



frontdoor™

2021

Sustainability Report

Redefining 'Reliable'

Serving your home —
as well as our people,
our communities and
our world



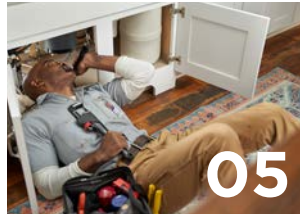
Contents

CEO Letter



03

Our Company



05

Business Overview
Governance Overview
Ethics and Compliance
Our Pandemic Response

Our People



19

Employee Relations and Engagement
Employee Compensation and Benefits
Employee Training and Development
Health and Safety

Our Communities



28

Skilled Trades
Community Efforts
Consumer Privacy
Customer Satisfaction
Value Chain Diversity

Our World



33

Environmental Policy
Company Operations
Beyond Emissions
Human Rights

Appendices



42

SASB Table
TCFD Table

Issued December 31, 2021

© 2021 Frontdoor, Inc. The following terms in this Sustainability Report are our trademarks: Frontdoor™, American Home Shield®, HSASM, OneGuard®, Landmark Home Warranty®, ProConnect™, Stream®, the Stream logo and the frontdoor logo.

A Message From Our CEO

Making Home ‘Sweet’ Again



“Being transparent about who we are and what we do helps us make our home stronger so that we can take the hassle out of yours.”

Home sweet home. These three simple words adorn everything from welcome mats and wall art to pillows and coffee mugs. At Frontdoor, however, “home sweet home” isn’t about marketing and merchandising. It’s about the reality of our mission. It’s what we help create for our customers when we take the hassle out of owning a home.

And for more than 50 years, we’ve been doing exactly that by giving homeowners smart solutions for maintaining the multitude of complex systems and appliances in their home. Because when your home works, you have peace of mind.

With the advent of the COVID-19 pandemic, however, keeping our homes “sweet” hasn’t been as easy as it used to be. With remote work and virtual schooling, homes that used to be resting places are now hives of activity that encompass *all* aspects of our lives. With the global economy in constant flux, maintenance of one’s home now feels less doable. And with public health so fragile, the protection and shelter that homes must afford now take on whole new dimensions. Even without the pandemic to contend with, homeowners today live complicated lives that are made even more complex by the many thorny issues of the day, from climate change and social justice to student debt and workforce automation.

Although we can’t control the chaotic world outside, it’s our goal at Frontdoor to make life inside the home just a little bit simpler, a little bit more manageable, a little bit easier. To do so, we’re leveraging the three most compelling tools we have — talent, technology, and unmatched expertise, the combined power of which will give us the fuel we need to develop innovative, next-generation solutions for home services.

And yet, we can’t help but recognize that in order to help you improve your home, we must ensure that our own house is in order, too. That means taking care of our customers, the stockholders to which we’re accountable, the employees to whom we owe our achievements, the communities that we hold dear and the environment of which we all must be good stewards.

In 2020 and 2021, we took great strides in each of these critical areas. What we're most proud of, however, is our ongoing response to COVID-19. To protect our employees, we provided supplemental short-term and ongoing benefits to assist with pandemic-related challenges like caregiving and mental health, and continued to support and enable the safe and flexible work-from-home culture that we established at the pandemic's outset. To protect the contractors who service our customers, we distributed free masks, provided clear and constant communication around best safety practices, and granted complimentary access to our innovative Stroom® technology in order to minimize contractor-homeowner contact by way of virtually diagnosing repairs. And we are helping to meet the broader, unmet shelter needs of the communities in which we live and operate.

Even as the pandemic persists, Frontdoor is focused on what comes next. In 2022 and beyond, we're committed to continuing our culture of care in ways that will be even more meaningful and impactful.

This report — our first-ever sustainability report — is an important first step in demonstrating our strong commitment to environmental, social and governance (ESG) issues. In it, you'll find information about our activities in areas like governance, privacy and information security, employee relations and diversity and inclusion, community relations, and environmental sustainability. We welcome your engagement on these topics, as we continue to strengthen our practices and disclosures. Being transparent about who we are and what we do helps us make our home stronger so that we can take the hassle out of yours.

We're in the early stages of our journey, but we're excited to take it. All of us, together.



Rex Tibbens
President and CEO





STRENGTHENING Our Company

*Positive impact begins
with good governance.*

- 06.** Business Overview
- 08.** Governance Overview
- 13.** Ethics and Compliance
- 16.** Our Pandemic Response

Business Overview

About Frontdoor

We've been taking the hassle out of homeownership since 1971.

Frontdoor, Inc. is obsessed with taking the hassle out of owning a home — and we've been doing exactly that since 1971. That's when we founded the home service plan industry. Nearly 50 years later, in 2018, Frontdoor was born. Through American Home Shield® and our other brands — HSASM, OneGuard®, Landmark Home Warranty®, ProConnect™ and Stroom® — we're on a mission to transform the \$400 billion U.S. home services market¹ by making it as easy as possible for homeowners to take care of their most valuable asset—their homes. In pursuit of that mission, we combine insightful data and cutting-edge technology with experienced people and exceptional customer service. The result is an innovative approach to home repair and maintenance that meets the needs of tomorrow's homeowners, today.

FRONTDOOR BY THE NUMBERS

~2.2 million

CUSTOMERS

~\$3.1 billion

PAID IN CLAIMS FOR OUR CUSTOMERS IN
THE LAST FIVE YEARS

~17,000

CONTRACTOR FIRMS

~\$1.47 billion

REVENUE IN 2020

~60,000

PROFESSIONAL SERVICE TECHNICIANS

~2,100

EMPLOYEES

~4 million

SERVICE REQUESTS PER YEAR

¹ Source: <https://www.statista.com/statistics/239753/total-sales-of-home-improvement-retailers-in-the-us/>

House Rules



Our principles are our promise.

At Frontdoor, we recognize that being a responsible corporate citizen is as good for our business as it is for our society. We strive to operate in a way that is beneficial not only to our customers and our stockholders, but also to our employees, our contractors, our communities and our world. In order to do great things, however, we have to be great people — which is why we have built our business on four House Rules that are the foundation of who we are and how we work. At Frontdoor, our House Rules are the mortar that holds us together. Part creed, part culture, they represent what we believe and how we expect to behave, which makes them the North Star by which all of our leaders and employees navigate.

OUR HOUSE RULES

Obsess over our customers' problems.

We wake up every day and obsess about how to remove the hassle out of our customers' lives. We start with the customer and work backwards.

Be an owner, not a renter.

We own our actions, and don't make excuses or accept them. We're good stewards of our energy and resources. We set high standards and hold ourselves and each other accountable.

Be transparent, build trust.

Transparency builds trust, where strong teams and great ideas are born and freely shared. We treat others with respect and win together. We check egos at the door, and have no place for politics or personal agendas.

Do great things every day.

We give our best and work with integrity and purpose. We believe a diversity of people, talent and ideas makes us stronger. We're inquisitive and innovative, never satisfied with the status quo. We solve problems, make lives better and enjoy what we do.

Governance Overview

Corporate Governance

Good corporate citizenship begins with good corporate governance.

Corporate governance and responsibility are ingrained in Frontdoor's culture — they are the basis for our good decision-making, accountability, risk management and performance optimization. It is a core characteristic of our organization to preserve and strengthen stakeholder confidence and ensure we are a high-performing organization. It starts with our board of directors, which establishes policies and practices, such as our [Corporate Governance Guidelines](#), to guide its oversight and good governance of Frontdoor. Our board reviews the Corporate Governance Guidelines and other key operating documents at least once per year to ensure that our practices continue to meet the needs of our business while keeping pace with best governance practices. Good governance practices are further infused throughout our management team and organization to ensure we have the good governance practices and principles to achieve our goals and sustain success.

Corporate Governance Highlights

Governance Highlights

100%

independent board committees

Annual director elections, beginning with our 2022 annual meeting

Annual board self-assessments

89%

independent directors (all but our CEO)

Majority voting for directors

Annual succession planning review by full board

Regular executive sessions of non-management directors

Annual stockholder vote on executive compensation

Robust investor and stockholder engagement program



Learn More. For more information about our governance policies and procedures, as well as our executive compensation practices and stockholder engagement program, please consult our [2021 Proxy Statement](#).

Board Diversity

As a people-centric business, Frontdoor believes that success is predicated on diversity and inclusion. We foster this throughout our operation — including our board of directors. Our board values diversity and recognizes the importance of having unique and complementary backgrounds and perspectives in the boardroom. The board endeavors to bring together diverse skills, professional experience, perspectives, age, race, ethnicity, gender and backgrounds that reflect our diverse stakeholders. Our board nominating and corporate governance committee assesses the effectiveness of these efforts. We foster board diversity not only because it is the right thing to do, but also because it is the smart thing to do. Having a wide variety of perspectives on our board ensures that we are prepared to anticipate and address a wide variety of opportunities and challenges.

Our board endeavors to bring together diverse skills, professional experience, perspectives, age, race, ethnicity, gender and backgrounds that reflect our diverse stakeholders. Our commitment to diversity can be seen in the mix of our nine directors.

Highlights



2
AFRICAN AMERICAN
OR BLACK

1
ASIAN

6
WHITE

Board composition



William C. Cobb
Chairman of the Board



D. Steve Boland



Anna C. Catalano



Peter L. Cella



Christopher L. Clipper



Richard P. Fox



Brian P. McAndrews



Liane J. Pelletier



Rexford J. Tibbens

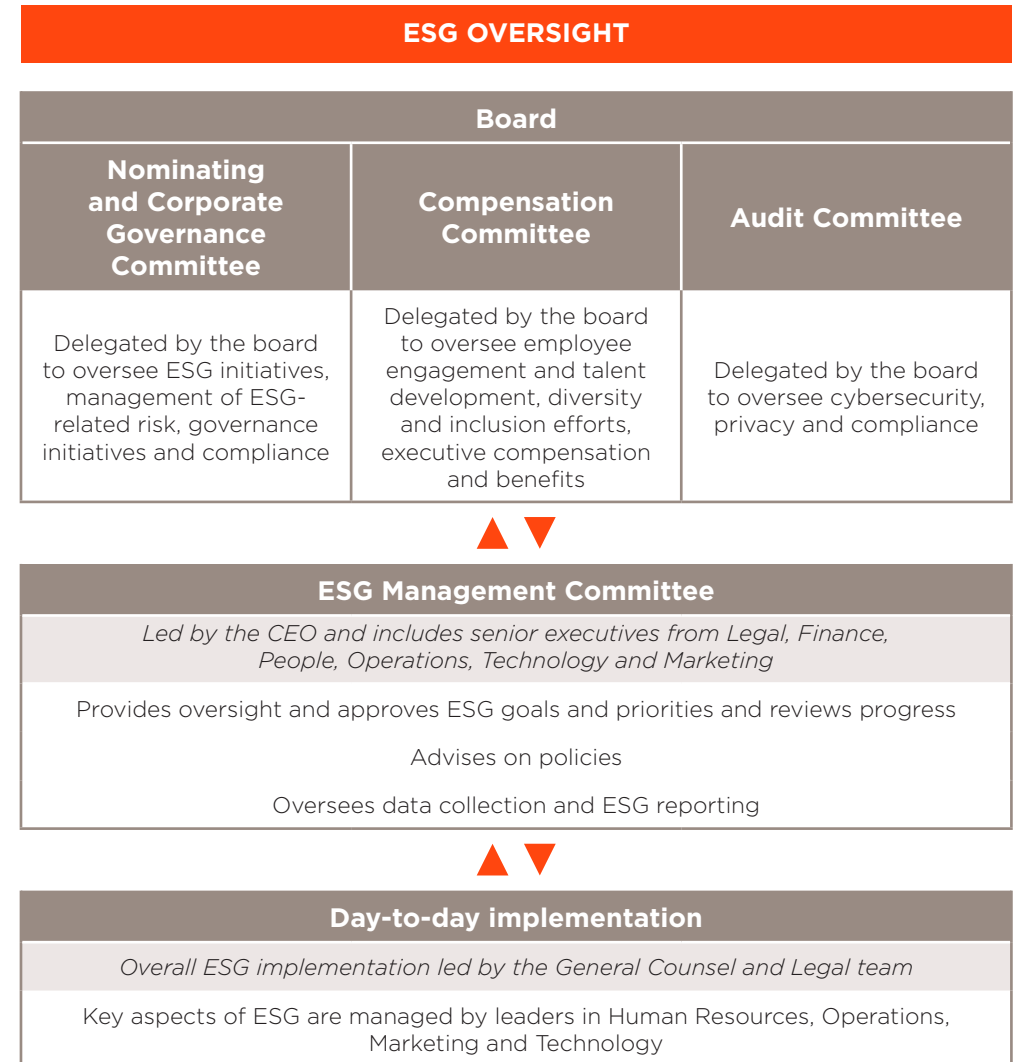


See our [Proxy Statement](#) for more information about the diversity of our directors' skills, professional experience, perspectives, age and backgrounds.

