



frontdoor.

2022

Sustainability Report

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

American
Home Shield

HSA
HOME WARRANTY








LANDMARK
HOME WARRANTY

OneGuard
HOME WARRANTY + SERVICE PLANS

ProConnect

stream

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Issued December 31, 2022

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A Message From Our CEO



Bill Cobb
Chairman and CEO

**“Your home isn’t just your
shelter. It’s our business.”**

As the nation’s leading provider of home services plans, millions of Americans have entrusted Frontdoor to keep their homes running smoothly and hassle-free. We take that responsibility seriously. We also take seriously our role in helping protect the well-being of our employees and the communities we serve.

In the following pages, you will see that commitment come to life through our 2022 Sustainability Report. The report covers our progress in strengthening policies, practices and public disclosure on governance, social and environmental initiatives. These include information security, employee relations and engagement, diversity and inclusion, support for the skilled trades, and environmental sustainability. The report also covers our House Rules, Frontdoor’s guiding principles for how we engage each other and our communities.

Through transparency, accountability, and commitment, we are strengthening our value as a community partner, and we are excited by the engagement and commitment of our employees. While we are in the relatively early stages of our sustainability efforts, I hope you find the 2022 report informative and a clear indicator of the progress we are making.

Thank you.

A handwritten signature in black ink that reads "William C Cobb". The signature is written in a cursive, flowing style.

Bill Cobb
Frontdoor, Inc.
Chairman and CEO



STRENGTHENING Our **Company**

*People-powered,
Tech-enabled.*

05. Business Overview

Business Overview

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

About Frontdoor

We understand what homes mean to our customers. We are an indispensable partner to our customers to preserve, protect and maintain their most valuable investment. We are about more than just taking the hassle out of the home — we are our customers' trusted and valued partner in the home services business. Each day, we strive to reinvent — and reinvigorate — the category we invented.

Frontdoor, Inc. (NASDAQ:FTDR) is obsessed with taking the hassle out of owning a home — and we've been doing exactly that since 1971. That is when we founded the home service plan industry. More than 50 years later, our Frontdoor team of professionals is still waking up every day fixated on solving many of the toughest challenges homeowners face. Through American Home Shield® and our other brands — HSA™, OneGuard®, Landmark Home Warranty®, ProConnect® and Stroom® — we aspire to provide best-in-class home services solutions that delight homeowners by making it as easy as possible to take care of their most valuable asset — their homes. We combine insightful data about major appliances, critical systems and home ownership trends with cutting-edge technology. Add our experienced people and exceptional customer service and the result is an innovative approach to home repairs and maintenance that meets the needs of more than 2 million homeowners each year. Learn more about our business at investors.frontdoorhome.com.

FRONTDOOR BY THE NUMBERS

~2.2 million

CUSTOMER PLANS
AS OF SEPTEMBER 30, 2022

~\$4 billion

PAID IN CLAIMS FOR OUR CUSTOMERS FROM
2017 THROUGH SEPTEMBER 30, 2022

~17,000

CONTRACTOR FIRMS

~\$1.6 billion

REVENUE

~60,000

PROFESSIONAL SERVICE TECHNICIANS

~1,850

EMPLOYEES
AS OF SEPTEMBER 30, 2022

~4 million

SERVICE REQUESTS

Data is as of fiscal year 2021 except where noted.

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



ADVANCING Our Governance

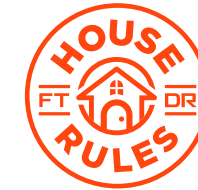
*Positive impact begins
with good governance.*

- 07. Governance Overview
- 09. ESG Oversight
- 10. Board Oversight of Risk Management
- 11. Cybersecurity Oversight
- 14. Ethics and Compliance

Governance Overview

Good corporate citizenship begins with good corporate governance.

The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver long-term success. At Frontdoor, corporate governance and responsibility are ingrained in our culture — starting with our House Rules, which serve as our foundation for good decision-making, integrity, accountability, risk management, innovation and performance optimization. As a company, we seek to preserve and strengthen stakeholder confidence and ensure we're a high-performing organization in every facet of our operations.



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.

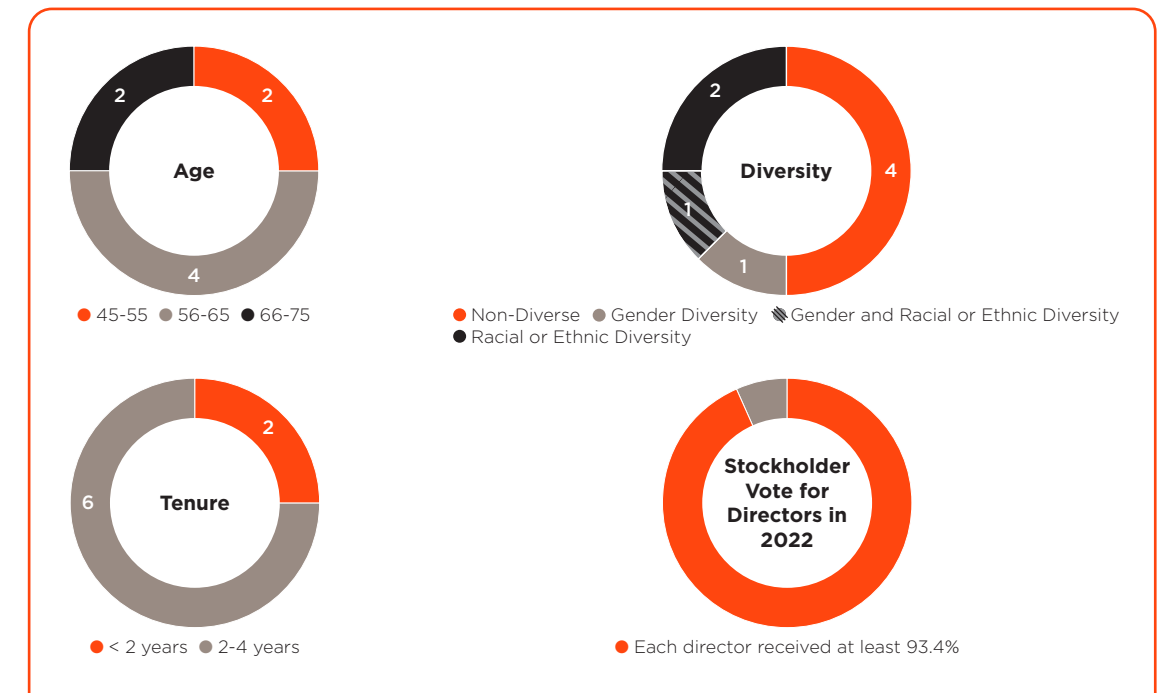
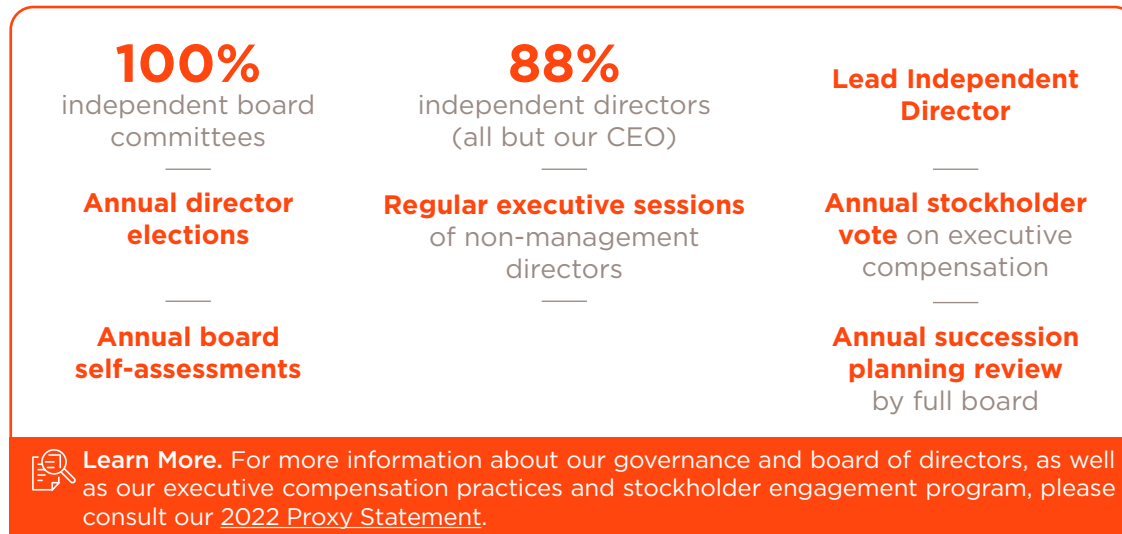
We give our best and work with integrity and purpose. We believe a diversity of people, talent and ideas makes us stronger. We're inquisitive and innovative, never satisfied with the status quo. We solve problems, make lives better and enjoy what we do.

