



2024 Sustainability Report

Helping clients and communities
adapt and thrive

definity.

What's Inside

02	Cautionary Statements About Forward-Looking Information	15	Adapting to the Changing Climate	57	Fostering Strategic Relationships
03	About Definity	17	Climate Risk Management	59	Strengthening Broker Relationships
03	Meet our Family of Trusted Insurance Brands	20	Our Commitment to Net-Zero	60	Enabling More Equitable and Climate-Ready Communities
05	About this Report	21	Reducing our Carbon Footprint	63	Building Meaningful and Strategic Partnerships
06	2024: Year in Review	22	Advancing Climate Research and Resilience	64	Strategic Procurement and Vendor Relationship Management
07	Message from our CEO and Board Chair	25	Building Resilient Business Practices	67	Appendix
09	Corporate Strategy Highlights – Purpose led and Promise-driven	26	Customer Practices	68	Greenhouse Gas Emissions
10	Our Sustainability Strategy	32	Privacy	71	Workforce Representation
11	Approach to Materiality	33	Cyber Security Risk Management	72	Climate-Related Risks and Opportunities
12	ESG and Sustainability Governance	37	Ethical Business Conduct	76	Sustainability Accounting Standards Board (SASB) Indicators
12	Board Oversight	39	Responsible Investing and Financing	78	Assurance Report (EY)
13	Management Responsibility	41	Innovation and Technology		
13	Governance for More Sustainable Outcomes	45	Enabling a Thriving Workforce		
14	Strategy Development and Execution	46	Providing a Rewarding Employee Experience		
14	Industry Memberships	52	Inclusion, Diversity, Equity, and Accessibility		
		55	Supporting Truth and Reconciliation		

Land Acknowledgment

We acknowledge that we live and work on the traditional and unceded territories of First Nations, Inuit, and Métis Peoples now known as Canada. We recognize the enduring presence, wisdom, and stewardship of Indigenous Peoples who have long cared for these lands since time immemorial.

We honour the histories, cultures, and knowledge of Indigenous communities and acknowledge the lasting impacts of colonialism, including intergenerational trauma and systemic inequities. We commit to meaningful action and accountability as we work toward reconciliation and a more just and equitable future for all.

Through building relationships based on respect and reciprocity, we strive to support and amplify Indigenous voices, perspectives, and aspirations as we move forward together. See pages 55 and 56 for more on Definity's approach to truth & reconciliation.



Cautionary Statements About Forward-Looking Information

This report contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future business, our ESG outlook, and anticipated events or results, and may include information regarding our business strategies, addressable markets, operations, workforce, governance, climate-related risks and opportunities, investments, plans and objectives. In particular, information regarding our expectations about future ESG results, performance, achievements, prospects or opportunities, the communities and markets in which we operate, and our future ESG disclosure is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “goals”, “commitments”, “promises”, “expects”, “estimates”, “strategy”, “intends”, “anticipates”, “believes”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, or “will” occur. In addition, any statements that refer to expectations, intentions, plans, projections, or other characterizations of future events, achievements, or circumstances contain forward-looking information. These include, among other things, statements concerning emissions and diversity. Statements containing forward-looking information are not historical facts or promises of future performance but instead represent management’s expectations, estimates, and projections regarding possible future events or circumstances. Certain statements made in this report use a greater number and level of assumptions and estimates, and are over longer time frames, than many of our required disclosures under applicable

laws. These assumptions and estimates are highly likely to change over time. Despite our careful preparation and review of the forward-looking information, there can be no assurance that the underlying metrics, data, science, opinions, estimates, and assumptions which are the basis of such information will prove to be correct. Forward-looking information is based on metrics, data, science, opinions, estimates, and assumptions that we considered appropriate and reasonable as at the date such statements are made, and is subject to many factors that could cause our actual results, performance or achievements, or other future events or developments, to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors: climate change dynamics and/or rate of change; the availability of comprehensive and high-quality GHG emissions data; the pace and substance of evolving ESG reporting standards and mandatory reporting requirements; economic and investment market conditions; the need for active and ongoing engagement with stakeholders, including businesses and governmental and non-governmental organizations; the development and deployment of new technologies and industry-specific solutions; evolutions in client, community and other stakeholders’ expectations; labour market demographics and competition; our ability to recruit, retain, and develop employees; legislative and regulatory developments; our ability to successfully implement various initiatives within expected time frames; our ability to achieve our voluntary ESG goals or meet evolving investor or other stakeholder expectations and standards regarding ESG practices, such that our brand, reputation, employee

retention and financial condition and the willingness of our customers and suppliers to do business with us may be negatively impacted based on an assessment of our ESG practices; and the other factors set out on page 20 of Definity’s [2024 Annual Report](#). These factors are not intended to represent a complete list and there may be other factors that could also cause actual results or future events to differ materially from those expressed in the forward-looking information found herein. There can be no assurance that such forward-looking information will prove to be accurate; actual results and events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as at the date made and is subject to change after such date; we disclaim any intention, obligation or undertaking to update or revise any forward-looking information, except as required under applicable securities laws in Canada. The forward-looking information in this report is expressly qualified by the foregoing cautionary statements.

