

# 2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

How reframing our company is sharpening our focus on sustainability

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**Frederick H. Eppinger**  
*Chief Executive Officer*

## The Fabric of Our Company

After becoming CEO in the Fall of 2019, I spent time meeting with thousands of our employees to integrate into the organization and learn more about what makes Stewart special. Through these conversations it became clear that we had a proud past, but an even brighter future. So together, we launched our journey to become the Premier Title Services Company. While the management of our financial performance is one important measure of success, our vision to be the best is based on so much more.

It is with that in mind that we have established our inaugural Sustainability Report. As a 127-year-old company, we are no strangers to the importance of sustainability. That said, sustainability is not a one-time endeavor or a report to read; it is the fabric of the company.

Our vision is based on customer service excellence and living our core values of responsiveness, teamwork and caring. It supports our commitment to being a socially responsible company, and one that acknowledges the importance of being a good steward of our environment – a company that makes a difference in the communities we serve. Simply put, we are building a company of which we can all be proud.

We believe that fully realizing our values means taking intentional action to make our communities a better place. As a company, we are pleased to have made progress on a number of social and environmental initiatives this past year:

- ▶ We created our Stewart Foundation, a big first step in better managing our charitable giving and volunteerism in the communities we serve. This past year, we made strides in assessing and improving the diversity and inclusiveness of both our board and workforce. Looking ahead, we have established a diversity and inclusion task force to review our progress on recruiting and promoting talent from minority/underserved communities.
- ▶ Historic weather events have magnified the importance of being a respectful steward of our environment. As part of an industry that has been historically paper-intensive, we have expanded our recycling efforts, our energy and waste management, and our eco-friendly technology to reduce the use of paper and digitize the real estate closing transaction process.

Our work and our conversation in these areas are an integral part of who we are. We know that to be regarded as the best, we must sustainably serve our employees, shareholders, customers and the community at large – that work never stops. Consistent with our goals, we have established a governance structure and transparency that align with our stakeholders and support our long-term goals.

This past year reinforced the importance of home to all the communities Stewart serves. Almost overnight, home became a place to work, a place to live, a place to learn and, most importantly, a place to stay healthy and safe. Our more than 5,800 worldwide employees rose to the challenges the COVID-19 pandemic created, helping to make home ownership during these difficult financial times a reality. If this year taught us anything, it was that who we are and what we stand for is even more important than what we do. For 127 years, Stewart has had a long history of doing the right thing, but our vision has galvanized us to improve every day. Together we are building a very special company that is positioned for the next 100 years.

Sincerely,  
Fred

# 2020 Highlights

## COVID Response

- ▶ Stewart transitioned 70% of our employees to working remotely within days.
- ▶ We implemented drive-through closing, remote online notarization and remote ink-signed notarization digital solutions.

## Governance

- ▶ We welcomed two new members to our board of directors: Deborah Matz and William Corey.
- ▶ We partnered with CertifiD to provide increased security against wire fraud for our offices and the independent agencies we underwrite.

## Social

- ▶ We established the Stewart Foundation to deliver greater impact around our company's and employees' efforts to drive positive change in the world.
- ▶ We gave out more scholarships to employees' children than in any other year in our history.
- ▶ We laid the groundwork and launched a diversity and inclusion task force to lead the way in our efforts in addressing bias issues.

## Environmental

- ▶ We acquired NotaryCam®, a pioneering leader in online notarization and original provider of mortgage eClosing solutions, advancing our strategic vision of digitizing, securing and simplifying the title and closing process in an environmentally beneficial manner.
- ▶ We recycled or resold all technology assets that became obsolete.
- ▶ Some positive environmental impact numbers include:
  - More than 7,300 trees saved
  - More than 5.7 million gallons of water saved
  - More than 1,200 metric tons of CO2 emissions avoided

## Financial Strength

- ▶ Stewart reached its strongest financial position in our history.
- ▶ Annual revenues of \$2.28 billion represented an 18% increase over 2019.
- ▶ Total shareholder equity was \$1.0 billion.
- ▶ Policyholder surplus in our principal underwriting subsidiary was \$795 million, the highest in company history, which represents five years of surplus growth.
- ▶ Financial Ratings:

A-	A-	A"
Fitch Ratings	A.M. Best	Demotech

All financial information as of December 31, 2020







## About Stewart

### Name

Stewart Information Services Corporation

### Industry

Financial Services & Insurance

### Headquarters

Houston, TX

### Worldwide Employees

5,800

Founded in 1893, Stewart (NYSE-STC) is a customer-focused, global title insurance and real estate services company offering products and services through our direct operations, network of approved agencies and other companies within the Stewart family. Stewart provides these services to homebuyers and sellers, residential and commercial real estate professionals, mortgage lenders and servicers, title agencies, real estate attorneys and home builders.

Stewart also provides loan origination and servicing support, loan review services, REO asset management, due diligence for capital markets, collateral valuations, home and personal insurance services, tax-deferred exchanges and technology to streamline the real estate process. Stewart offers personalized service, industry expertise and customized solutions for virtually any type of real estate transaction and is a leading real estate services provider.



Our corporate offices are located at  
1360 Post Oak Blvd.  
Houston, Texas 77056

# The Journey to Becoming the Premier Title Services Company

In late 2019, Stewart took a long look at our history – all the way back to our founding in 1893 – and made some decisions about what kind of company we wanted to be going forward. In the process, we redefined how we do business. We recommitted ourselves to improving the experience we provide to all our customers and partners. We put our considerable financial strength to work investing in our business to provide better tools and resources for employees and loyal customers. All to achieve our goal of becoming the premier title services company.

To achieve that vision, we know our business must be managed in a sustainable way. We must maximize the positive impact we have on the environment and society while continuing to manage our company in a transparent manner consistent with our company values:



**We have a winning approach.** We approach winning strategically. We remove barriers so the experiences we provide are the best they can be. We hustle every day. Most importantly, we continually outhustle our competition.



**We work as a team.** We collaborate and support each other and our customers. We're stronger when we all work toward a common goal. And we share our expertise and ideas so we grow stronger, together.



**We are courageous and honest.** We prefer bold to timid. If we make a mistake, we own up to it, fix it and learn from it, to become a better company and a better partner. We stay open to new thinking, to move forward and lead our customers into the future.



