



frontdoor.

2023

Sustainability Report

Serving homeowners —
as well as our people, our
communities and our
world — just

Open the **frontdoor.**

frontdoor

American
Home Shield 

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A Message From Our Chairman and CEO



“Our company purpose is to make life easier for every homeowner.”

2023 was a big year for Frontdoor, Inc. and our brands. We embarked on a new way to serve homeowners, providing them with real and practical options for taking care of their most valuable asset — their home. We launched Frontdoor, a new cutting edge, one-stop app for home repair and maintenance, and American Home Shield remains the leader in the home warranty plan category with more than 50 years of experience. Together we are innovating sustainable solutions to serve homeowners across the nation.

At Frontdoor, we take our commitment to sustainable home solutions very seriously, and we take our commitment to the well-being of our associates and the communities we serve just as seriously. These commitments are being brought to life through our company purpose — to make life easier for every homeowner — and our company mission — to think like a homeowner, act like a Pro, and help like a friend.

In the following pages, you will see a compendium of our efforts in the areas of governance, social and environmental initiatives. Frontdoor continues to make gains in key areas such as the skilled trades, environmental sustainability, information security and much more.

I hope you find the 2023 report informative and a clear indicator of the progress we are making. If you would like to share feedback, please send it to mediacenter@frontdoor.com.

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



TRANSFORMING Our **Company**

*People-powered,
Tech-enabled.*

05. Business Overview

Business Overview

We are dedicated to making homeowners feel confident and capable.

Frontdoor, Inc. (NASDAQ: FTDR) is reimagining how homeowners maintain and repair their most valuable asset – their home. As the parent company of two leading brands, we bring over 50 years of experience in providing our members with comprehensive options to protect their homes from costly and unexpected breakdowns through our extensive network of pre-qualified professional contractors.

We invented our industry and continue embracing change with open arms, staying ahead of the curve by setting it. American Home Shield, the category leader in home service plans with approximately two million members, gives homeowners budget protection and convenience, covering up to 23 essential home systems and appliances.

At Frontdoor, we use technology to solve today's home needs, while exploring tomorrow's possibilities. In 2023, we unveiled Frontdoor®, a first of its kind mobile app that will change how homeowners maintain and repair their homes. Frontdoor is a cutting edge, one-stop-app for home repair and maintenance using augmented reality and video collaboration tools. Homeowners can get help in real time, as the expert may be able to fix the problem, reducing the need for an in-home visit. If repairs are needed, we have a list of local, vetted professionals who can take care of the problem. The Frontdoor app also offers homeowners a range of other benefits including DIY tips, discounts and more. All you have to do is **open the Frontdoor**. Learn more about our business at investors.frontdoorhome.com.

FRONTDOOR BY THE NUMBERS

~2 million

SERVICE PLANS
AS OF SEPTEMBER 30, 2023

~\$3.2 billion

PAID IN CLAIMS FOR OUR MEMBERS
FROM OCTOBER 1, 2020 THROUGH
SEPTEMBER 30, 2023

~16,000

CONTRACTOR FIRMS
AS OF SEPTEMBER 30, 2023

~\$1.8 billion

REVENUE FROM OCTOBER 1, 2023
THROUGH SEPTEMBER 30, 2023

~4.1 million

SERVICE REQUESTS FROM OCTOBER 1, 2022
THROUGH SEPTEMBER 30, 2023

~1,780

EMPLOYEES
AS OF SEPTEMBER 30, 2023

~1.2 million

FRONTDOOR APP DOWNLOADS
FROM APRIL 1, 2023 THROUGH
SEPTEMBER 30, 2023



ADVANCING Our Governance

*Positive impact begins
with good governance.*

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- 09.** ESG Oversight
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Governance Overview

Good corporate citizenship begins with good corporate governance.

Corporate governance facilitates effective, entrepreneurial and prudent management that can deliver long-term success. At Frontdoor, we are a people-first organization built on a culture of collaboration, respect and inclusion. We continuously challenge one another to reach far and dream big. We strive to think and act beyond our comfort zone; we never settle.

Corporate governance and responsibility are ingrained in our culture, as demonstrated in our HOME values. We step up where others step back. We know improvement is a process, not a result and believe every problem is an opportunity to learn, grow and lead. This culture is the foundation for good decision-making, integrity, accountability, risk management, innovation and performance optimization. We know our work is never done, and we like it that way.

Purpose

Make life easier for every homeowner.

Mission

Think like a homeowner, act like a Pro, help like a friend.

Values



Open the frontdoor.
You're home.

Help people.

Own it.

Move forward.

Explore.



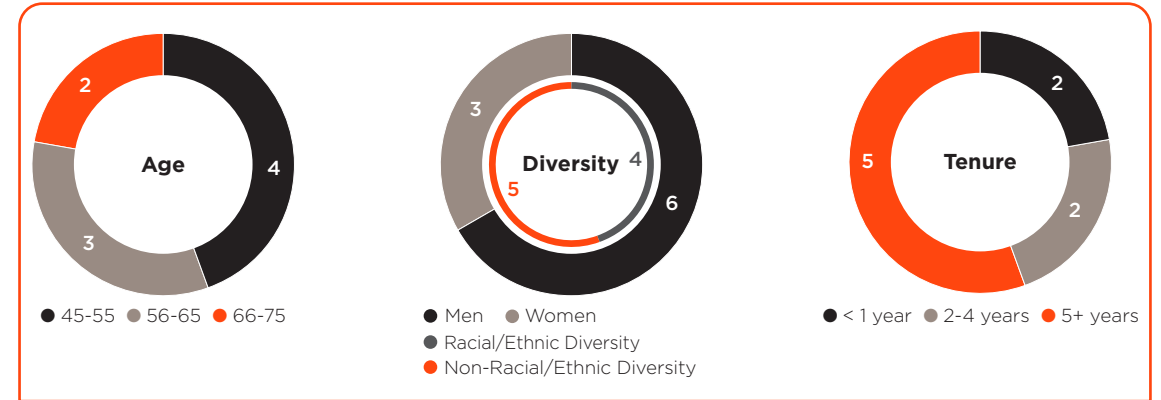
Our Board of Directors

Governance starts with our experienced board of directors. Our board establishes policies, practices and values to guide its oversight and provide strong governance and reviews key operating documents, such as our [Corporate Governance Guidelines](#), at least once per year to ensure that we keep pace with best practices and continue to meet the needs of our business.