About Definity

Publicly listed in 2021, Definity Financial Corporation is the parent company to some of Canada’s most established and innovative property and casualty (P&C) insurance companies and brands, including Economical Insurance, Sonnet Insurance, Family Insurance Solutions, and Petline Insurance. By investing in people, businesses and innovation, our group helps our customers, broker partners, employees, and communities *adapt and thrive*.

With a team of approximately 3,400 dedicated employees and a national channel of over 600 independent brokerage firms, we work every day to protect Canadians and their households, vehicles, and businesses from life’s unexpected events. Together, we have built one of Canada’s leading P&C insurance providers – ranking as the sixth-largest P&C insurer in the country and the third-largest carrier in the broker channel.

At Definity, we believe strong communities are essential for a sustainable future and we are committed to driving thriving, equitable and climate-ready communities. Our common shares are listed on the Toronto Stock Exchange (TSX) under the symbol DFY.

TSX: DFY



Definity was honoured to receive the Best ESG Reporting (Mid-Cap) award at the 2025 IR Impact Awards – Canada.

Meet Our Family of Trusted Insurance Companies and Brands

Definity delivers trusted insurance solutions through both licensed brokers and digital direct brands, providing Canadians with flexibility and choice. This dual-channel approach ensures broad market reach, strong customer relationships, and sustainable growth across all lines of business.

Broker Brands



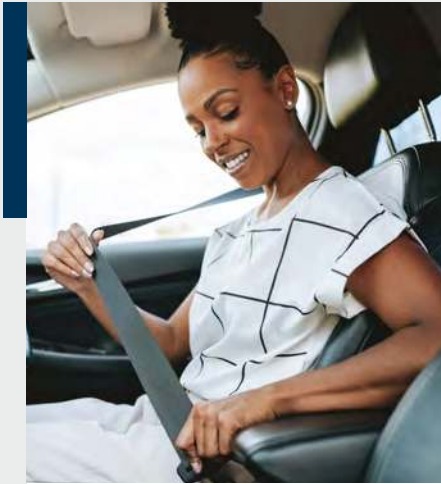
Founded in 1871, Economical Insurance is one of Canada’s leading property and casualty insurers, offering coverage for homes, cars, businesses, and farms. Policies are distributed through a trusted network of licensed broker partners across the country.



Family Insurance Solutions is a leading distributor of home and optional auto insurance in British Columbia. Operating as a managing general agent of Definity Insurance Company, Family Insurance Solutions provides specialized coverage through its broker channel.



Direct Brands



Launched in 2016, Sonnet Insurance, underwritten by Sonnet Insurance Company, provides an innovative and seamless digital experience for Canadians who prefer to purchase insurance online. Using Sonnet’s modern platform and real-time analytics, customers can get a customized quote, purchase a policy, and manage their account instantly and securely. Sonnet’s multi-product offering includes auto, home, condo, tenant, landlord, and pet insurance, and an online customer rewards platform of partner offerings.



As one of Canada’s oldest and largest pet health insurance providers, Petline Insurance offers coverage through its brands, **Petsecure™** and **Peppermint™**. A leader in the market, Petline provides flexible coverage options with unique benefits and pricing to meet the diverse needs of pet owners. Petsecure and Peppermint policies are available online and through our branding partners.



How We Create and Share Value

“Together, we’re making insurance better for our customers, our employees, our broker partners, and our communities.”
– Rowan Saunders, President & CEO



Economic Value Generated (in millions)¹

\$4,643²
Revenue

Economic Value Distributed (in millions)¹

\$3,245
Operating costs, including approximately \$2800 in claims coverage to policyholders, and adjustment expenses.

\$585
Employee wages and benefits

\$4.3³
Total charitable contributions

\$86
Payments to providers of capital, including \$76 million in dividends to shareholders

\$339
Payments to governments

¹ Calculations of these metrics follow guidance from the Global Reporting Initiative.
² Includes Insurance Revenue, Distribution Revenue, and Net Investment Income.
³ Donations made directly to registered charities, including donations to the Definity Insurance Foundation (a registered charity), and donations to universities, employee matching, and other donations recorded in the general ledger accounts for corporate charitable giving.

About this Report

Scope of Reporting

This report outlines the environmental, social, and governance (ESG) performance and activities for the 2024 financial year (January 1 to December 31, 2024). It includes information about Definity Financial Corporation, Petline Insurance Company, Sonnet Insurance Company, Family Insurance Solutions Inc., Definity Insurance Company, and Westmount Financial Inc. Unless otherwise stated, “we,” “our,” “us,” and “Definity” refer collectively to these companies.

This report adheres to the “operational control” approach to reporting boundary of GHG emissions and HR related KPIs. As such, data related to entities in which Definity does not influence day-to-day decision-making but holds a majority financial stake, such as brokerages and portfolio investments, are not included. Please note that this scope of reporting differs from Definity’s financial reporting. All figures are stated in Canadian dollars and may be rounded for presentation.