**We are stubbornly customer oriented.** Our entire universe revolves around the people we serve. That's why we put ourselves in our customers' shoes to understand the commitments we need to make. Then we live our commitments.



**We are accountable.** We know the importance of being open and transparent. We also know the importance of delivering on our promises. That goes for today, tomorrow and years to come.

## The Role of Sustainability in Our Journey

We are serious about the future of this company, our customers' businesses, our industry and our world. To honor that commitment, we have formed an ESG team with representation from each of our business units and internal support services. During 2021, this team will develop long-term goals to help guide our sustainability efforts. Our board of directors' nominating and corporate governance committee will review and make decisions on these efforts.

## Title Insurance's Role in Propelling and Protecting Real Estate Investment

Real estate played a particularly large role in the lives of Americans and in our economy amid the turbulence that permeated 2020. On average, housing's combined contribution to gross domestic product ranges between 15 and 18% through residential investment and consumption spent on housing<sup>1</sup>.

At the end of 2019, that number was just below 15%<sup>1</sup>. Since the spring of 2020, coinciding with the outbreak of the pandemic and the increase in residential refinance and purchase transactions, housing's percentage of the GDP rose above 18% and stayed at 17.5% or higher for the remainder of 2020<sup>1</sup>.

In fact, the housing market saw a year-over-year gain of 18.8% in new home sales from 2019 to 2020<sup>1</sup> and an increase of 5.6% in existing home sales<sup>2</sup>. With interest rates hovering at historic lows, refinance loans were at their highest level in seven years.

The services offered by Stewart – from title insurance to closing services and more – play a vital role in supporting the real estate industry and providing the confidence to homeowners, builders, investors and lenders necessary to keep transactions and this significant part of the overall economy moving.

### Transferring and Protecting Title

At the heart of all we do is the process of conveying title, or changing ownership of a real property's title, which varies from location to location. Referred to as closing, settlement or escrow, the function is carried out through a network of attorneys, escrow companies or title insurance companies. As an integral part of that process, Stewart prepares documentation, manages the distribution of funds and typically records the appropriate title documents with local recording offices to reflect the new title, or lien, holder.

Over the years, as a piece of property moves from owner to owner, additional rights or claims can surface. These can come from anyone who obtains some right or claim to the property, like former owners, heirs, other family members, even creditors and contractors. If the property is sold, these rights and/or claims remain attached to the property rather than the previous owner unless they are found and corrected during the closing process.

A home is the largest single investment many people will ever make. During the closing process, title companies find title issues, or defects, and assist in taking the appropriate corrective action so the transactions proceed, providing peace of mind to the homeowner.

Should there be an issue that is not found during the title search and examination, title insurance protects real estate owners and lenders against any property loss or damage they might experience because of liens, encumbrances or defects in the title to the property consistent with the terms on their policy.

<sup>1</sup> NAHB. (2021, January 28). Housing's Contribution to Gross Domestic Product (GDP). Retrieved February 3, 2021 from <https://www.nahb.org/News-and-Economics/Housing-Economics/Housings-Economic-Impact/Housings-Contribution-to-Gross-Domestic-Product>.

<sup>2</sup> NAR. (2021, January 22). Existing-Home Sales Rise 0.7% in December, Annual Sales See Highest Level Since 2006. Retrieved February 3, 2021 from <https://www.nar.realtor/newsroom/existing-home-sales-rise-0-7-in-december-annual-sales-see-highest-level-since-2006>.



Our services  
are vital  
to the  
real estate  
industry.





## Our Response to COVID-19

Stewart's top priority is the health, safety and welfare of our employees and their families. Having been deemed an essential service, we were able to continue serving our customers throughout this unprecedented time by implementing practices and protocols focused on keeping everyone safe.

Highlights of our response include:

- ▶ In March 2020, we activated business continuity plans and transitioned 70% of employees to working remotely within days.
- ▶ We established in-office safety protocols, including precautionary actions to ensure a safe work environment, social distancing, employee and visitor self-health checks prior to entering a Stewart office, the provisioning of protective equipment (including sneeze guards, face masks and coverings, and hand sanitizer) and increased frequency of cleaning and disinfecting in our offices.
- ▶ We held frequent leadership, underwriting and cross-functional support team calls to stay on top of new developments, and federal and state orders, enabling real-time decisions and providing key updates.
- ▶ We implemented creative approaches to safely serve customers, including drive-through closings, and remote online notarization (RON) and remote ink-signed notarization (RIN) digital solutions.
- ▶ We launched internal resource sites for employees and managers, to provide a centralized location for key updates, remote work guidelines, response guidance and FAQs.
- ▶ We provided response guidelines to help managers navigate potential scenarios and reduce risk of coronavirus exposure to employees and customers.
- ▶ We implemented an emergency pay practice and paid a remote work allowance to assist employees impacted by coronavirus.
- ▶ We promoted awareness of how to be cyber-savvy when working remotely with cybersecurity lunch-and-learns and simulation exercises to test employees on coronavirus-related phishing and cybersecurity threats.
- ▶ We used Microsoft Teams to communicate and collaborate across departments, and Workplace by Facebook to connect, foster engagement and share best practices.
- ▶ We developed thorough work-safe guidelines in anticipation of our employees' eventual return to the workplace.

70% of employees began working from home within days of the new protocols.

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OUR **APPROACH TO GOVERNANCE**





## The Right Team to Lead our Sustainability Efforts

We are currently managed by a highly qualified board of directors comprised of nine members, seven of whom are “independent” within the listing standards of the NYSE, and who bring relevant experience and judgment to the company. The principal responsibilities of the board are to:

- ▶ Review the company’s performance, long-term plans and strategy
- ▶ Review the company’s systems and practices designed to bring about compliance with applicable laws and regulations
- ▶ Ensure that appropriate policies and practices are in place for managing risks faced by the company
- ▶ Provide direction, advice and counsel to the chief executive officer
- ▶ Discharge their responsibilities as fiduciaries

### Our Board Members



**Thomas G. Apel**  
*CEO of VLN, Inc.*  
Chairman  
Chair, Compensation  
Committee



**Deborah J. Matz**  
*Former Chairperson of  
the National Credit  
Union Administration*  
Member, Audit Committee,  
Compensation Committee



