



American Equity ESG - Related Practices

May 17, 2023

American Equity Investment Life Holding Company®

Jeff Lorenzen - EVP & Chief Risk Officer

Steven Schwartz - Head of Investor Relations

Shari Wood - Chief of Staff and Corporate Secretary

Contents

- About American Equity..... 2**
 - History and Business Description.....2
 - Our Mission Statement.....2
 - Our Vision.....2
- ESG Statement & Philosophy 3**
- Governance 3**
 - Board Composition and Diversity3
 - Board Structure and Committees3
 - Shareholders4
 - Code of Business Conduct and Ethics4
 - AML Policies.....4
 - Information Security5
 - Privacy.....5
 - Gifts and Entertainment.....5
- Product and Customer - Financial Dignity 6**
 - Fair Selling & Suitability of Annuity Contracts6
- Responsible Investing..... 7**
 - Philosophy Toward Responsible Investing.....7
 - UNPRI Signatories for Investment Management Partners7
 - Asset Allocation.....8
- Company Culture and Employee Development..... 9**
- Community Support and Charitable Giving11**
 - American Equity CARES - Community Giving Program Refreshed 11
 - Pro Iowa 12
 - Other Strategic Partnerships 13
- In Conclusion: American Equity - The Financial Dignity Company..... 14**

About American Equity

History and Business Description

Founded in 1995, American Equity is a leading issuer of fixed index annuities (FIAs) with over \$53 billion in policyholder funds under management and over 500,000 clients nationwide. We employ more than 800 people nationally across our headquarters in West Des Moines, Iowa, as well as our offices in New York City and Charlotte, North Carolina.

Through our wholly owned operating subsidiaries, we specialize in the sale of fixed index and fixed rate annuities and offer these products to policyholders through a network of independent agents, banks and broker-dealers.

We see ourselves as The Financial Dignity Company™, helping clients create financial freedom for retirement. We are committed to our policyholders, distribution partners, shareholders and employees. This commitment continues to drive our success and contribute to our growth.



Our Mission Statement

American Equity's purpose is to help ensure our policyholders' financial dignity – fulfilling their lifelong desire to retire with peace of mind, quality of life and the independence to dream – by delivering a protected way to accumulate wealth and receive an income in retirement.



Our Vision

We're dedicated to a future in which American Equity upholds its promise to help people retire with financial dignity.

ESG Statement & Philosophy

Our commitment to strong environmental, social and governance (ESG) practices reflects American Equity's culture of operational excellence, ethical standards, capital discipline, rigorous risk management, and intent to lead responsibly. This culture demands that we work to address ESG issues to achieve results for our clients the right way and practice environmental stewardship.

We are committed to principled business conduct in relationships with each other, with customers, agents, distribution partners, suppliers, shareholders, and others. This requires that we conduct our business not only in accordance with the law but also hold ourselves to the highest standards in our business conduct.

Through engagement with outside consultants as well as shareholders and other important stakeholders, we have identified material topics from a sustainability perspective that directly or indirectly affect shareholder value. Among the areas of focus where we strive to apply these principles are corporate governance, responsible investment, cybersecurity/data privacy, sales practices, employee relations and development, and support for the communities in which we do business.

Governance

Board Composition and Diversity

The Board of Directors are stewards of shareholder value and oversee management's design and execution of the Company's strategy and risk framework in pursuit of responsible value creation. Effective risk oversight is fundamental to delivering long-term value to shareholders, while making good on our promise of ensuring financial dignity in retirement for our policyholders. Among its responsibilities, the Board, including its committees, oversees management's efforts to align the Company's business plan to its overall risk appetite, including operation of our risk policies, and actively discusses the Company's performance risk targets with management.

A majority of our directors are independent, and the Company's definition of "independent" uses standards more rigorous than legal requirements. Our Board is led by a strong, independent Chairman who provides the Company and the Board with sound leadership and independent oversight. Each of our directors brings his or her own background, experiences, and expertise to the boardroom, offering unique perspective and ideas, solutions, and strategies informed by the knowledge and judgment each developed during a lifetime of achievements in business, law, culture, finance, government, and other professions. We have had – and continue to have – numerous women on our Board, who have held important roles on our standing committees, including chairs roles.

The Board of Directors and its Committees conduct annual self-assessments to evaluate the effectiveness of the Board. In addition, Board members participate in director training and education throughout the year to keep apprised of critical topics and issues.

Board Structure and Committees

There are four standing committees of the Board, each of which is comprised solely of independent directors: Audit and Risk, Compensation and Talent Management, Investment, and Nominating and Corporate Governance.