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.

<p>100% independent board committees</p> <hr/> <p>Annual director elections</p> <hr/> <p>Annual board self-assessments</p>	<p>89% independent directors (all but our CEO)</p> <hr/> <p>Regular executive sessions of non-management directors</p> <hr/>	<p>Lead Independent Director</p> <hr/> <p>Annual stockholder vote on executive compensation</p> <hr/> <p>Annual succession planning review by full board</p>
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As a people-centric business, Frontdoor believes that success is predicated on diversity, equity and inclusion. Our board has recently added two new members as it continues to focus on bringing together diverse skills, professional experience, perspectives, age, race, ethnicity, gender and backgrounds that enable us to address a wide variety of opportunities and challenges.



Learn More. For more information about our governance and board of directors, as well as our executive compensation practices and stockholder engagement program, please consult our [2023 Proxy Statement](#).

ESG Oversight

Responsibility starts with accountability.

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. Our board of directors 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 a cross-functional team, with oversight from senior management. This structure 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
CEO and cross-functional senior management
Set priorities and review policies, review progress, oversee 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 [2023 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.

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
- Reputational
- Succession
- Regular reports from committees overseeing other areas of risk

Our board gains in-depth visibility into business exposure by retaining direct oversight of certain risk areas or allocating responsibility for certain other risk areas to its committees.



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
- Climate
- Governance
- Industry changes

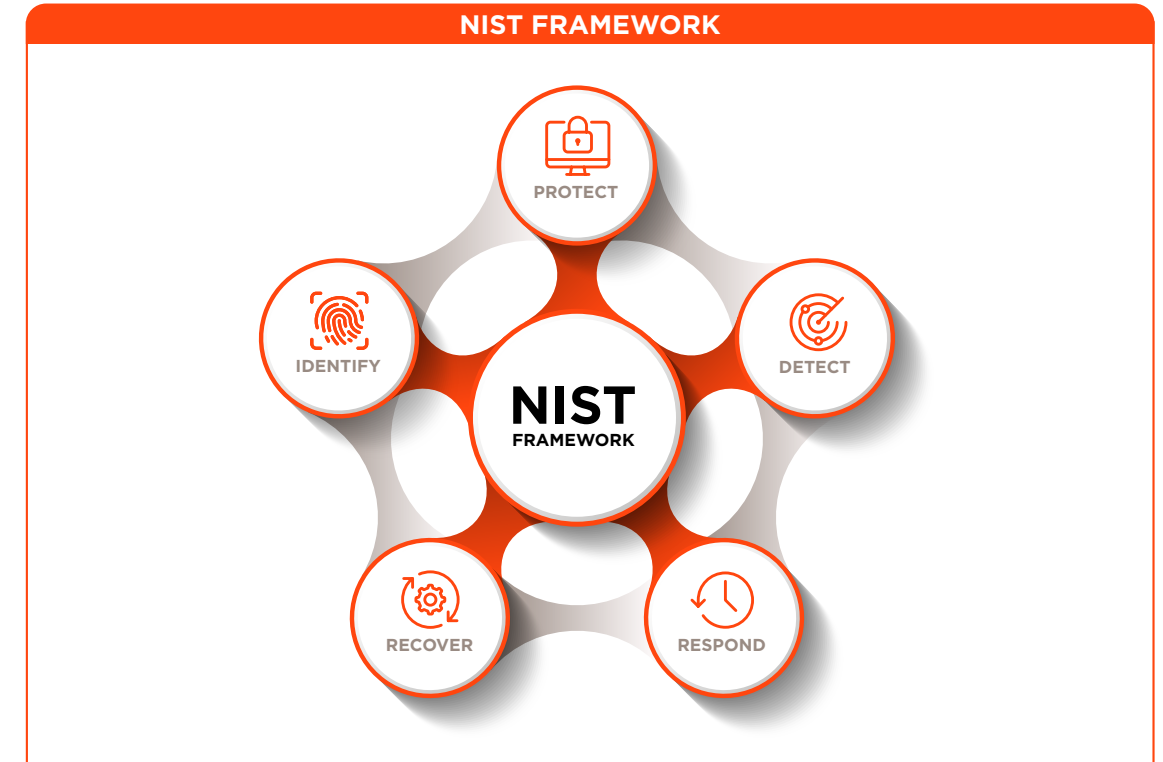
Cybersecurity Oversight

We are deeply committed to ensuring strong cybersecurity measures.

Frontdoor is a 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 members.

We acknowledge the potential impact that cybersecurity incidents and technology disruptions could have on our business, employees and members. Our technology team, led by our chief technology officer, and our information security team, led by our chief information security officer, are focused every day on developing and implementing tools that help prevent cyber incidents, making our operations more resilient to them, and educating our employees on proactive mitigation practices. 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, actively manages our cybersecurity risk and follows the guidance of the National Institute of Standards and Technology (NIST) and its framework. In addition to our information security incident response communication plan, we actively refine response plans and identify gaps and raise our overall maturity with regard to system security and operational resilience.