**Frederick H. Eppinger**  
*CEO, Stewart Information  
Services Corporation*



**Matthew W. Morris**  
*CEO of Stewart Information  
Services Corporation  
from 2011 to 2019*



**Clifford Allen Bradley Jr.**  
*Retired Executive  
Chairman of Amerisafe, Inc.*  
Chair, Nominating and  
Corporate Governance  
Committee



**Karen Pallotta**  
*President of KRP  
Advisory Services, LLP*  
Member, Compensation  
Committee, Nominating and  
Corporate Governance Committee



**Robert L. Clarke**  
*Senior Partner, Bracewell, LLP*  
Chair, Audit Committee



**Manolo Sanchez**  
*Former Chairman and CEO  
of BBVA Compass*  
Member, Audit Committee,  
Nominating and Corporate  
Governance Committee



**William S. Corey, Jr.**  
*Former Audit and Senior  
Relationship and National Pursuit Team  
Partner for PricewaterhouseCoopers, LLP*  
Member, Audit Committee

Our board has adopted corporate governance guidelines that provide a framework for the functioning of the board and the committees intended to assist the board in the exercise of its responsibilities. A copy of our guidelines is available on the company website: [stewart.com](http://stewart.com).

## Committees of the Board

Our board has established three committees to help the directors effectively and efficiently fulfill their responsibilities. All our committees are composed of independent directors.

**Audit Committee** responsibilities include assisting the board of directors in monitoring:

- I. the integrity of the financial statements of the company
- II. the independent auditors' qualifications and independence
- III. the performance of the company's internal audit function, which has been outsourced to Deloitte & Touche, LLP, and independent auditors
- IV. the compliance by the company with legal and regulatory requirements

**Compensation Committee** responsibilities include, among other things:

- I. reviewing the company's compensation policies
- II. reviewing and recommending to the board of directors the compensation of our executive officers.

Our board of directors has determined that each member of our compensation committee is "independent" as that term is defined in the rules of the NYSE.

**Nominating and Corporate Governance Committee** responsibilities include:

- I. making recommendations to our board of directors' nominations of persons for election by our Common Stockholders to our board of directors
- II. creating procedures for identification of nominees
- III. considering and recommending to the criteria for nomination to our board of directors
- IV. receiving and considering nominations submitted by our stockholders
- V. reviewing and making recommendations with respect to director compensation
- VI. overseeing the self-evaluation of the board of directors

Additional detail regarding the duties of each committee described above are set out in the committee charters, which are available on the company's website: [stewart.com](http://stewart.com)



## Code of Business Conduct and Ethics

Our success depends on maintaining a culture of ethical behavior that is at the core of the company's relationships with policyholders, customers, suppliers, competitors and employees. The company's [Code of Business Conduct and Ethics](#) (the Code) plays a critical part in Stewart's leadership role in the real estate industry by preserving our reputation for honesty and strong ethical standards. Our employees are required to read and acknowledge the Code and company employee policies annually. Among other things, the Code:

- ▶ Applies to all employees, officers and directors
- ▶ Clarifies conduct expectations on a wide range of issues, including social media
- ▶ Provides a framework for the handling of conflicts of interest
- ▶ Protects proprietary business interests, assets and information
- ▶ Creates an atmosphere of compliance from the top with applicable laws, and governmental rules and regulations including, but not limited to: Antitrust, Securities Trading, Anti-Money Laundering, Real Estate Settlement Procedures Act (RESPA), Anti-Bribery and Anti-Corruption
- ▶ Encourages full, accurate and timely disclosures
- ▶ Prohibits retaliation
- ▶ Provides guidelines to encourage whistleblowers
- ▶ Holds vendors to ethical standards

## Compliance Hotline

We maintain a financial accuracy and [compliance hotline](#), so employees and other stakeholders can anonymously report financial impropriety without fear of reprisals or recrimination. Employees can use the hotline to report violations in the code of conduct, company policy and the laws and regulations that apply to the financial services and insurance business. The hotline is available toll-free, 24 hours a day, seven days a week. Reporting to the hotline is confidential and can be made on an anonymous basis, if desired. The company has a committee that meets regularly to address all complaints submitted through the hotline.



## Enterprise Risk Management

The objective of Stewart’s Enterprise Risk Management (ERM) program is to mitigate risks while taking advantage of, and acting upon, opportunities that will support Stewart in achieving its strategic, financial, operational and institutional goals.

Key elements of the ERM program include:

- ▶ Managing risk within a defined governance structure for the board and executive management
- ▶ Using an enterprise-wide portfolio approach and framework for the management of enterprise risks through the formalization of an ERM process that will adequately identify, assess, respond, manage, monitor and report on key risks the company faces in a timely manner
- ▶ Implementing appropriate risk management strategies that are responsive to the company’s risk profile, business strategies, risk appetite, specific key risk exposures and risk tolerance thresholds
- ▶ Integrating consideration of risk and risk management into business decision-making throughout the company
- ▶ Communicating necessary information with respect to key risks to senior executives and, as appropriate, to the board or relevant committees

## Information Technology and Security

Stewart recognizes the importance of protecting our clients’ and partners’ privacy, confidentiality and data integrity. We are continuously and methodically evaluating cyber risks, how they evolve and how they affect us.

We are committed to cybersecurity education and training across our entire organization, including our employees, partners and customers. We are continuously evaluating and monitoring third-party risk as it relates to the protection of sensitive data. Our program focuses on a broad area of security domains, including, but not limited to:

- ▶ Risk management
- ▶ Data protection
- ▶ Security event monitoring
- ▶ Identity and access management
- ▶ Threat and vulnerability management
- ▶ Disaster recovery
- ▶ Business resiliency
- ▶ Continuity

We test our people and the effectiveness of existing controls regularly. In addition, a dedicated group runs simulated table-top exercises to prepare for any attack.

We are  
committed to  
cybersecurity  
education and  
training.

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## Wire Fraud Prevention

Attempted wire fraud in real estate transactions continues to pose risks to the entire real estate industry. According to the FBI, wire fraud has cost the industry more than \$26 billion since 2016. We've taken numerous measures to combat wire fraud, including a strict policy on how to provide and receive wiring instructions, callback verification, secure email transmission, centralized control of bank account access, email warnings, and customer, realtor and employee education and training. Stewart has mandatory wire fraud and security awareness training for all employees annually. We also recognize and reward employees who catch and thwart any wire fraud attempts through our Fraud and Forgery Watch Program.