The Nominating and Corporate Governance Committee identifies and recommends to the Board of Directors individuals to serve as directors, develops corporate governance principles such as the Company's Corporate Governance Guidelines, and oversees management's operation of the Code of Business Conduct and Ethics. This Committee also promotes the effective functioning of the Board and its Committees and sets expectations as to how the Board and its Committees should perform their functions.

The Compensation and Talent Management Committee reviews and approves goals and objectives related to the compensation of the Company's Chief Executive Officer and other Executive Officers, evaluates their performance and approves their compensation, oversees the Company's short-term and long-term incentive plans and equity-based plans, and oversees management's policies and procedures to attract, recruit, hire, train, develop, promote, and retain a talented and diverse workforce. The Committee promotes the correlation of performance and management compensation. The Company publicly discloses its compensation programs, including the base salary, short-term and long-term incentives for the executive management team.

The Audit and Risk Committee assists the Board's oversight of the integrity of the Company's financial statements, the Company's risk management governance structure, the Company's risk management taxonomy, risk assessment guidelines, and risk appetite.

The Investment Committee oversees the Company's investment policies, practices and activities, including those that relate to environmental stewardship.

Shareholders

We maintain active engagement with shareholders through group and one-on-one meetings to communicate our strategy and get feedback. The Company holds an annual shareholder meeting, open to all shareholders, at which directors and executive management are available to address questions. Shareholders may also communicate in writing with the Board at other times.

Code of Business Conduct and Ethics

We at American Equity are committed to ethical business conduct in our relationships with each other and with our customers, agents, distribution partners, suppliers, shareholders, and other stakeholders. We use the Code of Business Conduct and Ethics to outline and communicate those fundamental principles and the key policies and procedures that govern the conduct of our business. Additional guidance on specific topics within this Code may be found in topic specific Company policies or guidelines.

Each employee and board member must annually acknowledge receipt and certify adherence to the obligations in the Code. The Code requires conflicts of interest be reported to the Chief Legal Officer or the Chief Compliance Officer.

You can find more on our [Code of Business Conduct and Ethics](#) here.

AML Policies

American Equity is committed to preventing money laundering and the financing of terrorism. We have implemented policies and procedures to deter, detect and report suspicious activity in compliance with law. American Equity's anti-money laundering ("AML") program is designed to address risks in light of our

structure, size, products and services, sales force, distribution channels, transaction processes, and other relevant factors.

Management regularly reviews our AML program to promote its alignment with business operations. We also regularly deliver AML training to employees on their obligations, including knowing the customer, internal controls, red flags, and escalations.

You can find more on our [AML policies](#) here.

Information Security

AEL has built an extensive Information Security Program (ISP) that articulates control expectations and delivery in the core security aspects of process, policy, product, and people. Foundational to the ISP is the Information Security Control Framework that codifies well over two hundred control objectives modeled from NIST, ISO, COBIT, and various other industry control standards into the single governing document describing the control environment to which AEL adheres. We regularly test this framework and remediate potential gaps. The ISP was designed to promote innovative, effective, and growth-oriented operations while keeping our employee and customer data safe and secure.

We deliver regular employee training on asset management, social engineering threats, data protection, and physical security. We also follow a random social engineering testing schedule.

Privacy

American Equity is committed to protecting the security and privacy of the personal information entrusted to us by our customers, vendors and employees, as well as the personal confidential data of the Company. The Consumer and Customer Privacy Policy outlines the company guidelines and regulatory obligations that governs the treatment of this information.

Our [Privacy Practice notice](#), explains to our customers the categories of information we collect, how we use that information, and how they may access the personal information that we have on file. American Equity will only collect and use customer information that is needed for our business. We strive to keep such information accurate and only to retain it for as long as needed.

Confidential information, including customer information, is protected by limiting access to those with a business need, establishing appropriate safeguards and employee training. The Company has security practices in place to protect all data that includes regular testing and auditing of security procedures and related technologies.

Gifts and Entertainment

American Equity prohibits employees from giving or receiving gifts, including travel and entertainment, that may reasonably be expected to influence, or even appear to influence, business decisions. We do not allow gifts to or from government officials.

For more information, please see the company's [Gift and Entertainment Policy](#) for more information.

Product and Customer - Financial Dignity

Fair Selling & Suitability of Annuity Contracts

Securing people's financial dignity in retirement requires products best suited to their needs and goals. When introducing a new product or crediting rate strategy, we ask ourselves the same question our founder, David Noble, asked over 25 years ago: "Would I sell this to my mother-in-law?" Our "mother-in-law" test forms the foundation of our commitment to transparent products, fair dealing, and acting in the best interests of our customers.