PCI (Payment Card Industry) Audit

PCI Level 1 Attestation of Compliance (AOC) on March 31, 2023.

Cybersecurity Culture

Frontdoor realizes the importance of building a security aware culture in promoting sustainability and social responsibility to our members and employees. This commitment is seen through our security awareness campaigns that are disseminated to our entire employee population. In addition, we have implemented new security standards around authentication, multi-factor authentication, secrets management and the rotation, deprecation and propagation of ciphers, certificates, and passwords. We also do penetration testing for both regulatory compliance and pre-production delivery of critical systems as a part of our security due diligence. At Frontdoor, we believe that by building a strong security culture, we are able to convey this framework through our offerings of products, services and solutions.



OUR CYBERSECURITY GOVERNANCE



- **Security Awareness:** onboarding and annual security training.
- **Secure Code Training:** enhanced dedicated training for developers to be rolled out across the engineering organization.
- **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 DSS¹, SOC 2² industry benchmarks and best practices.
- **Data Security:** implemented heightened 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:** developed integrated security systems.
- **Defense in Depth:** layered security approach to protect against and detect cyber threats.
- **Incident Response:** standardized incident response and recovery plans and procedures across digital team.
- **Cyber Risk Management:** periodic internal and external security assessments to identify and remediate vulnerabilities.

BPOs are Business Process Outsourcers, which are providers who support certain customer services operations and other services.

¹ Payment Card Industry Data Security Standards ("PCI DSS")

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

Consumer Privacy

Trust is our most valuable tender.

At Frontdoor, we recognize the importance of privacy protection. Now more than ever, our members 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.

In our updated Privacy Policy, we have paid close attention to communicating clearly to consumers what information we may collect, why the information is collected and how it may be shared. Our policy also clearly informs consumers about rights they may have with respect to this information and how to easily contact us with any questions.



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, and our team of experienced ethics and compliance professionals work closely with key segments of our business to ensure regulatory compliance, to conduct ethics investigations 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 our board audit committee, 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 members can seek guidance about ethics and compliance issues and report suspected ethical violations. One channel is our Ethics Helpline. 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

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. It's the framework that points us in the right direction and helps us make decisions.



Ethics Policies and Training

We have also adopted several ethics policies to help integrate processes that enable us to embed the Code of Conduct in our everyday practices.

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 over 8,900 hours of training during the twelve months ended September 30, 2023. Meanwhile, 100% of our board members have completed our Code of Conduct training program.



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

Compliance Policy/Regulation

→ U.S. and India Employee Training

Discrimination, Harassment and Retaliation Policy

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

Policy of Prevention, Prohibition & Redressal of Workplace Sexual Harassment (India Only)

→ Biennial Anti-Harassment Training

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 and Acceptable Use 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 members and an expectation of our vendors, suppliers and business partners.

 **Learn More.** For more information, please consult our [Human Rights Policy](#).



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. We made no direct contributions to political candidates or direct expenditures during the twelve months ended September 30, 2023.

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, 2023, 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 Experience and Engagement
- 20. Diversity, Equity and Inclusion
- 23. Employee Compensation and Benefits
- 24. Health and Safety
- 25. Employee Learning and Development

Employee Experience and Engagement

Employee experience and engagement are essential to the business.

Employees Focus on Meeting with Purpose

At Frontdoor, our employees bring our company strategy to life in a meaningful way. As a virtual-first workforce, we are purposeful about creating opportunities to come together throughout the year and prioritizing initiatives that support our commitment to build a culture that drives connections, engagement and performance. We understand that investing in our employees is essential to ensuring the long-term success of Frontdoor and continued satisfaction of our members.



Intentional Leadership Engagement

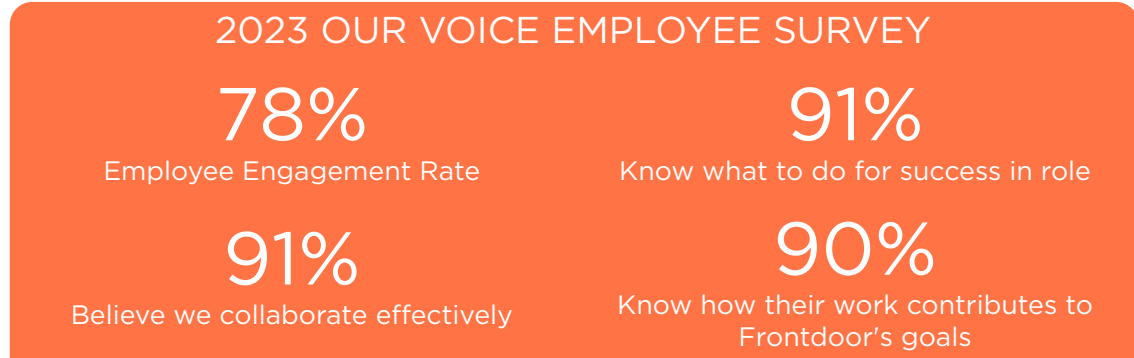
As we continuously evaluate how we build meaningful connections and deliver our business results in our virtual-first environment, we have redefined our approach to meeting with purpose. This has provided intentional opportunities for leadership teams across all functions to routinely meet in one of our connection centers. In addition, multiple times a year, we bring together an ever-evolving combination of cross-functional partners to brainstorm and advance a range of culture and strategy initiatives.