Our Board of Directors

Governance starts with our experienced board of directors, which establishes policies, practices and values to guide its oversight and provide strong governance. Our board reviews key operating documents, such as our [Corporate Governance Guidelines](#), and other key policies at least once per year to ensure that our practices continue to meet the needs of our business and our customers, while keeping pace with best practices. The board is also responsible for setting the company's strategic direction, guiding management and overseeing disclosures to stockholders on our Company's developments.

Our governance practices are further embedded throughout our management team and employees. We routinely benchmark — and implement — best practices to ensure we're fulfilling our obligations to our stakeholders regarding corporate strategy, ethical behavior, compensation and risk management, as well as accountability, transparency and fairness.

As a people-centric business, Frontdoor believes that success is predicated on diversity and inclusion. We foster this throughout our business — including our board of directors. The board seeks to bring together diverse skills, professional experience, perspectives, age, race, ethnicity, gender and backgrounds that reflect our diverse stakeholders and enable us to address a wide variety of opportunities and challenges. To that end, our board nominating and corporate governance committee may reevaluate and recommend for board approval criteria for board membership from time to time. Drawing from the wide variety of perspectives on our board ensures that we are able to anticipate and address a wide variety of opportunities and challenges — and achieve our goals.



ESG Oversight

Responsibility starts with accountability.

At Frontdoor, we believe that authentic, impactful environmental, social and governance (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 on a day-to-day basis is the responsibility of our cross-functional ESG management committee. This committee ensures not only that our ESG efforts are meaningful to the business and to stakeholders, but also that these efforts are feasible enough to be successfully implemented and sustained over time.



MULTI-LAYERED APPROACH TO ESG OVERSIGHT

Board		
Nominating & Corporate Governance Committee	Compensation Committee	Audit Committee
ESG initiatives and related risk and compliance	Employee engagement, talent and development, executive compensation and benefits and diversity and inclusion	Cybersecurity, privacy and compliance



Management Oversight by ESG Committee
Comprised of CEO and cross-functional senior management
Sets priorities and reviews policies, reviews progress, oversees data collection and reporting



General Counsel & Legal Team
Lead day-to-day implementation
Key support from Digital, Finance, Marketing, People and Operations Teams



Learn More. See our [2022 Proxy Statement](#) for more information about oversight of ESG at Frontdoor.

Board Oversight of Risk Management

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

At Frontdoor, risk management is a whole-of-company effort that encompasses each of our employees and leaders. 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 management leaders and either the full board or a board committee for periodic updates.

Because it directly impacts oversight of our operations and our strategy, our board is also responsible for oversight of our ERM program. 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.



RISK MANAGEMENT OVERVIEW



FULL BOARD



- Strategic
- Operational
- Succession
- Regular reports from committees overseeing other areas of risk

Our board gains in-depth visibility into business exposures by allocating responsibility for certain risks across its committees, while maintaining full board oversight of certain other risks.



AUDIT COMMITTEE

- Financial and accounting exposures
- Legal and regulatory compliance
- Cybersecurity and privacy
- Technology and business systems
- ERM process and execution of program



COMPENSATION COMMITTEE

- Risks arising from our compensation policies and practices
- People development



NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

- ESG
- Governance
- Industry changes

Cybersecurity Oversight

We take security seriously.

Frontdoor is a digital-first business with technology as an essential enabler. It ensures a more efficient and productive work environment for our employees and a better service experience for our customers.