American Equity requires all recommendations to purchase, surrender or exchange one of our annuity products to be consistent with applicable suitability guidelines and regulatory requirements. We have implemented a suitability program to ensure the Company and our agents understand and successfully fulfill their obligations, including requirements for training, obtaining and reviewing customer information, making appropriate recommendations that are in the customer's best interest, and educating the customer on the product.

It is important for agents and customers to understand our annuity products in order to make good decisions. American Equity is committed to providing marketing and product information that is easily understandable, comprehensive, accurate and balanced.

You can find more on our [Suitability Policy](#) here.

From our very founding, American Equity has always stressed service to agents, representatives, wholesalers, and policyholders. We always strive to provide the best service to earn and maintain our producers' and customers' loyalty.

We are extraordinarily gratified and proud that J.D. Power named American Equity Life #1 in customer satisfaction among annuity providers in its 2022 U.S. Individual Annuity Study.

Our customer excellence teams take the time to get to know our policyholders and to care about every caller. We aim to provide service that differentiate us from our competition; J.D. Power's recognition demonstrates those efforts.



American Equity received the highest score in the J.D. Power 2022 U.S. Individual Annuity Study of customers' satisfaction with annuity providers. Visit [jdpower.com/awards](https://www.jdpower.com/awards) for more details.

Responsible Investing

Philosophy Toward Responsible Investing

The objective of our investment portfolio is to generate appropriate returns for shareholders and provide attractive products that help our policyholders' accumulate wealth and support their retirement with the financial dignity of a paycheck for life. We strive to generate long-term returns in a balanced, responsible manner. The Company believes that investment decisions should take into consideration the myriad of matters that bear on our objectives, including environmental, social and governance matters where appropriate. By doing so, we strive for higher portfolio returns in line with our responsibilities to our policyowners and shareholders.

Within the realm of high-performance investing, we have partnered with best-in-class asset managers to expand credit in residential and commercial real estate, infrastructure and to middle-market companies throughout the United States.

UNPRI Signatories for Investment Management Partners

In 2021, American Equity moved to a primarily outsourced investment management model in which fixed income assets in our general account are managed by third parties. As of September 30, 2022, approximately 86% of our invested assets are managed or sourced by signatories of the United Nations-supported Principles for Responsible Investment. When adding new managers, we will give special consideration to UNPRI signatories.





A signatory agrees to the following 6 principles:

- | | |
|--|---|
| 1 To incorporate ESG issues into investment analysis and decision-making processes. | 4 To promote acceptance and implementation of the Principles within the investment industry. |
| 2 To be active owners and incorporate ESG issues into ownership policies and practices. | 5 To work together with other signatories to enhance effectiveness in implementing the Principles. |
| 3 To seek appropriate disclosure on ESG issues by the entities in which it invests. | 6 To report on its activities and progress towards implementing the Principles. |

We request that our managers provide an ESG analysis of various issues that touch upon the performance of our investments in our periodic portfolio reviews and review those analyses to determine that our managers perform as expected.

Asset Allocation

More broadly, within our strategic asset allocation process, we practice responsible investing in:

| | |
|---|---|
|  | <p>Infrastructure - we seek investments in transitional energy, the global energy sector's shift to include additional energy sources like natural gas, wind and solar, as well as associated energy storage technologies.</p> |
|  | <p>Real estate - we create economic impact by supporting locally sourced renovations that improves the quality of the housing stock and increases neighborhood quality. We also support programs that enhance energy efficiency and independence. In addition, the Company works to support the creation of new housing, helping meet a growing need across the country.</p> |
|  | <p>Municipals - we strive to support local communities in their efforts to improve their infrastructure, water utilities, education, transportation, and health care.</p> |
|  | <p>Consumer finance - we support a variety of energy production through financing technologies, including solar installations, and we strive to help make financing available to people who don't have easy access to capital.</p> |

Company Culture and Employee Development

As we reimagine our core business to include high-performance investing, we continue to build a team that inspires innovation within the industry. Over the past two years, we have grown from 600 employees to over 850. Through this growth, we have stayed focused on retaining our existing team members and developing all our employees. We do this in part through our Total Rewards Programs, which we break down into five categories with special offerings for each category:



Be Well AEL

- Life Assistance Programs – a referring resource to find assistance for mental, financial, legal, or work/life balance challenges.
- Services to help employees navigate health care issues for themselves, their children, or aging parents.
- Wellable, an app that provides on-demand workout videos and daily health tips to our employees. More than 600 employees take advantage of this benefit and participating allows each employee to earn points through our recognition rewards program.
- AEL on-site fitness room and fitness instructor that offers both in-person and virtual training sessions.
- Our Learn to Live courses allow employees to use a special code to have access to webinars on how to combat stress, anxiety, insomnia and more.