We lead the industry in taking concrete steps to protect not only our company, but our customers and partners. One of those concrete steps is our partnership with CertifID.

## CertifID Program

The [CertifID](#) technology enables Stewart, its Trusted Provider independent agent network and customers to connect and send wire instructions more securely. The service also includes insurance coverage in the event of loss.

Among other features, CertifID:

- ▶ Confirms client identities and receipts of wiring details
- ▶ Secures the transfer of bank account information
- ▶ Guarantees each wire transfer up to \$1 million against fraud

## Fraud and Forgery Watch Program

Our Fraud and Forgery Watch Program rewards our employees and those of our independent agents who discover fraud or forgery connected with a title insurance order or policy.

## Business Continuity

Stewart has an enterprise-wide business continuity program (BCP) and disaster recovery (DR) plan to ensure continued operations of critical services in the event of a disruption to regular operations. Our enterprise business continuity team regularly reports to the board of directors and the audit committee.

Key elements of the BCP program include:

- ▶ Individual BCP and DR plans for all critical Stewart offices and corporate support functions, which are updated on at least an annual basis
- ▶ BCP plans with standardized procedures across the company, where appropriate, as well as individual elements to reflect unique considerations of each business operation or support function
- ▶ Company-wide policies and guidelines responding to a range of potential business disruptions, such as natural disasters and pandemics
- ▶ Emergency management team consisting of members of Stewart's senior leadership team to ensure a quick and coordinated response to events
- ▶ Annual testing of the effectiveness of Stewart's response to various scenarios



We're an  
industry leader  
in wire fraud  
protection.



## Anti-corruption

Stewart and its family of companies have robust policies against corruption of any kind. Most are set forth in the [Code of Business Conduct and Ethics](#). In addition, the Code sets Stewart's foundational expectations for its employees and our board of directors. Violations lead to employment action up to and including termination. Several areas in the Code and its other company policies, bulletins and guidelines, such as the Related Party Transactions Policy, Vendor Risk Management Policy and the Securities Trading and Investment Policy, form the basis of Stewart's anti-corruption philosophy. The areas include:

- ▶ Improper payments
- ▶ Conflicts of interest
- ▶ Prohibited personal use of corporate property and corporate information
- ▶ Gifts, loans and entertainment
- ▶ Laws, regulations and government-related activities
- ▶ Antitrust
- ▶ Insider trading
- ▶ Real Estate Settlement Procedures Act (RESPA) and Consumer Financial Protection Bureau (CFPB)
- ▶ State anti-kickback and referral fee laws
- ▶ Foreign Corrupt Practices Act (FCPA)
- ▶ Office of Foreign Assets Control (OFAC)
- ▶ Fair dealing
- ▶ Related party transactions
- ▶ Wire fraud
- ▶ Government business
- ▶ Vendor risk

Stewart trains its employees on these and other related topics. For example, each year, training and certification is completed for FCPA compliance purposes. Moreover, Stewart requires a broad group of its employees to complete compliance questionnaires at least twice a year.

Our policies and guidelines are intended to provide information, support and resources to ensure that we act ethically and in compliance with the laws and regulations that affect our business. Adherence is vital for Stewart to continue as a leader in our industry and to preserve the company's reputation for honesty and strong ethical standards.

## Occupational Health and Safety

We have a program in place to help ensure the health and safety of our employees and clients. Highlights include:

- ▶ Posting and communication of workers' compensation guidelines and claims reporting process
- ▶ Establishment and communication of workplace safety guidelines and procedures
- ▶ Providing training and equipment to support employee well-being in various areas, such as ergonomics

OUR **SOCIAL COMMITMENT**

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## In Support of Stewart Communities Everywhere

Stewart has always encouraged volunteerism and support for the communities in which we work and live. Historically, we have managed this community engagement locally. In 2020, we began to provide greater coordination at the national level, while bolstering local efforts with additional support.

Here are some of the organizations we are proud to have helped in 2020:

- ▶ [American Land Title Association Good Deeds Foundation](#) – Supports the local charitable efforts of title professionals.
- ▶ [Child Advocates](#) – Provides a voice for children in foster care. When COVID-19 forced our annual Build-a-Bike event to be cancelled, Stewart responded with a monetary donation for life-saving advocacy along with items from the children's wish lists.
- ▶ [The Houston Food Bank](#) – Many of our home office teams donate their time to help fulfill the food bank's mission of distributing food and other essentials to those in need. In 2020, due to COVID concerns, we provided greater monetary support in place of in-person time.
- ▶ [Toys for Tots](#) - Stewart offices across the country served as official drop sites for the annual Marine Toys for Tots. Our offices have collected thousands of toys from employees and clients, supporting their local communities.

We support employees' efforts to improve their local communities.

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**Stewart Foundation**

In late 2020, we established the Stewart Foundation, our first step toward managing our giving and volunteerism on an enterprise level and empowering our employees to drive change together, no matter where they are or what local charities they support.

**Community Service Awards**

Our Community Service Awards program recognizes the generous actions of our employees with donations to organizations of their choice. In 2021, the company will provide quarterly awards from the Foundation to those charitable organizations, further supporting employees’ efforts in their local communities, with a goal of \$200,000 awarded in 2021.

**Stewart Scholarship Program**

Since 1994, Stewart has supported continuing education for high school seniors by awarding yearly scholarships to students whose parents work for Stewart. In 2020, we increased our scholarship pool to more than \$60,000 and provided 27 scholarships, more than in any other year.



We gave more than  
**\$60K** for  
**27** scholarships

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76%  
Female

24%  
Ethnic Minorities

Generational Overview of Our Employees



Baby Boomers+  
1964 and earlier  
32%



Gen X  
1965-1976  
40%

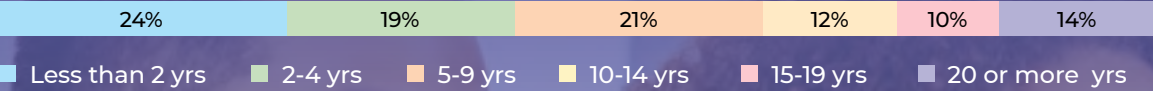


Gen Y/Millennials  
1977-1995  
25%



Gen Z  
After 1996  
3%

Breakout of Employee Tenure



## Growing Through Inclusion and Diversity

We believe our customers, employees, partners and agents are best served when people with different backgrounds and experiences come together to produce exceptional outcomes. All Stewart employees are required to review and adhere to our strict policy prohibiting harassment or discrimination based on race, color, origin, creed, gender identity, pregnancy or related medical conditions, age, national origin or ancestry, physical or mental disability, genetic information or any other consideration protected by applicable law.

