company is guided by a written, publicly-disclosed set of corporate governance guidelines and a code of ethics discussed below.
- The company's 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, publicly-disclosed charter.
- The Nominating and Corporate Governance Committee reviews and considers material environmental, social, and governance (ESG) trends applicable to the company and related company practices on an annual basis, including a review of this report.
- The company makes quarterly, public disclosures regarding the financial performance of the company, risks that may impact the company, and other required information. The company's chief executive and chief financial officers publicly file each quarter a certification regarding the company's internal controls over financial reporting.
- The company is required to hold an annual meeting of its stockholders and in connection therewith to make public disclosures regarding the company's corporate governance practices, such as the independence of directors, the stock ownership of directors and certain officers, related-party transactions, Board and Committee meetings, director criteria and nominations, and the availability of a hotline for accounting and auditing matters.
- The company on a more current basis is required to disclose certain events and transactions material to the company, such as the departure or appointment of directors and certain officers, changes to its governing corporate documents, and material transactions.
- The company maintains an extensive and formal enterprise risk management program discussed below.

Compensation Practices

The company's public filings made with the SEC can be found on the SEC's website at www.sec.gov or on our website at www.firstam.com. Our most recent proxy statement is available online on our website and describes in detail the company's corporate governance practices, including those relating to executive and director compensation.

The following publicly disclosed documents are essential to understanding the company's corporate governance. Each of these documents can be found in the corporate governance section of our website at www.firstam.com:

- Corporate Governance Guidelines,
- Nominating & Corporate Governance Committee Charter,
- Audit Committee Charter,
- Compensation Committee Charter, and
- Code of Ethics and Conduct.

Compliance with SEC rules and regulations is evidenced in the company's public filings made with the SEC. Compliance with NYSE rules is also evidenced by public filings made with the SEC and by information available on the corporate governance section of the company's website.

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

The company's executive compensation program is overseen by the Compensation Committee of the Board of Directors, which is comprised entirely of independent directors. The program is designed to enhance stockholder value by providing that a substantial portion of the executive officer's total compensation be at-risk and related to the company's consolidated financial performance. The director and executive compensation programs and the company's pay practices are described in detail in the company's proxy statement available online on our website.

ESG in Executive Compensation

In 2020, the Committee made 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.

Code of Ethics and Conduct; Compliance

We uphold our commitment towards promoting ethical business practices and compliance through our established Code of Ethics and Conduct. The Code of Ethics and Conduct has the primary objective of guiding First American's employees to comply with the laws and regulations impacting the business. We also have a separate Code of Ethics for our Chief Executive Officer and Senior Financial Officers. All employees must annually review the Code of Ethics and Conduct. The Code of Ethics and waivers to the company's Code of Ethics for directors and certain executive officers are publicly disclosed on the company's 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 supervisor or appropriate personnel. Alternatively, violations may also be reported to First American's Financial Accuracy and Compliance Hotline.

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.

Financial Accuracy and Compliance Hotline

We maintain a Financial Accuracy and Compliance Hotline, so that our employees and other stakeholders can anonymously report financial impropriety without fear of reprisals or recrimination. Employees can use the hotline to report violations in the code of conduct, company policy, and the laws and regulations that apply to the financial services and insurance business. 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 on an anonymous basis, if desired.

Risk Management

We maintain an extensive and structured enterprise risk management (ERM) program. With direct oversight by our Board of Directors and its Audit Committee, the company's ERM hierarchy and structure encompasses senior executive leaders from all facets of the business, including operations, finance, accounting, treasury, information technology, legal/regulatory, internal audit, compliance, underwriting, human resources, and real estate. The ERM Executive Committee and the ERM Leadership Committee meet quarterly. Our ERM Director also administers a biennial company risk survey that ultimately enables management to determine and focus on its risk priorities, while subsequently integrating appropriate controls to mitigate identified risks. Our ERM program is assessed

regularly via internal reviews by Internal Audit and/or Corporate Compliance. On an annual basis, the Board of Directors reviews the ERM program, including top risks, mitigation efforts, and risk monitors. The Audit Committee, which consists solely of independent members of the Board of Directors, performs a similar review semi-annually.

Portfolio Management

Our investment portfolio activities, such as policy setting, compliance reporting, portfolio reviews, and strategy, are overseen by an Investment Committee made up of certain senior executives. ESG factors may be considered in investment decisions made by our investment managers.

Business Continuity

Our Audit Committee receives regular 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.

Fraud Prevention

At First American, we recognize real estate is a financial investment, and for many, it is their most valuable asset. Unfortunately, property and real estate transactions are frequently targeted by opportunistic criminals looking for quick money. First American is committed to minimizing fraud risks through effective and strategic internal controls to detect and prevent fraud. First American promotes fraud prevention awareness by educating employees, consumers, escrow agents, and title agents on how to recognize common fraud techniques and scams.