ESG Oversight

Responsibility starts with accountability.

At Frontdoor, we believe that authentic, impactful ESG initiatives strengthen our value as a service provider, as an employer and as a corporate citizen. To ensure that our initiatives are impactful, our board of directors — through committees that are 100% independent — oversees our sustainability and ESG work and holds us accountable for meeting our objectives. Executing those objectives, meanwhile, is the responsibility of our cross-functional ESG management committee. Consisting of the CEO and other senior leaders, it ensures not only that our ESG efforts are meaningful to the business and to stakeholders, but also that they are feasible enough to be successfully implemented and sustained over time. See our [2021 Proxy Statement](#) for more information about oversight of ESG at Frontdoor.



Risk Management

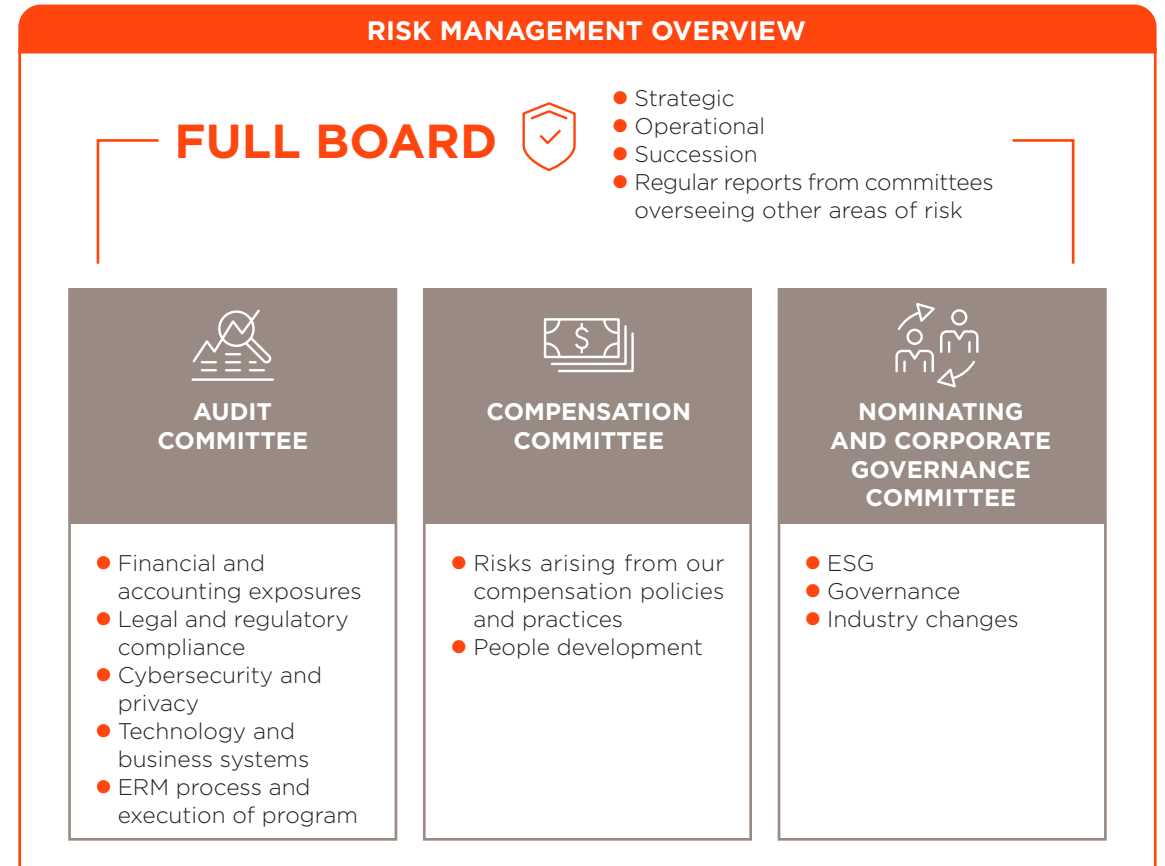
We protect our business so that we can fulfill our promises.

At Frontdoor, we cherish every opportunity to make a positive impact on our employees, our customers and our communities. But we can make a difference only if we're around to do the good work we want to do. Risk management is therefore a key activity that allows us to be the changemakers we want to be, by appropriately minimizing and anticipating the impact of risks to our business. It protects us so that we can not only make promises of good corporate citizenship – but also keep them.

Risk management is a whole-of-company effort that encompasses each of our employees and leaders, all of whom have a responsibility to mitigate business risks by applying our House Rules. Because it directly impacts our oversight of our operations and our strategy, our board is also responsible for oversight of our enterprise risk management program.

To help execute its risk management responsibilities, our board of directors has ready access to management and to external advisors, receives regular reports from the risk management, compliance, legal and internal audit departments, and has adopted multiple policies and procedures that guide our activities. Our board gains in-depth visibility into business exposures by allocating responsibility for certain risks across its committees, each of which reports regularly to the full board, while maintaining full board oversight of certain other key risks.

We manage risk oversight through an Enterprise Risk Management (ERM) program, which incorporates current practices for tracking and mitigation of risks. Our management and board have identified key risks for the company, each of which is assigned to one or more executive team members and either the board or a board committee for regular updates.



Cybersecurity Oversight

We take security seriously.

Frontdoor is a digital-first business. Technology is therefore an essential enabler as we pursue our mission to take the hassle out of owning a home and, ultimately, transform the home services industry. It ensures a more efficient and productive work environment for our employees and a better service experience for our customers. Unfortunately, cybercriminals seek to use technology to harm businesses and consumers.

Frontdoor acknowledges the potential impact that cybersecurity incidents and technology disruptions could have on our business and financial position. We take the threat seriously, and our technology team, led by our chief digital officer, is focused every day on developing and implementing tools that help prevent cyber incidents and make our operations more resilient to them.

Our audit committee also undertakes responsibility for assisting the board of directors in overseeing cybersecurity risk, including policies and procedures for assessing, managing and responding to that risk, and meets with appropriate members of our management team regarding such risk at least quarterly.

Cybersecurity Assessment

In order to prevent hackers and other bad actors from accessing our systems, we have to see our business the way they see it. In late 2020, under the oversight of our board's audit committee, we completed a third-party assessment of our cybersecurity maturity, identified gaps and developed future plans to further strengthen our cybersecurity. Our future goals include a third-party audit of our cybersecurity practices.

Information Security Training

Cybersecurity isn't just about technology, it's about people and processes as well. Frontdoor has therefore implemented information security training across our workforce as a front-line measure that will help us mitigate our cybersecurity risks by ensuring good cyber hygiene among our employees.

100%

EMPLOYEES TAKING SECURITY AWARENESS TRAINING

100%

TECHNOLOGY DEVELOPERS/PROGRAMMERS TAKING SECURE CODING TRAINING

100%

EMPLOYEES REQUIRED TO CONFIRM COMMITMENT TO NEW PRIVACY AND SECURITY POLICY AND ACCEPTABLE USE POLICY

Our future plans include additional training on these and other cybersecurity topics.

Ethics and Compliance

To do what's good, we do what's right.

At Frontdoor, we believe it's as important to be transparent as it is to be transformative, and to be known for integrity as we are for innovation. Ethics and compliance are therefore cornerstones of our business.

Our general counsel, who also serves as our chief compliance officer, leads our ethics and compliance initiatives along with a dedicated team of experienced ethics and compliance professionals. Together, they work closely with key segments of our business to ensure regulatory compliance, to conduct ethics investigations when they're warranted and to execute the pillars of our ethics program, including our Ethics Helpline and our mandatory employee ethics training. They provide regular ethics and compliance updates to the audit committee of our board of directors and identify areas of increasing risk and opportunities for enhanced ethics education.

Ethics and Compliance Team Mission Statement

The Frontdoor Ethics and Compliance Team exists to protect the integrity of the business, minimize risk, and support the achievement of business goals. We do this by creating a culture where ethical standards are embraced and adhered to, by establishing policy and process controls, and by ensuring compliance with applicable laws and regulations.

Code of Conduct

Along with our House Rules, we nurture our values through a Code of Conduct that applies to all of our directors, officers and employees. We refreshed our Code of Conduct in 2020 to better reflect the needs of business, our values and our vision for Frontdoor. Available on our [website](#), it is a framework for the ethical and legal responsibilities that we share as members of the Frontdoor family. It addresses matters such as acting with integrity, conflicts of interests, confidentiality and compliance with laws and regulations. And yet, it is not a contract. It does not encompass every ethical quandary in which our people might find themselves, nor summarize every law and policy that governs our business. Rather, our Code of Conduct is a moral compass. It points us in the right direction, helping us find our way to decisions based on principle.



Financial Code of Ethics

Frontdoor's commitment to ethics extends from how we behave to how we keep our books. Because we've pledged to maintain high standards in the areas of accounting and financial reporting, we adopted a Financial Code of Ethics that governs our financial employees and operations. Available on our [website](#), it demands honesty, accuracy and accountability from everyone who interacts with our finances, including our president and CEO, chief financial officer, controller and treasurer, among others.

Ethics Policies

Our Code of Conduct is intended to be a long-standing embodiment of our values. We have also adopted several ethics policies to help integrate processes that enable us to embed the Code of Conduct in our everyday practices. Among them, our:

- Antitrust Policy
- Conflict of Interest Policy
- Discrimination, Harassment and Retaliation Policy
- Gift Policy
- Human Rights Policy
- Privacy Policy and Security Policy
- Political Activity Policy
- Securities Trading Policy

Legal and Regulatory Compliance

At Frontdoor, we seek to implement and maintain a dynamic compliance program that adapts rapidly to the changing needs of our business, as well as to the evolving legal and regulatory environment in which we operate. To be effective, we believe our program must provide employees with clear and current information, practical guidance and confidence in our non-retaliation policy, which encourages employees to share ethical concerns with the company without fear of retribution. We help our employees internalize this information by communicating regularly, by educating through required training and by providing ample opportunity to request direct guidance when it's needed.