Our Employees' Voice Matters

Frontdoor is a company in exciting transition as we evolve our business and culture. While it has always been a priority to hear from our employees, it is especially important in our virtual-first and geographically-dispersed work environment. In 2023, we continued our journey to become an always listening, quickly responding organization by collecting feedback through Our Voice, a comprehensive engagement survey.

The results have provided valuable clarity around what we are doing well and where we have some work to do, and we are taking meaningful action to strengthen and improve our employee experience. Managers have received team-level dashboards and planning guides to help them identify and address the most impactful opportunities. Our people team has provided support to managers as they considered their results and possible actions to enhance the employee experience. We'll continue to conduct pulse surveys to assess progress over time.

An engagement score³ is a key outcome and function of the particular questions used; for this survey, an average score using this methodology would be in the 70-75% range, which our engagement score exceeded. See below for three of our top-rated scores.



³ The engagement score reflects the extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work. It is a key outcome and function of particular questions used to measure employee engagement at Frontdoor. The third party, science-backed engagement survey used by Frontdoor in 2023 was utilized by over 6,500 companies worldwide.

Our internal communication strategy includes regular business-related updates, as well as weekly content to keep employees connected and engaged. Executive leaders hold regular town hall meetings with their teams that promote information sharing and dialogue, in addition to company-wide quarterly town hall meetings which help advance understanding of performance and key initiatives. Employees ask questions before and during the events, which are often hybrid, with employees attending in-person and virtually.

In April, the company hosted Frontdoor LIVE!, a high-energy, high-engagement event designed to bring employees together in seven locations across the country and in India to celebrate the launch of the new consumer brand and other exciting developments. Highlights of the event, as well as a recording, were shared with frontline service agents, as well as all employees.

“It was fantastic to meet people in person, and understanding more of the company's direction and priorities for the rest of 2023 and beyond was very helpful.”
— Frontdoor Employee



Recognition is Embedded in Our Culture

Employee recognition that is equitable, meaningful, and embedded in the organizational culture is important for a thriving business and workforce.

CHEERS for PEERS

We expanded employee recognition opportunities with the launch of Cheers for Peers. Award recipients redeem their cheers points for gift cards to any number of retailers featured on the platform. The platform offers employees the opportunity to provide real-time recognition and rewards to anyone across Frontdoor. These online shout-outs are visible to everyone so others can keep the celebration going with emojis, GIFs comments or additional kudos. The program has been a great way to build new connections and strengthen relationships across the company.

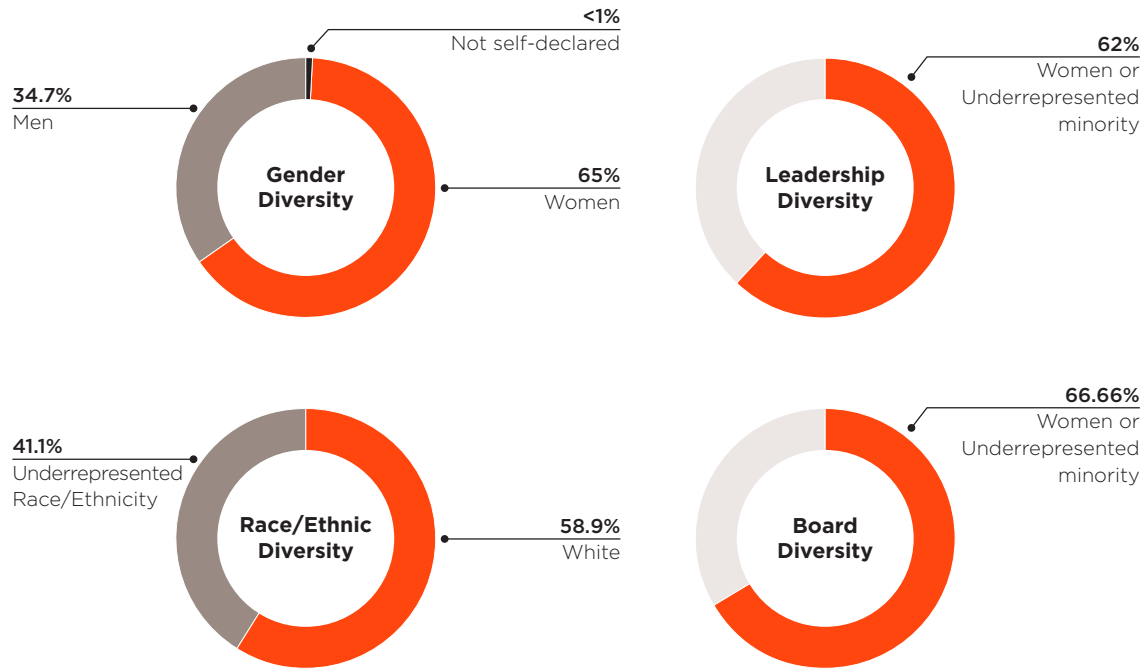


Our Keystone Award recognizes two non-executive employees each month (one from Operations and one from all other functions within the company) for significant achievements or work they do to move our business forward. Full- and part-time employees across the business, up to senior director, are eligible. Awards include recognition across the company, a monetary prize, and a virtual luncheon with our CEO. Monthly recipients are also automatically considered for an Annual Keystone Award.

Diversity, Equity and Inclusion

We believe in the richness of unique perspectives and experiences.