Reporting Process and Frameworks

Definity proactively adapts its disclosures to evolving ESG reporting standards. This report focuses on sustainability-related risks and opportunities that could reasonably affect cash flows, financing, and capital costs in the short, medium, and long term. Definity is preparing for adherence with the Office of the Superintendent of Financial Institution’s guidance on disclosures related to climate risk management and plans to align with relevant International Financial Reporting Standards (IFRS) guidance as endorsed by the Canadian Sustainability Standards Board (CSSB) through the Canadian Sustainability Disclosure Standards (CSDS). Definity will also continue to monitor the Canadian Securities Administrators’ (CSA) evolving regulatory framework as they consider integrating these standards into mandatory disclosure requirements.

Definity’s Board of Directors, Public Disclosure Committee, and executive management review and /or approve the content and publishing of our annual Sustainability Report.

External Assurance

This report is unaudited, except for select performance indicators that underwent limited assurance by Ernst & Young LLP (EY). See page [78](#) for more detail on the scope of assurance.

Assumptions and Forward-Looking Statements

Metrics and data in this report, including those related to net-zero commitments, goals, and targets, are based on assumptions, estimates, and judgments. These are aspirational and subject to change as data availability improves, climate science and transition pathways evolve, and/or standards, methodologies and market practices develop.

Companion Documents

This report complements other corporate disclosures, providing a comprehensive view of Definity’s sustainability initiatives. Our relevant disclosures can be accessed here:

Documents	Policies
• 2024 Annual Report • 2025 Management Information Circular • 2024 Public Accountability Statement	• Statement on Human Rights • Enterprise Sustainability Policy Statement • Supplier Code of Conduct • Sustainable Investment Policy Statement

Learn more at definityfinancial.com



2024: Year In Review

Helping Customers and Communities Adapt & Thrive

In 2024, Definity strengthened its ability to navigate a changing risk landscape while deepening partnerships with brokers, customers, vendors, and communities. As climate and societal challenges grow, delivering on our purpose – *building a better world by helping customers and communities adapt and thrive* – becomes even more critical. In particular, we strive to enable climate-ready communities to support long-term resilience to the effects of more extreme weather, and to drive more equitable participation in the economy by addressing systemic barriers that impede fairness. (Read more under “Enabling More Equitable and Climate-Ready Communities” on page 60.)

Responding to Climate Change and Strengthening Resilience

Achieved a 35% reduction in Scope 1 and 2 market-based emissions, exceeding our 2025 ambitious target (30% reduction relative to 2019).

On track to achieve our 2025 goal to reduce Scope 3 emissions associated with listed equity and corporate bonds.

Investing in Communities and Social Impact

Largest year of charitable giving in Definity’s 150+ year history, with \$4.3 million³ donated to organizations supporting climate resilience and economic inclusion. Maintained our commitment to donate at least 1% of net profit before taxes, ensuring sustained investment in social impact as part of our long-term growth strategy.

Volunteerism at Definity reached new heights in 2024, with 15% of employees reporting that they are actively participating — aligning with industry peers and reinforcing our culture of giving.

Advancing Equity and Inclusion

First Canadian P&C insurer to sign the UN Women’s Empowerment Principles, reinforcing our commitment to gender equity in the workplace.

Definity’s Board has met its commitment for representation of women, as well as its aspiration to have at least two directors from among the following designated groups: BIPOC, persons with disabilities, and LGBTQ+. These ambitions reflect our commitment to building leadership teams that better represent the communities we serve.

Established an Indigenous Advisory Council & Reconciliation Action Working Group to advance our response to the Truth and Reconciliation Commission’s Call to Action #92.

Earning ESG Recognition

We achieved an MSCI ESG Rating upgrade to “AAA”, placing Definity among the top-ranked global P&C insurers for ESG risk management and sustainability leadership.



A Message from Our CEO and Board Chair



Rowan Saunders
President & CEO

2024 was a year of challenges and growth for Definity — one that required us to draw on our deep expertise and resilience to adapt to an ever-changing operating environment, and to partner with our brokers, customers, vendors, and communities, in new and innovative ways. The past year made clear that delivering on our purpose of building a better world by helping customers and communities adapt and thrive has never been more important.

Definity’s 2024 Sustainability Report provides detailed insight into the progress we are making on our purpose and strategic focus areas as we continue to support the long-term sustainability of our business and create value for all stakeholders. This report captures how we understand and manage environmental, societal, and governance risks and opportunities to our business, so that we can deliver positive outcomes for the communities we serve.

In 2024, insured losses from wildfires, flooding, and storms across Canada reached historic levels for the P&C industry, surpassing \$8.5 billion⁴, according to Canada’s loss and exposure indices provider, CatIQ. In July and August alone, the Greater Toronto Area flash floods, Jasper wildfire, Calgary hailstorm, and remnant of Hurricane Debby that blew through Quebec resulted in over \$7.5 billion⁴ in insured losses for the industry — triple what Canadian insurers typically incur for an entire year. Definity’s losses from these events were lower than our natural market share, giving us confidence in our approach to understanding and managing climate-related risk in our insurance portfolios.