Career Development

- Tuition reimbursement encourages employees to pursue additional education.
- LinkedIn Learning provides employees access to over 16,000 expert-led video tutorials and courses covering professional and personal topics to hone skills.
- American Equity Academy for Excellence is a compilation of courses that are specific to our compliance, goals, and leader development.



Tech Discount Programs

- Our employees can receive up to a 5 percent discount on Dell and Verizon products.



Engagement Programs

- Watercooler Connections and Book Clubs allow our employees to interact around topics such as hobbies, traveling, gardening, favorite vacation spots, as well as participate in discussions each quarter around both professional development and fiction books.
- American Equity CARES is our community giving program and is designed to support and partner with a diverse range of non-profits through charitable giving. We pair this with our Volunteer Time Off (VTO) and provide our employees with a list of organizations we are funding each quarter and how they can use their volunteer time to further help these organizations.
- Team Member events include both in-person and virtual opportunities and range from our annual Iowa State Fair kick-off and Wednesday Food Truck days in the summer to online trivia work breaks and holiday contests, such as pumpkin carving where participating employees can send in pictures to win bragging rights.



Financial Programs

- Regular Employee Stock Ownership Program contributions, helping all eligible employees build wealth through a stake in our common stock.
- 401(k) program to help eligible employees defer part of their current compensation toward future retirement goals.
- Team Member Annuity Offering.
- Referral program for any open positions.

We are committed to the principles of equal employment and complying with all federal, state, and local laws providing equal employment opportunities. We strictly prohibit and do not tolerate discrimination or harassment because of age, race, color, creed, national origin, ancestry, religion, sex, gender identity, sexual orientation, pregnancy, marital status, physical or mental disability, genetic information, past, current, or prospective services in the uniformed services or any other status protected by federal, state, or local laws. Our policy applies to all terms and conditions of employment, including hiring, training promotion, discipline, compensation, benefits, and termination.

American Equity strictly prohibits and does not tolerate unlawful harassment against anyone based on a “protected status” of age, race, color, creed, national origin, ancestry, religion, sex, gender identity, sexual orientation, pregnancy, marital status, physical or mental disability, genetic information, past, current or prospective services in the uniformed services or any other status protected by federal, state, or local laws. We do not tolerate sexual harassment, regardless of whether it is verbal, physical, visual, or online.

Consistent with the Americans with Disabilities Act as amended by the ADA Amendments Act (ADAA) and applicable laws, we will reasonably accommodate qualified individuals with a disability if such accommodation would allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship for the Company. Consistent with Title VII of the Civil Rights Act of 1964 and all applicable state and local fair employment practices laws, we will provide a reasonable accommodation regardless of an applicant’s or an employee’s sincerely held religious belief or lack thereof if the accommodation would resolve a conflict between the individual’s religious beliefs or practices and a work requirement, unless doing so would create an undue hardship for us.

Community Support and Charitable Giving

American Equity CARES - Community Giving Program Refreshed

As mentioned above, American Equity is very involved in supporting the communities where we live and work. Our CARES program allows non-profits to submit applications detailing how their programs and services help the community. We ask applicants to select one of the five following categories:

- C** Celebrating Culture
- A** Affirming Inclusivity
- R** Retiring with Financial Diversity
- E** Employee Interests
- S** Strengthening Communities

These five categories allow us to support organizations that enhance our communities as well as support our industry, our employees' interests and overall to strengthen our communities. Each year, we budget \$500,000 that goes to between 45 to 60 different organizations, depending on the year. In 2022, we have dedicated over 50 percent of our charitable giving to programs that help women in business and support the community, including those who are LGBTQ+. In 2021, the Company incorporated our community giving into our Social Media Communications Plan. This is a major component of our communications program going forward as it allows us to share our philanthropy stories and the impact our dollars are making toward important topics and contributing to local economic development projects such as the Ronald McDonald House, the MidAmerican Energy RecPlex and the Des Moines Playhouse remodel.

Pro Iowa

Reflecting our commitment to serving and contributing to the communities in which we work, attract talent to Central Iowa and benefit our community, in 2021, American Equity became a founding donor to Pro Iowa, a private fundraising effort to design and build a multi-use professional soccer stadium and Global Plaza in downtown Des Moines with a \$5 million contribution.