Some of our employee and customer initiatives include:

Employees

- Fraud awareness and procedure training, including Fraud Awareness Week and fraud prevention newsletters
- Phishing email reporting to First American's information security department
- Wire fraud prevention employee recognition programs

Information Security and Data Privacy

Customers

- **Secure Portal**—Secure Portal is a simple, mobile, and secure communication tool, between participants in the real estate transaction that helps to lower the risk of wire fraud attempts by reducing risky email communications. This online account will allow buyers to complete opening paperwork, review title documentation, and use secure messaging to communicate about their transactions.
- **Property owner letters**—As a safety precaution in appropriate circumstances, First American sends the property owner a letter to confirm the property owner is aware of the transaction.
- **FraudGuard®**—Mortgage support tool available to lenders to help them identify potential fraud risk and errors in mortgage applications, comply with regulations, improve the application review process, and increase loan quality.
- **Consumer protection information**—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.

First American has a formal information security program overseen by our Board of Directors, its Audit Committee, and an executive-level Information Security Oversight Committee. Beginning in 2019, the Board of Directors also established an ad-hoc Information Security Risk Oversight, Accountability and Review Committee to provide additional oversight and guidance to the information security program. 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 specific to its information security program. The Information Security Oversight Committee meets regularly to review identified information security risks and vulnerabilities, remediation actions and to provide general program oversight. The information security program is managed by the company's Chief Information Security Officer.

The company dedicates significant resources to securing its systems and to protecting non-public personal information and other confidential information. These include resources dedicated to intrusion prevention such as firewalls, endpoint protection, and behavior analysis tools, among others. They also include resources dedicated toward vulnerability identification through the performance of vulnerability scans and penetration tests, among other methods. Like other large, complex organizations, at any given time the company's applications and infrastructure suffer from vulnerabilities. First American's Information Security Helpline is designed to detect, deter,

Supplier Code of Conduct and Diversity

and respond to threats to First American's data, property, physical security, infrastructure, or information in a professional and consistent manner. Once vulnerabilities are identified, the company's information technology and information security personnel seek to remediate these vulnerabilities in as expedited a fashion as possible generally based on risk level. If critical technology systems or infrastructure become unavailable, Disaster Recovery Plans (DRP) will be enacted to restore the application, system, or infrastructure component.

The state of California, where the company is headquartered and conducts business, and other state, federal, and international jurisdictions have passed and/or are in the process of passing laws and regulations applying to the collection, use, retention, protection, disclosure, transfer, and other processing of nonpublic personal information. The general purpose of these laws and regulations is to increase the level of transparency, security and protection surrounding the personal data collected by businesses. The California Consumer Privacy Act (CCPA), for example, which became effective on January 1, 2020, gives California consumers, among other things, the right to request categories and/or specific pieces of personal information collected about them, under certain circumstances to request deletion of personal data that a business may possess and to opt-out of the sale of their personal information. The company revised its privacy policy and developed a program to handle such consumer requests.

It is our intention 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. Our suppliers are expected to comply with applicable laws and regulations while conducting business with, or on the behalf of, First American. While engaging in employment practices, our suppliers are expected to uphold our same commitment 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 at <https://www.firstam.com/supplier-code-of-conduct/>.

In addition, we have a written supplier diversity policy that encourages the use of certified diverse suppliers (including minorities, women, disabled persons, veterans, disabled veterans, small, and LGBTQ+ business enterprises) that can provide competitive and high-quality services that are aligned with our business needs.

Financial Strength

First American’s businesses are committed to providing quality information backed by a culture of integrity and the confidence that we stand behind our products and services. This commitment gives customers the peace of mind needed to complete their valuable transactions.

A number of independent agencies regularly perform rigorous quantitative analysis in order to assign financial strength ratings to First American Title Insurance Company. These ratings stand as a testament to the leadership position that we hold among our peers. As one of the largest single brand names in the title insurance industry, we know that with leadership comes responsibility. We believe these ratings support our leadership position and reflect our commitment to customer service—not only for homeowners but also for real estate and title agents alike. It is our aim to continue to maintain the financial strength to be entrusted with our customers’ most important investments.

Based on the most recent evaluations, the company’s current financial strength ratings can be found at www.firstam.com/title/about/company-information/financial-strength-ratings.html

Financial strength ratings in this report are as of December 31, 2020. Detailed information about us, our financial performance and our investments can be found in our public filings on the SEC’s website at www.sec.gov or on our website at www.firstam.com, including information regarding regulatory compliance, litigation, and claims reserves and losses. These financial strength ratings provide strong support for the company’s leadership position in both residential and commercial markets.

First American Title Insurance Company

Rating Agency	Financial Strength Rating
Moody’s Investors Service Insurance Financial Strength	A2
Standard & Poor’s Financial Strength Rating	A-
Fitch Ratings Insurer Financial Strength	A
AM Best Company Financial Strength Rating	A Excellent
Demotech, Inc. Financial Stability Rating	A” Unsurpassed

2020 Highlights



Revenue

\$7.1B

+14%



EPS

\$6.16

-1%



Dividends Paid

\$1.78/share

+6%



Total return to shareholders
(annualized as of 12/31/20)

-8.5% 1 year

+0.4% 3 year

+10.5% 5 year



First American

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