Training on Compliance and Beyond

Frontdoor requires all employees to undergo biennial Code of Conduct training to ensure they're prepared to exercise sound judgment and make responsible decisions, no matter what ethical challenges they encounter. Beyond our Code of Conduct training, we require training on topics including:

- Anti-harassment
- Insider Trading
- Real Estate Settlement Procedures Act
- Unfair, Deceptive, or Abusive Acts or Practices Act
- Security Awareness
- Secure Coding
- Work from Home

Through November 2021, our employees have engaged in more than 2,900 hours of computer-based training and additional training on other topics such as employee development and talent management software and thriving in a remote work environment. Meanwhile, 100% of our board members have completed our Code of Conduct training program. Because ethics and compliance are constantly evolving, we refresh our training approach and content regularly to ensure we're meeting our goals and the needs of our employees.



We're Listening

Our Ethics Helpline is available 24/7 at frontdoor.ethicspoint.com or 844.479.8675 (in India, 000-800-919-0959).

Frontdoor provides numerous channels through which employees, contractors and customers can seek guidance about ethics and compliance issues, and report known or suspected ethical violations. One such channel is our Ethics Helpline. Available 24 hours a day, seven days a week, it's equipped to receive concerns or inquiries confidentially and anonymously. Frontdoor conducts a full investigation of alleged violations and responds with appropriate disciplinary or corrective actions, if needed.

Political Activities

We stand for consumers and contractors.

At Frontdoor, we strive to make homeowners' lives better. The best way to do that, we believe, is through our business. To make a positive impact on our customers, our employees, and our communities, we are deliberate about the values we embrace and intentional about the ways in which we manifest them. Because at the end of the day, our most powerful tool is the example we set.

Still, there are times when our example is not enough. If it's warranted, we may participate in the political process in well-considered and constructive ways in order to demonstrate our strong commitment to reasonable regulations, consumer well-being and customer satisfaction.

For that reason, in 2020 we adopted a Political Activity Policy to guide our decisions about whether and when to participate in the political process, and how. This helps ensure compliance with relevant laws and regulations and appropriate oversight by our board of directors. Specifically, our board's nominating and corporate governance committee acts as our political gatekeeper, along with our general counsel, and both must approve all direct or indirect political contributions that we make. Since our spin-off in October 2018, we have not maintained a political action committee or engaged a lobbyist — although we currently are a member of a trade association that may engage in lobbying activities on behalf of our industry, which may be funded in part by our membership dues or immaterial assessments.

Our employees may engage in political activities individually, but may not engage in them on behalf of Frontdoor, except in compliance with our Political Activity Policy.



Political spending from 2019-2021

Our direct contributions to political candidates were \$0 for each of 2019, 2020 and 2021 (through November 30, 2021), and our independent expenditures were \$0 for each of 2019, 2020 and 2021 (through November 30, 2021).

Our Pandemic Response

We continue to fight COVID-19 with speed, innovation and empathy.

The COVID-19 pandemic is a public health crisis of devastating proportions. Along with their physical health, the coronavirus has impacted people's mental health, fiscal health and social health. It has wreaked havoc not only in hospitals, but also at dinner tables, in bank accounts and at workplaces. In early 2020, Frontdoor made it our number one priority to protect the health of our employees, contractors and customers — in all its many forms. As we look ahead, our priorities remain unchanged.

Protecting Our Employees

Trusted Information

- Frontdoor has strived to be a credible source of timely and accurate information for our employees.
- We have continuously monitored new developments from the Centers for Disease Control and Prevention and other government entities and have tracked and reviewed the state of infections, closures, restrictions and recommendations, both nationally and locally in the communities where employees live and work.
- We created an internal web resource where employees can readily access the latest company information with regard to the pandemic, including frequently asked questions to better inform them as new information becomes available.
- Our response strategy continues to consider the current state, as well as projected developments.

Virtual Working

- In just over a week in March 2020, Frontdoor closed all of its sites and transitioned all of our employees to a virtual work environment.
- We also began restricting employee travel in March 2020.
- In July 2020, Frontdoor created a cross-functional working group to kick-start a strategic initiative to create the roadmap for how we work together and come together in the future.

- In mid-2021, we announced that we were a virtual-first company, and in our hybrid work model, we'll come together for interactions that add meaningful value to productivity, strengthen connectivity, and/or enhance employees' well-being. As our environment continues to change, we are being deliberate in our approach to in-person activities, as the health and safety of our employees remains our top priority.
- Although the vast majority of our employees continued to work from home in 2021, approximately 10% of our personnel have elected to voluntarily engage in-person with peers or business partners, both at our sites and elsewhere. In order to minimize risk to our employees and business partners, we have required those employees to be fully vaccinated against COVID-19 to participate voluntarily.
- We continued to restrict employee travel throughout 2021.
- While we have not yet determined when in-person opportunities will be expanded in 2022, we will be ready to go when the time is right and have begun the necessary steps to prepare Frontdoor for 2022 in-person engagement.



Compassionate Benefits

- COVID-19 has created mental, emotional and familial challenges for many of our employees. Frontdoor has therefore invested in supplemental benefits to help them maintain wellness and work-life balance.
- In 2020, we offered a supplement for caregiving expenses for employees earning at or below a certain level of compensation. We also implemented new online training opportunities, employee engagement initiatives, mental health support, and access to home-office equipment.
- Among our goals for 2022 is enhancing the work-from-home experience with information and benefits that help our employees improve at-home safety and ergonomics.



Protecting Our Contractors and Customers

Service Continuity

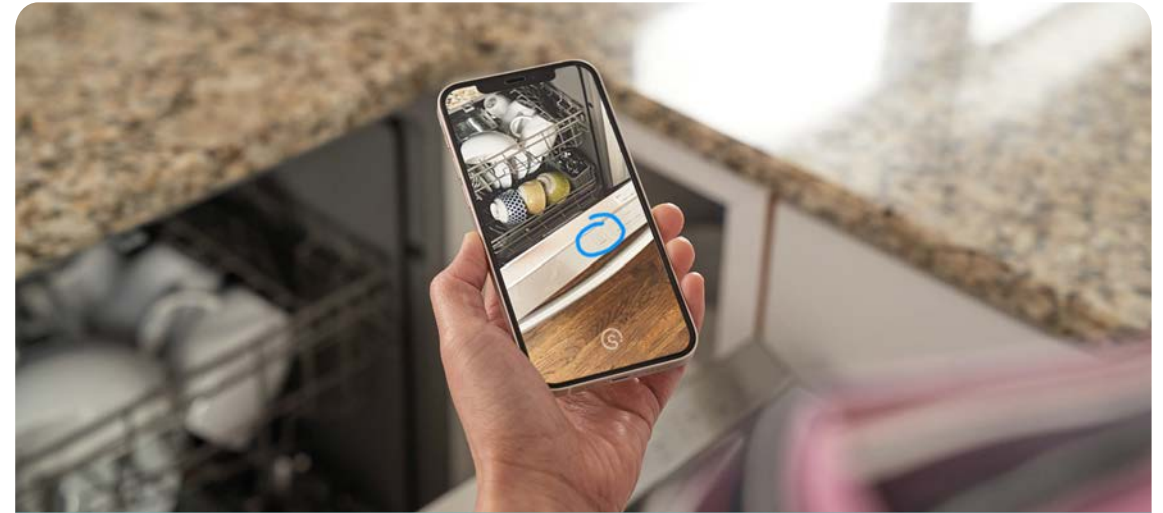
- In light of COVID-19, consumers spent more time at home in 2020 and 2021 than in prior years and may have a greater appreciation for the health and safety benefits of home maintenance. Frontdoor's role as a provider of home service plans and on-demand home services has therefore taken on new significance.
- Since the earliest days of the pandemic, Frontdoor and our contractors have continued to provide services to our customers during a time when they have needed them most.
- Frontdoor provided 200,000 masks — free of charge — to our contractors so they could continue serving customers safely.
- COVID-19 has caused unprecedented supply chain disruptions affecting the building trades and the home maintenance industry. While we were already well-positioned due to our national scale and supplier partnerships, in response to these disruptions, we have taken new and innovative steps to secure the parts and replacements that our customers need to complete their home repair and maintenance projects. Beyond expanding our supplier base, we are pre-positioning inventory and allocating volume to suppliers with stronger inventory levels, integrating parts ordering and expanding parts sourcing, and implementing new programs to access hard-to-find inventory.

Communication and Contact Tracing

- Frontdoor has established communications and processes to keep our 17,000 contractors informed about best safety practices and protocols for reporting exposure to COVID-19.
- To determine next steps and assist with contact tracing, we established a dedicated team to manage calls from customers and contractors who have been diagnosed with COVID-19 and/or quarantined by a public health agency.
- We placed messaging on our website, dispatch emails and other points of contact to ensure that our customers were aware of our protocols and commitment to safety.

Cutting-Edge Stroom Technology

- To minimize physical contact between contractors and customers, Frontdoor made our Stroom technology available at no cost to contractors, allowing them to virtually expedite the repair process and in some cases even complete it virtually.
- We also made Stroom technology available to a supplier's network of contractors and leading real estate partners to continue to deliver essential services during the pandemic.



“No doubt, the pandemic has forever changed the very fabric of our lives. However, at Frontdoor, it’s also strengthened our culture and resiliency, and helped drive innovation throughout the organization. We’ve embraced the opportunity to leverage technology differently and adapt new ways of working that allow us to provide a better experience for our customers, contractors and employees.” - Rex Tibbens, president and chief executive officer



SUPPORTING Our People

***Employees are the heart
of our business.***

- 20.** Employee Relations and Engagement
- 24.** Employee Compensation and Benefits
- 25.** Employee Training and Development
- 26.** Health and Safety

Employee Relations and Engagement

Employees Work Virtually

Adapting our work environment to support our employees.

At Frontdoor, our employees are our greatest asset and the future of our business. To ensure their greatest opportunity for success, we must create an environment where they can bring their best selves to work, as well as be fully engaged and supported.

During the pandemic we transitioned all of our employees to work virtually from their homes. This virtual work structure was successful for both our employees and our company. We received overwhelmingly positive feedback from our employees that they appreciated working from home and wanted to adjust to a work-from-home structure long-term. We listened and have made the adjustment. The vast majority of our employees now work virtually, although some employees collaborate in-person and choose to engage with business partners in-person. Other employees may have in-person interactions in 2022, in keeping with their roles and their interests. Looking ahead, future in-person engagements for our employees will be expected to satisfy three pillars of coming together: purpose, connectivity and well-being.

During 2021, we implemented additional support for our employees working from home, including

- **Frontdoor Leadership Blueprints — a virtual leadership training program**
- **Recommended meeting-free day each week**
- **Resilience through Change — an all-employee virtual learning program**
- **A mentoring program**
- **Employee features in regular internal communications to maintain connections**

Good communication inspires great work.

We strive to not only give each employee a job, but also a voice. To make sure we hear our employees' voices when they speak, we regularly seek employee engagement feedback. In 2021, we transitioned to seek this feedback through regular pulse surveys, moving away from annual engagement surveys. We actively track and monitor the results in search of trends and opportunities. The surveys inform our human resources strategy so that we can adjust and adapt to our employees' needs as they change and evolve. Leaders receive team-level dashboards; have received training and support to understand how to review their results, share and discuss with their teams; and take meaningful actions together to continuously improve employee experiences.

EMPLOYEE ENGAGEMENT BY THE NUMBERS

88% FAVORABLE RATING
ON OUR SUCCESS WITH VIRTUAL WORK
(FALL 2021 WELLNESS PULSE SURVEY)

We also expect leaders to solicit feedback from their direct reports and others through 360-degree review processes and in connection with mid-year and year-end conversations. Employees may provide feedback to, and ask questions of, senior leadership during quarterly "All Hands" meetings, among other opportunities. In 2021, we updated the format of our quarterly "All Hands" meetings to focus on more strategic initiatives in response to employee feedback.