We believe our involvement with Pro Iowa will push our community forward in a number of ways:

- **Transform a blighted site.** The new stadium and Global Plaza will be built on the legacy Dico industrial EPA Superfund site, a south-side entry point into our downtown area and access point for anyone flying into Des Moines' airport. We are proud to be part of the effort to clean up this location correctly and build an economic and cultural "leapfrog" project for our region. First impressions matter, and transforming this site is a way to make the best first impression for new visitors to our community.
- **Attract and retain top talent and provide economic growth opportunities.** Soccer is a growing sport in America, and a global sport. We believe cities can embrace soccer as part of positioning themselves as national and global cities. We know employees want to live in vibrant cities willing and ready to bring new and exciting features for residents. Bringing professional soccer to our metro with a new stadium is exciting – for our prospective talent, for soccer players, and for the fan base.
- **Create a welcoming space.** The number of foreign-born residents living in greater Des Moines has increased over 20% in the past decade. And over 40,000 Iowa youth and adults participate in recreational soccer programs annually. As a stakeholder in this project, we will strive to include programming that celebrates everyone, both in the workplace and throughout the community as a whole.

In November 2021, demolition of all buildings on the Dico, Inc. Superfund Site was completed. Construction on Pro Iowa Stadium and a 6,000+ seat multi-use stadium and associated Global Plaza is expected to begin this year. As envisioned, the new stadium will be able to adapt for multiple uses while seating over 6,000 people. The Global Plaza will encompass four acres surrounding the stadium and be used for community events, festivals, and activities.

In January 2022, the United States Soccer League (USL) officially signed a franchise agreement with a local ownership group to bring a professional club to Des Moines that will compete in the USL Championship – the second highest division of professional soccer sanctioned by the United States Soccer Federation.

In June 2022, the Iowa Soccer Development Foundation confirmed that the Pro Iowa Stadium and Global Plaza will open in 2025. We could not be prouder of our participation in the Pro Iowa effort and look forward to rooting for our newest home team.

Other Strategic Partnerships



For the 7th year, American Equity is proud to be a corporate sponsor of our local Toys for Tots campaign. Our employees rally behind this program year after year, from being a part of our local commercial, to collecting toys, and volunteering for the variety of events with Toys for Tots. It is a great way for our team to show their personal generosity by buying gifts for kids that may otherwise go without and a great way for American Equity to lend its voice in making our community more inclusive and caring.



American Equity partners with our larger higher education institutions to support Veterans during sporting events. Our sponsorship each year includes a Hero of the Game for both Iowa and Iowa State University home football and basketball games. The honored Veteran for each game is given tickets for his or her family to enjoy the game and there is a special presentation during the half time.



American Equity has committed to a three-year sponsorship of this statewide event celebrating LGBTQ leaders in the state. We provide the funding for the gifts for the recipients.



American Equity served as the Lead Sponsor for the second year in a row to support the Student Scholarship Awards during the DEI Excellence Awards ceremony in Central Iowa. Each year, a student will receive a \$1500 scholarship for continuing their education and the winning non-profit can identify a leader within their organization for whom American Equity will pay tuition in the West Des Moines Leadership Academy.



American Equity promotes the United Way to our employees every year. In 2022, we hosted a very successful campaign. We had 259 of our employees donate funds to the UW, for a total employee contribution of over \$132,532. With a corporate pledge, our total donation to the United Way was over \$200,000.

In Conclusion: American Equity - The Financial Dignity Company

Since our founding in 1995, American Equity has had the purpose of helping Americans maintain financial dignity in retirement through a lifetime paycheck, while helping to build wealth in an effective manner and controlling risk through our attractive general account annuity products. We take our promises to hundreds of thousands of our fellow citizens and their families seriously, backing our guarantees with a conservative investment portfolio, a substantial capital backstop and an industry-leading customer experience. And we are dedicated to creating value for our shareholders, keeping our promises to our policyholders, championing our employees' pursuit of their dreams, and improving our communities' economic and cultural development.

We remain keenly focused on continued progress on our innovative AEL 2.0 strategy by:

- Building a differentiated asset origination & management platform;
- Diversifying our investment portfolio by increasing privately sourced assets;
- Growing our reinsured liabilities to increase recurring fee revenues, including sidecar vehicles backed by third-party capital; and
- Enhancing our leading position in the independent agent channel and growing additional sources of origination.

Our goal is for AEL to be a “capital-light” insurance provider that can consistently maintain returns on equity in the 11% to 14% range, continue to distribute significant levels of capital to shareholders, and deploy capital for accelerated growth in asset balances driving “fee-like” earnings power.

AEL is the brand name and pending trademark of American Equity Investment Life Holding Company® which specializes in the sale of fixed index and fixed rate annuities through its wholly-owned operating subsidiaries, American Equity Investment Life Insurance Company®, Eagle Life Insurance Company®, and American Equity Investment Life Insurance Company of New York.