These events serve as a stark reminder that Canada has been warming more than twice the global average⁵, and that action against climate change requires a whole-of-society response. Insurers can play a crucial role in not only disaster recovery, but in supporting preparedness, adaptation, and resilience alongside other important actors including government.

At Definity, we’re playing our part by continuously enhancing our climate modelling capabilities to manage exposure, inform risk selection, and support accumulation management — providing coverage availability even in high-risk areas. We are also redesigning products to reflect current risks and provide coverage options, investing in our National Catastrophe Response Teams and claims management to provide deep technical expertise and 24/7 on-the-ground support immediately after major events, and actively participating in Climate Proof Canada to advocate for investments and policy changes that promote climate adaptation and resilience. These actions benefit our business too, enabling us to mitigate losses from events, reporting significantly below what our market share would otherwise indicate in 2024.



John Bowey
Board Chair

⁴ [Catastrophes Archives – CatIQ](#)
⁵ [Government of Canada \(2019\) Canada’s Changing Climate Report](#)

Our commitment to empowering employees with an inclusive culture benefits the employee experience, in turn, enabling us to continue attracting and retaining some of the best talent in the market.



Charitable giving

\$4.3 million³
 total charitable contributions

MSCI ESG Rating

AAA

We know that the impact of climate change across Canada on our infrastructure, communities, and health will continue, and adapting to it remains a central focus for Definity.

We remain committed to a barrier-free culture for our employees, customers, and communities, and in 2024 we continued to make progress against our stated leadership diversity goals. Definity was the first Canadian P&C insurer to become a signatory to the UN Women’s Empowerment Principles, underscoring our commitment to gender equality in the workplace. We also formed an Indigenous Advisory Council and Reconciliation Action Working Group that are guiding and delivering initiatives to advance Definity’s response to the Truth and Reconciliation Commission’s Call to Action #92 for corporate Canada. Our commitment to empowering employees with an inclusive culture benefits the employee experience, in turn, enabling us to continue attracting and retaining some of the best talent in the market.

2024 was the largest year of charitable giving and employee volunteerism in Definity’s more than 150-year history. We’re very proud that over \$4 million was contributed to Canadian charities, with the vast majority directed to organizations focused on enabling climate-resilient communities and more equitable participation in the economy. With our commitment to donate at least 1% of Definity Insurance Company’s net profits before taxes⁶, we expect

to deliver proportionally increasing social impact as we continue to grow our business. In 2024, we also had 15% of Definity employees participate in volunteer activities — our highest rate on record — reflecting our culture of giving.

Finally, we were excited to finish 2024 with an upgraded MSCI ESG Rating of “AAA,” placing us among the leading P&C insurers in MSCI’s global coverage universe for our management of ESG risks and opportunities. This rating confirms the strong foundation of sustainability-related value creation we have built for our business, shareholders, and others, and we look forward to building on our momentum in the years to come.

We are grateful for the ongoing sustainability contributions of our employees, as well as our Board of Directors, who continue to guide and support our strategy and efforts. We are on a journey to be one of Canada’s top five P&C insurers, building the long-term resilience of our business and the communities in which we live and work as we navigate the challenges and opportunities that lie ahead.

Thank you.



Rowan Saunders
President & CEO

John Bowey
Board Chair

⁶ Certification | PRISM | Imagine Canada

Corporate Strategy Highlights – Purpose led and Promise-driven

Our progress toward becoming one of Canada’s leading P&C insurers is a journey guided by our purpose, our ambition, and our promise.

Our Purpose

Building a better world by helping our customers and communities adapt and thrive

Our Ambition

To be one of Canada’s leading and most innovative P&C insurers

Our Promise

Making insurance better

Our Values

Staying true to our corporate values helps us to be there for our employees, customers, broker partners, and communities when they need us most. Our values make us stronger, and clarify what we need to do to reach our most ambitious goals.

We are all owners

We’re excited to be part of this company’s proud Canadian success story. As difference-makers, we confidently set our sights on achieving top-five status in the marketplace. We feel accountable for these objectives, seeking to take smart, measured risks that are inspired by innovation and guided by sound judgment.

We inspire customer confidence

We adapt quickly to change and think creatively to find solutions that are good for our customers and for our business. We understand that we are in a helping industry; it is the reason we are here. Serving our customers and broker partners while having a truly positive impact on their lives and livelihoods is what drives us every day. We take our reputation personally.

We work together to win together

We care for, respect, and learn from one another. This is a people business, inside and out, and we welcome all voices to the table. We recognize and celebrate integrity, excellence, and hard work because we understand these qualities will get this company where it needs to be. We believe in giving back through volunteerism and charitable contributions because we genuinely care about the communities in which we live and work. We strive, always, to make a difference.

