



Annual report 2021

# Behind every bright future is a **Guardian**<sup>TM</sup>

Guardian® is a registered trademark of  
The Guardian Life Insurance Company of America.

# Table of contents

|           |  |
|-----------|--|
| <b>3</b>  | <b>A letter from Andrew McMahon, CEO and President</b> |
| <b>4</b>  | <b>Doreen Gidali profile</b>                           |
| <b>5</b>  | <b>Business strategy and transformation</b>            |
| 6         | Hybrid design + Guardian profile                       |
| 7         | Wow the consumer                                       |
| 8         | David Marshall profile                                 |
| 9         | Reimagine mutuality                                    |
| 10        | Jason Carter profile                                   |
| 11        | Unleash what's possible                                |
| 12        | The Panther Group profile                              |
| 13        | Gusto + Guardian profile                               |
| 14        | Digital transformation                                 |
| 15        | Jitendra Kumar Mishra profile                          |
| 16        | Cressey & Co. profile                                  |
| <b>17</b> | <b>Financial highlights</b>                            |
| 18        | Earnings performance                                   |
| 18        | Benefits to our customers                              |
| 19        | Financial strength                                     |
| 20        | Financial results                                      |
| 23        | ISquared's Cube Highways profile                       |
| <b>24</b> | <b>Leadership</b>                                      |
| 25        | Guardian leadership team                               |
| 26        | Guardian board of directors                            |
| 27        | Lesa Kennedy profile                                   |
| 28        | Team Rubicon Partnership profile                       |
| <b>29</b> | <b>Guardian ESG fact sheet</b>                         |
| 30        | Environmental  |
| 32        | Social   |
| 34        | Governance   |
| 36        | Responsible investing                                  |
| 37        | Lightsource bp + Guardian profile                      |
| 38        | Other legal information                                |



## Dear Guardian community

There is a saying that crisis accelerates progress. The actions we took in 2021, following the exceptional challenges of 2020, stand as an example. While we mobilized to address the impact of the COVID-19 pandemic on our colleagues and customers and emerged in a position of strength, we didn't rest on those achievements. The disruptions of 2020 led us to reexamine many elements of our business and create a comprehensive plan to make our company stronger and better.

### Our new course and purpose

In 2021, we charted a new course, guided by our purpose to "inspire well-being." Guardian introduced three strategic priorities to activate our purpose and transform our company:

**Wow the consumer**, by supporting and promoting customers' physical, emotional, and financial well-being at every stage of their lives.

**Reimagine mutuality**, by broadening the array of stakeholders we serve and supporting their well-being in new ways.

**Unleash what's possible**, by fostering a culture of belonging that encourages innovation and builds community.

For over 160 years, we have provided financial security to our policyholders — a commitment that will never waver. We are evolving our business in ways that will expand how we serve our policyholders and their beneficiaries, better address colleagues' needs, and strengthen our bonds with our stakeholders and everyone whose lives we touch.

Our transformational vision and the steps we're taking to implement it are ambitious. We are embedding justice, equity, diversity, and inclusion into the fabric of our culture and in our

company's growing environmental, social, and governance (ESG) programs. Digital technology is another focus that will enable our future success and allow us to connect with customers in new and exciting ways. With a planned launch in 2023, we're building an innovative, end-to-end digital platform that will enable our customers to engage with us — and us with them.

Beyond cultural and digital transformation, strategic partnerships will be another key driver of growth and change. An example is our strategic investment in Spring Health, a leading behavioral health benefits provider. Our business alliance with Spring Health adds a significant new offering to our already strong roster of health-related services.

Throughout the report, you will read about the initiatives that will drive our strategy forward. You will also find stories and profiles about people whose lives we have the great privilege of affecting. People like Jason Carter, a financial representative from California who inspires physical, emotional, and financial well-being in his community through his work for Guardian and as a soccer coach who guides his players toward college scholarships. Or like Lynette Martin, a human resources executive at Hybrid Design Associates in Arizona, who says our Employee Assistance Program helped workers at her firm cope with stress and loss during the pandemic.

### A strong foundation for growth

Guardian's ability to deliver superior service to its 29 million customers requires strong finances. By several measures, our financial profile has never been stronger. In 2021, our operating income and capital grew by double digits, and we paid the highest dividend ever to our participating whole life policyholders. Major credit rating agencies consistently rate us highly. We are immensely proud of our results.

Our 9,000 colleagues are the lifeblood of our business and demonstrate steadfast commitment to serving our customers each day. Since our founding as a mutual insurer in 1860, we have prospered as a company by prioritizing the needs of those we serve. We are proud that in 2021, we were recognized by J.D. Power<sup>1</sup> by providing "An Outstanding Customer Service Experience" for phone support. DALBAR also lauded our exceptional customer service, and others recognized Guardian as a [great place to work](#).

We believe that our Purpose and strategy will enable us to better serve our customers, colleagues, and communities and to grow and thrive in the years ahead.

Sincerely,

**Andrew J. McMahon**

Chief Executive Officer and President

<sup>1</sup> J.D. Power 2021 Certified Customer Service Program<sup>SM</sup> recognition is based on successful completion of an evaluation and exceeding a customer satisfaction benchmark through a survey of recent servicing interactions. For more information, visit [www.jdpower.com/cc](http://www.jdpower.com/cc).

# Doreen Gidali

## A life and career reclaimed with Guardian's help

Few stories of personal revival are as inspiring as Dr. Doreen Gidali's. Or as hard-won. Her triumph over adversity, says Doreen, owes a lot to Virginia Harris, a vocational rehabilitation specialist at Guardian. Doreen's ordeal started during her second year after medical school. Born in Kenya and raised in Michigan, Doreen chose medicine as a career at her mother's urging. She was a post-graduate resident when her peripheral vision began to blur. She experienced chronic and debilitating migraines, and was diagnosed with idiopathic intracranial hypertension and ataxia. As her condition worsened, she lost her job, her apartment, and — most uncharacteristic for the ebullient lover of life — hope.

Surgery eased some symptoms, but her cognitive abilities and motor skills remained weak. A therapist she was seeing told her the key to finding her old self lay inside her — she just had to access it. "That gave me hope," Doreen says. "But Virginia taught me how to access it. She gave me the power to reach back and tap those things."

Doreen met Virginia through a nurse at Guardian, her disability insurer, and the rehabilitation specialist mapped a step-by-step, personalized program to recovery. The program started with simple goals like strengthening her concentration and stamina and progressed to pursuit of a new job in epidemiology. Virginia helped her enroll in statistics classes, complete job applications, and prepare for interviews. Through persistence and dedication, Doreen won a job in her new field at a major health center. She is thrilled.

“Virginia and Guardian are an amazing resource. I wouldn't be where I am today without them.”

**Doreen Gidali,**  
Epidemiologist



# Business strategy and transformation

In 2021, Guardian set a new strategic course, guided by an overarching **purpose to inspire well-being**. Our purpose flows through every action and decision we make and incorporates our colleagues, customers, and the communities we serve.

We believe that dedicating ourselves to protecting and enhancing the well-being of all stakeholders will position us to grow and deliver superior value for decades to come.

We are fulfilling our purpose to **inspire well-being** by advancing three strategic priorities: **wow the consumer, reimagine mutuality, and unleash what's possible**. While we laid the foundation in 2021 to advance these aims, our vision is far-reaching, and our efforts will extend into 2022 and beyond.

# Hybrid Design + Guardian

## An eight-year (and counting) relationship built on trust

Soon after her company, Hybrid Design, hired Guardian as its life insurance provider in 2014, Lynette Martin became a fan of our services.

"We have grown with Guardian and stayed with Guardian," says Lynette, who will soon retire as the Tempe, Arizona, electronics manufacturer's human resources manager. Her enthusiasm owes much to Guardian Account Manager Lynn Wagner, who she says has provided "amazing" support for eight years. As its workforce grew from 100 to 300, Hybrid expanded its business with Guardian to include short-term disability, dental, and accident insurance. When the pandemic struck and Hybrid had to adjust, the "biggest thing for us" was navigating employees' fears about the impact on them and their families. Through its Employee Assistance Program, Guardian offered complimentary counseling to Hybrid employees 24 hours a day.

As she prepares to retire, Lynette expects Hybrid's relationship with Guardian will last well into the future.



“We have grown with  
Guardian and stayed  
with Guardian.”