Our regular internal corporate communications feature virtual working tips, employee highlights, health and safety ideas and business discussion, all of which are designed to keep employees connected and engaged. Our "Bring the Good" charitable event for 2021 was also designed to engage employees' charitable passions, by empowering employees to select organizations from amongst a range of charities that align with the company's mission to support under our "shelter" theme, from those supporting education to those supporting veterans.

Diversity and Inclusion

Diversity is great for our people — and great for our business.

At Frontdoor, we're using technology to transform our business and the experience we provide our customers. It's the engine that drives us toward our mission — taking the hassle out of home ownership.

If technology is our engine, then people are our fuel. Because even in an era that's defined by technological innovation, we believe that what makes us successful is our humanity. In order to be a high-performing company, we recognize that we must have a workforce that's engaged, experienced, loyal and talented. And, just as important, a workforce that's diverse.

Diversity is not only the right thing to do, but also the smart thing to do. Having a diverse workforce — diverse not only in race, ethnicity, gender, religion, sexual orientation and physical ability, but also in age, education, experience, identity, veteran status and work style — helps us attract the best and brightest talent. These employees give us access to a wealth of perspectives and innovative ideas that we can use to serve our customers and operate well with our vendors and contactors.

Being inclusive is just as important to us as being diverse. We strive to create a workplace where all of our employees will feel comfortable being themselves, and where they can feel confident that their contributions will be appreciated. Not in spite of who they are, but rather because of who they are. In so doing, we position ourselves to retain our best people, and to help them do their best work in service of our mission.

For these and many other reasons, Frontdoor views diversity and inclusion as both a responsibility and as a competitive advantage.



“We all come from different backgrounds and offer diverse perspectives. Using those differences to fuel conversations that enable innovation and allow our employees to bring their true authentic selves to work contributes to Frontdoor being a great place to work and invest.”
- Velvet G., diversity & inclusion lead

Diversity Statement

Frontdoor's commitment to diversity and inclusion is embodied in its Diversity Statement, which informs our interactions with employees, customers, business partners and communities. It states:

We're difference-makers at Frontdoor. It's not just what we do, it's who we are. It's our purpose. It compels us to think big. To think beyond ourselves. To challenge each other. To live our House Rules.

We embrace our differences, seen and unseen. Through our daily actions, we strive to create an inclusive environment where each of us is confident and comfortable in bringing our whole self to work. It allows us to do our best and to be our best.

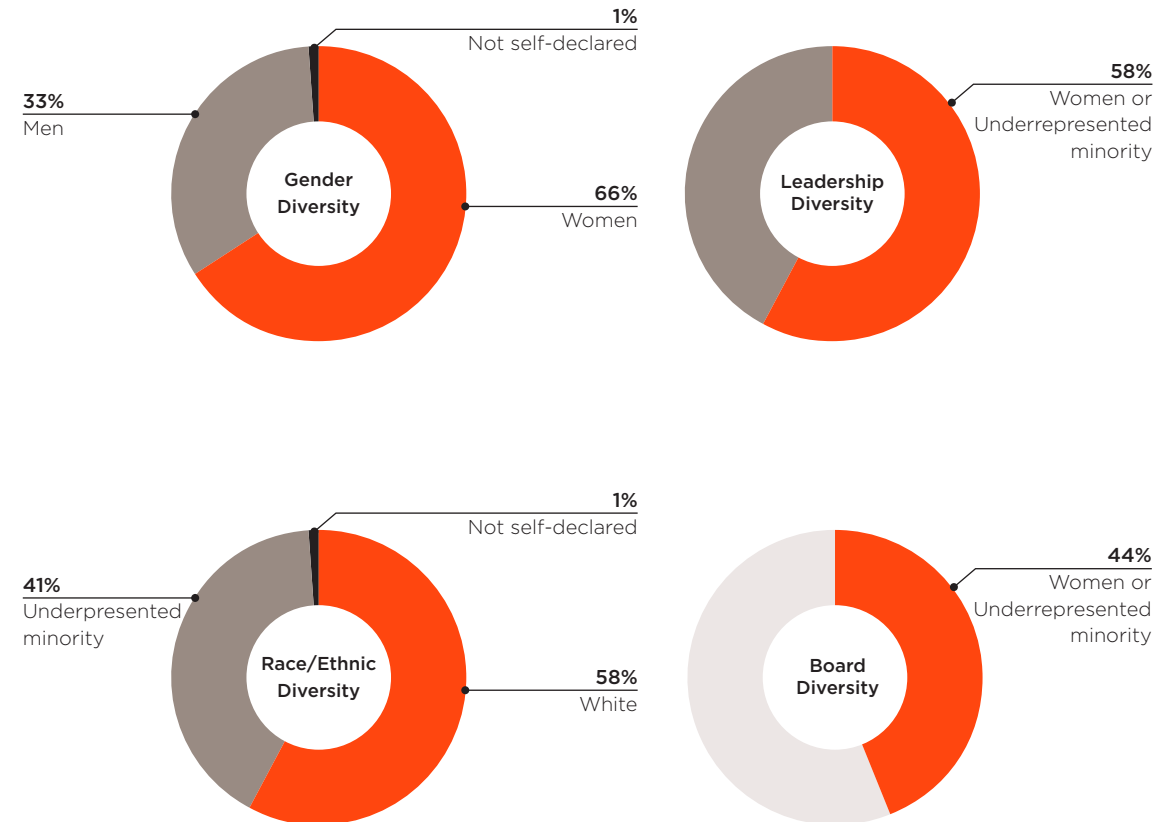
We engage with others in a way that fosters innovation, inspires creativity and builds trust. We listen to understand and break down barriers. Through our diverse backgrounds, identities and life experiences, we each bring unique value and perspective to our teams, our customers and the world around us.

Together, we're empowered to achieve more than we could individually. We believe that diversity, when paired with a culture of inclusion, makes us stronger, drives inventive problem-solving and fuels transformation.

Diversity and Inclusion Highlights

Frontdoor is proud to be an Equal Opportunity employer that makes decisions without regard to any status that's protected by the laws and regulations in the locations from where we work, or as set forth in our Code of Conduct.

Our Workforce and Board*



* At November 30, 2021

We demonstrate our commitment to diversity and inclusion through action.



In 2020, we appointed our first leader of diversity and inclusion to help us build an inclusive environment that fosters innovation and transformation. We further established a Diversity Council to support our director of diversity and inclusion and to ensure that diversity and inclusion is embedded within Frontdoor culture. Among the initiatives of the Diversity Council in 2021 was to establish our first associate resource groups (ARGs). These groups were established following feedback from our employees to ensure that we are meeting their needs. Our current ARGs are focused on supporting Black employees and women employees. However, all employees are invited to participate, whether they self-identify or are an ally. We look forward to reporting on the work of our ARGs in the future.



We have developed more than 100 diverse alliance partnerships in support of our efforts to recruit from a diverse pool of talent, including women and minority groups, people with disabilities, veterans and veterans' spouses.



We continually evaluate pay practices and structure to promote fairness and to inform future compensation and development efforts. Frontdoor is proud to offer benefits that advance our commitment to diversity and inclusion, including paid parental leave and gender transition benefits. We have also launched a new employee individual development program that we believe will encourage employees to focus more on their own development, and foster conversations between employees and their leaders, which we expect to lead to additional developmental opportunities.



To create and sustain an inclusive environment, we have also made unconscious bias training available to all employees. In addition, we have conducted multiple diversity and inclusion panels to encourage discussion and understanding within our company, including a live monthly forum for all employees.

Our commitment to diversity and inclusion begins with our leaders. In 2021, our leaders served in leadership roles on the Executive Leadership Council and participated in a national panel discussion on diversity sponsored by the National Conference of Women's Bar Associations.

"The more we get involved, the more we grow and become better people. I am honored to be a part of Frontdoor and to be on this journey as the company continues to create a culture of inclusion. Our Black ARG is focused on building awareness of the Black culture and allowing all employees to learn and grow together, and get involved in communities to help effect greater change." - Karleshia A., leader of the Black ARG



"As a woman in tech, I am thrilled to be a part of Frontdoor's driving commitment to create a space where everyone can bring their whole selves to work. I'm passionate about changing how women are represented today and in the future, and ensuring they have a seat at the table. It starts with listening, supporting and empowering women to change the game." - Allison F., leader of the Women's ARG

Employee Compensation and Benefits

The best way to compete for talent is to care for talent.

At Frontdoor, we recognize that our employees aren't just employees, they are parents, spouses, children, siblings, neighbors and friends. Because we want them to be as successful in those roles as they are at their jobs — to be as productive in life as they are at work — we're proud to offer compensation and benefits packages that are comprehensive, competitive and focused on mental, physical and financial well-being.

Using our new, user-friendly benefits website, all employees can learn about the benefits we offer, then opt into the ones that make the most sense for them and for their family. By maximizing choice, flexibility and value, we aim to make work more rewarding and life more fulfilling.



Our Benefits Reflect Our Values

Competitive Compensation

Creating a vibrant, productive workforce begins with a rewarding pay program. We are therefore proud to offer competitive compensation, including a \$15 minimum wage within the company, which is informed by benchmarking analysis and reviewed for equity.

Employee-focused Benefits

We believe that access to affordable health care is essential for our employees and that no one size fits all. We offer a variety of coverage options and update offerings annually to meet the evolving needs of our employees and their families. Frontdoor offered the following health and welfare benefits in 2021:

- Medical and Prescription Drug Coverage
- Disability Insurance
- Dental Insurance
- Vision Insurance
- Accidental Death and Dismemberment
- Employee Assistance Program
- Paid maternity and paternity leave for birth or adoption
- Legal Services

We want our employees to be as financially secure tomorrow as they are today. To support our employees as they transition out of employment, we offered several financial planning benefits in 2021:

- Retirement Savings Plan, including an employer match
- Employee Stock Purchase Plan, with a 15% discount to market prices
- Employer-provided Life Insurance, with the opportunity to supplement

We believe in lifelong learning. To help our employees pursue it — no matter their age, education level or life stage — we offer a tuition assistance program that helps make education attainable.

Employee Training and Development

Continuous improvement is our culture.

At Frontdoor, we pride ourselves on always trying to *do* better for our customers. To do better, however, we understand that we have to *be* better. And so, we've embraced a culture of continuous improvement that permeates every aspect of our business, including our employees, in whom we constantly invest by offering regular opportunities for meaningful training and development.

Cultivating Careers

Training and development at Frontdoor is a partnership between leaders and employees, who collaborate in order to pave purposeful career paths that serve the mutual interests of employees and the business.

Career Development Plans



We encourage our employees to be constantly thinking about their professional goals and aspirations, and to work with their leaders to create actionable plans for achieving them. One way we accomplish this is through My Career Blueprint, our new career development program, which launched in 2021. The program guides employees to develop their career vision and to think about concrete actions that can help them fulfill their vision. Having these plans helps employees to have productive conversations with their leaders about near- and long-term goals and specific opportunities for development.

Halftime and End-of-Year Leader Discussions

At Frontdoor, learning is a living, breathing thing. To keep it alive, leaders have deep conversations with employees about their performance, as well as current and future opportunities that are open to them, at least twice each year. Taking place midway and at the end of the year, these discussions ensure alignment to company goals and also development priorities for employees. We provide guides for both leaders and employees to maximize the value of these conversations.