Sustainability embedded in our Corporate Strategy

Our corporate strategy is built on ambitious goals that position us as one of Canada’s most innovative P&C insurers:

- **Become one of the five largest P&C insurers in Canada**
- **Maintain our digital leadership**
- **Consistently deliver disciplined financial management**
- **Position Definity as a purpose-driven sustainability leader**

Achieving our objectives requires a proactive and integrated approach to sustainability, focusing on areas most material to our business and where we can make the greatest impact. Sustainability is integral to our corporate strategy and our purpose of building a better world by helping clients and communities thrive. This report highlights our efforts to support climate resilience, promote equity, and drive innovation to strengthen our industry and make insurance better.

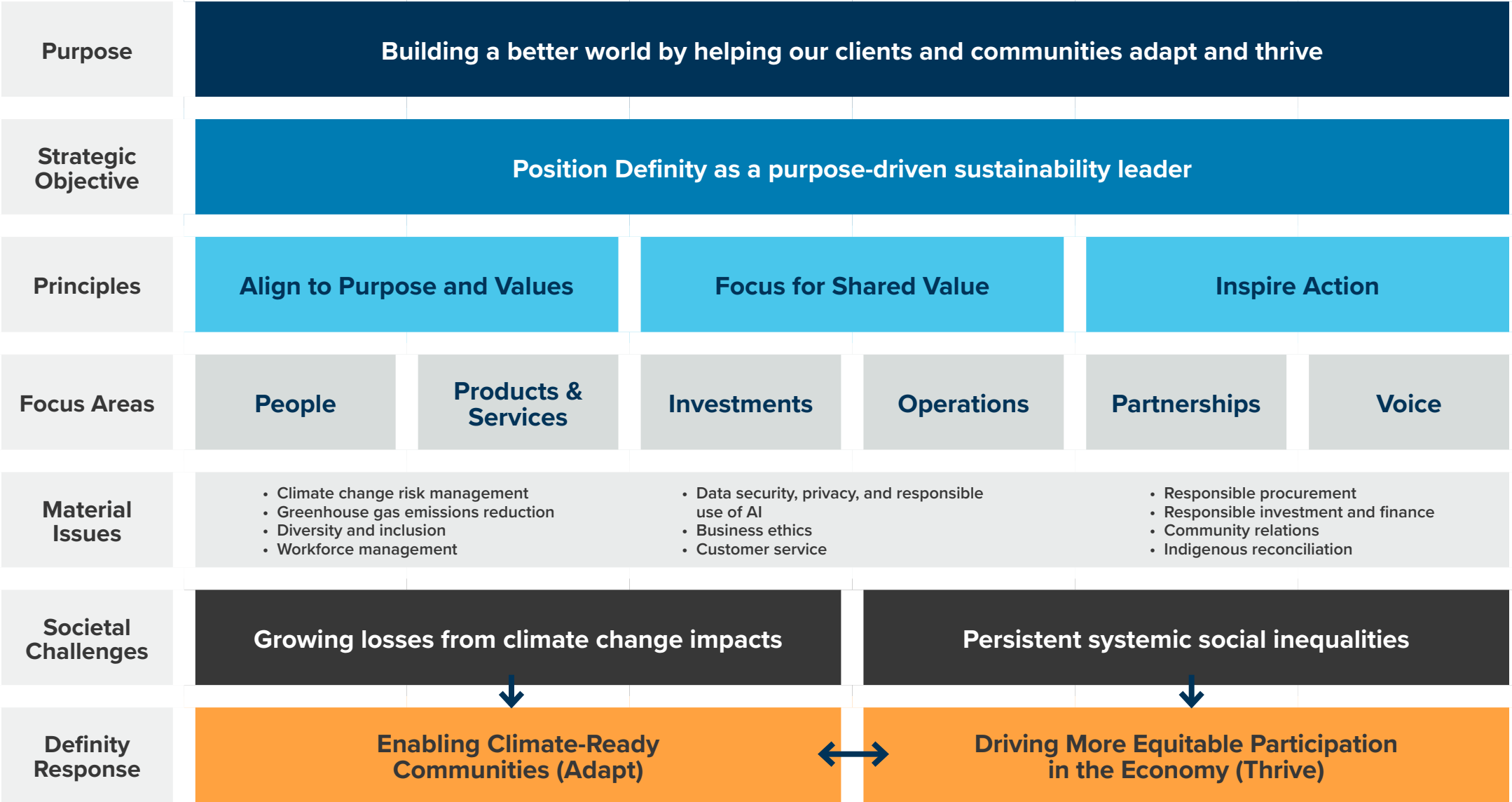
As a P&C insurer, we are positioned to help our customers and communities navigate evolving risks. We work to not only mitigate insured losses but also contribute to long-term prosperity — for our customers, broker partners, employees, and the broader communities we serve.

Our Sustainability Strategy

Our sustainability strategy is oriented towards achieving the objective of positioning Definity as a purpose-driven sustainability leader. In practice, we seek to:

- identify and effectively manage the environmental, social and governance risks and opportunities that are material to our performance and valuation;
- deliver against our purpose by thoughtfully integrating sustainability considerations across various domains of the business to create value; and
- respond to key societal challenges that are most relevant to Definity.

This report outlines how we have advanced this strategy in 2024, enabling Definity to be better poised to adapt and respond in an operating context that is becoming more volatile, uncertain, complex, and ambiguous.