**Lynette Martin,**  
Human Resources Manager at Hybrid Design  
Associates, LLC

# Wow the consumer

**Wow the consumer** means enabling customers' physical, emotional, and financial well-being at every stage of life.

Previously, the scope of our policies extended beyond classic life insurance to include dental, vision, disability, and long-term care, as well as customized support for families with special needs. To surprise and delight existing customers, and engage new ones going forward, we are expanding that product set, enhancing our consumer-facing capabilities and digital platform, and taking steps to build deeper and broader relationships with those we serve.

## Where we've come, where we're going:

In 2021 we upgraded our digital E-Suite platform, making it easier to buy our products remotely, and accelerated plans to create a unified, end-to-end digital experience for customers and their beneficiaries. (For more on this, see [Digital transformation](#) below.)

Fortifying and extending our relationships with customers and knowing them better are priorities. Through the power of those ties, we will surprise and delight them by creating experiences that help them celebrate their happiest moments, like marriage or the birth of a child, and we can support them through their most challenging moments, like illness or losing a loved one.



# David Marshall

## Going the extra mile — or hundreds of miles — to give customers the help they need

Early in life, David went through the equivalent of customer-service boot camp: He worked in restaurants, and eventually came to own one. When he switched careers to claims work, he carried with him that customer-focused ethos, a spirit that infuses his team in Claims Services and Solutions. Whether helping a bereaved family member file a claim or counseling an ill or injured customer on their disability benefits, David and his team members will drive hundreds of miles, stay in touch over months or years, and pursue dozens of avenues to track down missing information to help Guardian customers access the benefits that prove crucial during life's most challenging moments. "My team — they're just nice people and they bring a natural empathy to the work," says David, who will retire this year as Head of Life & Annuity Claims, Individual Markets.

“When somebody has lost someone, they may be calling about a claim, but they often want someone to listen and be kind. We always take that time — and it makes all the difference.”

**David Marshall,**  
Head of Life & Annuity Claims, Individual Markets,  
Guardian



# Reimagine mutuality

Our second priority, **reimagine mutuality**, means taking a more expansive view of the concept of mutuality. Rather than focus exclusively on the financial value we bring our policyholders — still a leading imperative — we aim to broaden the spectrum of stakeholders we serve and to promote well-being in various ways.

Beyond building stronger relationships with all clients, we aspire to go back to our community-focused roots and expand the definition of what it means to be part of the Guardian family. We seek to forge ties with our clients' beneficiaries, dependents, and families and to better serve small-business owners and diverse communities by developing services that answer their needs.

## Where we've come, where we're going:

In 2021 we invested in, and formed, a strategic partnership with Spring Health, a leading behavioral health services provider that directs companies and employees to optimal mental health care.<sup>1</sup>

- The partnership marked our entry into mental health, which became a leading concern during the COVID-19 pandemic. It significantly enhances Guardian's already strong set of health-related services.
- Services will be personalized and designed to help deliver better and faster outcomes for patients. They initially will be offered to Guardian's group customers and ultimately to our colleagues.
- Guardian obtained exclusive rights to distribute Spring Health's offering.

We continued to identify opportunities to deliver broader value by supporting community-driven initiatives in 2021, including:

- **\$450,000** to Dental Lifeline Network, a longtime Guardian partner, which resulted in **\$5.4 million** of donated dental services to medically fragile and elderly people who might not otherwise have been able to afford the care.
- **\$1 million** to NPower, to support IT training and job-placement services for Black and brown youth and military veterans.
- **\$1 million** to Team Rubicon, a disaster-response organization, to fund distribution of COVID-19 vaccines across the United States.
- **\$180,000**, including **\$45,000** from Guardian colleagues, to American India Foundation and affiliated nonprofits to further COVID-19 relief efforts in India.

<sup>1</sup> Mental wellness benefits discussed herein are provided by Spring Care, Inc., d/b/a Spring Health ("Spring Health"), 251 Park Avenue South, 6th Floor, New York, NY 10010. Spring Health is not an insurance benefit. Insured products are offered by The Guardian Life Insurance Company, New York, N.Y. ("Guardian"), which has a financial interest in Spring Health. Spring Health may not be offered through Guardian in all states.

We solicited valuable input from our Black, Hispanic, LGBTQIA+ Equality, and other employee resource groups (part of our Justice, Equity, Diversity, and Inclusion, or J.E.D.I., program) about how Guardian can improve outreach to diverse communities.

Our **reimagine mutuality** action plan includes the following:

- Engage often and proactively with customers and their beneficiaries, to understand their evolving physical, emotional, and financial concerns and deliver seamless and attentive service with a human touch.
- Inform customers of the breadth of insurance, financial services, and living benefits programs Guardian offers, and design customized strategies that address the changing needs they and their families may face at key life milestones.
- Develop human-focused resources, including grief support services, and launch support groups and discussion forums where members can share guidance and perspectives and benefit from being part of a community.



# Jason Carter

## A top producer helps young people get their shot

Jason Carter has always been a top performer — as a high school and college soccer star, and as a top-performing manager and financial representative serving Guardian customers in Bakersfield, California. But what really gets the soft-spoken Jason excited is helping young people discover opportunities and achieve their goals.

Through their South Valley SURF Soccer Club, Jason and his wife, Shelby, have coached and mentored hundreds of young people — many of whom are children of migrant farmworkers — and guided more than 100 to college scholarships. Off the field, Jason and his brother, Jermaine, also a Guardian financial representative (FR), both mentor and encourage young people from diverse backgrounds to consider a career as an FR. After all, it's work that earned Jason Guardian's Talent Introduction Program Top Honor Award in 2021, a year after Jermaine was honored. "I've gotten to a point where I've had some success," says Jason, the proud father of three sons.



“Now, it’s about making sure the next generation has the opportunities they need to achieve their dreams.”

**Jason Carter,**  
Managing Associate at WestPac Wealth Partners

# Unleash what's possible

We strive to **unleash what's possible**, our third imperative, by uniting colleagues around a common purpose. That means fostering a culture of inclusion, belonging, commitment, and achievement that will help attract and retain top talent while driving innovation and growth.

While continuing to seek new ways to advance this goal, we have made notable progress implementing one of its central elements: our Justice, Equity, Diversity, and Inclusion (J.E.D.I.) program, which we scaled up in 2021.

## Where we've come, where we're going:

J.E.D.I. initiatives:

- We established our J.E.D.I. Leadership Council and framework to focus our attention on social inequities and to guide our mindset and behaviors. In 2021, we launched an immersive and inclusive program to prioritize social and economic justice, equity, diversity, and inclusion across our organization and make them a cornerstone of our culture. Since the program's launch, more than 150 colleagues successfully completed the J.E.D.I. training. We continue to develop J.E.D.I. programs and advocate for all Guardian colleagues to participate in J.E.D.I.
- We created two new employee resource groups (ERGs), Equally Enabled and Asian Inclusion and Diversity Alliance, increasing our ERG networks to eight. These groups provide networking, tools, and support for career advancement and a safe space to share common concerns. In 2022, we will commit more resources to the ERGs, soon to be renamed business resources groups, to ensure they have opportunities to shape our recruiting and retention goals and engage them to provide business insights on priority communities.

In 2021, we launched our new **Career Framework**, a multipart program to help colleagues make the most of their talents and potential. We flattened and standardized the organizational structure, and clarified expectations at each level so colleagues can better chart their individual career journeys with greater transparency about required skill sets and experience. The program also included a key change in compensation structure: we introduced bonuses for colleagues at all pay levels so everyone is better motivated to contribute to Guardian's success. We believe the new framework will help us drive innovation, attract and retain the best talent, and unite our colleagues and teams around a common purpose.

We identified diversity targets ("bold goals") in key parts of the business, including our upper management, our salesforce, and our supplier base. At the end of 2021, 32 percent of Guardian colleagues at the senior vice president level and above were women, while 16 percent were people of color. While we have more work to do, we made progress in 2021 and remain committed to increasing diversity at every level.



# The Panther Group

“The Panther Group commends Guardian on their commitment to supplier diversity and their approach — advocating for The Panther Group and all MBE’s to have an opportunity to be successful and expand their services across the country.”