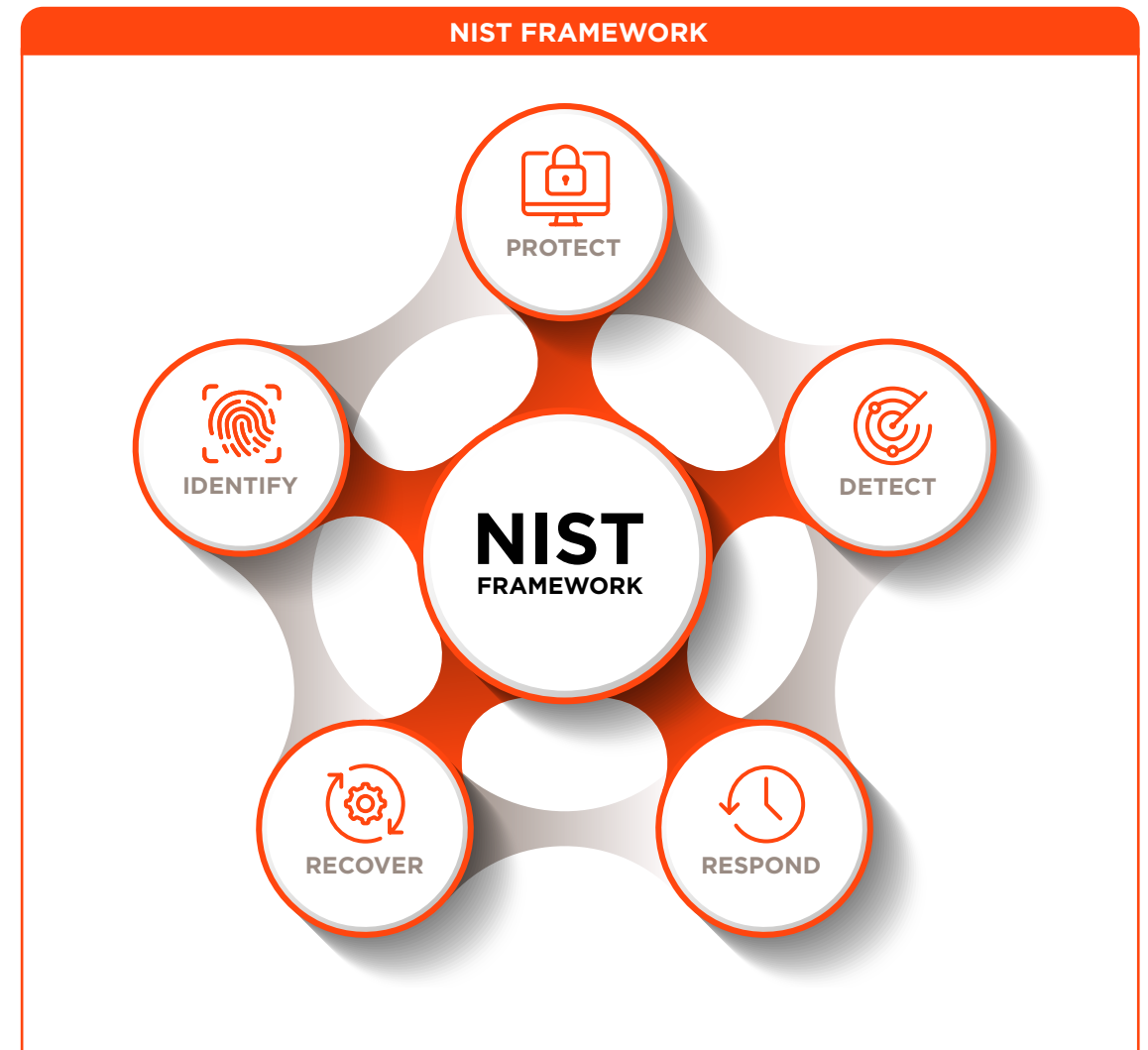
We acknowledge the potential impact that cybersecurity incidents and technology disruptions could have on our business, employees and customers. Our technology team, led by our chief digital officer, and our chief information security officer, are focused every day on developing and implementing tools that help prevent cyber incidents and make our operations more resilient to them. Our audit committee also undertakes responsibility for assisting our board of directors in overseeing cybersecurity risk, including policies and procedures for assessing, managing and responding to that risk, and meets at least quarterly with appropriate members of management regarding this risk.

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 and Organization Controls audits; penetration into areas of concern in both internal and external networks and vulnerability testing; and employee training and policies. We have adopted an information security incident response communication plan and are refining response plans to provide guidance on practices to identify, address and deal with security incidents.

We also follow the guidance of the National Institute of Standards and Technology (NIST) and rely on the five functions of the NIST framework.

PCI Audit

In 2022, under the oversight of our board's audit committee, we completed a comprehensive third-party audit of our Payment Card Industry processing systems and controls.



Cybersecurity Culture

Frontdoor realizes the importance of building a security aware culture in promoting sustainability and social responsibility to our customers and employees. By building a strong security culture, we are able to convey this framework through our offerings of products, services and solutions.

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 CYBERSECURITY GOVERNANCE



- **Security Awareness:** onboarding and annual security training.
- **Secure Code Training:** dedicated training for developers.
- **Security Campaigns:** elevate employee security awareness and common schemes.
- **Reporting & Metrics:** quarterly cyber risk reports to Audit Committee.
- **Acceptable Use Policy:** required employee acknowledgement of receipt and adherence.



- **Industry Standards:** follow NIST, PCI DSS², SOC 2³ industry benchmarks and best practices.
- **Data Security:** implemented encryption protocols and strong authentication processes.
- **Privacy & Security:** data minimization, transparency and data protection.
- **Information Security:** policies on maintaining data and systems confidentiality, integrity and availability.



- **Security by Design:** developing integrated security systems.
- **Defense in Depth:** layered security approach to protect against and detect cyber threats.
- **Incident Response:** dedicated team established incident response and recovery plans and procedures.
- **Cyber Risk Management:** periodic internal and external security assessments to identify and remediate vulnerabilities.

² Payment Card Industry Data Security Standards ("PCI DSS")

³ System and Organization Controls, Type 2 ("SOC 2")

SECURITY AWARENESS TRAINING EXCERPT

2022 Security Awareness

PCI Data Security Standards

frontdoor™

Protecting Cardholder Data at Work

You have a responsibility to protect cardholder data, whether you are handling that data on the phone, on paper, or online. That's why it is critical that you understand how the PCI Security Standards apply to you. Whenever you encounter cardholder data, think about how to protect that personal information in accordance with our policies and procedures.

Take a moment to explore some situations where cardholder data may be at risk.

Help your coworker protect cardholder data at their workstation by clicking each **AREA** and determining if they are putting data at risk. When you are finished, click **NEXT**.



SCREEN 1 of 1

BACK



NEXT



MENU

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. To retain 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.



Learn More. For more information, see our [Privacy Policy](#).

Ethics and Compliance

Integrity is the foundation of all good business.

At Frontdoor, ethics and compliance are cornerstones of our business. But creating a culture where high ethical standards are embedded and embraced isn't solely the role of management. In fact, setting the bar for compliance and ethical behavior requires the full cooperation of every employee, regardless of level or role in the organization.

Our general counsel, who serves as our chief compliance officer, leads our ethics and compliance initiatives alongside a 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 24/7 Ethics Helpline and our mandatory employee ethics training. This team provides regular updates to the audit committee of our board of directors, identifying areas of increasing risk and opportunities for enhanced ethics awareness and education.



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.


Code of Conduct

Along with our House Rules, we nurture our company values through a Code of Conduct that applies to all of our directors, officers and employees. We regularly review and update our Code of Conduct to ensure that it continues to reflect the needs of our business, our values and our vision for Frontdoor. The Code of Conduct is not a manual or dust-covered three-ring binder that summarizes every law and policy that governs our business. Rather, it's a framework that points us in the right direction and helps us make decisions.



Additional 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. For example, since 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. It demands honesty, accuracy and accountability from everyone who touches our finances, including our chief executive officer, chief financial officer, controller and treasurer, among others.

 **Learn More.** For more information about our ethics policies, visit our website at <https://www.frontdoorhome.com/about/corporate-governance/governance-documents/>.