Measurable Progress

You can't manage what you don't measure. Monitoring employee training and development is therefore of paramount importance at Frontdoor. Employees and leaders are able to track development focus, performance and training courses through our online platform, which is instrumental in reviewing progress from year to year.

Timely Topics

We keep our employees at the forefront of our industry by providing them with frequent training on timely topics that reflect the most important opportunities and challenges of our time. Recent training topics have included: resilience during change, unconscious bias, our Code of Conduct, insider trading, safety, cybersecurity and legal compliance. See page 15 for more information.

Lifelong Learning

Because Frontdoor believes in the benefits of lifelong learning, we nurture creativity and curiosity in all of our employees by offering ongoing personal and professional development courses.

2021 Training Triumphs

ON AVERAGE

95%

OF PARTICIPANTS IN OUR LEARNING PROGRAMS AGREE OR STRONGLY AGREE THAT THE CONTENT IS IMPACTFUL



"I appreciated the content overall - it's a good reminder/reset that we're working with REAL people who are all different, and we need to stop and understand their personalities & perspectives as we work through issues & change." - Heather O.

"I love content where personal development is addressed." - Kofi L.

Health and Safety

Safety is a human need, and it's paramount to Frontdoor.

The COVID-19 pandemic has underscored the importance of employee health and safety. Fortunately, at Frontdoor we've long recognized that our employees thrive in a safe and healthy workplace. And when our employees thrive, they make our business better.

Our commitment to the well-being of employees, contractors and customers is evident in our strict compliance with all applicable health and safety laws and regulations; in our swift action to remediate identified risks for accidents, injuries and health impacts; in our willingness to meet or exceed industry standards in health and safety; and in our eagerness to embrace emerging technologies and new best practices that can improve health and safety in our industry even further.

Spotlight on Safety

We evaluate each of our U.S. sites for safety to ensure that we have appropriate safety equipment, processes and plans to respond in the event of an emergency. Our designated team of employees — our "Safety Squad" — is trained to respond in the event of an emergency, facilitate safety training, and stay abreast of trends in office safety. They receive first aid and CPR training through the American Red Cross. Although it is our hope that they are never called into action for a "live" safety incident, they are ready. We also ensure that we are applying best practices to ensure that employees and guests are clear on the safest paths for emergency evacuations and know the locations of emergency equipment. Our maps note automated external defibrillators (AEDs) and fire extinguisher locations, evacuation routes and the designated meetup spots post an evacuation.

AED and Training Lead to ‘Shocking’ Save

Every year, more than 350,000 Americans suffer a sudden cardiac arrest.² By delivering an electronic shock that restores the heart’s normal rhythm, an AED can more than double a victim’s chance of survival.³



Eager to protect employees, contractors and other visitors to its sites from fatal heart events, Frontdoor has installed 20 AEDs across its locations to ensure that they are accessible — quickly and easily — in case of an emergency. These AEDs are tracked and monitored regularly.

One lucky contractor was especially glad that we did. In 2018, a little over a month after moving into our new office space in Memphis, Tennessee, several members of our Emergency Response Team (ERT) sprang into action when a medical emergency occurred. Prior to occupying the new space, as a component of the comprehensive safety plan, the ERT — comprised of about 80 employee volunteers — was trained by the American Red Cross in cardiopulmonary resuscitation (CPR), use of an AED and basic first aid. While working on final touches as a contractor in the newly renovated office space, a contractor collapsed. An employee inside of a conference room heard a loud noise and emerged to find him unconscious on the floor. The employee immediately called 911 and alerted the ERT. An ERT member made an assessment and immediately began CPR while the AED was retrieved. CPR and use of the AED were continued until emergency services arrived and stabilized the contractor for transport to the hospital.

Work-From-Home Safety

During the COVID-19 pandemic, the definition of “workplace” evolved to include the home. And at Frontdoor, so did the definition of “workplace safety.” To ensure that our employees are as protected when they’re working from home as they are when they’re working at the office, in 2021 we began developing a program through which to assess employees’ work-from-home habits for health and safety risks, such as physical risks from poor home-office ergonomics. As we further develop this program in 2022, it’s our plan to develop tools and strategies to help mitigate those and other risks that we discover.

Frontdoor Cornerstones of Wellness Program

Beyond specific benefits and safety programs, we offer our employees a wide range of health, self and wealth programs. Employee well-being is our top priority.

- **WW Program (formerly Weight Watchers)** Our partnership with WW International gives employees, including their spouses and eligible dependents, exclusive savings on digital Free Goal Setter Kit memberships, with access to recipes, calorie trackers, 24/7 coaching, on-demand workouts and other valuable tools and resources. This program supports our employees’ efforts to lose weight, sleep better, move more, or just eat healthier — there’s something for everyone!
- **Healthy Tips in Communications** We communicate frequently with our employees to keep them engaged and connected with colleagues. We also use these opportunities to share tips that support our employees’ physical, emotional and mental health. From ideas to encourage starting the day with a healthy breakfast, to foods that fight stress, we are committed to supporting our employees before and after their workdays end.
- **Financial Health** Beyond benefit and retirement plans, such as our 401(k) plan, we provide opportunities to receive financial planning webinars and counseling. Employees’ financial security is important to them, their families and to us as their employer. Creating awareness about this financial learning opportunity is just one of the ways Frontdoor is working to support employees and their financial health and well-being.

² Source: <https://www.ahajournals.org/doi/10.1161/CIR.0000000000000757>

³ Source: <https://emergencycare.hsi.com/blog/bystander-aed-use-doubles-chances-for-survival#>



SERVING Our Communities

We work like a business, but we live like a neighbor.

- 29. Skilled Trades
- 30. Community Efforts
- 30. Consumer Privacy
- 31. Customer Satisfaction
- 31. Value Chain Diversity

Skilled Trades

We're investing in tomorrow's talent, today.

Our business relies on skilled labor — and so does the U.S. economy, which currently supports more than 1.5 million construction jobs and will add at least 100,000 more by 2030, according to the U.S. Bureau of Labor Statistics.⁴ Unfortunately, in a recent survey by the industry trade group Associated General Contractors of America, 81% of construction employer respondents said they're having a hard time filling open positions.⁵

At Frontdoor, we recognize both the causes of the skilled-labor shortage — for example, the escalating retirement of baby boomers from the workforce and a decline in new licensed contractors to fill these essential roles — and their negative effects: slower, more expensive services, which challenge homeowners and depress economic activity.

We're committed to helping our industry close the labor gap by attracting new talent — including women and minorities — to the skilled trades. To do so, we're focused on helping the public see skilled trades like appliance, plumbing, electrical, spa/pool and HVAC repair for what they really are: compelling, tech-forward careers that offer good pay, job security and the opportunity to make a real impact on families and economies.

Funding the Future

To invest in the next generation of skilled labor, Frontdoor in 2021 launched a pilot scholarship program with two trade schools: Moore Tech College of Technology in Memphis, Tennessee, and Erwin Technical College in Tampa, Florida. Across both schools, we have awarded more than two dozen scholarships to students who are pursuing careers in the skilled trades and offered special access to networking through Frontdoor's extensive and qualified contractor network. We anticipate using our learnings from this pilot scholarship program to inform our support of the skilled trades.



"We are thrilled to partner with Frontdoor to provide Moore Tech students with scholarships to aid in their pursuit of a career in the skilled trades," said Skip Redmond, president of Moore Tech. "As the nationwide shortage of skilled tradespeople continues to increase, we need more companies and individuals to recognize, support and highlight the importance of the work skilled tradespeople do."



"Highly skilled trade and technical workers are the lifblood of our contractor network, and this new program demonstrates our commitment to supporting new opportunities for students who are interested in pursuing trade careers." - Dave Q., contractor relations

⁴ Source: <https://www.bls.gov/ooh/construction-and-extraction/construction-laborers-and-helpers.htm>

⁵ Source: <https://www.agc.org/sites/default/files/Files/Communications/2020%20Construction%20Hiring%20and%20Business%20Outlook%20Report.pdf>

Community Efforts

Local impact fosters global success.

At Frontdoor, our House Rules challenge us to “do great things every day.” And yet, we don’t define greatness by our actions alone. Instead, we measure it by the impact we have. Like throwing stones into a lake, we want our actions to ripple through the communities where our employees, customers and contractors live and work, leaving a wake of positivity behind them.

Bring the Good

Frontdoor celebrates volunteerism and community service through its “Bring the Good” program, an annual initiative that we established during our first year as a publicly traded company and have been building on ever since. Every year, our employees participate in individual and group service projects that effect positive change both for them and for their neighbors. All told, we donated time and money to more than 20 nonprofit organizations in 2020 and 2021.



Build. Enhance. Assist.

Bring the Good is Frontdoor’s commitment to being a good neighbor. Since 2021, we have dedicated our efforts to serving others by helping to meet the shelter needs of our communities. As a part of our virtual giving event, we partnered with three nonprofit organizations that provide shelter — American Red Cross, Hospitality Hub and HomeAid — and created opportunities for employees to connect with them. We also empowered employees in the United States and India to “Bring the Good” from home through two virtual activities. Employees based in the United States could select a nonprofit organization — out of a list of seven — that they wanted to receive a tote bag filled with much needed supplies, and India-based employees could select one of three organizations to receive a donation on their behalf. By centering our efforts on this cause, we will continue to use our time, talents and resources to better the communities where employees, contractors and customers live and work and to outwardly reflect our House Rules. As a company, and in partnership with organizations that align to our mission and values, Frontdoor will work to create a world where everyone has a safe place to rest their heads at night.

Consumer Privacy

Trust is our most valuable tender.

At Frontdoor, we recognize the importance of privacy protection — particularly in the context of our modern age. Now more than ever, our customers trust us to protect their sensitive personal information. Because we are committed to earning and retaining that trust, we have adopted rigorous privacy standards to ensure data security and transparency. Internally and externally, we store and share information in strict compliance with applicable law and those standards, which are outlined in detail in our [privacy policy](#).

Customer Satisfaction

We obsess over our customers' problems.

Our House Rules challenge us to wake up every day and obsess over how to remove the hassle out of our customers' lives. In order to make that happen, we need to do our job well and to continually evaluate how we are doing.

Doing our job well starts with providing services that our customers need when they need them. We have taken extraordinary measures during the pandemic to continue to deliver services to our customers despite global supply chain challenges. See page 16 for more information about our COVID-19 response.

Looking ahead, we're focused on transforming the customer experience from a difficult, manual process to a seamless and digital, best-in-class experience that homeowners will love. Doing our job well also requires training — for our employees and customer care associates — to ensure that our people understand our services and compliance with applicable laws.

We employ a variety of strategies to assess how we are doing, from requesting feedback on our service and the service provided by our contractors to tracking the time involved in providing services. We also publicly report on our customer retention metrics on a quarterly basis.

At the end of the day, if our customers are satisfied because we have removed some of the hassle out of their lives, we will have served our communities as well.

Value Chain Diversity

Diverse vendors add value.

At Frontdoor, diversity and inclusion are deeply-held values that help us attract the best talent for our workforce and develop the best solutions for our customers. In fact, we believe in the benefits of diversity so much that our diversity and inclusion program encompasses not only our board of directors and our employees, but also our value chain — including contractors and vendors.

By building a value chain that's diverse, whether in race, ethnicity, gender, age, sexual orientation, religion, physical ability or veteran status, we believe we can increase innovation, improve the bottom line, access new markets and strengthen community engagement.