**Sean Cogdell**, CEO, and **Tim Puglielli**, President  
The Panther Group

## A diverse supplier finds a “seamless process” and path to growth with Guardian

When leaders of The Panther Group, a contract staffing and talent acquisition company, make the rounds at networking events, they hear a lot of buzz about hiring diverse suppliers — but rarely see a lot of follow-through. Not so with Guardian, where an introduction led to an RFP selection as a finalist and eventually winning the business in a “wonderful and seamless” process, says Allison Parker, Panther’s Vice President for Business Development. But that wasn’t the end of the story: No sooner did Panther get to work placing contract staff in Guardian’s customer service, claims, and IT departments than calendar invites started popping up for introductions to hiring managers elsewhere within Guardian; those meetings led to an expanded remit for Panther that includes direct hiring. “Our partners at Guardian knew we can provide a wonderful experience and they advocated for us and facilitated conversations with other departments,” Allison says.

That’s exactly on strategy, says Punita Patel, who joined Guardian in late 2021 to grow and evolve its supplier diversity program. “Big firms have dedicated relationship managers to build contacts within a client, but small businesses don’t have those resources,” Punita says.



# Gusto + Guardian

## Gusto + Guardian: Expanding an innovative API to provide more customers peace of mind

Gusto's People Platform supports employers and employees through an innovative cloud-based payroll, benefits, and human resources software suite. In 2018, Guardian joined forces with Gusto to develop groundbreaking API technology that helps remove human error and allows our group benefits customers to get the reliable coverage they need, when they need it. The easy-to-use technology has driven the growth of Guardian and Gusto's shared customer base, bringing peace of mind to more Guardian clients. As businesses adapted to the pandemic, Gusto and Guardian updated the API to help business owners overcome staffing challenges, access PPE loans, and link employees to their benefits.

"Guardian's dedication to customer service is one of the key reasons why we love this partnership," says Michael Hutto, Head of Carrier Operations at Gusto.

"Because of our shared philosophy, it makes problem solving and tech-forward innovation that much easier. Guardian's ability to be agile and find a way to do the right thing for the customer is unparalleled in the industry."

**Michael Hutto,**  
Head of Carrier Operations at Gusto



# Digital transformation

In addition to our customer- and culture-focused objectives, digital technology is another critical success factor for Guardian. We relied on digital solutions to address service disruptions at the start of the pandemic. Now, we are transforming our digital platform to engage with customers in powerful new ways.

The platform we're creating will be a vital tool in Guardian's efforts to **wow the consumer, reimagine mutuality, unleash what's possible**, and drive more business.

## Where we've come, where we're going:

We improved the functionality of our digital E-Suite platform by adding online applications, medical-record filing, and e-signature options, making it easier to buy insurance remotely. Those capabilities received high marks in customer satisfaction surveys and helped boost sales during the pandemic.

We are working diligently to build a unified, end-to-end digital customer platform for policyowners and beneficiaries, which we expect to launch in early 2023. The new site will be multifunctional, enabling clients to buy and manage policies, and will explain policy features in everyday language. It will be a robust information hub, full of articles and videos on health and financial confidence.



# Jitendra Kumar Mishra

## Finding simple solutions to clients' complex problems

An experienced tech troubleshooter, ReedGroup operations manager Jitendra Kumar Mishra lives by the motto: "There's always a way to simplify complex work."

Take the solution he devised for a client of ReedGroup, a Guardian subsidiary and absence management specialist. When Jitendra, who is based in India, learned that a major international retail client had a massive backlog of COVID-related leave requests, he zeroed in on the problem: More than 60 percent of leaves weren't going through because employees weren't properly filling out the forms on their online portal. The holdup impacted employees' lives and was stalling payroll processing. Jitendra's solution: create a data feed that filled in the forms automatically. In short order, the processing pace accelerated and the backlog subsided.

"The client was extremely happy with our thought leadership, and they increased their business with us," Jitendra says.



“There is always a way to serve clients better. At Guardian, we innovate for our clients by constantly challenging the status quo.”

**Jitendra Kumar Mishra,**  
Operations Manager at ReedGroup,  
a Guardian company

# Cressey & Co.

“Cressey is proud to be partnered with D4C. We are inspired and touched by the D4C leadership team’s genuine commitment to helping to deliver high-quality dental and orthodontic care to the pediatric community and remain focused on delivering exceptional quality.”

**Steven Dildine,**  
Partner at Cressey & Co.

## Elevating the quality of children’s dental care

Until recently, there were no standardized metrics to gauge the quality of treatment and patient outcomes in dental care. That changed when Guardian, in partnership with Cressey & Co. (“Cressey”), a healthcare-focused private equity firm, backed D4C Dental Brands, Inc. (“D4C”), a pediatric dental-care network set to craft formal standards and quality controls for the dental profession.

D4C developed a dedicated Quality Care Team comprised of its supported doctor owners. The team provides clinical guidance to D4C as it supports dental practices to help raise the standard in children’s oral health. Since 2018, D4C has been working with its doctor leadership team to gather and distribute information to supported clinicians regarding the quality of dental care they are providing to patients and remain focused on developing useful metrics into industry-wide standards to publish quality data. The Quality Care Team has subsequently created easy-to-use dashboards that enable company-supported dentists across the country to compare and discuss metrics and patient results with each other. Now in its fourth year, the initiative has measurably enhanced the level of care provided, with a network comprised of more than 350 pediatric dentists, orthodontists, and oral surgeons. Guardian is invested with D4C through a co-investment commitment with Cressey.



# Financial highlights

We had one of our best years financially in 2021, driven by our strong long-term investment focus, sound underwriting, prudent expense management, and earnings from complementary businesses. We achieved these results despite the uncertain economic environment and the adverse impact of COVID-19.

“Our time-tested ability to meet our customers’ needs in any environment underpinned our financial performance in 2021. Despite the pandemic’s ongoing impact, we achieved new milestones for revenues, earnings, dividends, and capital, while our financial strength and ratings attested to our exceptional financial condition.”

**Kevin Molloy,**  
CFO of Guardian

# Earnings performance

Operating income rose **10 percent** to a record **\$1.9 billion**, reflecting our robust investment returns and revenue growth. Guardian's premiums increased sharply, driven by a **35 percent rise** in renewals and life insurance sales due to increased customer outreach.

## Premiums, deposits, fees & equivalents

\$ in billions



## Operating income, before taxes and dividends

\$ in billions



# Benefits to our customers

We remained a trusted partner for our customers throughout the pandemic. In 2021 we paid **\$7.4 billion in total benefits**, an **11 percent increase** over 2020, including **\$1.9 billion** in life insurance claims, **\$200 million** of it COVID-related.

A mutual life insurance company, Guardian pays annual dividends to participating life policyholders.\* Our Board of Directors approved a **\$1.1 billion dividend in 2021**, the largest payout in the company's 161-year history. The dividend interest rate will be **5.65 percent in 2022**, consistent with the 2021 rate.

## Benefits paid to policyholders

\$ in billions



## Policyholder dividends declared

\$ in millions



\* Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors. The total dividend calculation includes mortality experience and expense management as well as investment results.

# Financial strength

Our superior value to our customers depends on our strong financial foundation. We ended the year with **\$10.7 billion** in capital, **13 percent more than in 2020** and an all-time record for Guardian. Our risk-based capital (RBC) ratio was 532 percent, providing strong support for our exceptional financial strength ratings. Our assets under management also rose to **\$90.2 billion**, another record.

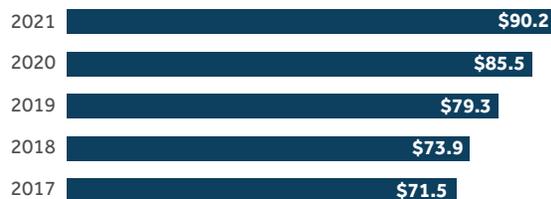
## Total adjusted capital (TAC)

\$ in billions



## Assets under management (AUM)

\$ in billions



## Ratings

Ratings agencies are responsible for gauging the financial strength of companies so that investors, policyholders, or partners can work with the facts. Exemplary ratings indicate that a company can honor its financial commitments and pay its claims. Guardian continues to receive high ratings across the board, a position the company has occupied for many years.