Legal and Regulatory Compliance and Training

While values and ethics may not change, the legal and regulatory environment governing our business often does. Maintaining a forward-thinking, evolving compliance program requires constant vigilance and awareness. Our program provides employees with clear and current information, practical guidance and confidence to raise issues through our robust in-house ethics reporting and issue resolution processes. These programs are well communicated to employees, and we maintain a strict non-retaliation policy. In fact, we encourage and educate employees to raise ethical concerns without fear of retribution, and we offer early guidance, as needed, to avoid potential conflicts or concerns. Because ethics and compliance are constantly evolving, we refresh our communication, training approaches and content regularly.

We also require training for contractors who provide customer service support. Our employees and these contractors completed nearly 5,500 hours of training during the twelve months ended September 30, 2022. Meanwhile 100% of our board members have completed our Code of Conduct training program.

Compliance Policy/Regulation

→ Training

Discrimination, Harassment and Retaliation Policy

→ Biennial Anti-Harassment Training (annual in some cases)

Antitrust Policy

→ Biennial training

Code of Conduct

→ Biennial training

Conflict of Interest Policy

→ Annual Survey for All Employees and Board

Financial Code of Ethics

→ Biennial Certification for Senior Finance Leaders

Gift Policy

→ Included in biennial Code of Conduct training

Human Rights Policy

→ Included in biennial Code of Conduct training

Political Activity Policy

→ Included in biennial Code of Conduct training

Privacy & Security Policy

Annual Security Awareness training
→ Annual Secure Coding training for developers or programmers

Real Estate Settlement Procedures Act and related guidelines

→ Annual training

Securities Trading Policy

→ Biennial insider trading training

Unfair, Deceptive, or Abusive Acts or Practices Regulations

→ Annual training



Human Rights

Our [Human Rights Policy](#) formalizes our commitment to protecting and advancing human rights in the communities that we serve. Encompassing diversity and inclusion, workplace health and safety, fair compensation and forced child labor, among other important issues, it's a pledge to our employees, a promise to our customers and an expectation of our vendors, suppliers and business partners.



Political Activities

To demonstrate our strong commitment to reasonable regulations, consumer well-being and customer satisfaction, we may participate in the political process in well-considered and constructive ways.

Our Political Activity Policy guides 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 and general counsel. 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. We made no direct contributions to political candidates or direct expenditures during the twelve months ended September 30, 2022.

We currently are a member of trade associations that may engage in lobbying activities on behalf of our industry, and such activities may be funded in part by our membership dues or immaterial assessments. We did not maintain a political action committee or engage a lobbyist for lobbying activities during the twelve months ended September 30, 2022 but may do so in the future should the board of directors consider such action to be warranted to educate lawmakers and other key stakeholders germane to our business priorities.



Learn More. For more information, please consult our [Political Activity Policy](#).



SUPPORTING Our People

*Employees are the heart
of our business.*

- 18. Employee Relations and Engagement
- 19. Diversity and Inclusion
- 22. Employee Compensation and Benefits
- 23. Health and Safety
- 25. Employee Training and Development

Employee Relations and Engagement

Good communication inspires great work.

Employees Work Virtually

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.



Adapting Our Work Environment

During the COVID-19 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 on a daily basis, and collaborate in person with purpose on a regular basis. In-person engagements for our employees will be expected to satisfy three pillars of coming together: purpose, connectivity and well-being.

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 2022, we continued our journey to become an always listening, quickly responding organization by collecting feedback through regular pulse surveys. The results from these surveys guide our approach to team, department and organization-wide action planning. Leaders receive team-level dashboards, and our people team provides support to teams as they discuss their results and possible actions to protect what is working and adjust for what is not.

We continued our leadership 360 process in 2022, collecting feedback from employees on leaders across our teams and leveraging that input to help create development plans for those leaders. Employees may also provide feedback to, and ask questions of, senior leadership during quarterly "Town Hall" meetings, among other opportunities. In response to employee requests, our quarterly Town Hall meetings focus on strategic initiatives.

Our regular internal corporate communications feature virtual working tips, employee highlights, health and safety ideas and business discussions, all of which are designed to keep employees connected and engaged.

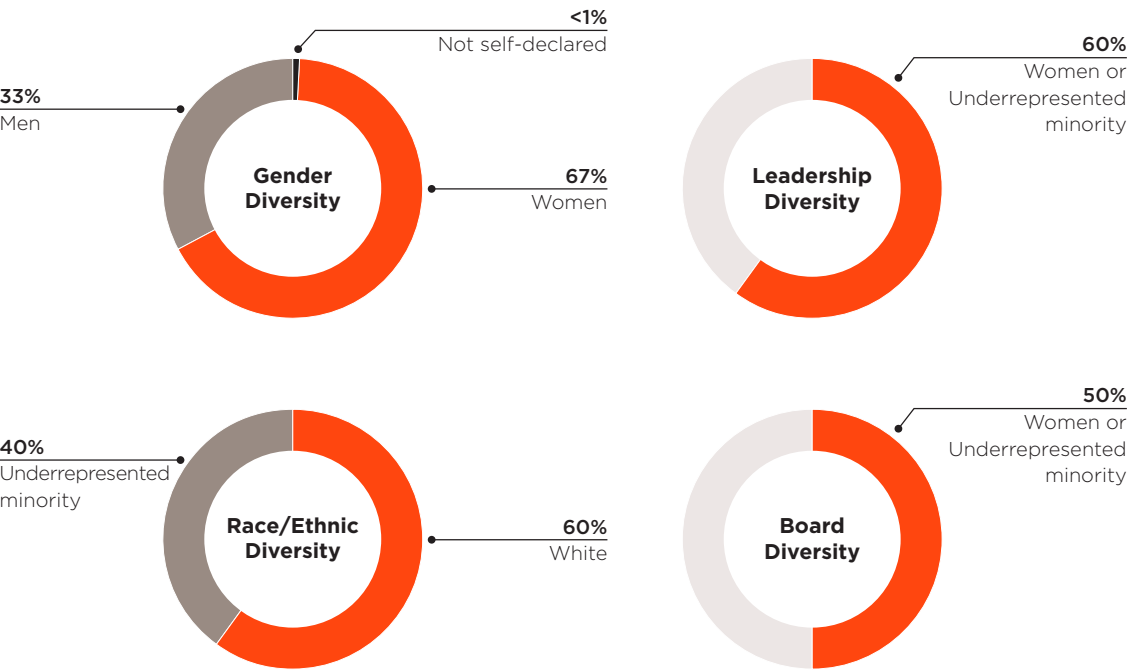
EMPLOYEE ENGAGEMENT BY THE NUMBERS

88% FAVORABLE RATING
ON OUR SUCCESS WITH VIRTUAL WORK
(Q2 2022 WELLNESS PULSE SURVEY)

Diversity and Inclusion

Being authentic is core to what we do.

Our U.S. Workforce and Board



As of September 30, 2022. Leadership data reflects U.S. employees at director-level and above.