Our U.S. Workforce and Board



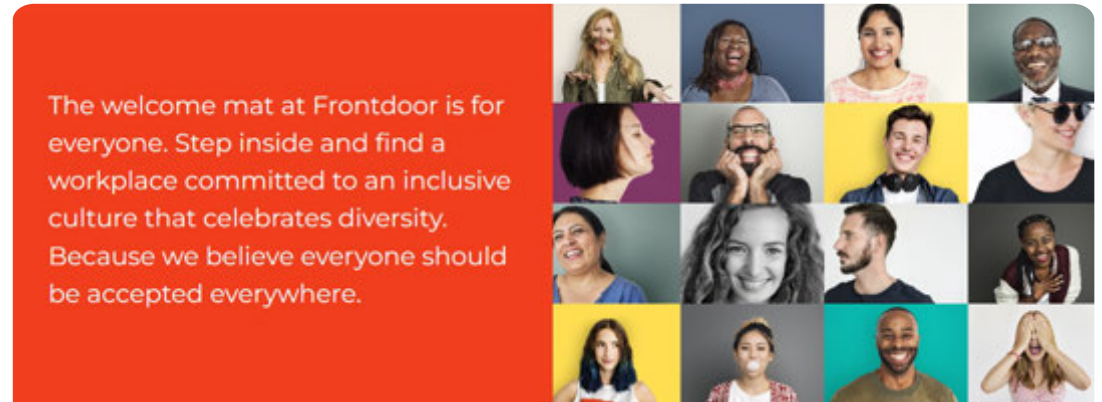
As of September 30, 2023. Leadership data reflects U.S. employees at director-level and above. Board Diversity reflects data as of October 31, 2023.

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 Commitment — Embrace

At Frontdoor we believe that our strength lies in our diversity. Our people are our most valuable asset, and their unique backgrounds, experiences, and perspectives are the driving force behind our innovation and success. We are committed to creating an environment where every individual feels valued, respected, and empowered to bring their authentic selves to work.

Our Associate Resource Groups (ARGs) are a crucial aspect of our commitment to diversity, equity, and inclusion within our organization. The Black ARG, Women's ARG, Asian Pacific Islander ARG, Unity & Pride ARG, LatinX ARG and Veterans ARG play a pivotal role in providing a platform for our employees to connect, learn, and grow both personally and professionally.



Setting the Vision and Unlocking Potential — Engage



We recognize that fostering diversity, equity and inclusion is not just a moral imperative but also a strategic advantage. Our 12-member Diversity Council embodies our dedication to creating a workplace where everyone can thrive, contribute, and reach their full potential. The Council, representing a diverse group of individuals from different genders, ethnicities, age groups, and organizational levels, remains focused on creating platforms for collaboration, idea-sharing, and identifying initiatives that address issues of diversity, equity, and inclusion. In July 2023, we refreshed the Council members to bring in new perspectives.

Surveying Diversity, Equity and Inclusion: A Closer Look at Employee Perspectives

Setting the vision for diversity, equity and inclusion requires not only a commitment but also the ability to measure progress, adapt to change, and provide opportunity for feedback. In 2023, we launched Our Voice, an employee engagement survey, and its results helped us identify areas where we can enhance our diversity, equity and inclusion initiatives, refine our policies and procedures, and develop meaningful training programs.

Through our ARGs, our diversity, equity and inclusion initiatives are central to our organization’s culture, and the events we organize are vital tools for engaging employees and promoting open conversations about diversity, equity, and inclusion. To ensure that we continue to grow, evolve, and meet the needs of our diverse workforce effectively, we must embrace feedback and learning after these events. Post-event surveys also play a crucial role in our ongoing commitment to fostering an inclusive and diverse workplace.



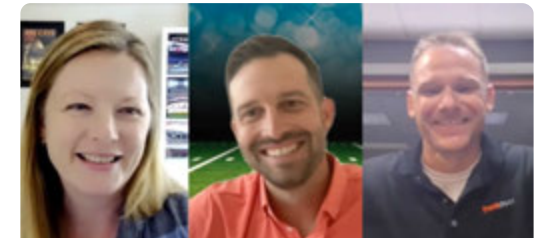
Black and Women’s ARG Collaboration Event
Juneteenth Celebration



LatinX ARG
Leadership Team Meet and Greet



Women’s ARG
What’s Your Story? Session



Veteran’s ARG
Beyond the Uniform Series

Unlocking Hearts and Minds — Empower

In 2023, ARGs continued to shift the culture within our organization by fostering meaningful connections.

From the celebration of heritage with cultural programming to encouraging transparency through series such as the Veterans ARG: Beyond the Uniform Series and the Black ARG: Courageous Conversations, these groups have successfully created connections that transcend departmental boundaries, fostering a sense of unity and collaboration among our employees. They have provided a platform for open dialogues, enabling all employees to learn from one another's experiences and challenges, ultimately enriching our collective understanding.



Asian Pacific Islander ARG
API Heritage Month Guest Speaker Anna Catalano

“Anna’s discussion was inspiring and fun. Her energy shone through the screen. I came away feeling energized and excited to plan my own career path. I also loved her honesty regarding her personal values, especially her commitment to her family, upholding her Asian traditions, and celebrating her heritage. We are lucky to have her on our Frontdoor Board of Directors.” — Frontdoor Employee

The Unity & Pride ARG and allies’ participation in the Mid-South Pride Parade, with Frontdoor as a proud sponsor, served as a powerful symbol of the dedication made to creating an inclusive and welcoming workplace for all. Employees came together to celebrate their identity and stand up for the rights of the LGBTQ+ community.



Unity & Pride ARG
Mid-South Pride Parade

“Participating with our Unity & Pride ARG with Frontdoor as a sponsor was an experience, I didn’t know I needed. To be affirmed and supported by other community members and allies means the world to me. Given the current climate, the intentionality of Frontdoor to support inclusivity in our community is so appreciated!” — Drinkard T., Employee

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.