# Aa2

High Quality

3 of 21

Moody's Investors  
Service

# A++

Superior

1 of 15

A.M. Best Company

# AA+

Very Strong

2 of 20

Standard & Poor's

# AA+

Very Strong

2 of 21

Fitch

# 98

out of 100

COMDEX\*

The ratings of The Guardian Life Insurance Company of America® (Guardian) quoted in this report are as of December 31, 2021, and are subject to change. The ratings earned by Guardian do not apply to the investments issued by The Guardian Insurance & Annuity Company, Inc. (GIAC) or offered through Park Avenue Securities LLC (PAS). Rankings refer to Guardian's standing within the range of possible ratings offered by each agency.

\* Comdex is not a rating but a composite of all ratings that a company has received from the four major ratings agencies (A.M. Best, Fitch, Moody's, and Standard & Poor's). Comdex represents a company's percentile standing, on a scale of 1 to 100 (with 100 being the best), in 2021 in relation to other companies that have been rated by the major agencies.

# Financial results

## Investments

Guardian strategically targeted the private equity market 15 years ago as a sector that could generate long-term profitable returns that were not available in the public markets. As a result of a consistent investment pace in private equity, Guardian has constructed a portfolio of top-tier buyout and venture capital funds that were able to take advantage of historic M&A markets in 2021, resulting in exceptional returns and income generation along with very strong portfolio appreciation.

We are committed to responsible and transformative investing and take pride in supporting equity funds that improve people's lives. In this section, we spotlight efforts by two of our equity partners, Cressey & Co. and I Squared Capital.

Our investment team continues to reimagine the breadth and diversification of our assets. We recently expanded into dollar-

denominated emerging market debt, positioning ourselves to take advantage of favorable market trends and potentially increase our returns, while maintaining the strong risk discipline we have developed over many years.

We also saw tremendous growth in our third-party mutual fund sub-advisory portfolio. A notable example was the floating rate portfolio, which saw \$1.5 billion of net subscription inflows in 2021.<sup>1</sup> Floating rate loans continue to draw attention due to their historically low default rates and strong underlying fundamentals, and because investors are seeking alternative income streams in a rising rate environment. In a global landscape where fixed-income returns are under fire, floating rate credit funds with superior track records have strong appeal.

### Statement value

#### Asset class allocation - December 31, 2021

|  | \$ in millions | % of invested assets |
|--|----------------|----------------------|
| Public fixed income (excl. surplus note debentures) <sup>2</sup> | 38,717         | 58.6%                |
| Private placement debt   | 11,395         | 17.3%                |
| Commercial mortgages   | 5,330          | 8.1%                 |
| Policy loans   | 3,765          | 5.7%                 |
| Private & real estate equity                                     | 3,259          | 4.9%                 |
| Affiliates & subsidiaries <sup>3</sup>                           | 1,756          | 2.7%                 |
| Cash, short-term & other invested assets                         | 1,787          | 2.7%                 |
| Public equity <sup>4</sup>                                       | 35             | 0.1%                 |
| <b>Total invested assets</b>                                     | <b>66,044</b>  | <b>100%</b>          |

#### Fixed income - December 31, 2021

|  | \$ in millions | % of invested assets |
|--|----------------|----------------------|
| NAIC 1 (Aaa-A/AAA-A)                   | 26,516         | 52.9%                |
| NAIC 2 (Baa/BBB)                       | 20,506         | 40.9%                |
| <b>Investment grade subtotal</b>       | <b>47,022</b>  | <b>93.8%</b>         |
| NAIC 3 (Ba/BB)                         | 1,120          | 2.2%                 |
| NAIC 4 (B)                             | 1,738          | 3.5%                 |
| NAIC 5&6 (Caa/CCC & Below)             | 232            | 0.5%                 |
| <b>Below investment grade subtotal</b> | <b>3,090</b>   | <b>6.2%</b>          |
| <b>Total bonds<sup>5</sup></b>         | <b>50,112</b>  | <b>100%</b>          |

<sup>1</sup> Fixed-income securities are subject to interest rate, inflation, credit, and default risk. The bond market is volatile. Bonds and bond funds will decrease in value as interest rates rise and vice versa. Credit risk refers to the possibility that debt issuers may not be able to make principal and interest payments or may have their debt downgraded by ratings agencies.

Securities with floating interest rates are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much as interest rates in general. Floating rate investments issued in connection with leveraged transactions are subject to greater credit risk than many other investments. In certain circumstances, a lack of a ready market may make it difficult for the fund to purchase or sell particular investments within a reasonable time and/or at a fair price.

<sup>2</sup> Public fixed-income holdings excluding surplus note debentures are comprised of public corporates (77.8%), structured finance (8.3%), municipal securities (3.5%), US governments (3.5%), high yield public corporates & bank loans (5.9%), and emerging market securities (1.0%).

<sup>3</sup> Affiliates and subsidiaries includes \$560 million in affiliates classified as LLCs on the annual statement that are not private equity.

<sup>4</sup> Public equity excludes bond & cash mutual funds, and is hedged to protect Guardian's capital from market volatility.

<sup>5</sup> Total bonds includes public and private debt but excludes surplus note debentures classified as Schedule BA invested assets, commercial mortgages, and preferred stock.

## Year-to-year performance

The following condensed financial statements of The Guardian Life Insurance Company of America have been derived from audited statutory financial statements, which are available upon request.

### Results are for The Guardian Life Insurance Company of America only (not consolidated)

As of December 31 (in millions)

|  | 2021            | 2020            |
|--|-----------------|-----------------|
| <b>Admitted assets</b>   |                 |                 |
| Bonds  | \$50,112        | \$47,972        |
| Unaffiliated common  | 111             | 112             |
| Investments in affiliates  | 1,197           | 1,205           |
| Mortgage loans   | 5,330           | 4,816           |
| Private and real estate equity                                   | 3,240           | 2,314           |
| Policy loans   | 3,765           | 3,810           |
| Receivable for securities, other invested assets and derivatives | 1,498           | 1,448           |
| Cash and short-term investments                                  | 791             | 422             |
| <b>Total invested assets</b>                                     | <b>\$66,044</b> | <b>\$62,099</b> |
| Premiums deferred and uncollected                                | 1,153           | 1,157           |
| Reinsurance recoverable from affiliate                           | 3,381           | 3,176           |
| Other assets   | 1,549           | 1,613           |
| <b>Total admitted assets</b>                                     | <b>\$72,127</b> | <b>\$68,045</b> |
| <b>Liabilities and surplus</b>                                   |                 |                 |
| Reserves for policy benefits                                     | \$51,774        | \$48,948        |
| Policyholder dividends payable and other contract liabilities    | 6,734           | 6,691           |
| Interest maintenance reserve                                     | 779             | 703             |
| General expenses due or accrued                                  | 1,350           | 1,364           |
| Asset valuation reserve  | 1,444           | 1,132           |
| Other liabilities  | 1,457           | 1,447           |
| <b>Total liabilities</b>   | <b>\$63,538</b> | <b>\$60,285</b> |
| Policyholders' surplus   | 7,091           | 6,263           |
| Surplus notes  | 1,498           | 1,497           |
| <b>Total liabilities and surplus</b>                             | <b>\$72,127</b> | <b>\$68,045</b> |

## Year-to-year performance

For the year ended December 31 (in millions)

|   | 2021            | 2020            |
|---|-----------------|-----------------|
| <b>Revenues</b>   |                 |                 |
| Premiums, annuity considerations, and fund deposits           | \$9,445         | \$8,951         |
| Net investment income   | 2,704           | 2,368           |
| Other income  | 390             | 362             |
| <b>Total revenue</b>  | <b>\$12,539</b> | <b>\$11,681</b> |
| <b>Benefits and expenses</b>                                  |                 |                 |
| Benefit payments to policyholders and beneficiaries           | \$5,347         | \$5,154         |
| Net increase to policy benefit reserves                       | 2,826           | 2,354           |
| Commissions and operating expenses                            | 2,881           | 2,744           |
| <b>Total benefits and expenses</b>                            | <b>\$11,054</b> | <b>\$10,252</b> |
| Gain from operations before policyholder dividends and taxes  | 1,485           | 1,429           |
| Policyholder dividends  | (1,114)         | (1,036)         |
| Gain from operations before taxes and realized capital losses | 371             | 393             |
| Income tax (expense)/benefit                                  | (9)             | 100             |
| Net realized capital losses                                   | (139)           | (346)           |
| <b>Net income</b>   | <b>\$223</b>    | <b>\$147</b>    |



# I Squared's Cube Highways

## Transporting people out of poverty

One of the biggest barriers to lifting people out of poverty in rural India is the lack of transportation infrastructure to facilitate commerce and employment. I Squared Capital, one of Guardian's global infrastructure private equity funds, has taken on that challenge through Cube Highways, which has grown to become the largest independent owner and operator of toll roads in India with 8,800 lane-kilometers of highways across the country. In recognition of its focus on sustainable infrastructure, Cube Highways received the Silver Award in the Green Highways category from the Indian Ministry of Road Transport for its stewardship of the Andhra Pradesh Expressway in 2020. Recent environmental initiatives include building solar-powered toll plazas, planting more trees and shrubs along its highways, creating rainwater harvesting systems and pond rehabilitation at its toll plazas, and installing LED lighting to conserve energy and mitigate light pollution. The company has adopted new technologies and materials for pavement maintenance to improve quality, optimize life cycle costs, and increase sustainability. Cube Highways also supports the communities near its roads through education — including 10 computer literacy labs at its toll plazas or along its highways that have provided computer literacy training for over 1,700 students. Guardian is invested with Cube Highways through its commitment to ISQ Global Infrastructure Fund II and ISQ Global Infrastructure Fund III.