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.

Embrace

"Embrace. Engage. Empower." is the mission of our diversity and inclusion efforts at Frontdoor and sets the stage for our annual strategy. At Frontdoor, we believe there is room for everyone. Our continued mission to create an inclusive environment in which each of us is confident and comfortable bringing our whole self to work is the driving force in all that we do. Continuing to lead with inclusion as a foundational pillar allows us to do our best and to be our best.

In 2022, our Associate Resource Groups (ARGs) launched a series of educational and informative programming by offering content and guest speakers throughout the year. These sessions were designed to discuss subjects that have an impact on our communities, provide resources and offer actionable steps to cultivate a more informed and inclusive culture. Topics ranged from cultural awareness and appreciation to the income and educational disparities impacting many communities.



The Being Black in America series, created and led by our Black ARG, created an opportunity to share content to assist in driving change by inspiring and equipping employees to be transparent, to build trust and to be unafraid to join the conversation.



"I really appreciate Frontdoor leadership making a concerted effort to make Frontdoor a better place to work. This meeting was awesome & created a lot of valuable touchpoints & takeaways!" — Anonymous Employee

Engage

When barriers are broken and relationships are built on respect and trust, we engage in a way that guides us to greatness together. Strategically designed and offered based on feedback from our employees, The Exchange — led by our ARGs — provides knowledge-sharing and learning opportunities as a form of inclusion across our organization. Employees are invited to participate in one-hour training sessions to learn valuable skills and career-building techniques. The experience is also designed as an opportunity for two-way dialogue and networking to foster growth and spark lasting connections.



Asian Pacific Islands ARG
API Heritage Month Conversation with Reena Ninan



Women's ARG
International Women's Day Guest Speaker Leanne Meyer



Empower

We are inspired to creatively do great things together every day and help the company achieve its strategic goals and objectives, particularly related to employee development.

Since October 1, 2021, we have launched six ARGs based on employee feedback. Our ARGs continue to offer a sense of community and belonging to all Frontdoor employees by helping to introduce new and current employees to the organizational culture through cultural awareness programs, mentoring, Lunch and Learns, and book clubs and by providing networking opportunities, within both Frontdoor and the communities where we live, work and serve.

“Joining the Unity & Pride ARG has meant a lot to me and my husband. It means that I feel important, included and seen at Frontdoor. This allows me to give my best self to the organization by fully immersing my talents and strengths to drive our growth and innovate solutions. It means that my Frontdoor family feels like a true family, and makes me want to stay connected, engaged and plugged in when times get rough outside or inside of work. I’m thankful for the D&I strategy at Frontdoor, and without it, I would not feel comfortable to be my best self, delivering my best results to the organization.” — Joshua W., Diversity Council Member and Unity and Pride D&I Coach

“Now, more than ever, in our virtual-first environment, people need connectedness. As human beings, we need to feel like we belong somewhere. Our ARGs provide a safe place for Frontdoor employees to bring their authentic thoughts, ideas, and questions to a community that will welcome them, give them food for thought, and help them grow professionally and personally.” — Adrienne D., Asian Pacific Islander ARG, Chair



We demonstrate our commitment to diversity and inclusion through action.

Our diversity council ensures that diversity and inclusion is embedded within Frontdoor culture and supports our director of diversity and inclusion. The council is comprised of 12 members from a cross section of leadership throughout the organization, including members of the executive leadership team. In 2022, with a focus on employee retention and developing talent, the diversity council continued to evaluate the effectiveness of diversity efforts by playing a key role in implementing strategies, removing barriers, supporting the launch of ARGs and assigning resources to support.

Removal of College Degree Requirements

We believe the quality of our team determines our organization’s ability to sustain a competitive advantage. As part of our diversity and inclusion initiatives to broaden the pool of candidates from which we recruit — internally and externally — we have removed the college degree requirements from many of our job postings.

Looking beyond a degree to the work and life experience that has shaped an applicant, we hope to open the door to skilled and competent candidates who may not have had the opportunity or resources necessary to graduate from colleges and universities. As we continue our journey, our focus will remain on removing barriers that hinder our employees from greatness by unlocking innovation and creating an environment where outside the box ideas are encouraged, heard and valued.



“By removing college degree requirements, Frontdoor embraces the approach that a talent pool with diverse perspectives leads to greater employee engagement. I am personally proud of how far we’ve come and I look forward to seeing the long-term impact this has.” — Libby S., Diversity Council Member and Unity and Pride D&I Coach

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, we offer compensation and benefits packages that are comprehensive, competitive and focused on mental, physical and financial well-being.



Accessing our user-friendly benefits website, all employees can learn about the benefits we offer, then opt into those that make the most sense for them and for their family.












Our Benefits Reflect Our Values

Competitive Compensation

Creating a vibrant, productive workforce begins with a rewarding pay program. We 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. We are proud to offer benefits that advance our commitment to diversity and inclusion, including paid parental leave and gender transition benefits. Frontdoor offered the following health and welfare benefits in 2022:

- | | |
|--|--|
|  Medical and Prescription Drug Coverage |  Paid maternity and paternity leave for birth or adoption |
|  Disability Insurance |  Employee Assistance Program |
|  Flexible Spending Accounts |  Business Travel Accident Insurance |
|  Dental Insurance |  Legal Services |
|  Vision Insurance |  Tuition Assistance |
|  Accidental Death and Dismemberment | |

We also 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 2022:

- 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

Health and Safety

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

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.

It's no secret that mindfulness and self-care are essential to our physical, mental and emotional well-being. Too often, they're not part of our daily routine; over time, this can negatively affect our personal and professional lives. Our 2022 Days of Goodness campaign focused on meeting the diverse needs of our employee community, across all stages of life. Through webinars, access to resources, and sharing practical tips and tools, we equipped and encouraged our employees to practice caring for themselves as they care for others.



Safety in Our Work Environment

As our definition of “workplace” has evolved to include the home, our definition of “workplace safety” has evolved as well. To ensure our employees are as protected when they're working from home as they are when they're working at the office, in 2022 we began to include in onboarding for new employees training and tips on health and safety risks at home, such as physical risks from poor home-office ergonomics. We also post tips on ergonomics in our regular employee communications email — Frontdoor Connections — and provide employees adjustable monitors and keyboards to support their home office setup ergonomically.



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 Getter 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.



Alight Health Pro This resource allows employees to lean on a personal Health Pro from Alight to help better understand the use of their benefits efficiently. This free service is available to all U.S. benefit-eligible employees, whether or not they participate in the Frontdoor medical plan.



Rethink Specializes in helping families care for children with learning, social or behavioral challenges. This benefit is provided to all regular, full-time U.S. employees at no cost by Frontdoor.



Hinge Health Employees have access to Hinge Health for virtual help with managing musculoskeletal pain and worries. Hinge Health is available to Frontdoor employees enrolled in the medical plan.