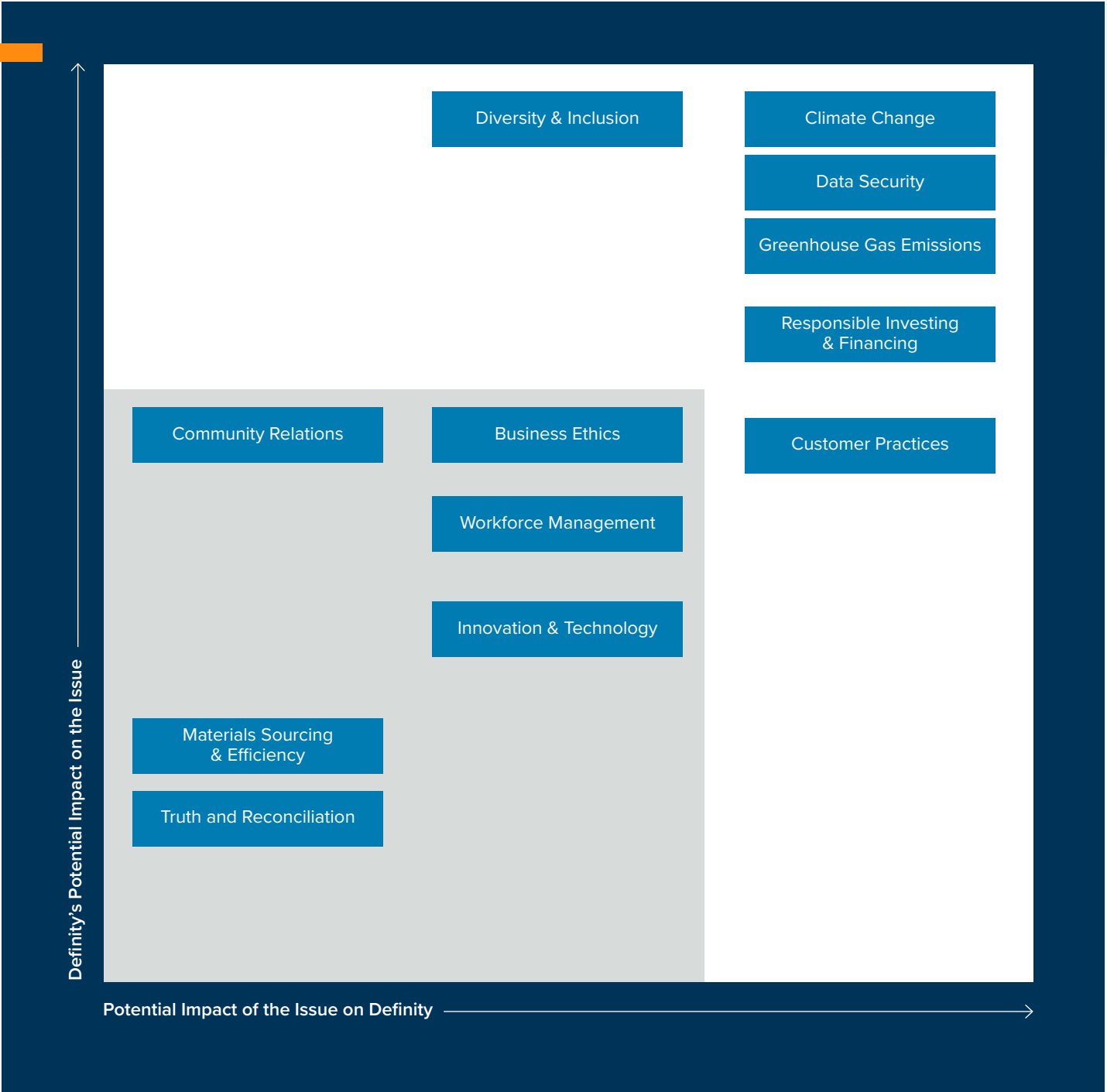
Approach to Materiality

We view materiality as a dynamic concept, regularly monitoring sustainability issues to assess their potential impact on our business operations and long-term outlook. This ongoing evaluation helps refine our strategy and ensure alignment with evolving risks and opportunities.

Our **materiality assessment** identifies ESG factors that have the potential to influence Definity’s long-term sustainability, including our ability to execute our strategy, our financial performance, and our overall valuation. As part of this process, we engage key stakeholders — including employees, suppliers, brokers, customers, the Board of Directors, and investors — through direct consultations and surveys. We also analyze material ESG topics across traditional and social media, peer reporting, regulatory developments, and voluntary sector standards and frameworks.

We conduct extensive materiality assessments biennially and, in 2023, introduced a double-materiality approach. This evaluates both the financial impact of material ESG issues on our business and our company’s potential outward impacts on the environment, society, and the economy.

A materiality review in 2024 reaffirmed the material ESG issues critical to our business. These findings will guide the ongoing development and implementation of our sustainability strategy. Our next materiality assessment will be conducted in 2025.