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, equity and inclusion, including paid parental leave and gender transition benefits. Frontdoor offered the following health and welfare benefits in 2023:

- | | |
|--|--|
|  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 |  Emotional & Mental Health Resources |

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 2023:

-  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 members is evident in our strict compliance with all applicable health and safety laws and regulations. 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. Through webinars, access to resources, and sharing practical tips and tools, we equip and encourage our employees to practice caring for themselves as they care for others.



Safety in Our Work Environment

To ensure our employees are as protected when they're working from home as they are when they're working at the office, we include in new employee onboarding training and tips on health and safety risks at home, such as physical risks from poor home-office ergonomics. We also provide employees with adjustable monitors and keyboards to support their home office setup ergonomically.



We also offer our employees a wide range of health, self and wealth programs.



WW Program (formerly Weight Watchers) Exclusive savings on digital Goal Getter Kit memberships, with access to recipes, calorie trackers, 24/7 coaching, on-demand workouts, and other valuable tools and resources.



Healthy Tips in Communications 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.



Alight Health Pro 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.



RethinkCare 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 Provides virtual help with managing musculoskeletal plan and worries for employees enrolled in the medical plan.



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 Provides free personalized health programs to manage diabetes, blood pressure, weight and more for employees enrolled in the medical plan.

Employee Learning and Development

Continuous improvement is our culture.

At Frontdoor, we pride ourselves on always trying to do better for our members. 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 learning and development.

Cultivating Careers

Learning 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.



Relevant Development

We keep our employees at the forefront of our industry by providing them with relevant training that reflects important opportunities on the job and nurtures their ongoing development. Recent training topics have included: Customer-first Mindset, Communicate Powerfully, Coaching, Delegation, Effective Feedback Conversations, Effective Listening Skills and Own Your Career.

We're implementing a new enterprise-wide learning management system that will enable delivery of dynamic, varied, high quality, and relevant learning content and experiences. This new, improved learning platform, along with a host of new development resources, will support learners in all phases of their employee journey, from new hire to tenured professional and leadership. Learners will be able to learn new skills and put them into practice while managers will have new insights to support learners along the way.

We continued our investment in the development of our leaders by initiating a leadership 360 process in 2023, in which we will collect feedback from employees on leaders and leverage that input to help create development plans for those leaders. We will also strengthen our commitment to employee feedback and developing our leaders via the 360 feedback program by certifying multiple internal team members to support leaders as 360 feedback debrief and development coaches.

Halftime and End-of-Year Leader Discussions

Leaders have deep conversations with employees about their performance as well as current and future opportunities that are open to them, generally twice yearly. These discussions ensure alignment to company goals and development priorities for employees. We provide guides for both leaders and employees to maximize the value of these conversations.

Mentoring Program Enhancements

We believe in the power and effectiveness of learning with and through others. One way we're enabling this is continuing and enhancing our Think Big Mentor Program, which was launched in 2021. The program empowers employees to do and be their best by connecting them with leaders, knowledge and growth opportunities.

Participant mentees voluntarily apply to the program and are paired with mentors for a dedicated period of time where they have the opportunity to learn and grow from each other. Mentors further support development and active learning by providing monthly instructor led training sessions on topical themes identified by the program.





SERVING Our Communities

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

- 28. Skilled Trades
- 29. Community Efforts
- 29. Customer Satisfaction

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.

In 2023, Frontdoor was in Atlanta for the SkillsUSA National Leadership & Skills Conference. This annual event brings more than 16,000 students, teachers and business partners together to engage in friendly competitions and celebrate those preparing for careers in the skilled trades. Frontdoor exclusively sponsored Champions’ Festival Night, where attendees gathered to enjoy food trucks, lawn games, a live DJ, and more. HGTV host and licensed contractor Matt Blashaw hosted a meet & greet with Frontdoor where attendees had the opportunity to chat with him about his passion for and success in the skilled trades. Frontdoor also shared swag including 5,000 orange glowsticks that were the hit of the night on the dance floor!



We said “thanks” in a big way on National Tradesmen Day

Our contractors are pros and an incredibly important partner to our company — skilled tradesmen are in demand now more than ever. With more than 80 million service requests under our belt since 1971 when American Home Shield was founded, we’ve always had a deep appreciation for the men and women who support our product and assist our members in their homes.

“Without our contractors’ expertise and in-home service, we can’t operate. Stepping outside of what we normally do in marketing, we partnered with our good friends in contractor relations to create a special campaign for our Pros with a message of recognition and thanks. They deserve all of our gratitude.”
— Ashley W., Employee



Community Efforts

Our employees have donated their time and funds to a range of local, community-focused non-profits, from participating in walks to support breast cancer awareness to participating in a Pride parade. Frontdoor supports the communities where our employees live and work through donations to organizations that have a local impact and in India through the Prime Minister's Fund.



Customer Satisfaction

Reimagining home maintenance and repair.

Frontdoor is reimagining how homeowners maintain and repair their most valuable asset — their home. 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.

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.

"I've been fixing a lot of things around my house for 40 years. But some things have seemed too risky or difficult to fix myself even after consulting videos on YouTube. But my five year old dryer was making a lot of noise when I ran across an ad for Frontdoor and decided to give it a try. And this experience has me completely hooked. It was fabulous! From start to finish the technician was knowledgeable, patient, and encouraging and we got the job done!"
— Lisa L., Frontdoor App User



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



SUSTAINING Our World

*Environmental stewardship is
the original home maintenance.*

- 31. Environmental Sustainability
- 32. Sustainability in Our Services
- 34. Energy and Emissions
- 35. 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](#). It establishes a culture of continuous improvement and shared responsibility focused on environmental benefits for our employees, our members and our communities for years to come.