Driving Diversity in our Value Chain

In 2021, Frontdoor made diversifying its value chain a major priority. We engaged third party firms to initiate a survey of a large number of our contractors and to analyze our suppliers to begin building a baseline of data about the diversity of these critical business partners. In our survey of contractors, over 40% of the respondents self-declared as being in a traditionally underrepresented or underserved group, which includes women, veterans, or persons identifying as Hispanic, Black



or having non-identified diverse characteristics. We also tracked responses according to region of the United States and the contractor's trade to better understand diversity on a regional and trade basis. With our supplier analysis, we evaluated spend at a large number of our suppliers to identify those that are diverse and/or small business, and we also sought to understand the supplier diversity programs at our top suppliers. We defined a diverse business as at least 51% owned by a traditionally underrepresented or underserved group.

While we recognize the diversity that currently exists in these business partners, we believe it's imperative that we establish a structured program to promote continued diversity in our future value chain. In pursuit of our objectives, we are implementing an action plan that requires shared ownership across our organization, incorporation of diversity considerations into our evaluations and contracts, engagement with suppliers and development of a portal and opportunities to support diverse suppliers. As we continue to gather data and assess the diversity of our value chain, we anticipate using our learnings to further our progress.

Value Chain Today

Over 40%

OF CONTRACTOR RESPONDENTS
IDENTIFIED AS DIVERSE

Over 5%

OF SUPPLIER SPEND WITH
DIVERSE OR SMALL BUSINESS
(FROM JANUARY 2020 TO APRIL 2021)



"Understanding our current supplier diversity status was an important first step, and we are proud of the progress we made this year. Moving forward, we remain focused on and dedicated to further diversifying our value chain, as well as making it as easy as possible for diverse suppliers to partner with us." - Juan F., supply management



SUSTAINING Our World

*Environmental stewardship is
the original home maintenance.*

- 34.** Environmental Policy
- 35.** Company Operations
- 39.** Beyond Emissions
- 40.** Human Rights

Environmental Policy

Business performance and environmental conservation are not mutually exclusive.

At Frontdoor, our business is the home. But a home is so much more than a building. It's also the backyard you play in, the neighborhood you shop in, and the world we all live in. For that reason, our commitment to home services doesn't stop with fixing your plumbing, your refrigerator or your furnace; we're committed to do our part to protect the open air that surrounds your home and the water flowing into it. Because maintaining your home depends on maintaining our environment.

Undergirding Frontdoor's ambition to transform the home services industry is a commitment to do so in a manner that considers conservation and preservation of our environment.

Our approach is strategic but impactful. Because we're a services company, the mechanisms through which we can directly effect positive change may be fewer and smaller compared to companies that manufacture and sell physical goods. Relative to the businesses that build and furnish our customers' homes, for instance, our environmental footprint is inherently small. In fact, our business in many respects is designed to save resources rather than consume them. Consider HVAC services, for example the Center for Climate and Energy Solutions reports that home heating and cooling is responsible for approximately 441 million tons of carbon dioxide per year.⁶ Ensuring that these systems run as efficiently as possible can reduce both energy bills and emissions. We do our part by promoting maintenance and facilitating repair of malfunctioning systems — which improves efficiency and avoids the waste of disposal of the system — or when appropriate, replacement with a newer, more energy efficient model.

Nevertheless, we have identified numerous activities and opportunities to optimize our operations in ways that minimize our environmental impact while maximizing our business performance.

At the center of these efforts is our [Environmental Policy](#). Administered by Frontdoor's ESG management committee, it establishes a culture of continuous improvement and shared responsibility that will yield environmental benefits for our employees, our customers and our communities for years to come.

⁶ "Home Energy Use." Center for Climate and Energy Solutions. <https://www.c2es.org/content/home-energy-use>.

Climate Change

The risk is real — and so is our commitment to mitigating it.

Climate change is one of the defining challenges of our time. And in the years ahead, it's poised to become one of the defining challenges of our homes. That's why Frontdoor has made it a point to acknowledge the reality of climate change, to understand what impacts it might have on our customers, our communities and our business, and to take what actions we can to attenuate it.

As with everything we do in our business, it starts with our core mission: to take the hassle out of home ownership. Climate change threatens our ability to fulfill that promise. From extreme heat and wildfires to extreme cold, changing weather patterns from climate change promise to make home ownership harder, even as we're working to make it easier.

Even in the face of new challenges, however, our mission is unwavering. To ensure that we continue fulfilling it, Frontdoor has therefore resolved to be part of the climate-change solution by better understanding our environmental impacts and, where appropriate, setting concrete goals to help us reduce them.



Company Operations

Even small changes can make a big impact.

As a service company, Frontdoor has a limited ability to directly effect environmental change at scale. To find and maximize opportunities where they exist, however, we take a holistic approach to sustainability that encompasses direct and indirect emissions from our own operations — known as Scope 1 and 2 emissions, respectively — as well as indirect greenhouse gas (GHG) emissions that may occur in our value chain.

Scope 1 and 2 Emissions

Scope 1 emissions are direct emissions from the combustion of fossil fuels at company-owned facilities and by company-owned vehicles. Because we are not a manufacturer with industrial facilities and have only a small fleet of company-leased vehicles, Frontdoor generates few Scope 1 emissions.



- **Vehicles:** During the period November 1, 2020 to October 31, 2021, Frontdoor leased 25 vehicles. Based on approximate miles driven during the period, we estimate that emissions for these vehicles totaled approximately 80 metric tons⁷ of carbon dioxide emissions. With our new virtual work structure, we anticipate even further reduced need for vehicles in the future and have commenced efforts to relinquish them.

⁷ Source: <https://calculator.carbonfootprint.com/calculator.aspx?tab=4>

⁸ A therm is a non-SI or non-International System of Units unit of heat energy equal to 100,000 British thermal units. It is approximately the energy equivalent of burning 100 cubic feet — often referred to as 1 CCF — of natural gas.

⁹ Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Scope 2 emissions are indirect emissions from the purchase of electricity, steam, heat or cooling. We have taken numerous steps that minimize our Scope 2 emissions.



- **Energy and water management:** Frontdoor leases the majority of its office space, including our corporate offices, our customer care centers and our engineering and technology campuses. This gives us limited visibility into our energy use and emissions. The exceptions are two company-owned offices in Carroll, IA and LaGrange, GA. For these facilities, we used approximately 1.8 million kilowatt hours and 33,000 therms,⁸ which we estimate led to approximately 1,450 MT of GHG emissions,⁹ and 391,000 gallons of water during the twelve-month period ended October 31, 2021.





- Sustainability in Our Offices:** Whether we own or lease our facilities, we embrace sustainability inside them. In fact, all of our offices incorporate energy and water conservation practices, and many of them include thoughtful LEED-certified design features. Our corporate headquarters in Memphis, Tennessee, for example, is located in a repurposed mall that features multiple LEED elements in the areas of energy management, water conservation and waste reduction, such as sensors to manage water usage in restrooms and LED lighting. Our Denver, Colorado, office, meanwhile, is located in a LEED Platinum-certified building — the U.S. Green Building Council’s highest level of LEED certification. The building includes multiple features designed to achieve energy efficiency, reduced water consumption, waste management and enhanced indoor environmental quality among other features.



- Employee Transportation:** Several of Frontdoor’s facilities are located near public transportation, which facilitates sustainable commuting. In our Denver office, we have offered a public transportation credit program that incentivizes commuting via bus or light rail. Also in Denver — as well as Seattle, Washington, Portland, Oregon, and downtown Memphis — our offices feature bicycle racks to give employees yet another sustainable transportation option.



- Reduce, Reuse, Recycle:** Each of Frontdoor’s U.S. offices has implemented a recycling program to help us minimize waste. Presently, we have approximately 90 recycling bins across six of our offices. Meanwhile, many of our offices have replaced traditional desk phones with environmentally-friendly softphones that use software to make phone calls over the internet, thereby reducing energy consumption and electronic waste. We have recycled and sold unwanted desk phones in order to keep them out of landfills. We also provide employees filtered, chilled water to minimize the use of one-time plastic use bottles and refrain from offering disposable cups.



12

OF ELECTRIC VEHICLE CHARGING STATIONS AT OUR SITES

Beyond Scope 1 and Scope 2 Emissions

We are beginning to evaluate indirect emissions from assets that don't belong to Frontdoor but nevertheless may exist within our value chain, known as "Scope 3 emissions." We are evaluating many different sources, if any, that may constitute Scope 3 emissions. Examples of sources that we are evaluating include:

- Truck Rolls:** Vehicles operated by our network of contractors are a source of indirect emissions. To reduce them, we are leveraging our Stroom technology, which uses augmented reality, computer vision and machine learning, to facilitate remote service calls that reduce carbon emissions from contractor vehicles by minimizing in-home visits. By promoting remote communication for jobs that can be completed virtually, we're limiting the number of service vehicles on the road — and reducing potential exposure to COVID-19, as well.

For the period January 1, 2021 through November 30, 2021, we conducted an early-stage case study for our American Home Shield brand to test our assumptions that implementation of our Stroom technology could reduce the need for a contractor to send a truck to a customer's home, which we refer to as a "truck roll." Early adopter contractors were requested to complete surveys after each Stroom session to validate whether the Stroom resulted in a reduced truck roll. Over this period, these contractors demonstrated strong progress in the use of Stroom technology to remotely diagnose customer appliance issues, and confirmed a reduced truck roll 70% of the time that Stroom was employed. Based on this response, we estimate that use of Stroom technology across this population of appliance dispatches resulted in a 6-7% reduction in truck rolls during the period January 1, 2021 through November 30, 2021. At this time, we're unable to reasonably estimate the reduced carbon emissions tied to these reduced truck rolls, because we don't have data on each contractor's vehicle or miles driven. But, as an example, if a contractor who normally drives a 2015 Ford F150 SemiAuto-6 4WD, gasoline powered truck avoided just two 20-mile roundtrips per week, the savings would be over 0.8 metric tons of carbon dioxide emissions. Applied across all of our early adopters and beyond, the reduction in carbon emissions would be tremendous!¹⁰

¹⁰ Per <https://calculator.carbonfootprint.com/calculator.aspx?tab=4>. Assumed reduction of 2 truck rolls per week for 52 weeks; leads to 0.87 metric tons of CO2e



Family-owned contractor experiences many benefits of Stroom technology:

Joe Houston, owner of Pro Appliance, Inc. in the Tampa Bay Area in Florida began using Stroom about 18 months ago, and since then he has conducted over 2,100 Stroom sessions. He has experienced first-hand the benefits of reduced truck rolls—from savings in gasoline and GHG emissions and reduced wear and tear on his vehicles to savings on auto insurance. And he's able to provide faster customer service overall, while improving the quality of life for his technicians and himself.

"After initially using Stroom as a COVID safety measure, I quickly learned of the broader benefits that video diagnosis offers contractors — as well as customers. Adopting an operating model that remotely diagnoses customer issues, before sending a technician on-site, has fundamentally transformed my business. As geography no longer constrains scheduling when using video diagnostic appointments, I now schedule about three appointments per hour (almost a 3X increase); accelerate the time to a customer's first appointment; and reduce customer wait time on the day of the appointment by up to three hours (a 75% reduction). Just as important, I have reduced a truck roll for at least 50% of my service calls by sending the right technician, with the right part, on the first truck roll. And in addition to increasing my productivity and the capacity to increase my job volume, I have improved the quality of life for my technicians and myself by reducing unnecessary weekend and overtime hours."