“Since its founding by I Squared Capital, Cube Highways has grown its dedicated ESG team to 22 professionals,” notes Harsh Agrawal, Partner at I Squared Capital.

“We are very proud of the success and recognition they have achieved in supporting the communities near our roads, reducing carbon emissions, and improving safety for both employees and drivers.”

Harsh Agrawal,  
Partner at I Squared Capital



# Leadership

# Guardian leadership team



**Andrew J. McMahon**  
Chief Executive Officer  
and President



**Kermitt Brooks**  
Chief Legal Officer



**Eleana Cheng**  
Head of Guardian Direct



**Erin Culek**  
Head of Strategy and  
Corporate Development



**Dean Del Vecchio**  
Chief Information Officer  
and Chief of Operations



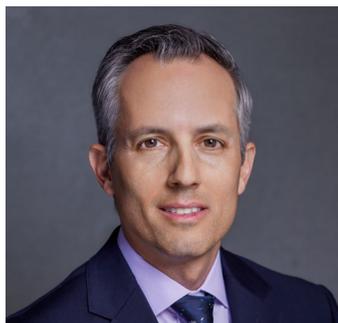
**Michael Ferik**  
Head of Individual Markets



**Stacey Hoin**  
Chief Human Resources  
Officer



**Jean LaTorre**  
Chief Investment  
Officer



**Kevin Molloy**  
Chief Financial Officer



**Christopher B. Smith**  
Head of Group Benefits



**Wendy Wahl**  
Chief Marketing Officer



**Sandy Waite**  
Chief Communications Officer

# Guardian board of directors

## John J. Brennan\*

Director since 2011

- Chairman Emeritus, Vanguard
- Chairman, Board of Trustees, University of Notre Dame
- Chairman, Vanguard Charitable Endowment Program
- Director, American Express Company
- Director, Rockefeller Capital Management

## Lloyd E. Campbell\*

Director since 2006

- Consultant, Spencer Stuart
- Former Senior Advisor, Rothschild Inc.
- Former Director, Argyle Securities Corporation
- Former Director, Spartech Corporation
- Former Director, Alderwoods Group
- Past Trustee, Georgetown University
- Special Advisor, Aurora Management Partners LLC

## Nancy E. Cooper\*

Director since 2012

- Board Chair, Brunswick Corporation
- Director, Aptiv PLC
- Retired Executive Vice President and Chief Financial Officer, CA Technologies, Inc.
- Former Chief Financial Officer and Senior Vice President, IMS Health, Inc.
- Former Partner, General Atlantic
- Former Vice President, IBM

## Deborah L. Duncan\*

Director since 2006

- Member of the Board of Directors and the Audit Committee, and Former Executive Vice President and Chief Financial Officer, Fremont Group, LLC
- Director and Secretary, X2X Media Group
- Former Chair of the Board of Trustees, Smith College

## William C. Freda\*

Director since 2014

- Chairman, Hamilton Insurance Group
- Director, State Street Corporation
- Retired Senior Partner and Vice Chairman, Deloitte
- Former Chairman, Global Insurance Committee, Deloitte Touche Tohmatsu Limited
- Former Managing Partner, US Financial Services Industry Practice, Deloitte LLP
- Former Director, Deloitte Touche Tohmatsu Limited
- Former Trustee, Bentley University
- Former Chairman, American Institute of Certified Public Accountants' Mutual Life Insurance Task Force

## Christopher T. Jenny\*

Director since 2017

- Director, CBRE Group, Inc.
- Director, Mobile Virtual Player
- Director, PLT4M
- Chairman and Chief Executive Officer, Jennus Innovation
- Trustee and Vice Chair, New England Baptist Hospital
- Former President & Senior Partner, The Parthenon Group
- Former Partner, Bain & Company

## Andrew J. McMahon

Director since 2020

- Chief Executive Officer and President, Guardian
- Director, Partnership for New York City
- Director, Catalyst
- Trustee, Fairfield University
- Board Member, American Council of Life Insurers
- Member, Department of Financial Services State Insurance Advisory Board
- Former Board Member, Alliance Bernstein
- Former Board Member, AXA Financial
- Former Board Member, Phoenix Life Insurance Companies
- Former Board Member, Nassau Re

## Eileen K. Murray\*

Director since 2020

- Chair, Financial Industry Regulatory Authority (FINRA)
- Director, HSBC Holdings plc
- Director, Compass
- Director, Atlas Crest Investment Corp.
- Director, Irish Arts Center
- Former Co-Chief Executive Officer, Bridgewater Associates, LP
- Former Controller, Treasurer, Global Head of Technology and Operations, and Management Committee member, Morgan Stanley
- Former Head of Global Technology, Operations, and Product Control, Credit Suisse First Boston

## Gary A. Norcross\*

Director since 2017

- Chairman and Chief Executive Officer, FIS
- Member of the Dean's Executive Advisory Board of the Sam M. Walton School of Business, University of Arkansas
- Director, YMCA of Florida's First Coast
- Director, KIPP Jacksonville Schools

## Karen B. Peetz\*

Director since 2019

- Chief Administrative Officer, Citigroup Inc.
- Director, Trane Technologies plc
- Trustee, Johns Hopkins University
- Director, Global Lyme Alliance
- Retired President, The Bank of New York Mellon
- Former Senior Vice President, JPMorgan Chase
- Former Board Chair, United Way New York City
- Former Board Chair, Pennsylvania State University

## Vivek Sankaran\*

Director since 2018

- President and Chief Executive Officer, Albertsons Companies, Inc.
- Director, National Retail Federation
- Director, Georgia Institute of Technology Advisory Board
- Director, Safe Water Network
- Former Chief Executive Officer, Frito-Lay North America
- Former Partner, McKinsey & Company

# Lesa Kennedy

## A J.E.D.I. graduate finds her voice — and a safe space to advocate for change

Throughout her career, Lesa Kennedy has been the only woman, the only Black person — and often both — in the room. She has, at times, felt her opinions dismissed, doors closed, and opportunities out of reach because of unconscious bias, or worse. But Lesa, a Senior Scrum Master who started at Guardian as a web developer and technical analyst, has experienced change and growth — both her own and her company's — through Guardian's J.E.D.I. training program (Justice, Equity, Diversity, and Inclusion).

A member of the first graduating class, Lesa credits the J.E.D.I. program with her growing self-awareness and sense of empowerment to use her voice to leverage her expertise, process her experiences, and claim her seat at the table. "Now, if I'm feeling a certain way about something, I speak up. I have learned to create space for myself," Lesa says.

“This is a journey — it’s not check-the-box, one and done. But the J.E.D.I. experience is bringing awareness to what is needed to create an inclusive culture at Guardian.”

**Lesa Kennedy,**  
Senior Scrum Master, Enterprise Business  
& Technology Services, Guardian



# Team Rubicon Partnership

## A COVID-19 vaccination effort gets 1.6 million shots in arms

Team Rubicon has dispatched volunteer squads of military veterans and medical first responders to every corner of the globe. But while the storied nonprofit disaster-relief organization has helped millions devastated by hurricanes, wildfires, floods, and other catastrophes, COVID-19 presented the unflappable Rubicon leaders with an urgent and unprecedented challenge: how to convert their vast resources and skill sets to speed and support vaccination in the nation's underserved communities.