Climate Change

In the years ahead, climate change is 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, understand what impacts it might have on our members, our communities and our business. 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 members 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 replacing with newer models that are generally more energy and water efficient.
- We offer and promote virtual service of appliances in certain areas, reducing the occasions on which a truck must be sent to a member’s home for a repair.

4 Source: internal data, <https://homesteady.com/13408580/how-to-estimate-propane-heating-costs>, <https://www.energystar.gov/products/furnaces>, <https://www.energy.gov/eere/femp/purchasing-energy-efficient-residential-furnaces>, <https://www.workhouseplumbing.com/blog/what-does-energy-factor-ef-mean-on-a-water-heater/#:~:text=Electric%20water%20heaters%20with%20an,is%20between%200.75%20and%200.9>, <https://www.directenergy.com/learning-center/how-much-energy-water-heater-use#:~:text=The%20formula%20for%20estimating%20your%20total%20cost%20to%20about%20%24>

5 Source: internal data, <https://www.workhouseplumbing.com/blog/what-does-energy-factor-ef-mean-on-a-water-heater/#:~:text=Electric%20water%20heaters%20with%20an,is%20between%200.75%20and%200.95>, https://energyusecalculator.com/electricity_waterheater.htm, <https://www.igs.com/energy-resource-center/energy-101/how-much-electricity-do-my-home-appliances-use>, <https://www.energybot.com/energy-usage/washing-machine.html>, 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, https://www.energystar.gov/products/electric_cooking_products, <https://www.energysage.com/electricity/house-watts/how-many-watts-does-an-electric-oven-and-stove-use/>

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

7 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, 2022 TO SEPTEMBER 30, 2023



483,000
therms⁴
and
8.6 million
kWh⁵

8,700 MT
GHG emissions⁶
avoided,
roughly equivalent to the
energy usage of
1,100
homes in one year!⁶

20
million gallons
of water⁷

Consumer Education

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

Whether it is through sessions with one of our Frontdoor experts on how to fix an item in their home, a recent article on the American Home Shield blog or one of our many DIY and maintenance videos on YouTube, we are here to help make homeownership easier for our members.



Home Matters Blog from American Home Shield

- Environmental, DIY, maintenance, repair and lawn and garden tips
- 7.3M views per year

[Home Matters](#)



YouTube Channel

- Home warranty education and repair and maintenance tips
- 37.4M views per year
- Over 22,000 subscribers
- Over 234 videos

[American Home Shield](#)



Emails

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



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 emissions⁸, respectively — as well as indirect GHG emissions that may occur in our value chain. We anticipate continuing analysis to determine our emissions in 2024, including emissions beyond scopes 1 and 2.

Scope 1 emissions

Scope 1 emissions are direct emissions from the combustion of fossil fuels at company-owned facilities and by company-owned vehicles. Our analysis revealed no indication of Scope 1 emissions during the period October 1, 2022 through September 30 2023.



0 MT
GHG emissions

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 and our connection centers. The exception during 2023 was the company-owned office in Carroll, IA. Based on data from our utility providers, our emissions from energy usage and our water usage for the period October 1, 2022 through September 30, 2023 for Carroll, IA was approximately⁹:



864,000
kWh



33,200
therms



550 MT
GHG emissions



16,700
gallons of water

⁸ Scope 1 emissions are direct emissions from the combustion of fossil fuels at company-owned facilities and by company-owned vehicles. Scope 2 emissions are indirect emissions from the purchase of electricity, steam, heating or cooling at company-owned facilities.

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

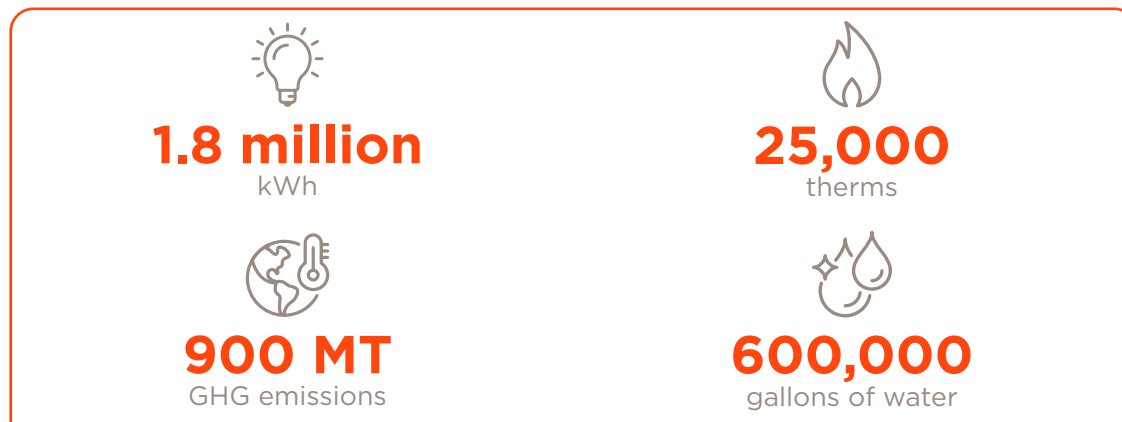
Company Operations

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. We believe one of the many benefits of video chats with our experts is that homeowners may be able to complete repairs themselves, or get the right professional with the right parts the first time, which can reduce the need for professionals to drive to their homes.