We strive to create a work environment that reflects the customers we serve, and provides everyone with the opportunity to succeed while valuing the strength our differences and perspectives foster.



## Commitment to Our Employees

Stewart is committed to an inclusive workplace that values all employees equally, regardless of age, race, ethnicity, sexual orientation or gender identification. We are focused on expanding opportunities to increase awareness and sharing ideas that incorporate equity and inclusion in these areas:

- ▶ Decision-making
- ▶ Hiring practices
- ▶ Internal promotions
- ▶ Development programs
- ▶ Supplier relationships

In 2020, we invited discussion from diverse voices across our organization. Leadership discussions and focus groups with employees from a range of backgrounds helped guide us in developing long-term action plans, key focus areas and an approach for monitoring our progress. Internal HR and Talent teams collected and evaluated data and trends to identify gaps in representation and opportunities for growth in our policies, practices and training programs.

We laid the groundwork for a permanent diversity and inclusion task force and increased our emphasis on identifying and addressing bias within our training programs. Stewart is also committed to enhancing our recruiting strategy to attract and build a pool of diverse candidates through partnerships in two significant areas:


- ▶ Colleges and universities that provide access to underrepresented groups
- ▶ Minority-focused professional and community organizations

## Human Rights

We believe that our business can only flourish by creating operating environments where human rights are protected and respected. We know that Stewart has not only the responsibility to respect human rights internally, but also the ability to make a positive impact towards human rights across the globe. This is an area of growing importance to our employees, partners, shareholders, customers and the communities in which we operate. Therefore, both a business and moral case exist for ensuring human rights are upheld across our operations and our value chain. Our Human Rights Policy is incorporated in our [Standards of Conduct](#), to which all employees are held accountable.

We recognize that we must continually take steps to identify and address any potential or actual adverse human rights impacts with which we may be involved, whether directly or indirectly, through our own activities or business relationships. We aim to manage these risks by incorporating additional focus into our policies, practices and internal systems, taking immediate action on any findings of adverse activity in this space. We understand that human rights due diligence is an ongoing process that requires particular attention at certain stages in our business activities, such as when we form new partnerships or our operating conditions change, as these changes may create new potential impacts. We pay particular attention to individuals or groups who may be at greater risk of negative human rights impacts due to their vulnerability or marginalization, recognizing that women and minority groups may face different risks.





We are committed to expanding our internal focus on both education and awareness, and continue to expand the knowledge of our employees regarding human rights, encouraging them to speak up, without retribution, about any concerns they may have.

## Diversity in Leadership

Stewart's executive leadership team and board of directors exemplify our commitment to diversity. Currently, women make up 29% of our executive leadership team, and women and minorities make up 33% of our board. We are strongly represented by women and minority leaders throughout our organization. Their diverse backgrounds and experience contribute daily to our overall success.



## Our Recruiting Strategies and Practices

Stewart is committed to recruiting strategies – policies, practices, decision-making and more – grounded in fairness, equity and inclusivity. Stewart is an equal employment opportunity employer, and our commitment extends to all facets of employment, including a work environment that prohibits, and is free of, harassment and discrimination or retaliation against any applicant or employee.

Our job-posting practices promote our internal opportunities to multiple diversity outreach job boards. Geared towards veterans, minorities, women, the LGBTQ+ community, people with disabilities and more, these job boards connect us with candidates from various backgrounds, skillsets and cultures and give us access to a broad talent pool.

## University Relations and Internship Diversity

Since 2017, Stewart has offered a robust [internship program](#) geared towards introducing a diverse talent pool of college students to all aspects of the title insurance industry and our ancillary businesses. Our interns come from a variety of backgrounds and a broad range of university programs from within the communities we serve.

We are currently focused on increasing partnerships with minority-focused professional organizations, Historically Black Colleges and Universities, Hispanic Serving Institutions and more. In 2020, students from minority groups made up 71% of our summer intern class; 43% were female.

## Supplier Diversity Program

Stewart strives to work with suppliers that reflect the customer diversity within the markets we serve. That includes companies owned, operated and controlled by minorities, women, veterans and the LGBTQ+ community. We work with small businesses the Small Business Administration defines as diverse suppliers. We also promote diverse suppliers who meet our diversity guidelines in the procurement process as set forth in our [Supplier/Vendor Code of Conduct](#).

## Anti-discrimination and Equal Employment Opportunities

It's important that our workforce reflect the diverse customers and neighborhoods of the communities we serve. Our goal is to provide a safe, inclusive and respectful workplace. Our company policies guide all phases of employment, including recruiting, employment, placement, promotion, transfer, demotion, reduction of force and termination, and training and compensation.

**Women** make up  
**29%** of our Executive  
Leadership Team

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## Training and Developing Our Employees

We develop and provide opportunities for our employees to grow, beginning with a comprehensive onboarding experience for new hires. We also take an active approach in supporting employee efforts to further their professional and personal development. The resources we provide include:

- ▶ Job-specific training
- ▶ Leadership development and coaching
- ▶ Technical and business skill development
- ▶ Core compliance requirements for our business

### Onboarding Program

Our robust onboarding program ensures our newest Stewart team members have the resources and opportunities they need from day one. The program includes interactions with Human Resources and other employees, initial training sessions and access to educational materials that support their goals as well as those of the company.

### My Career at Stewart

My Career at Stewart is a program that goes beyond simple job training and helps employees navigate and take ownership of their career journey through clearly defined roles and transparent job expectations. It's part of a career framework that encourages learning and growth across the organization. It provides guidance and support by:

- ▶ Communicating the what and the how of different roles
- ▶ Aligning job expectations to manager expectations
- ▶ Helping define career paths
- ▶ Providing visibility to development opportunities

### Internship Program

Our [internship program](#) provides a unique opportunity for Stewart to invest in the success of students in our communities. Our interns are surrounded and encouraged by peers, leaders and mentors who respect their contributions and create opportunities for them to flourish. Interns work on meaningful projects relevant to their education and interests, gain access to our top-level executives, receive mentoring and guidance on the transition from college to professional life, build lasting relationships and make valuable professional and industry connections.