- Customer appliances and systems:** Major appliances, water heaters and HVAC systems in our customers' homes are yet another source of indirect emissions. Appliances, water heaters and HVAC systems consume energy (often generated by GHG emitting power sources) in their daily use and result in emissions in their manufacture and transport. Fortunately, today's models are more energy efficient than older models. Yet even though an appliance, water heater or HVAC system may continue to function, if it's not working properly, it's likely not using resources efficiently. Proper repair and maintenance is critical to efficient operation. We received over 2 million service requests for appliances, water heaters and HVAC systems for the twelve months ended October 31, 2021.

Through repair and refurbishment, we also enable the efficient consumption of natural resources and avoidance of waste that would have been sent to landfills or recycling centers. When it's appropriate to replace these appliances, water heaters and HVAC systems by our service contractors, we are generally replacing with newer, more efficient models. We estimate annual savings, over standard energy efficient models, of approximately 290,000 therms and 9.3 million kWh of energy for the appliances, water heaters and HVAC systems that we replaced during the twelve-month period ended October 31, 2021. We estimate that these savings can avoid nearly 8,125 metric tons of GHG emissions, roughly equivalent to the energy usage of 979 homes in one year!¹¹

Beyond GHG emissions, we believe that replacement of major appliances and water heaters by our service contractors during the twelve-month period ended October 31, 2021 can contribute to annual savings, over standard energy efficient models, of over 120 million gallons of water.¹²

Nashville Electric Service advises:

- “Set your refrigerator at 40 degrees and let food cool before putting it in the refrigerator. Hot foods will raise the temperature in the fridge and make it work harder.”**
- “Every time you open the door, the oven's temperature drops about 25-30 degrees and more energy is used to reheat it to the right temperature. Use the oven light instead.”**
- See more tips at <https://www.nespower.com/ways-to-save/energy-saving-tips/>.**



- Employee travel:** Frontdoor has offices in multiple locations in the United States and India. With diversified locations and time zones, interacting virtually has been a part of our culture even prior to COVID-19. This focus on virtual communication and collaboration allows us to limit business travel. And since COVID-19, our employee travel, and accordingly any indirect emissions due to employee travel, has been negligible. The vast majority of our employees work virtually and do not engage in work-related travel. We anticipate some increase in meetings and travel in the future, but our decision to adopt a virtual-first work model will help us to minimize these emissions, even while we are continuing to meet the needs of our business and our employees.

We anticipate continuing our analysis to determine our emissions in 2022.

¹¹ Sources: <https://www.waterheatermag.com/high-efficiency-water-heater-reviews/> and <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

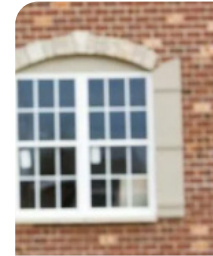
¹² Source: www.Surgargroveil.gov and <https://www.energystar.gov>

Beyond Emissions

Education

Although reducing our own carbon footprint is of the utmost priority, we at Frontdoor recognize that we can amplify our impact by helping our customers reduce theirs, too. We therefore strive to educate consumers about sustainability and how they can practice it at home.

- Blog:** The [Home Matters](#) blog published by our American Home Shield business is one vehicle through which we offer environmental education, instruction and advice. It receives more than 5 million views per year from consumers who want to learn about responsible and efficient homeownership. Along with the importance of home warranties, including details about specific pricing and plans, posts have included climate-relevant topics like “How to Insulate a Garage Door,” “How to Clean Your Refrigerator” and “How to Keep Your House Cool in Extreme Heat.”
- YouTube:** A companion to our blog is our [American Home Shield](#) YouTube channel, which is home to nearly 250 videos featuring simple maintenance tips for homeowners — including advice about energy and water conservation. Our channel includes video playlists themed around “Do It Yourself” projects, energy efficiency, home hacks, winter home maintenance, refrigerator repair, pool maintenance, kitchen appliances, plumbing solutions and home warranty reviews. Each of our videos is designed to facilitate hassle-free homeownership by educating homeowners about home repair and maintenance.
- Email:** With about 2.2 million customers, we have a powerful email list, and we recognize that this gives us a meaningful opportunity to educate on and promote sustainability with our customers. Recent emails have included tips on “Energy Efficiency — How to Save Energy in Winter,” “How to Spot Electrical Problems in Your Home” and “Five Ways to Reduce Wear and Tear on Your Fridge.”



REAL ESTATE TIPS

Let Your Clients Know the Benefits of Home Inspections

What can home inspections do for your clients? It is a conversation worth having.

[Read the article](#)



Handle With Care

Of course, while sustainability is a leading consideration for Frontdoor, compliance with applicable local, state and federal regulations is an absolute must. We recognize that our contractors may come into contact with hazardous, or at least regulated, materials, and we explicitly require all service contractors to follow applicable local, state and federal regulations regarding the proper handling and disposal of these materials, such as refrigerant or appliances that have been replaced.

The American Innovation and Manufacturing (AIM) Act was enacted by Congress on December 27, 2020 and directed the Environmental Protection Agency to address hydrofluorocarbons, which are a necessity in current air conditioning systems, by phasing down production and consumption and facilitating the transition to next-generation technologies.¹³ We will hold our contractors accountable for compliance with this law and resulting regulations and support our customers in the transition to new technologies designed to protect our environment.

¹³ <https://www.epa.gov/climate-hfcs-reduction>

Human Rights

We believe in dignity and freedom for all people.

Because Frontdoor is a people-powered company, respect for human rights is a core value to which we are deeply devoted. Without it, the House Rules that we set for our employees and other stakeholders would ring hollow. In early 2021, we therefore adopted a [Human Rights Policy](#) to express our support of human rights, and to formalize our commitment to protecting and advancing them in the communities that we serve. Encompassing our beliefs about diversity and inclusion, workplace health and safety, and forced and child labor, among other important issues, it's a pledge to our employees, a promise to our customers and a litmus test for our vendors, suppliers and business partners.

“We have high standards when it comes to respecting and protecting human rights — for everyone who works for us and with us to accomplish our mission of taking the hassle out of homeownership. We believe in the importance of feeling safe and valued and that creating an inclusive environment begins with setting clear standards and holding each other accountable.”

- Jen Alessandra, chief people officer





Conclusion

Engagement and Transparency

As noted at the beginning of this report, we welcome your engagement on the topics we have covered in this report — from governance to diversity and inclusion to our support of the skilled trades — as well as the topics that we have not addressed. We seek to continue to strengthen our practices and disclosures, and are looking forward to sharing our 2022 updates in the future.



Appendices

43. SASB TABLE

46. TCFD TABLE

APPENDIX A. SASB TABLE

The Sustainability Accounting Standards Board (or SASB, which is now part of the Value Reporting Foundation) has published a set of industry-specific standards, to help identify the subset of ESG issues most relevant to financial performance in each of 77 industries. Frontdoor is using the standards applicable to the Professional and Commercial Services industry category as a framework for reporting on certain social and governance data and initiatives.

Element	SASB Code & Accounting Metrics	Frontdoor Response
Data Security	SV-PS-230a.1	<p>Frontdoor upholds transparency and trust as important cornerstones of its business. Security incidents have the potential to occur in an unpredictable manner and may negatively impact the physical, electronic or human resources of Frontdoor. In addition, security incidents may adversely affect Frontdoor's business operations by impacting the confidentiality, availability and integrity of assets and information. Therefore, safeguarding against cybersecurity incidents, disruptions, or failures in our technology systems and protecting the personal information of our customers is paramount.</p> <p>To that end, Frontdoor continuously invests in data privacy and security safeguards, and we actively manage our cybersecurity risk through methods such as system enhancements and reviews of systems prior to production; third-party security maturity assessments; adherence to third-party protocols, such as Payment Card Industry requirements for transactional payment systems and System & Organization Controls audits; penetration into areas of concern in both internal and external networks and vulnerability testing; and employee training and policies. For more information on board of directors and management oversight of our cybersecurity risk, actions we have taken in 2020 and 2021 to assess our risk, and our plans for 2022, see page 12 of this report.</p> <p>Frontdoor's cybersecurity management efforts are led by our chief information security officer, along with our chief digital officer and chief technology officer. Frontdoor has adopted an information security incident response communication plan and is further refining response plans to provide guidance relating to appropriate practices in identifying, addressing, and dealing with security incidents.</p>
	SV-PS-230a.2	<p>Frontdoor implements information security training across our employee population. Internally and externally, information is shared in strict compliance with the terms of Frontdoor's privacy and security policies. We require all of our employees confirm their commitment to privacy and access control policies.</p> <p>For a description of policies and practices relating to collection, usage, and retention of customer information, please see Frontdoor's Privacy Policy found at https://www.frontdoorhome.com/privacy-policy/.</p>
	SV_PS-230a.3	<p>Frontdoor does not publicize or disclose information regarding data security incidents, unless it is required by law. Such information, if any, and if material or otherwise required, could be found in Frontdoor's public disclosures. To-date, Frontdoor has not included any such disclosure in its public filings.</p>

**Disclosure shall include a description of corrective actions implemented in response to data breaches*

Element	SASB Code & Accounting Metrics	Frontdoor Response
Workforce Diversity & Engagement	SV-PS-330a.1 Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	<p>Frontdoor believes that diversity, when paired with a culture of inclusion, makes us stronger, drives inventive problem-solving and fuels transformation. We embrace the diversity of our employees, contractors, customers and other stakeholders. Everyone is valued and appreciated for their distinct contributions to the growth and sustainability of our business. Therefore, we strive to cultivate a culture and vision that supports and enhances our ability to recruit, develop and retain diverse talent at every level.</p> <p>As of November 30, 2021, our workforce self-declared as 66% women, 33% men and 1% not declared. The racial/ethnic diversity self-declared was 41%, with 1% not declared and the remaining workforce declared as white. Within our leadership, as of November 30, 2021, 58% of our workforce at director level and above are women or underrepresented minority, and 44% of the members of our board of directors are women or an underrepresented minority.</p> <p>See pages 21 to 23 for more information about our diversity and inclusion efforts and the importance to Frontdoor.</p>
	SV-PS-330a.2 (1)Voluntary and (2) involuntary turnover rate for employees	<p>For the 12-month period ended October 31, 2021, our voluntary turnover rate was 16% for our exempt employee population, and 27% for our non-exempt employees. We believe these turnover rates were consistent with our industry and 2021 employment trends. We calculated these rates as the total number of employee-initiated voluntary separations (e.g., resignation and retirement) during the reporting period, divided by the total number of unique workers employed during the reporting period.</p>
	SV-PS-330a.3 Employee engagement as a percentage	<p>Employee engagement at Frontdoor is tracked using employee engagement surveys, feedback during “All-Hands” meetings and leader conversations. Our goal is to hear from our team members on a variety of topics regarding their workplace experience and certain aspects of our company. In a broad employee survey that we conducted in late 2020, our employees reported engagement of 72%. In a wellness pulse survey that we conducted in fall 2021, our employees reported an overall success with virtual work score of 88% favorable.</p>
Professional Integrity	SV-PS-510a.1 Description of approach to ensuring professional integrity	<p>Frontdoor strives to uphold high levels of integrity in our business practices. Our House Rules, which are Frontdoor’s key values, such as taking ownership and being accountable, building trust, doing great things every day and obsessing over our customers’ problems, along with Our Code of Conduct, are an important guide for our employees to uphold professional integrity. Our Code of Conduct covers matters such as acting with integrity, conflicts of interest, confidentiality and compliance with laws and regulations. It is available on our website at https://2qz9b4rx.media.zestyio.com/Code_of_Conduct_102020_final.pdf.</p> <p>Frontdoor’s Financial Code of Ethics memorializes our commitment to maintaining high standards related to our accounting and reporting processes and internal accounting controls. Our Financial Code of Ethics is available on our website at https://2qz9b4rx.media.zestyio.com/FTDR-Financial-Code-of-Ethics-7.20.2021.pdf.</p>