Sustainability in Our Offices

All of our offices incorporate energy and water conservation practices. Our Denver, CO, office is located in a LEED Platinum-certified building — the U.S. Green Building Council's highest level of LEED certification. 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, Denver, Phoenix, Portland and Seattle leased offices, and our portion of water usage for our Memphis, Denver and Portland leased offices, for the period October 1, 2022 through September 30, 2023 was approximately¹⁰:



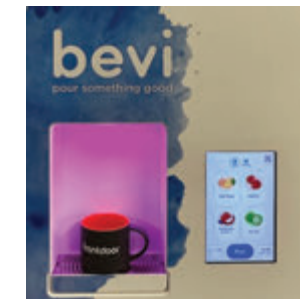
¹⁰ Source: data from lease landlord and <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

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, several of Frontdoor's facilities are located near public transportation and offer bicycle racks, which facilitates sustainable commuting. 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, 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.





Appendices

37. SASB Table

39. 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 members is paramount.</p> <p>For more information on board of directors and management oversight of our cybersecurity risk and actions we have taken in 2023 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 to 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.frontdoor.com/privacy-policy/.</p>
	SV-PS-230a.3 Number of data breaches, (2) percentage involving members' confidential business information (CBI) or personally identifiable information (PII), (3) number of members 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, members 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 20-22 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, equity 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, 2023, our voluntary turnover rate was 11% for our exempt U.S.-based employee population, and 34% for our non-exempt U.S.-based employees. We believe these turnover rates were consistent with our industry and 2023 employment trends. We calculated these rates as the total number of U.S.-based employee-initiated voluntary separations (e.g., resignation and retirement) during the reporting period, divided by the total number of U.S.-based 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	1,784 as of September 30, 2023.
	SV-PS-000.B Employee Hours Worked	Approximately 3 million hours for the twelve months ended September 30, 2023, which we have calculated as the number of hours entered into the payroll system and paid out for non-exempt employees, plus the number of regularly scheduled work hours paid out for exempt employees.

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 members, 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 CEO and other members of senior management have 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 members in minimizing climate-related impacts. Our Stroom technology used in our home warranty and Frontdoor businesses provides an opportunity to remotely diagnose customer home repair and maintenance issues, which can minimize the number of in-home visits to provide repairs for our members or enable these members to self-repair, and in turn reduce carbon emissions from trucks that contractors would have driven to the members' homes. As our business develops, we believe it presents a climate-related opportunity in the short- to long-term.</p> <p>Additionally, as contractors repair our members' 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 replacing with newer models that are generally more efficient. See page 32 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 no longer lease vehicles for employees, which we had previously identified as a short-term opportunity, but some of our employees drive their personal vehicles on behalf of Frontdoor and occasionally travel for Frontdoor.</p> <p>Please see pages 32-35 of this report for additional data and information about our climate-related opportunities, including our opportunities to educate our members 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 California, Florida and Texas.</p>

Theme	TCFD Disclosure Recommendation	Disclosure
	<p>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <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>	<p>Frontdoor has incorporated the above climate-related opportunities and risks in our home service plan and on-demand home services businesses, as well as in financial and strategic planning for these businesses. We have established goals for growth of each business and services provided.</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 members regular maintenance and special services.</p> <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 members and support our employees. Our employees are located across the United States and in India. Our employees typically work from home and 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.</p>
Risk Management	<p>a. Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>b. Describe the organization's processes for managing climate-related risks.</p> <p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<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> <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 members to better control timing of services and mitigate 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> <p>On an ongoing basis, the risk committee 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 of 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.</p>

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, and estimated savings from replacement of members' HVAC, water heaters, and appliances with more efficient models. 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 34-35 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, especially as they may affect existing home sales, interest rates, consumer confidence or labor availability; increases in parts, appliance and home system prices, and other operating costs; changes in the source and intensity of competition in our market; the success of our business strategies; the ability of our marketing efforts to be successful or cost-effective; our ability to attract, retain and maintain positive relations with third-party contractors and vendors; our dependence on our real estate and direct-to-consumer customer acquisition channels and our renewals channel; our ability to attract and retain qualified key employees and labor availability in our customer service operations; our dependence on third-party vendors, including business process outsourcers, and third-party component suppliers; cybersecurity breaches, disruptions or failures in our technology systems; our ability to protect the security of personal information about our members; evolving corporate governance and disclosure regulations and expectations related to environmental, social and governance matters; risks related to the COVID-19 pandemic; risks related to geopolitical instability; lawsuits, enforcement actions and other claims by third parties or governmental authorities; increases in tariffs or changes to import/export regulations; physical effects of climate change, adverse weather conditions and Acts of God, along with the increased focus on sustainability; our ability to protect our intellectual property and other material proprietary rights; negative reputational and financial impacts resulting from acquisitions or strategic transactions; requirement to recognize impairment charges; third-party use of our trademarks as search engine keywords to direct our potential members to their own websites; inappropriate use of social media by us or other parties to harm our reputation; special risks applicable to operations outside the United States by us or our business process outsource providers; a return on investment in our common stock is dependent on appreciation in the price; restrictions in our certificate of incorporation related to an acquisition of us or to our lawsuits against us or our directors or officers; the effects of our significant indebtedness; increases in interest rates increasing the cost of servicing our indebtedness; and increased borrowing costs due to lowering or withdrawal of the credit ratings, outlook or watch assigned to us, our debt securities or our Credit Facilities; and our ability to generate significant cash needed to fund our operations and service our debt. 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, 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 2022 Annual Report on Form 10-K filed with the SEC, as such factors may be 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 the 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 SEC, which are available from the SEC’s EDGAR database at [sec.gov](https://www.sec.gov), and via Frontdoor’s website at frontdoorhome.com.

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