Guardian, which Team Rubicon had been courting as a possible corporate sponsor since 2018, learned of the vaccination project and went all in. Through a \$1 million founding grant, hundreds of Guardian employees volunteered their administrative and human talents to support pop-up clinics, process paperwork, and sit with the just-vaccinated for the required safety monitoring. Team Rubicon's vaccination support operations resulted in more than 1.6 million vaccinations in 129 US cities, with especially successful efforts in the Navajo Nation, Philadelphia, Pennsylvania, and Portland, Oregon.

"Guardian threw seven figures at a nonprofit they had never worked with, and that was just unprecedented for us," says Matt Colvin, Team Rubicon's Head of Strategic Partnerships.

"Their employees came through with a tremendous response and such meaningful action. This is a great example of how two entities can come together very quickly and have a lot of impact at a critical time."

**Matt Colvin,**  
Head of Strategic Partnerships at Team Rubicon



# Guardian ESG fact sheet

For over 160 years, we at Guardian have enabled our policyholders to establish and maintain financial security. We are evolving our business to better serve our policyholders and their beneficiaries, support our colleagues, and expand and deepen our connections with the communities we serve.

To deliver on our purpose to “**inspire well-being**” and act upon our strategic priorities — **wow the consumer, reimagine mutuality, and unleash what’s possible** — we are committed to transparently sharing our approach to the environmental, social, and governance (ESG) issues that are material to our business.

## Our evolved Values

Our Values influence how we make decisions and treat our customers, colleagues, and communities:

- **We do the right thing.** We deliver on our promises to our customers and communities and take pride in being a fair and ethical company.
- **We believe people count.** For us, people come first, and we treat others with care and respect.
- **We courageously shape our future together.** Acting as one team, we work together to create a culture where we openly challenge assumptions, move with a sense of urgency, try new things, learn from failure, and welcome challenges.
- **We go above and beyond for the people we serve.** We are committed to understanding the needs and dreams of our customers.

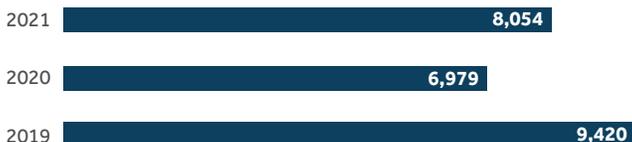
The contents of this fact sheet were informed by a nonfinancial materiality assessment conducted in 2021 and guided by the Value Reporting Foundation’s Sustainability Accounting Standards Board framework for the insurance and asset management and custody activities industries. Moving forward, we will continue sharing our progress on our ESG priorities through further reporting.

# Environmental

Enabling people’s physical, emotional, and financial well-being requires doing our part to actively reduce our environmental footprint and mitigate the impacts of climate change. To do so, we are committed to the responsible management of our energy and natural resource consumption.

## GHG inventory<sup>1</sup>

### Our estimated GHG Scope 1 and 2 emissions (mtCO<sub>2</sub>e)<sup>2</sup>



As part of our efforts to reduce our greenhouse gas (GHG) emissions, we estimated our current impact under Scope 1 (direct emissions) and Scope 2 (indirect emissions via electricity usage) in 2021, using 2019 as our base year. We are assessing our Scope 3 emissions (indirect emissions via the value chain). In addition, we have expanded our GHG database to track emissions across our portfolio.

Our “Guardian on the Go” hybrid workplace model was implemented in 2018. In 2021, we transitioned an additional 4,429 colleagues to remote work, **reducing GHG emissions by 1,614 metric tons and saving more than 1 million gallons of gasoline during the calendar year.** Telepresence systems at our campuses in New York, Pennsylvania, New Jersey, Connecticut, Colorado, and India have minimized travel between offices and reduced the emissions that result from our colleagues’ travel to those offices.

## Sustainable office decommissioning

We began sustainable office decommissioning in 2022, diverting about 90 percent of waste from landfills.

We continuously work to reduce enterprise-wide paper usage. In 2021, our managed print efforts saved approximately **6,684 trees**, **5.6 million gallons of water**, and more than **600,000 pounds of carbon** compared to volumes prior to the implementation of our Enterprise Managed Print Program.

From 2018 through 2021, we have recycled **2.3 million pounds of paper** through a confidential shred bin program in partnership with Iron Mountain.

To reduce our office resource usage and footprint, in 2017 we migrated most of our Data Center operations to the cloud. Since 2018, we have saved 470,389 kilowatt-hours or 333 metric tons of GHG annually, based on our average usage for the Data Center’s last three years of operation.

### Reduced energy consumption in our three LEED Gold offices (NY, PA & NJ) since 2019

reduced by an average of **56%**



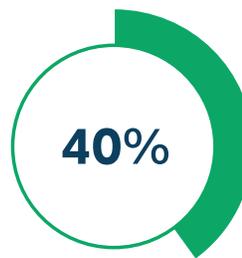
<sup>1</sup> FY19-FY21 GHG emissions data reflect the correction of a previous computational error. The previously reported emissions values included double-counting of certain emissions categories. Guardian has advised the New York State Department of Financial Services of the computational error and correction.

<sup>2</sup> Metric tons of carbon dioxide

## Sustainable buildings and energy efficiency

Within our facilities, **40 percent of our 1.3 million square feet** are Leadership in Energy and Environmental Design (LEED) Gold-certified.

We have reduced our purchased electrical energy consumption per square foot by **50 percent since 2019** by downsizing our office footprint in Appleton, Wisconsin; optimizing cooling and heating settings; limiting lighting in unused areas; and making improvements through systems controls.



of the 1.3 million sq ft in our facilities are LEED Gold-certified



reduction of purchased electrical energy consumption per sq ft

## Preserving resources, reducing waste

We have implemented a number of projects to conserve resources, reduce waste, and protect the environment at our facilities. Consider the following examples:

### Bethlehem, PA Office

**↓ 21%**

**Reduction in space** through real estate consolidation since 2016.

**↓ 40%**

**Reduction in potable water use** due to high-efficiency plumbing fixtures. Additional touchless fixtures have since been added to address hygiene concerns and further improve efficiency.

**↓ 30%**

**Reduction in lighting power**; 88% of our equipment and appliances are ENERGY STAR rated.

**♻️ 24%**

**of building materials by value** were manufactured from recycled materials.

**☀️ 164%**

**of base building roof surface** has the required Solar Reflectance Index, based on the roof slope, to reduce heating and cooling needs for the building.

### Hudson Yards, NYC Office

**↓ 390,000 sq ft**

**Reduction in office footprint** for Manhattan headquarters building — reduced from 600,000 sq ft to 210,000 sq ft between two locations (120,000 sq ft at NYC office and 90,000 sq ft in Holmdel, NJ).

**⚡ 90%**

**Energy savings yielded** in kilowatt-hours due to reduction in footprint between the former NYC office space and its two office replacements.

**↓ 40%**

**Reduction of indoor water use** through use of high-efficiency plumbing fixtures.

**☀️ 76%**

**Office space managed** by daylighting and occupancy controls.

## Mitigating climate risk and improving resilience

We are evaluating and upgrading our ESG data collection and reporting capabilities to develop a detailed understanding of how climate risk affects our investments, our products and services, and our operational resiliency. We look forward to publishing our first report following the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD) in 2022.

# Social

Creating a truly diverse and inclusive environment within our workplace and having a positive impact on the communities where our customers and colleagues live are core to our purpose to “inspire well-being.”

## Amplifying our purpose

We updated our corporate social responsibility (CSR) strategy in 2021 to align our community commitments and philanthropy with our business impact, using four guiding principles:

- **Aligning with the core business.** We are inspiring well-being in our communities by framing our CSR goals as a natural extension of our business mission.
- **Setting bold goals.** We're not afraid of a challenge, even a monumental one.
- **Leveraging assets.** We are committed to advancing the social good through the use of grant dollars, colleague volunteering, and business partnerships.
- **Measuring impact.** We are measuring outcomes to ensure we make progress toward our CSR goals.

Our Justice, Equity, Diversity, and Inclusion (J.E.D.I.) framework drives our inclusive leadership program and our ongoing, immersive educational program focused on social equity. J.E.D.I. aims to raise awareness within the organization and embed diversity and inclusion in our corporate culture.