Element	SASB Code & Accounting Metrics	Frontdoor Response
		<p>In addition, every new Frontdoor employee must complete training on critical issues such as governance, safety, cybersecurity, and more. Below is a list of additional key internal policies related to professional integrity and ethics that employees must adhere to:</p> <ul style="list-style-type: none"> ● Acceptable Use Policy; ● Antitrust Policy; ● Conflict of Interest Policy, Questionnaire and Certification; ● Gift Policy; ● Human Rights Policy; ● Media Relations Policy; ● Political Activity Policy; ● Privacy and Security Policy; ● Regulation FD Policy; ● Related Person Transaction Policy; ● Securities Trading Policy; ● Social Media Policy; and ● Work from Home Policy. <p>Frontdoor is compliant with industry best practices concerning professional integrity. Our fully independent board audit committee, which consults with external advisors as necessary or advisable, oversees the quality and integrity of our financial statements and the audits of such financial statements. Frontdoor is audited by an independent auditor and an internal audit team, which is supervised by our audit committee. In addition, we have established internal controls and a system of disclosure controls, policies and procedures.</p>
	<p>SV-PS-510a.2</p> <p>Total amount of monetary losses as a result of legal proceedings associated with professional integrity</p>	<p>Due to the nature of our business activities, Frontdoor is at times subject to pending and threatened legal and regulatory actions that arise out of the ordinary course of business. Frontdoor does not disclose the amount of monetary losses as a result of legal proceedings associated with professional integrity, unless it is required by law. Such information, if any, and if material or otherwise required, may be found in Frontdoor's public disclosures.</p>
<p>Activity Metrics</p>	<p>SV-PS-000.A</p> <p>Number of Employees</p>	<p>2,149 as of November 30, 2021.</p>
	<p>SV-PS-000.B</p> <p>Employee Hours Worked</p>	<p>Approximately 4 million hours for the twelve months ended November 30, 2021, which we have calculated as the approximate number of hours worked for non-exempt employees, plus an estimated amount for exempt employees determined by multiplying the average number of employees over the period by 37.5 hours by 49 weeks.</p>

APPENDIX B. TCFD TABLE

The Financial Stability Board established the Task Force for Climate-related Financial Disclosure (TCFD) recommendations on climate-related financial disclosures to be applicable to organizations across sectors and jurisdictions. The recommendations are structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets. Frontdoor is using the TCFD framework for disclosure of climate-related governance and issues.

Theme	TCFD Disclosure Recommendation	Disclosure
Governance	a. Describe the organization's governance around climate-related risks and opportunities.	The nominating and corporate governance committee of Frontdoor's board of directors (the N&CG committee) oversees risks and opportunities associated with climate-related issues and receives periodic updates from management. The audit committee of the board of directors oversees Frontdoor's financial disclosures, which would include discussion of climate-related issues to the extent material to Frontdoor. Each committee reports regularly to the board about its activities. Our oversight structure helps ensure that our climate-related initiatives take into consideration the potential materiality to our business, as well as our potential to positively impact our customers, employees, value chain, and communities.
	b. Describe management's role in assessing and managing climate-related risks and opportunities	Our enterprise risk management committee, which is comprised of members of management (the risk committee), and particularly our financial team as led by our chief financial officer, has responsibility for assessing and managing climate-related risks and opportunities to the extent material to Frontdoor. Our Legal team has responsibility for staying abreast of climate-related regulatory trends and requirements. In addition, our ESG management committee, which is comprised of our CEO and other members of senior management, has responsibility for further considering climate and broader environmental risks and opportunities. Management regularly reports on climate-related issues and progress to the N&CG committee and financial risks to the audit committee. Both the N&CG committee and the audit committee provide regular updates to our board of directors.
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>Frontdoor has identified several climate-related opportunities related to its direct activities, as well as ways in which Frontdoor can support contractors and customers in minimizing climate-related impacts. Our Stroom technology provides an opportunity to remotely diagnose customer appliance issues, which can minimize the number of in-home visits to provide repairs for our customers, and in turn reduce carbon emissions from trucks that contractors would have driven to the customers' homes. As this business grows, we believe it presents a climate-related opportunity in the short to long term.</p> <p>Additionally, as contractors repair our customers' HVAC systems, water heaters and appliances to keep them functioning well, we believe this may improve efficiency of these systems, which may improve their usage of energy and water. When it is appropriate to replace these appliances, water heaters and HVAC systems by our service contractors, we are generally replacing with newer, more efficient models. We estimate annual savings, over standard energy efficient models, of approximately 290,000 therms and 9.3 million kWh of energy for the appliances, water heaters and HVAC systems that we replaced during the twelve-month period ended October 31, 2021. We estimate that these savings can avoid nearly 8,125 MT of greenhouse gas (GHG) emissions. Beyond GHG emissions, we believe that replacement of major appliances and water heaters by our service contractors during the twelve-month period ended October 31, 2021 can contribute to annual savings, over standard energy efficient models, of over 120 million gallons of water.</p> <p>Our transition to a virtual work environment also presents a medium- to long-term opportunity for reduced energy consumption (and therefore reduced GHG emissions), reduced water consumption and waste, and reduced carbon emissions due to employees' transportation. We are also transitioning away from leasing vehicles for certain employees (25 vehicles were leased in 2021), which presents a near-term opportunity.</p>

Theme	TCFD Disclosure Recommendation	Disclosure
		<p>Please see pages 35 to 39 of this report for additional data and information about our climate-related opportunities, including our opportunities to educate our customers and consumers about actions they can take in their homes to be more energy and resource efficient.</p> <p>Climate-related risks over the short term to long term include the impact of seasonality and unpredictable weather and increased incidence of HVAC claims. A significant percentage of our revenue is concentrated in the western and southern regions of the United States, including Arizona, California, Florida and Texas.</p>
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>Frontdoor has incorporated the above climate-related opportunities and risks in our home service plan, on-demand home services and Stroom augmented reality businesses, as well as in financial and strategic planning for these businesses. We have established goals for growth of each business and services provided, and are tracking certain climate-related measures, such as reduced truck rolls, as described above.</p> <p>Our business planning generally makes some assumptions about weather, relying in part on third-party, near-term weather trends. Further, given the potential impact of weather on our business, our business planning includes actions to maintain a large supply of contractors in highly concentrated geographies more prone to severe HVAC issues, and efforts to promote to our customers regular maintenance and special services.</p>
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>Frontdoor believes that its strategy is generally resilient to climate-related scenarios, including a 2°C or lower scenario. In the normal course of business, we regularly review climate-related trends and continuously strive to understand the best way to apply climate-related scenario analysis to inform our business strategy. We also regularly review and adapt to changes in regulations that affect the manner in which services may be provided by our contractors and the parts that may be used to provide repairs, which could be a consequence of a 2°C or lower scenario.</p> <p>In addition, our virtual work environment mitigates the potential impact of unusual or disruptive weather events on our ability to continue to provide services to our customers and support our employees. Our employees are located across the United States and in India. Our offices within the United States are also located in multiple states and different geographies, which mitigates the impact of unusual or disruptive weather events on our ability to operate from our offices.</p>
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	<p>Frontdoor's risk committee surveys key leaders in Frontdoor to identify and rank risks, including climate-related risks, facilitates discussions to review this data and then develops a framework for analyzing the consolidated assessment. The discussion includes assessment of risk appetite and risk mitigation. The risk committee reports its analysis to the board of the directors and the audit committee of the board, which provide further feedback. Climate-related risks are discussed with the N&CG committee.</p>
	b. Describe the organization's processes for managing climate-related risks.	<p>Frontdoor uses data and vendor relationships to manage climate-related risks. Frontdoor has obtained third-party weather data and uses weather data to analyze historical periods. We also benchmark weather trends and the relation to claims incurrence. We promote regular maintenance and special services to our customers to better control timing of services and mitigate potential any potential surge in claims during an unusual weather event.</p> <p>Frontdoor's large contractor base, and particularly our efforts to maintain a large supply of contractors in highly concentrated geographies more prone to severe HVAC issues, also helps to manage climate-related risks.</p>

Theme	TCFD Disclosure Recommendation	Disclosure
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	On an ongoing basis, the risk committee, with guidance from our chief financial officer, tracks climate-related risks, including our risk appetite and current and future mitigation techniques, and the effectiveness of mitigations. The risk committee refreshes the process of surveying leadership to identify and rank risks, including climate-related risks, and consolidating analysis of risk appetite and mitigation. The risk committee provides an update to and discusses its analysis with the N&CG committee at least annually. The N&CG committee reports on its oversight to the board.
Metrics & Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Frontdoor tracks climate-related metrics in terms of heating and cooling degree days, total energy consumed in our owned facilities, estimated savings from replacement of customers' HVAC, water heaters and appliances with more efficient models and numbers of Stream sessions that led to a reduced need for a truck roll. We expect to use data gathered using these metrics to inform our strategy and risk management process. See response to question a. in Strategy above for a discussion of climate-related risks and opportunities that we have identified.
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	See pages 35 to 38 for a discussion of Frontdoor's GHG emissions and beyond.
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	At this time, Frontdoor is focused on collecting data, which it may use to inform and establish targets in the future as warranted in Frontdoor's business.

Forward-Looking Statements Caution

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, in particular, projected future performance and any statements about Frontdoor's plans, strategies and prospects. Forward-looking statements can be identified by the use of forward-looking terms such as "believe," "expect," "estimate," "could," "should," "intend," "may," "plan," "seek," "anticipate," "project," "will," "shall," "would," "aim," or other comparable terms. These forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. Such risks and uncertainties include, but are not limited to: the impact of the global COVID-19 pandemic; changes in the source and intensity of competition in our market; weakening general economic conditions; the success of our business strategies; our ability to attract, retain and maintain positive relations with third-party contractors and vendors; weather conditions and seasonality; our dependence on labor availability, third-party vendors, including business process outsourcers, and third-party component suppliers; special risks applicable to operations outside the United States by us or our business process outsource providers; lawsuits, enforcement actions and other claims by third parties or governmental authorities; increases in tariffs or changes to import/export regulations; cybersecurity breaches, disruptions or failures in our technology systems and our failure to protect the security of personal information about our customers; increases in parts, appliance and home system prices, and other operating costs; our ability to protect our intellectual property and other material proprietary rights; and the effects of our substantial indebtedness. We caution you that forward-looking statements are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, our actual results of operations, financial condition and liquidity, and the development of new markets or market segments in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this news release. For a discussion of other important factors that could cause Frontdoor's results to differ materially from those expressed in, or implied by, the forward-looking statements included in this document, you should refer to the risks and uncertainties detailed from time to time in Frontdoor's periodic reports filed with the SEC, including the disclosure contained in Item 1A. Risk Factors in our 2020 Annual Report on Form 10-K filed with the SEC as such factors may be further updated from time to time in Frontdoor's periodic filings with the SEC. Except as required by law, Frontdoor does not undertake any obligation to update or revise these forward-looking statements to reflect new information or events or circumstances that occur after the date of this news release or to reflect the occurrence of unanticipated events or otherwise. Readers are advised to review Frontdoor's filings with the Securities and Exchange Commission, which are available from the SEC's EDGAR database at [sec.gov](https://www.sec.gov), and via Frontdoor's website at frontdoorhome.com.



Corporate Headquarters

150 Peabody Place, Suite 300, Memphis, TN 38103

frontdoorhome.com