EAP The Frontdoor Employee Assistance Program (EAP) helps our employees and their family members confidently find solutions and resources to tackle life's challenges. The EAP benefit is available to all Frontdoor employees at no cost.



Livongo Employees enrolled in the Frontdoor medical plan have access to Livongo which provides free personalized health programs to manage diabetes, blood pressure, weight and more.



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. Our career development program, My Career Blueprint, guides employees to develop their career vision and plan actions that can help them fulfill it. These plans help employees engage in productive conversations with their leaders about goals and opportunities for development. To date, over 700 employees have completed training on and/or initiated their My Career Blueprint.

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 important opportunities and challenges of our time. Recent training topics have included: Communicate Powerfully, Delegation, Navigating Change & Onboarding Virtually, Hybrid Meetings & Connectivity Refresh and Effective Feedback Conversations.

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. In 2022, we offered nearly 40 learning programs that delivered over 109 learning hours.

2022 Training Triumphs

Our employees told us that they wanted more knowledge-sharing opportunities as a form of inclusion across our organization. In 2022 we re-tooled our series “The Exchange” to expand opportunities to even more employees. Led by our ARG leaders, The Exchange gives employees at all levels the opportunity to learn valuable soft skills and career-building techniques. It also enables two-way dialogue and networking that will foster growth and spark lasting connections.



“This is by far my favorite series. I appreciate the chance to get to know co-workers and love how much work and effort goes into coordinating the series and making it impactful and successful.” — Anonymous Employee

“I LOVE these sessions. Always so engaging with tons of gems to take away. They are so fun and the energy is unmatched. The breakout sessions are great.” — Anonymous Employee

ON AVERAGE

94%

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



SERVING Our Communities

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

- 28. Customer Satisfaction
- 28. Skilled Trades
- 30. Value Chain Diversity

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



Learn More. To learn more about our customer retention, visit our [Investor Relations](#) site, which includes recent earnings releases and filings with the SEC.

Looking ahead, we're focused on transforming the customer experience from a manual process to a seamless and digital, best-in-class experience that homeowners will love. While we build for the future, we are ensuring the customer is at the center of all we do. In 2022, we created a new member experience and reputation team within our company. This team is focused on driving improvement and creating efficiencies across the business as we work to become the trusted partner to homeowners across the nation.

"You and your customer service agents know the status of my service request at all times, coverage decisions are fair and transparent, decisions on my claim are made quickly."

- Martin S., AHS, 5-year member

Skilled Trades

Building a tech-forward skilled trades pipeline.

Skilled workers play an essential role in our communities, but across the country, the demand for skilled work is far outpacing the number of individuals qualified to fill those roles. There's a wealth of opportunity to enter or re-enter the workforce with critical skills that keep our homes and the economy running.

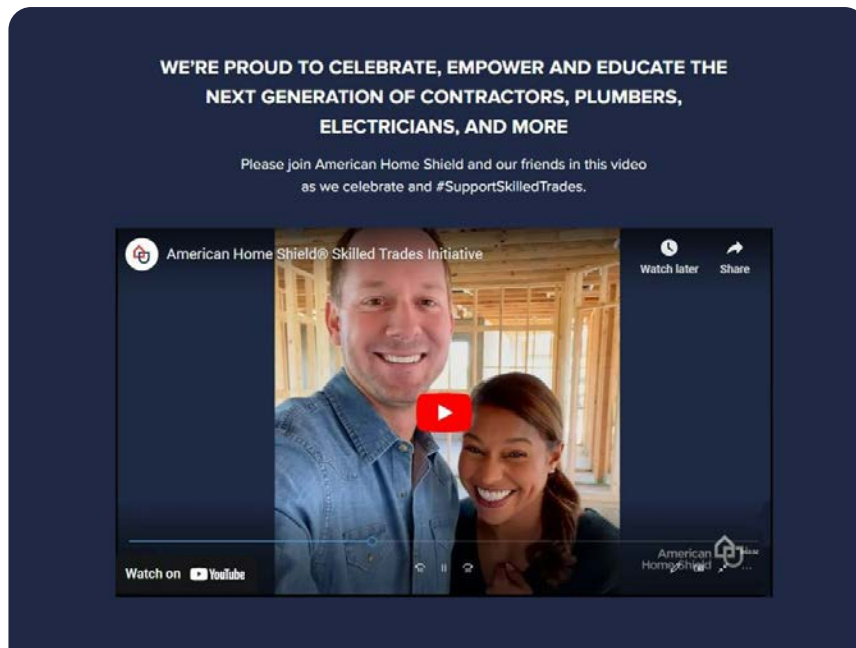
We are driving attention to rewarding career opportunities in the skilled trades and growing the pipeline of talent by building partnerships with organizations aligned with our goals and leading the integration of technology in the industry.

We sponsored Be Pro Be Proud South Carolina and Be Pro Be Proud Georgia to introduce high-school students from across both states to the breadth of skilled trades opportunities and to advocate for their future career choices. The students toured semi-trucks outfitted with experiences ranging from high-tech simulators to hands-on manual tools that represent multiple trade fields, including HVAC, electrical and plumbing.



“Frontdoor is proud to support great organizations like Be Pro Be Proud South Carolina and Be Pro Be Proud Georgia to address the American skills crisis. Our home service brands provide regular business to 17,000 contracting companies, so it is in our interest — and the right thing to do for our country — to develop new career opportunities for the young, women, military veterans and the underrepresented to fill this huge skills gap. We are champions of the work being done to drive awareness and introduce youth across America to the many facets of a career in the skilled trades.” — Tony B., Senior Vice President and Chief Digital Officer

We also partnered with a range of well-known influencers and television personalities in home-building and renovation to shine a light on career opportunities in the skilled trades. The video below is active on influencer social media accounts and has generated more than 400,000 engagements.



The SkillsUSA National Leadership & Skills Conference is a week-long event that brings together more than 14,000 attendees consisting of students, educators and industry partners to take part in student-led sessions, partner events, and leadership training. It is the largest trade show expo for career and technical education in the U.S.

We brought together partners and industry leaders to inspire action. Darren Keefe, an HGTV star; Be Pro Be Proud; Matt Risinger of The Build Show; our SVP and chief digital officer; and our VP of contractor experience, along with local contractors and employees from Stroom and other parts of our business, met and spoke with students about the incredible opportunities and sense of satisfaction these careers provide.



“We are thrilled and grateful for our many rewarding partnerships with business and industry. The ongoing support of our partners reflects the respect and dignity the skilled trades deserve nationwide and helps empower SkillsUSA members to develop the personal and professional skills necessary to become champions at work and leaders for life.”
— Chelle Travis, SkillsUSA Executive Director

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, 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 regions 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.