Our 32-member J.E.D.I. Leadership Council provides strategic thought leadership and evolves our framework. Growing ranks of Advocate Leaders support the council and advocate for J.E.D.I. values across the organization. In 2021, 150 colleagues graduated from our inaugural J.E.D.I. program. In 2022, we plan to graduate an additional 1,000.



We are evolving our **eight employee resource groups (ERGs) into business resource groups (BRGs)** with greater integration into our strategic business plan, to be completed by the end of 2023. We are fostering a culture of belonging by aligning J.E.D.I. objectives more closely with business initiatives. In 2022, ERG leaders will begin to transition through our ERG to BRG Leadership Certification Program.

In 2021, we launched our first **Men's Allyship/Gender Partnership** series for Guardian executives. This collaborative, self-reflective experience aims to build on our colleagues' capabilities and help eliminate barriers. We intend to expand the series in 2022.

**32**  
member

**J.E.D.I.**  
Leadership Council  
members

**150**

**colleagues**  
graduated from our  
inaugural J.E.D.I. program

**1,000**

**anticipated**  
graduates in 2022

## Our community outreach and philanthropy efforts

In 2021, our philanthropic efforts included strategic grants, matching gifts and corporate contributions.

- Training and job placement for Black and brown youth and military veterans.
- COVID-19 vaccine distribution in the United States and relief efforts in India.
- Dental services for medically fragile and elderly people, as well as military veterans with special needs.

Our goal is to engage at least half of our colleagues in one or more community activities, whether by volunteering or making a financial contribution. To boost and better track community involvement, we are relaunching our Guardian for Good colleague engagement platform in 2022.



received donations



dedicated to CSR activities in 2021



grant from Guardian to Team Rubicon



vaccinations in 129 cities via Team Rubicon's Project Vaccinate

### Protecting underserved communities

As COVID-19 spread around the world, storied nonprofit Team Rubicon took on the challenge of quickly delivering vaccinations to underserved communities in the United States. Guardian was the first corporate partner to make a **\$1 million** cornerstone grant; hundreds of our colleagues then volunteered to help Team Rubicon's Project Vaccinate complete **1.6 million** vaccinations in **129 cities**, with an especially successful effort in the Navajo Nation.

## Advancing our people

In 2020, we set diversity targets across key parts of the business, including our upper management, salesforce, and supplier base; these targets continue to guide our diversity efforts.

- Today, our 11-member board of directors includes four women and two multiethnic men.
- While we have more work to do, we made progress in 2021 and remain committed to increasing diversity at every level. At the end of the year, **32 percent** of Guardian colleagues at the senior vice president level and above were women, while **16 percent** were people of color.

In 2021, we reviewed our human resources colleague engagement processes to ensure consistency of the process, accountability, and disclosures. We are committed to regularly assessing our approach to colleague engagement and evolving our processes as needed.

We also launched our new **Career Framework** in 2021 to help colleagues grow and advance in their professional paths at Guardian. As such, we adopted a flatter and more transparent structure to establish a clearer link between responsibility and performance expectations at each level, promote a pay-for-performance culture, and support upward and lateral career progression. Beginning in 2022, we introduced bonuses to colleagues at every pay level to reward them for their contributions to Guardian's success. We will continue to create programs and incentives to enhance the financial well-being of our colleagues.



**2021 Best Place to Work for LGBTQ+ Equality** (sixth consecutive year)



**India's Best Workplaces for Women 2021 Top 100 list, Great Places to Work**

# Governance

A responsibly managed, ethical organization is key to delivering on our environmental and social priorities, as well as ensuring long-term sustainable business performance. That’s why we maintain a robust corporate governance structure, so our policyholders and other stakeholders can be sure we are aligned on their long-term interests.

## Improving our governance structure

In 2021, we launched our executive-level ESG Council, which established a road map for governance and management, including board oversight, of our ESG-related activities. We also completed our first materiality assessment to identify and define our ESG priority topics.

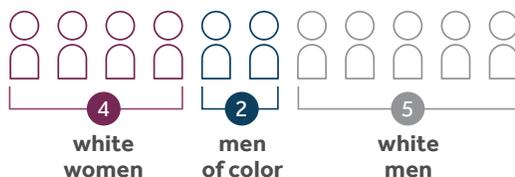
To ensure we meet our commitments to plan holders, colleagues, and the communities in which we operate, we are making these priorities an integral part of our governance process — weaving ESG into our policies, charters, and risk management.

Our corporate code of conduct is evolving to better support and protect our ethical culture. Colleagues are required to complete training on, and attest to, our code of conduct annually, and any colleague who spots potential violations of the code may report them anonymously.

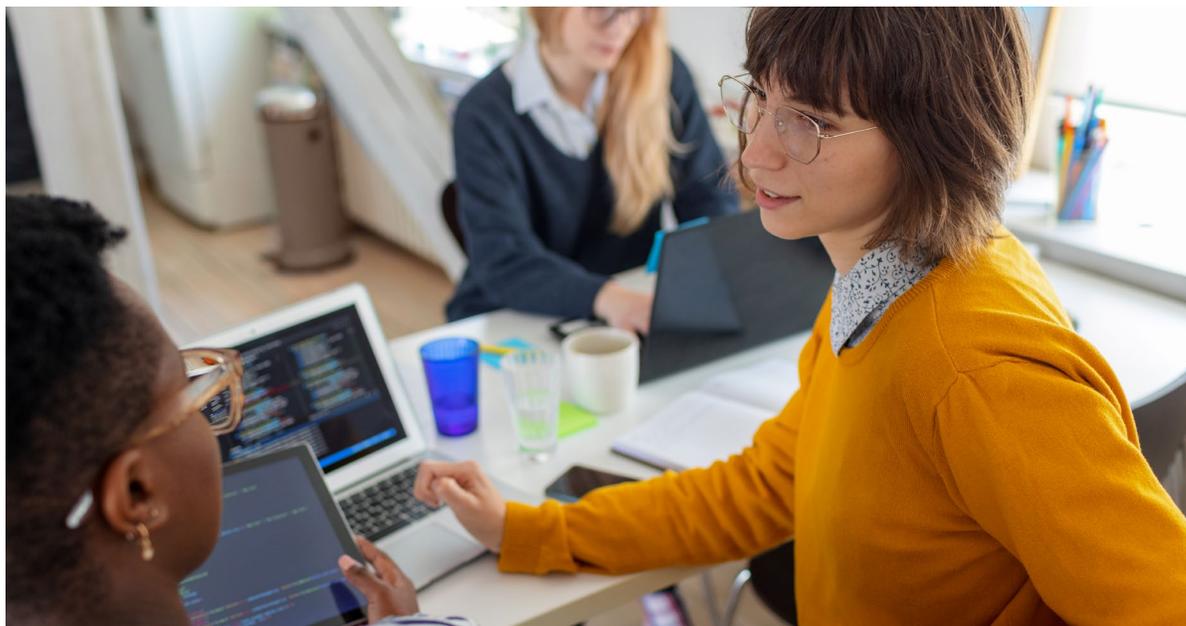
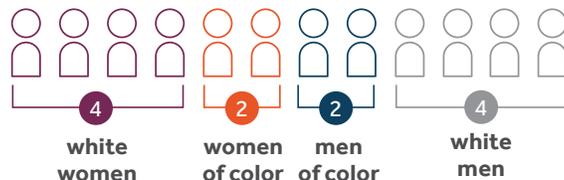
## Establishing a climate-risk framework

Climate change is bound to define many aspects of our collective future, and every business must be positioned to identify and act upon climate-related risks and opportunities. That’s why we are incorporating climate risk into our overall risk-management framework. (See [Responsible investing](#) for more information.)

### Board Diversity (11 members)



### Guardian Leadership Team Diversity (12 members)



## Aligning our sourcing and supplying strategy with our ESG priorities

Our commitment to supplier diversity advances our mission to inspire well-being by creating economic opportunities in underserved communities. A diverse supplier base also critically reflects the diversity among our customers and communities.

While we currently consider supplier diversity and ESG in our request for proposal (RFP) and evaluation process, we have developed a plan to make both issues more central to our sourcing and vendor management practices.

