

Materiality Assessment

Understanding the perspectives and inputs of our stakeholders is important for Globe Life’s success. In late 2021 and early 2022 we partnered with an external consultant to conduct our first formal materiality assessment. This process consisted of four stages: identifying ESG issues, engaging with stakeholders, prioritizing ESG issues, and integrating into business strategy.



Stage 1 (Issue Identification):

In order to identify which environmental, social, and governance issues to include in this assessment, we first reviewed relevant sustainability documentation, industry standards and trends including peers and reporting frameworks such as the Global Reporting Initiatives (GRI), Sustainable Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD). These were then provided as the short list of ESG issues to request the perspectives from key stakeholders and can be seen in the final Materiality Matrix.

Stage 2 (Stakeholder Engagement):

Many stakeholders were involved in this Materiality Assessment, engaged through a variety of channels including interviews and surveys. Through our stakeholder engagement, we gathered feedback from seven Globe Life Leaders and four external stakeholders including the board, peers, and relevant international membership organizations via interviews as well as eighty Globe Life employees via surveys. All interviews were conducted by external consultants and surveys were anonymized to decrease possibility of biases in responses.

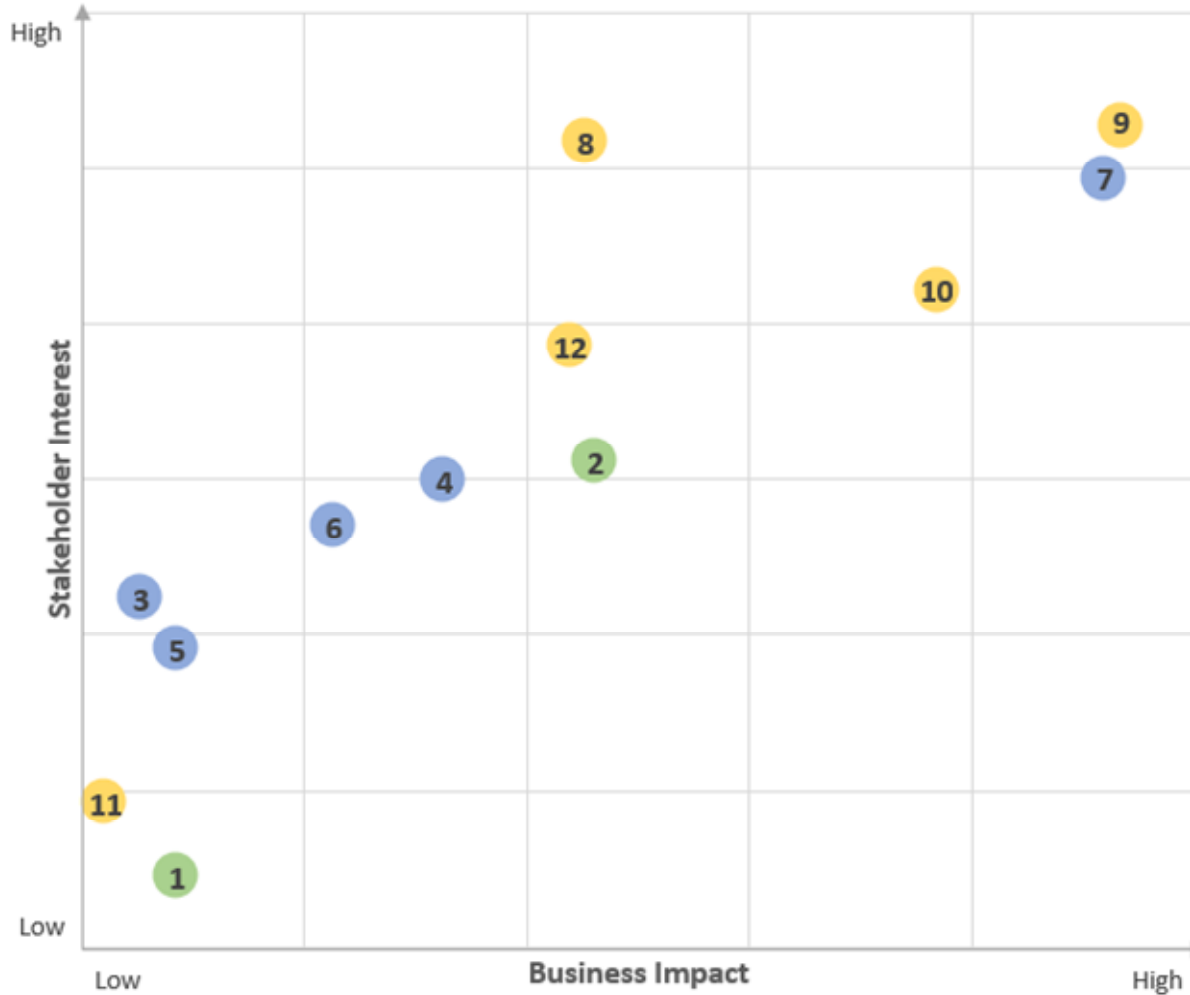
Stage 3 (Issue Prioritization):

Stakeholder responses were gathered and appropriately weighted to obtain overall results leading to the materiality matrix. This prioritization informed the determination of which issues are most important to stakeholders and which may have the most financial impact on our business. All ESG issues were mapped against the two dimensions of Stakeholder Interest and Financial Business Impact.

Stage 4 (Integration):

We are working to implement strategic initiatives to address most material and highest priority issues. We recognize that issue identification and prioritization may change over time and intend on updating the materiality assessment periodically to revisit the ESG issues in question and potentially expand the number of interviews and dialogue with key stakeholders. Sustainability is a journey and we value continuous improvement on how to address these material ESG issues and incorporate them into our overall business strategy.

Materiality Matrix



Key



Environmental

- 1 Energy & Emissions
- 2 Responsible Investments



Social

- 3 Accessible & Equitable Information
- 4 Diversity, Equity, and Inclusion
- 5 ESG Responsible Products & Services
- 6 Financial Inclusion for Customers & Communities
- 7 Talent Engagement, Attraction, & Retention



Governance

- 8 Compliance, Ethics, and Integrity
- 9 Data Privacy & Cybersecurity
- 10 ESG & Climate Risk Management
- 11 Sustainable Supplier Management
- 12 Transparent ESG Reporting & Disclosure

Key Takeaways:

- Data Privacy & Cybersecurity and Talent Engagement, Attraction, & Retention ranked as the most important issues.
- Many governance issues are of high stakeholder interest and business impact.

Notes on Methodology:

The materiality matrix reflects the results of the cross-channel inputs of all stakeholders.

- Input from all 91 stakeholders' responses to “Which issues most affect your specialty area or role/position?” or “Which issues do you find most important for the Insurance Sector to consider?” to inform the y-axis.
- Input from all 91 stakeholders' responses to “Which 3 ESG issues do you believe will have the most impact for Globe Life/Insurance organizations within the next 3 years and after 3+ years?” to inform the x-axis.