With a continued focus on building a diverse value chain, Frontdoor completed a strategic management consultant review in 2022, identifying diverse suppliers within the supply chain as well as opportunity categories. This review included both Tier 1 and Tier 2 categorizations⁴ of our existing diverse suppliers. In addition, best practices and strategic recommendations were established to develop a diversity program action plan. Our action plan includes:

- enhancement of our existing supplier website to better define and register diverse suppliers
- incorporating diversity into our process for evaluation criteria and contract language

- partnering with regional/national supplier diversity organizations to promote Frontdoor as a potential business partner to diverse suppliers
- goals to enable key diverse suppliers, both existing and potential, to interact with our leadership team to enhance their opportunity to partner with Frontdoor
- work with our current top non-diverse suppliers to expand spend disclosures for Tier 2
- expansion of our data tracking and reporting related to diversity spend



⁴ Tier 1 suppliers supply Frontdoor directly. Tier 2 suppliers are subcontractors or suppliers to our Tier 1 suppliers



SUSTAINING Our World

***Environmental stewardship is
the original home maintenance.***

- 32.** Environmental Sustainability
- 33.** Sustainability in Our Services
- 35.** Energy and Emissions
- 36.** Company Operations

Environmental Sustainability

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, we're committed to doing our part to manage our impact on the planet. Because maintaining your home depends on maintaining our environment.

We have identified numerous activities and opportunities to optimize our operations in ways that minimize our environmental impact while maximizing our business performance, including:

- Providing services and information that enhance sustainability in the home
- Managing our energy use and tracking our emissions to do our part to mitigate climate change
- Making environmentally conscious choices in our facilities and operations

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 focused on environmental benefits for our employees, our customers and our communities for years to come.

Climate Change

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 take what actions we can to attenuate it. We are 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.



Sustainability in Our Services

We support our customers in protecting our environment.

Repair and Replacement

Appliances, water heaters and HVAC systems consume energy in their daily use, result in emissions in their manufacture and transport, use water and require disposal at the end of their lives. Frontdoor's services can support reduced energy use and greenhouse gas (GHG) emissions, reduced water use and reduced waste:

- We promote maintenance and facilitate repair of malfunctioning systems, which improves efficiency and prolongs the life of the system.
- We provide appliance and system refurbishment services to enable the efficient consumption of resources and avoidance of waste.
- When it's appropriate to replace appliances, water heaters and HVAC systems by our service contractors, we are generally replacing with newer, more energy and water efficient models.
- We offer and promote virtual service of appliances in certain areas, reducing the occasions on which a truck must be sent to a customer's home for a repair.

⁵ Source: internal data, <https://homesteady.com/13408580/how-to-estimate-propane-heating-costs>, and <https://www.energy.gov/energysaver/estimating-costs-and-efficiency-storage-demand-and-heat-pump-water-heaters>

⁶ Source: internal data, https://energyusecalculator.com/electricity_waterheater.htm, <https://blog.sense.com/how-much-energy-does-your-refrigerator-really-use/>, <https://www.energybot.com/energy-usage/washing-machine.html>, <https://www.fastwaterheater.com/water-heaters/articles/water-heater-energy-efficiency/>, https://www.energystar.gov/sites/default/files/tools/ENERGY%20STAR%20Appliances%20Brochure_508.pdf, https://www.energystar.gov/products/clothes_washers, and https://energyusecalculator.com/electricity_dishwasher.htm

⁷ Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

⁸ Source: internal data, https://www.energystar.gov/products/clothes_washers, <https://prudentreviews.com/how-much-water-does-a-washing-machine-use/>, https://www.energystar.gov/sites/default/files/tools/ENERGY%20STAR%20Appliances%20Brochure_508.pdf, and <https://prudentreviews.com/how-much-water-does-a-dishwasher-use/>

ESTIMATED SAVINGS OVER STANDARD MODELS DUE TO APPLIANCES, WATER HEATERS AND HVAC SYSTEMS REPLACED FROM OCTOBER 1, 2021 TO SEPTEMBER 30, 2022



381,600
therms⁵
and
5.9 million
kWh⁶



6,200 MT
GHG emissions⁷
avoided,
roughly equivalent to the
energy usage of
1,200
homes in one year!⁷



41
million gallons
of water⁸

Reduced Truck Rolls

Vehicles operated by our network of contractors are a source of indirect GHG emissions, such as carbon dioxide. 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.



From October 1, 2021 through September 30, 2022, we continued to survey appliance contractors to confirm that implementation of our Stroom technology reduced the need to send a truck to a customer's home, which we refer to as a "truck roll." These 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 adoption of the use of Stroom technology to remotely diagnose customer appliance issues

and confirmed a reduced truck roll at least 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 5-6% reduction in truck rolls during the same period.

We are unable to reasonably estimate the reduced carbon emissions tied to these reduced truck rolls, as we do not have data on each contractor's vehicle, type of fuel or miles driven. But, as an example, if a contractor who normally drives a 2015 Chevrolet Express 3500 Auto-6 2WD, gasoline-powered van avoided just two 15-mile trips per week, the savings would be over 1 metric ton of carbon dioxide emissions per year⁹. Applied across all of these contractors and beyond, the reduction in carbon emissions would be truly impactful!

⁹ Per <https://calculator.carbonfootprint.com/calculator.aspx?tab=4>. Assumed reduction of 2 truck rolls per week for 52 weeks; leads to 1.04 metric tons of CO2e

Consumer Education

We at Frontdoor recognize that we can amplify our impact by helping our customers reduce theirs, too. We strive to educate consumers about sustainability and how they can practice it at home.



Home Matters Blog from American Home Shield

- Environmental education, instruction and advice
- 5.5M views per year

[Home Matters](#)



6 Sustainable Home Renovation Ideas | AHS
143 views • 3 months ago

YouTube Channel

- Simple maintenance tips
- 11.3 million views per year
- Over 21,000 subscribers
- Over 250 videos

[American Home Shield](#)



Emails

- Tips on energy efficiency and maintenance offers
- Over 2 million customers

Energy and Emissions

Even small changes can make a big impact.

We take a holistic approach to sustainability that encompasses direct and indirect GHG emissions from our own operations — known as Scope 1 and 2 emissions, respectively — as well as indirect GHG emissions that may occur in our value chain. We anticipate continuing analysis to determine our emissions in 2023.

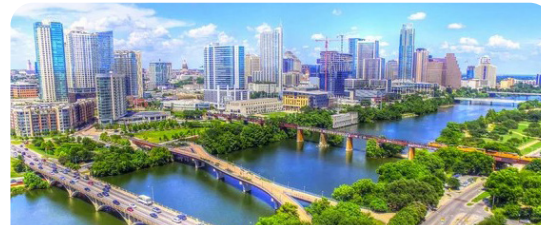
Scope 1 emissions

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 had only a small fleet of company-leased vehicles, Frontdoor generated few Scope 1 emissions during the period October 1, 2021 through September 30, 2022. We terminated the leases of our leased vehicles in early 2022, but some of our sales-focused employees drive their personal vehicles on behalf of Frontdoor.