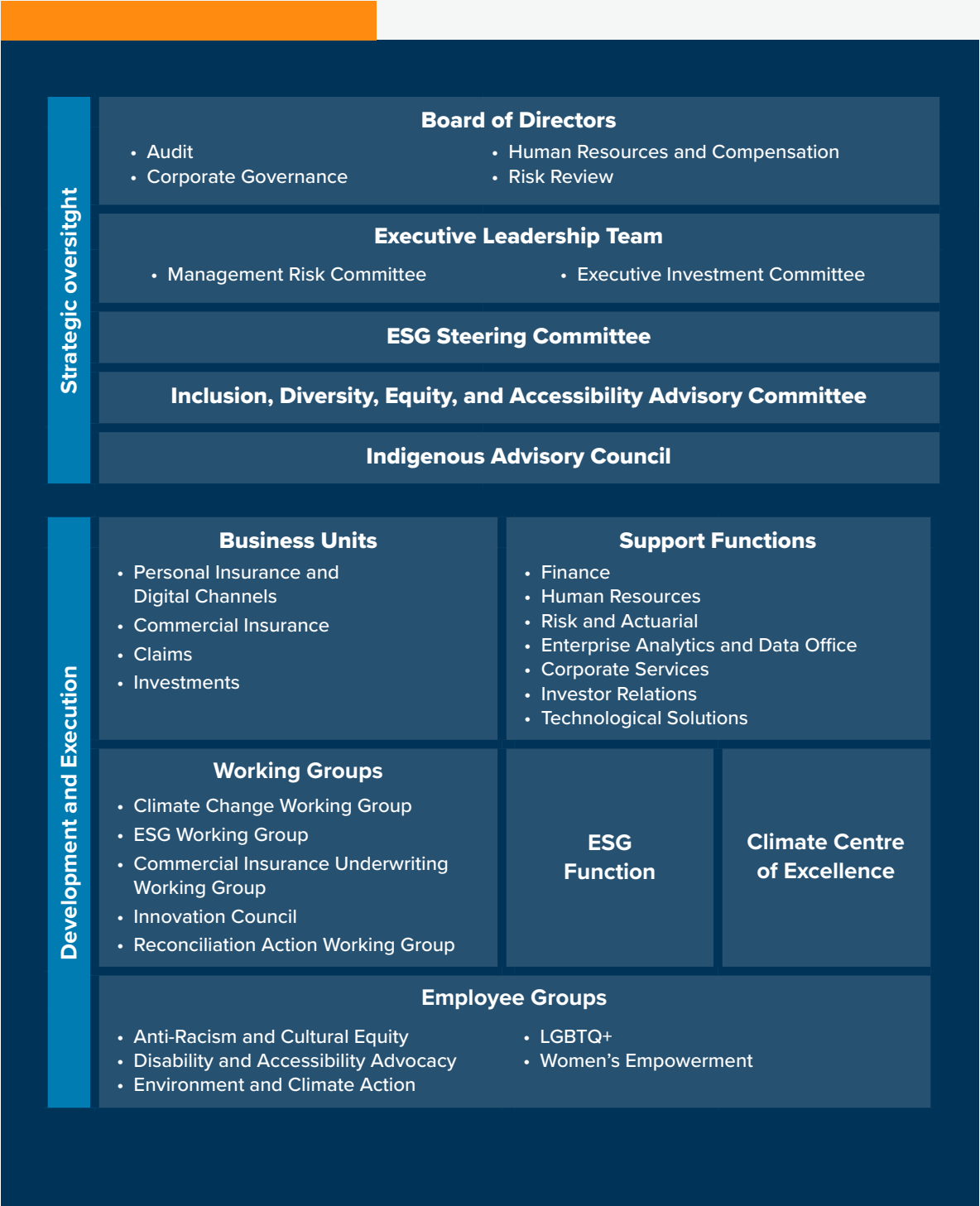
ESG and Sustainability Governance

Robust corporate governance and effective leadership are essential to achieving our sustainability goals – both now and in the future. We are committed to promoting the long-term sustainability of our business and instilling trust among our employees, customers, partners, and communities. We uphold this commitment through transparent communication, ensuring high standards in our policies and practices, and taking a thoughtful approach to emerging issues.

Board Oversight

Proactively managing material ESG issues is an important element of our corporate strategy, contributing long-term value for our stakeholders. As ESG topics can materially impact Definity’s business operations, our Board of Directors provides oversight of associated risks and opportunities. Its committees focus on specific aspects of our ESG agenda, while the Board as a whole seeks to ensure strategic alignment and accountability:

- **Board of Directors** — Oversees Definity’s ESG strategy as a whole.
- **Risk Review Committee** — Receives quarterly updates on physical and transition climate risks, including insurance and investment risks. It reviews progress against our enterprise climate strategy annually or more frequently, as required.
- **Audit Committee** — Oversees the control environment for Definity’s annual ESG-related disclosures.
- **Human Resources and Compensation Committee** — Governs talent, succession planning, employee engagement, culture, pensions, and executive compensation. ESG-related performance objectives are integrated into the executive compensation program, and the committee also oversees inclusion, diversity, equity, and accessibility efforts for employees.
- **Corporate Governance Committee** — Provides oversight on conduct, governance frameworks, and community investment activities.