### 2021 supplier diversity impact

| Diverse supplier spend |                        | Small business spend |                      |
|------------------------|------------------------|----------------------|----------------------|
| \$30 million           | Diverse supplier spend | \$11 million         | Small business spend |
| \$62 million           | Economic impact        | \$24 million         | Economic impact      |
| 402                    | Jobs supported         | 151                  | Jobs supported       |
| \$18 million           | Wages earned           | \$7 million          | Wages earned         |

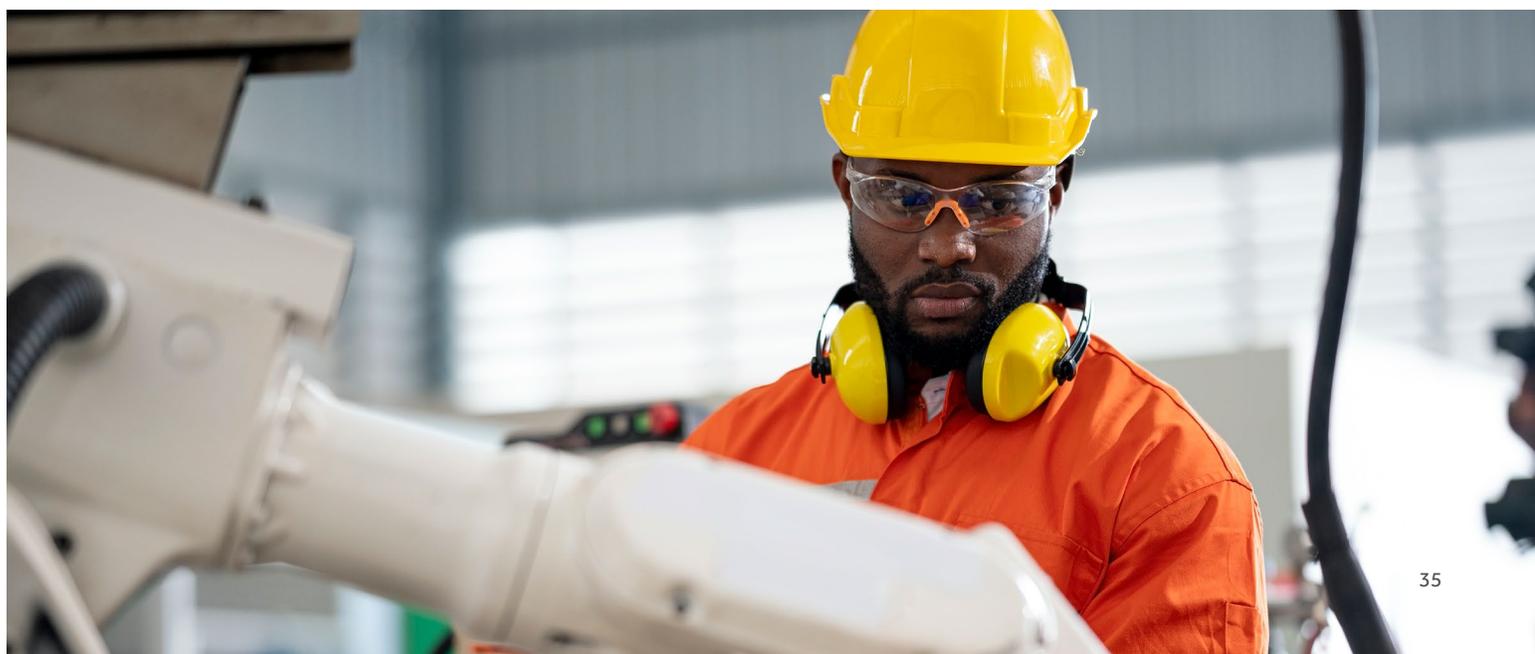
The economic impact of the **Supplier Diversity Program** is a measure of how doing business with small and diverse companies generates revenue, income, and jobs and how that activity impacts the local economy.

In early 2022, we revised our [Supplier Code of Conduct](#) and are actively working to boost supplier diversity. To that end, we have more formally incorporated diversity and ESG questions into our RFP and vendor evaluation processes.

Additionally, we are assessing our current supplier base for alignment with our ESG goals and will share new ESG expectations with our suppliers in 2022. We are establishing a program to monitor and assist suppliers in meeting these new requirements.

#### Partnering with diverse suppliers

In 2021, Guardian partnered with [The Panther Group](#), a diverse, certified minority-owned national recruiting and staffing workforce management firm, to provide contract staff in Guardian’s customer service, claims, and IT departments. Following Panther’s successful RFP participation, this win-win partnership has resulted in an expanded remit for Panther including direct hiring. We are committed to removing the barriers to diverse suppliers winning and growing business with Guardian.



# Responsible investing

We extend our purpose of inspiring well-being beyond our direct corporate impact and to our portfolio. We are committed to generating robust returns for our policyholders while working to protect the environment, encourage social responsibility, and promote strong governance.

## Advancing responsible investing at Guardian

We believe ESG factors help identify companies that create and preserve long-term value and superior risk-adjusted returns. We define ESG integration as the deliberate consideration of material environmental, social, and governance practices, which, when weighed along with traditional investment factors, help us design and maintain portfolios that achieve the right combination of financial returns and responsible investment.

We hired a Head of Investments ESG Integration to lead our efforts in developing and executing responsible investment strategies; he will come on board in the second quarter of 2022. We also purchased ESG data from a leading provider to help assess our investment portfolio.

Additionally, we are working with a third-party investment-focused consultant to perform climate scenario analyses on the portfolio and adapt our disclosures to align with the TCFD framework.



## Quantifying socially responsible investments within our portfolios

To date, we have committed more than **\$800 million** to tax equity investments including solar power and affordable housing. We have also made private debt investments in renewable energy projects — including solar, wind, and hydroelectric power generation — totaling **\$350 million**.

### Investing in solar farms

Guardian invested tax equity in several [Lightsource bp](#) solar farms, which provide 100 percent of the electricity they generate to Penn State University.

### Investing in mental health

Last year, we invested in and formed a strategic partnership with [Spring Health](#), a mental health services provider that directs companies and employees to optimal care. Guardian obtained exclusive rights to distribute Spring Health's offerings. Services will be available initially to Guardian's group customers and ultimately to our colleagues.

# Lightsource bp + Guardian

## Lightsource bp + Guardian

When Penn State University set a goal of cutting carbon emissions 35 percent by 2020, it sought a corporate partner to develop and manage a solar facility to achieve that. It also wanted a partner that would provide tangible benefits to the community, enhance biodiversity, and create a living laboratory for students. Lightsource bp, a solar plant developer and manager, rose to the challenge. Backed by an equity investment from Guardian, Lightsource bp built three solar farms in Pennsylvania that supply 25 percent of the university's state-wide electricity needs while reducing emissions by 57,000 metric tons a year — equivalent to removing 12,100 fuel-burning cars from the road.\* The cost savings are significant.

Beyond those benefits, the projects generate income for the local community, by leasing land from farmers and paying sheep herders to have their animals graze it. The land is sown with grasses, herbs, and wildflowers that attract pollinators and other wildlife. And the facilities provide Penn State students a rich opportunity to study solar energy.

\*Penn State Powered by The Sun project



“This project is a crown jewel for all of the participants. Guardian’s investment helped us gain recognition as a major player in the U.S. solar market.”

Says Kevin Smith,  
CEO of the Americas for Lightsource bp



## Other legal information

Financial information concerning Guardian as of December 31, 2021, on a statutory basis: Admitted assets = \$72.1 billion; liabilities = \$63.5 billion (including \$51.8 billion of reserves); and surplus = \$8.6 billion.

Financial information concerning GIAC as of December 31, 2021, on a statutory basis: Admitted assets \$14.2 billion; liabilities = \$13.7 billion (including \$4.0 billion of reserves); and capital and surplus = \$0.5 billion.

Financial information for Berkshire Life Insurance Company of America as of December 31, 2021, on a statutory basis: Admitted assets = \$4.7 billion; liabilities = \$4.5 billion (including \$1.0 billion in reserves); and capital and surplus = \$0.2 billion.



[guardianlife.com](https://guardianlife.com)

Guardian® is a registered trademark of The Guardian Life Insurance Company of America®.

©Copyright 2022, The Guardian Life Insurance Company of America, New York, NY.

2022-143931 Exp. 04/24