### Escrow Academy

Stewart offers an industry-leading program to support the career development and growth of our escrow employees. Escrow Academy emphasizes escrow content and title fundamentals and covers topics that range from property rights and ownership to the need for title insurance, along with financials, contracts, legislation and services. The training program offers our employees a combination of online learning and targeted on-the-job activities.

We create  
opportunities  
for our interns  
to flourish.

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## Mentoring and Teamwork

Whether it's learning more about the title industry, diving deeper into the core elements of our Code of Business Conduct and Ethics or pursuing a specific personal development course, we personalize our offerings to each employee's needs. As we continue building our learning framework, we are also working to shift from delivering training to delivering capability. We are focused on creating an environment with mentoring and teamwork at its core – one that promotes collaboration as a way for employees to network, grow, drive innovation and improve outcomes for our business.

We make  
employee  
quality of life  
a priority.





## Enriching Employee Quality of Life

Helping our employees have a better quality of life is a priority for us. To that end, we provide tools and resources to improve financial security and physical health, and protect social and emotional well-being.

### Employee Stock Purchase Plan

Stewart's Employee Stock Purchase Plan (ESPP) gives employees the opportunity to buy Stewart stock at a discount twice a year. Contributing a percentage of after-tax earnings lets our employees become company shareholders, save for their personal financial goals and actively participate in the growth and success of the company.

### Additional Retirement Savings

In 2020, Stewart rewarded all our employees' hard work in a way that would contribute to their long-term financial security. As a reward for their contributions to the company's performance, we made contributions to our employees' 401(k) accounts during the course of the year.

### Employee Assistance Program

Stewart's fully funded Employee Assistance Program provides confidential assistance and counseling for personal issues facing our employees and their families. The program can help employees with a variety of matters, including financial services, legal issues, counseling, and health and wellness.

### LiveWell@Stewart

We provide a comprehensive wellness program that gives employees opportunities to improve and maintain their health and save money on medical premiums. The wellness program offers:

- ▶ A premium discount for a biometric screening, online health assessment and at least one wellness activity
- ▶ An annual gym or fitness equipment reimbursement program
- ▶ Smoking cessation program
- ▶ Online coaching opportunities
- ▶ Rewards for completing wellness activities that promote comprehensive physical, mental, social, emotional and/or financial wellness

The program is fully funded by Stewart because we believe that employee wellness is a critical component of our benefits program.

### Employee Discounts

Stewart provides a wide array of corporate discounts to our employees. These help employees save on everything from day-to-day expenses like phone bills to large purchases like new cars or vacations.

### Title Insurance Policy Bonus

Employees who buy, sell or refinance their primary residence are eligible to receive a bonus when they purchase a Stewart-issued title insurance policy.

### Telecommuting and Flexible Work Time

In response to COVID-19, Stewart expanded telecommuting and flexible work arrangements to protect the health and safety of our employees and their families.



## Service Anniversary Awards

We celebrate each employee’s contributions and commitment to the company on key career milestones, from one year all the way to retirement, with a robust service anniversary program.

## Recognizing and Rewarding our Employees

It’s part of our culture to recognize and reward our employees for their contributions to the company and to each other. It’s not only the right thing to do, it’s key to attracting and retaining the best talent in the industry and keeping our employees happy, motivated and engaged.

### Peer Recognition

Through our internal Workplace from Facebook platform, we celebrate each other’s accomplishments, milestones and birthdays across the company. We also celebrate the great work being done daily by our employees with our Stewart Celebrates employee recognition program. Peers reward coworkers with non-monetary eCards; managers give monetary rewards with Spot Awards. In 2020, employees exchanged 2,500 messages and managers gave out more than 2,000 rewards.

The recognition doesn’t stop with active employees. Every retiring employee receives a unique yearbook highlighting their career accomplishments.

### President’s Club

Our President’s Club recognizes and rewards individuals who help Stewart meet our revenue growth business goals. These top performers help us deliver a world-class customer experience, building the business relationships that last a lifetime. Recipients represent a diverse group of our employees who work in the communities we serve.

President’s Club awards are issued annually. Recipients enjoy:

- ▶ Leadership recognition
- ▶ Company-paid trip where they are honored for their contributions (Due to COVID-19, recipients received prize packages in place of a trip in 2020)
- ▶ Recognition by peers via publication to Stewart’s intranet site
- ▶ Recognition at our all-employee meeting
- ▶ President’s Club seal for use on all recipients’ communications

OUR IMPACT ON **THE ENVIRONMENT**

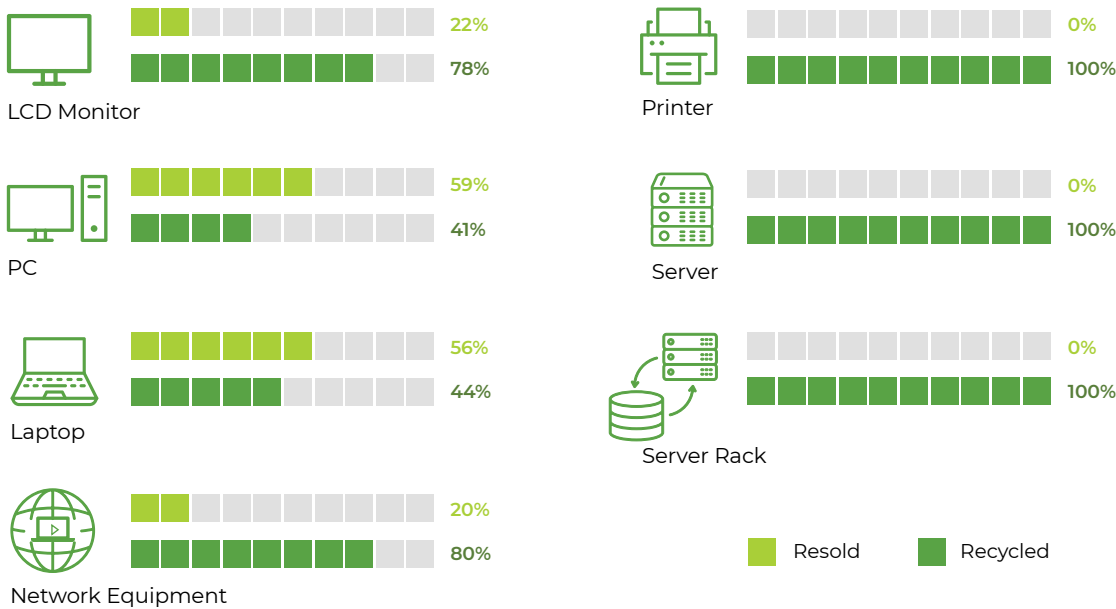




## A Positive Impact on the Environment

At Stewart, we are proud of what we've accomplished through recycling and are committed to expanding our environmental efforts in the coming years. Through our ongoing paper recycling efforts, digitization of archived records and environmentally friendly disposal of IT assets, we were able to have a positive effect on the environment.