0 MT

GHG emissions
from company-owned facilities



Estimated 20 MT

CO₂ emissions based on estimated miles
driven in company-leased vehicles¹⁰

¹⁰ Source: Internal data and <https://calculator.carbonfootprint.com/calculator.aspx?tab=4>

Scope 2 emissions

Scope 2 emissions are indirect emissions from the purchase of electricity, steam, heating or cooling at our owned facilities. Frontdoor leases the majority of our office space, including our corporate offices, our customer care centers and our engineering and technology campuses. The exceptions during 2022 were two company-owned offices in Carroll, IA and LaGrange, GA (which we sold in August 2022). Based on data from our utility providers, our emissions from energy usage and our water usage for the period October 1, 2021 through September 30, 2022 for Carroll, IA was approximately¹¹:



882,900
kWh



31,300
therms



550 MT
GHG emissions



15,300
gallons of water

¹¹ Source: internal utility data and <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

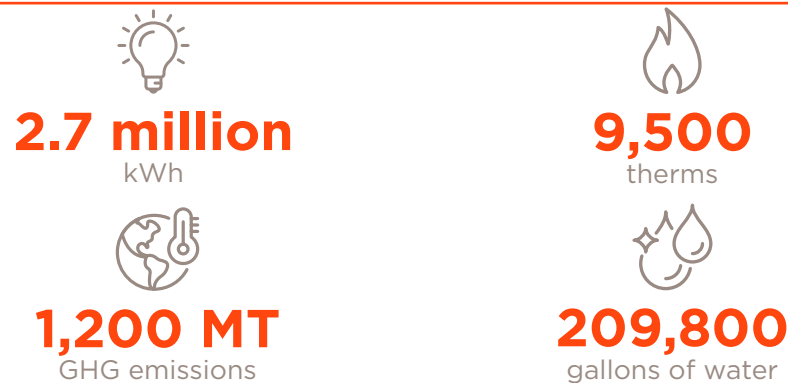
Company Operations

We want to do our part.

Beyond our Scope 2 emissions, we consider other ways in which our operations can contribute to or improve sustainability.



Sustainability in Our Offices. All of our offices incorporate energy and water conservation practices, and many of them include thoughtful LEED-certified design features. Our Denver, Colorado, office 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. Based on our assessment of the proportionate square footage of our leased offices within the respective buildings and information from our landlords regarding utility usage, we estimate our portion of energy emissions at our Memphis headquarters, Memphis customer care center and Denver and Phoenix leased offices, and our portion of water usage for our Memphis headquarters and Memphis customer care center leased offices, for the period October 1, 2021 through September 30, 2022 was approximately¹²:



Employee Transportation. The majority of our employees work virtually, which we believe leads to GHG emissions and water usage at their homes, although they are not engaging in daily work-related travel. For those employees who do come to our offices, we offer sustainable commuting options. Several of Frontdoor's facilities are located near public transportation, which facilitates sustainable commuting. In Denver — as well as Seattle, Washington, and Portland, Oregon — our offices feature bicycle racks to give employees another sustainable transportation option. We also offer electric vehicle charging stations for employees who drive to the office in Denver.



Reduce, Reuse & Recycle. We use environmentally-friendly softphones that use software to make phone calls over the internet, thereby reducing energy consumption and electronic waste. For our employees who come to the office, we provide filtered, chilled and flavored water to minimize the use of one-time plastic use bottles and refrain from offering disposable cups. By working from home the majority of the time, most of our employees are able to reuse dining materials.



Compliance with Regulations. 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.

¹² Source: data from lease landlord and <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



Appendices

38. SASB Table

40. 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 Description of approach to identifying and addressing data security risks	<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>For more information on board of directors and management oversight of our cybersecurity risk and actions we have taken in 2022 to assess our risk, see pages 11-13 of this report.</p>
	SV-PS-230a.2 Description of policies and practices relating to collection, usage, and retention of customer information	<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 Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	<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	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. See pages 19-21 of this report for information about the racial/ethnic group representation in leadership and amongst our employee population, as well as more information about our diversity and inclusion efforts and the importance to Frontdoor.
	SV-PS-330a.2 (1) Voluntary and (2) involuntary turnover rate for employees	For the 12-month period ended September 30, 2022, our voluntary turnover rate was 23% for our exempt employee population, and 39% for our non-exempt employees. We believe these turnover rates were consistent with our industry and 2022 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.
	SV-PS-330a.3 Employee engagement as a percentage	Employee engagement at Frontdoor is tracked using employee engagement surveys, feedback during Town Hall 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. See page 18 for information about employee engagement.
Professional Integrity	SV-PS-510a.1 Description of approach to ensuring professional integrity	Frontdoor is compliant with industry best practices concerning professional integrity. See pages 14-16 for information about our policies and practices to ensure professional integrity, along with our procedures for oversight.
	SV-PS-510a.2 Total amount of monetary losses as a result of legal proceedings associated with professional integrity	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.
Activity Metrics	SV-PS-000.A Number of Employees	1,844 as of September 30, 2022.
	SV-PS-000.B Employee Hours Worked	Approximately 3.5 million hours for the twelve months ended September 30, 2022, 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 48 weeks.

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 board's oversight of 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 develops, 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 reduce 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. See page 33 for additional information.</p> <p>Our transition to a virtual-first 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 from employees' transportation, but also impacts GHG emissions and water usage at employees' homes. We transitioned away from leasing vehicles for employees during 2022, which we had previously identified as a short-term opportunity, but some of our employees drive their personal vehicles on behalf of Frontdoor.</p> <p>Please see pages 32 to 36 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>

Theme	TCFD Disclosure Recommendation	Disclosure
	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 Stream 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.	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.
	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>
	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 regularly refreshes the processes 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.

Theme	TCFD Disclosure Recommendation	Disclosure
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 page 36 for a discussion of Frontdoor's GHG emissions.
	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: changes in macroeconomic conditions, including inflation, global supply chain challenges and the persistence of the COVID-19 pandemic, especially as they may affect existing home sales, interest rates, consumer confidence or labor availability; changes in the source and intensity of competition in our market; the success of our business strategies; our ability to attract, retain and maintain positive relations with third-party contractors and vendors; increases in parts, appliance and home system prices, and other operating costs; weakening general economic conditions; weather conditions and seasonality, which may be exacerbated by the physical impacts of climate change; our marketing efforts to increase sales may not be successful or cost-effective; our dependence on our real estate customer acquisition channel for a significant percentage of our sales; our ability to attract and retain key employees; 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; our dependence on labor availability, third-party vendors, including business process outsourcers, and third-party component suppliers; our ability to protect our intellectual property and other material proprietary rights; special risks applicable to operations outside the United States by us or our business process outsource providers; and the effects of our significant 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 2021 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 report 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

3400 Players Club Parkway, Suite 300, Memphis, TN 38125

frontdoorhome.com