An R2-certified company manages our information technology asset disposal (computers, monitors, servers, etc.). All disposed assets in 2020 were either recycled or reused.



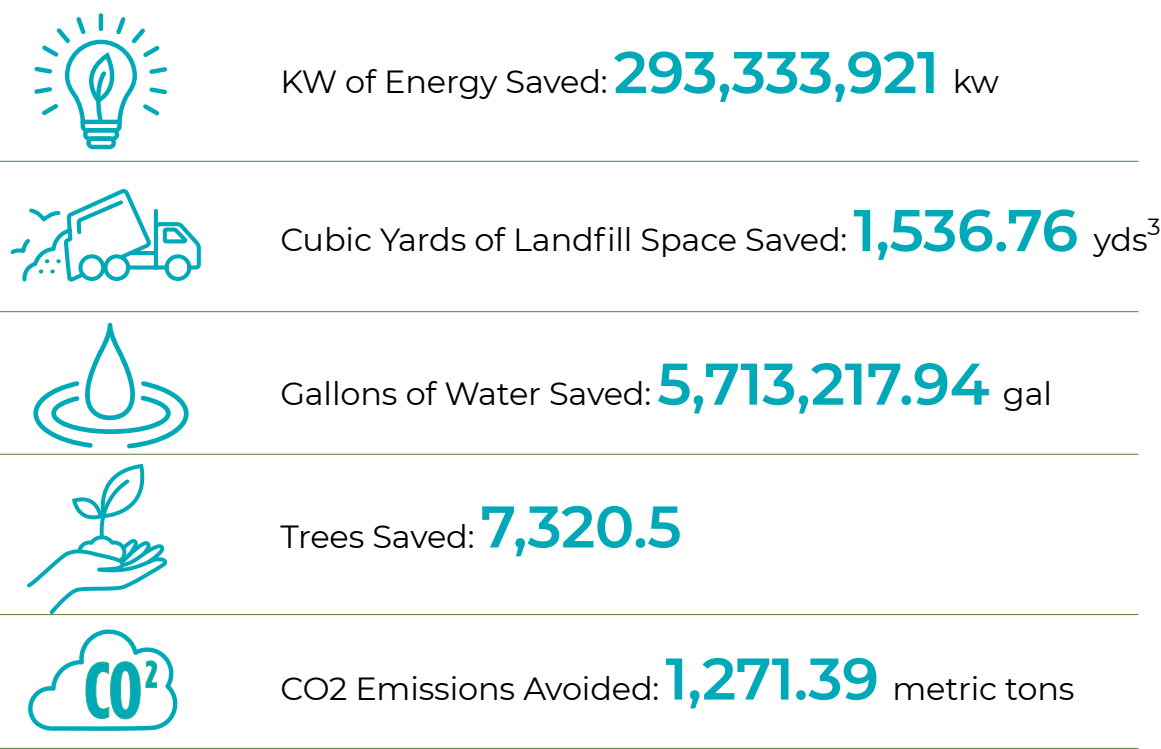
Landfill Avoided **68,076** lbs

-Amount Reused **21,784**

-Amount Recycled **46,292**



Effects of our paper recycling and digital document signing in 2020:



Environmental Risk Management

Stewart’s Enterprise Risk Management (ERM) program manages our company’s material risks, including environmental risk. As many of our offices, including our headquarters in Houston, are in areas with significant environmental risk, we have instituted programs to ensure the continuity of our business and enable our employees to work with minimal disruption. This program will also emphasize our responsibility as stewards of the environment.

As a result of our internal ERM process and corroborated by the [Sustainable Accounting Standards Board \(SASB\) Materiality Map®](#), Stewart believes that, as a company within the Insurance sector of the Financials industry, its environmental risks are not material. SASB is an independent nonprofit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors.

The SASB Materiality Map below reflects sustainable environmental issues likely to impact various sectors and industries. For the sake of comparison, we have included the environmental impacts of other industries.

Sector/Industry					
SASB Environmental Issue Category	Financials Insurance	Technology & Communications	Consumer Goods	Transportation	Services
Green House Gas (GHG) Emissions					
Air Quality					
Energy Management					
Waste & Wastewater					
Management					
Ecological Impacts					

More than 50% of industry/sector companies will have an issue

Industry/sector companies should not have any issues

Less than 50% of industry/sector companies will have an issue

## Energy Efficiency and Waste Management

At Stewart, we understand that conducting our business in an environmentally responsible manner is not only good for the planet, it's good for our company and our customers. Our Procurement and Building and Lease Management teams work to partner with companies and building owners committed to minimizing any environmental impact. Examples of our efforts around energy efficiency and waste management include:

- ▶ Our building is equipped with energy-efficient lighting and motion sensors that turn lights off if no movement is detected. The building is LEED-Gold and Energy Star certified. Our parking garage is fitted with electric car charging stations.
- ▶ Our first choice when renewing leases is to locate buildings that use environmentally efficient lighting and/or are LEED certified.
- ▶ We partner with an R2-certified vendor who recycles or repurposes our IT equipment.
- ▶ Our third-party partner is committed to shredding and recycling in an environmentally responsible manner. We scan and digitize documents and retain them electronically when possible.
- ▶ Our building breakrooms feature filtered water dispensers and recycled paper cups to reduce waste.
- ▶ The majority of all new hardware purchased for our data centers is Energy Star compliant.
- ▶ Our building is equipped with video conferencing and advanced AV technology to allow for greater usage by remote workers and customers.
- ▶ Through Stewart's Commuter Expense Reimbursement Accounts (CERA), employees can use pre-tax contributions to pay for eligible public transportation and vanpooling expenses to promote the reduction of emissions tied to daily commuting.

## Greenhouse Gas Emissions

Stewart understands the importance of lowering greenhouse gas emissions (GHG) to mitigate the impact of climate change and encourage sustainably focused business practices. For 2020, the first full year in our new company headquarters, Stewart conducted its first environmental report on the facility. The company was able to track Scope 1 (0 MT CO2e) and Scope 2 (4,452 MT CO2e) emissions and will add Scope 3 emissions data tracking in 2021. These baseline numbers plus an expanded collection of information that includes other company-owned facilities will help us understand and prioritize how to reduce the company's emissions footprint.

## Eco-friendly Technology

Stewart is committed to moving our company and the real estate services industry to an environmentally friendly future. A big part of our effort will center upon technology that reduces the need for paper, improves the efficiency of processes and reduces the need for travelling to our offices.

### Stewart Accelerate

Stewart Accelerate is an automated title-decisioning platform. A unique combination of proprietary systems and traditional and alternative data sets, the automation and the need for fewer physical hands-on transactions lead to significantly less paper being printed and reduced trips to access physical documents where records are not online.

### eClosing

Rather than printing hundreds of closing documents and making multiple signed copies for various parties, we have created a digital in-person experience using several technology-enabled platforms. Buyers and sellers may appear in person and sign on a tablet device in our facilities, leaving the note, mortgage and deed available for wet signature.

A photograph of a person sitting inside a glowing yellow tent in a dark forest at night. The tent is illuminated from within, casting a warm glow. The person's silhouette is visible against the light. The background is a dense forest of tall, thin trees, mostly without leaves, suggesting a cool or temperate climate. The overall mood is quiet and isolated.

Technology that  
lets clients close  
from anywhere  
helps us reduce  
our impact on  
the environment.



# NotaryCam technology helps reduce our carbon footprint.

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## Stewart Connect

A new, centralized web portal, Stewart Connect, enables title agents to digitally issue Closing Protection Letters (CPL) and Policy Jackets. Within the next 18 months, it will provide for paperless billing and electronic payments of policy premiums and CPL fees – further reducing paper usage.

## NotaryCam

In December, Stewart took a big step forward in our strategic vision of digitizing, securing and simplifying the title and closing process with the acquisition of [NotaryCam®](#). A pioneering leader in online notarization and original provider of mortgage eClosing solutions, NotaryCam's best-in-class platform eliminates the stress and associated friction around the standard notarization and closing processes. NotaryCam supports RON, RIN and hybrid closings, including attorney-state closings. It reduces the amount of paper used in transactions and eliminates the need for customers to travel for the signing of documents, thus reducing the associated carbon footprint.

## Virtual Underwriter

Where many title insurance companies still email individual underwriting bulletins or alerts, many of which find their way to a printer, Stewart's [Virtual Underwriter<sup>SM</sup>](#) is a web-based repository that puts years of underwriting guidance at title professionals' fingertips.





## Operating from a Position of Financial Strength

Stewart achieved the strongest financial position in its history in 2020. Key strategic acquisitions and better operating performance played major roles in that growth, giving us a more scalable footprint to better serve our customers. Better financial performance gives the company even greater resources to address our critical sustainability initiatives.

**\$1.1** billion

Cash and high-quality investments

**\$1.0** billion

Total shareholder equity

**\$795** million

Policyholder surplus, which represents five years of surplus growth

**\$491** million

Claims reserves

Leading credit rating agencies have given Stewart high marks.

<b>A-</b>	<b>A-</b>	<b>A"</b>
Fitch Ratings	A.M. Best	Demotech

Our 10% debt-to-equity ratio leads the industry and is well below the rating agency threshold of 25%. Our premium-to-surplus ratio is 2.1, also well below the rating agency threshold of 4.5.

All financial information as of December 31, 2020

## Sustainability Commitment Reframed

While this is our first published sustainability report, we are no strangers to its importance. We recognize that improving environmental, social and governance performance are fundamental parts of any successful company's evolution. At Stewart, we are no exception.

Strengthening our commitment to our employees, our customers, our industry and our collective futures in these vital areas is a big part of how we are reframing and defining who we are and how we do business. We look at this sustainability report and the work that forms its core as integral to our journey for us to become the premier industry leader.



## Forward-looking Statements

Certain statements in this earnings release are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements relate to future, not past, events and often address our expected future business and financial performance. These statements often contain words such as “may,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “will,” “foresee” or other similar words. Forward-looking statements by their nature are subject to various risks and uncertainties that could cause our actual results to be materially different than those expressed in the forward-looking statements. These risks and uncertainties include, among other things, the volatility of economic conditions, including the duration and effects of the COVID-19 pandemic; adverse changes in the level of real estate activity; changes in mortgage interest rates, existing and new home sales, and availability of mortgage financing; our ability to respond to and implement technology changes, including the completion of the implementation of our enterprise systems; the impact of unanticipated title losses or the need to strengthen our policy loss reserves; any effect of title losses on our cash flows and financial condition; the ability to attract and retain highly productive sales associates; the impact of vetting our agency operations for quality and profitability; independent agency remittance rates; changes to the participants in the secondary mortgage market and the rate of refinancing that affects the demand for title insurance products; regulatory non-compliance, fraud or defalcations by our title insurance agencies or employees; our ability to timely and cost-effectively respond to significant industry changes and introduce new products and services; the outcome of pending litigation; the impact of changes in governmental and insurance regulations, including any future reductions in the pricing of title insurance products and services; our dependence on our operating subsidiaries as a source of cash flow; our ability to access the equity and debt financing markets when and if needed; our ability to grow our international operations; seasonality and weather; and our ability to respond to the actions of our competitors. These risks and uncertainties, as well as others, are discussed in more detail in our documents filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2020, as supplemented by any risk factors contained in our Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K. All forward-looking statements included in this earnings release are expressly qualified in their entirety by such cautionary statements. We expressly disclaim any obligation to update, amend or clarify any forward-looking statements contained in this earnings release to reflect events or circumstances that may arise after the date hereof, except as may be required by applicable law.