ESG and Sustainability Governance

Management Responsibility

Our Executive Leadership Team (ELT) embeds ESG considerations into Definity's strategic and business plans with a view to ensuring the effective management of key risks and opportunities. This work is further supported by the following:

- **ESG Steering Committee** — A cross-functional executive-level body that oversees ESG strategy development and execution.
- **Management Risk Committee** — Oversees enterprise risk and control activities with a view to ensuring that the magnitude of core and emerging risks remains within the established Board-approved risk appetite and that adequate mitigation strategies are undertaken where appropriate.
- **Executive Investment Committee** — Oversees compliance with Definity's Sustainable Investment Policy Statement, which includes climate change and other ESG considerations, and evaluates performance and the impact of external influences — including social, economic, capital markets, and regulatory trends — on the company's investment portfolios, strategies, and operations.
- **Chief Risk and Actuarial Officer** — Maintains oversight of key and emerging risks in conjunction with the Enterprise Risk Management function, including responsibility for Definity's climate change strategy, supported by senior management.

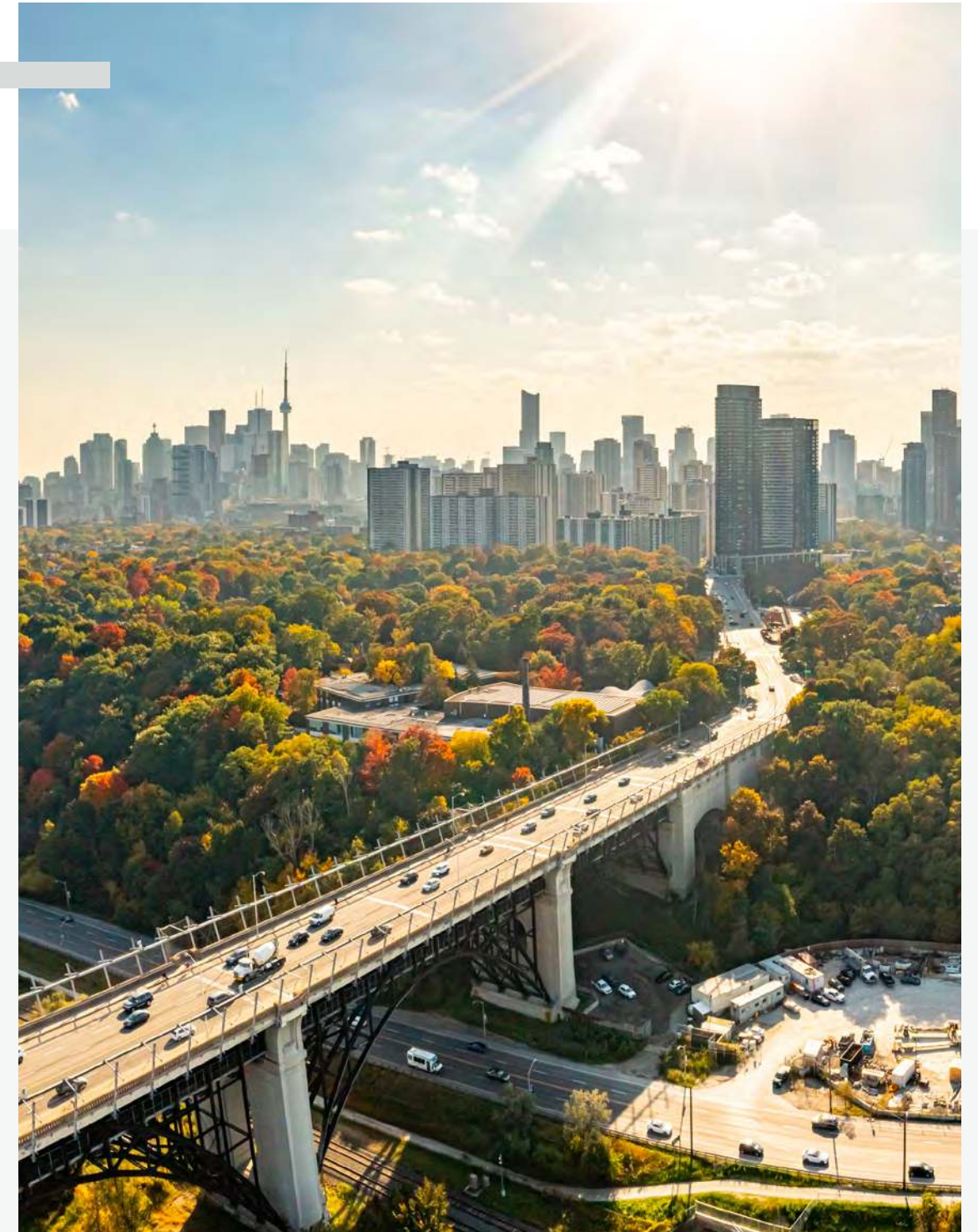
Governance for More Sustainable Outcomes

Ethical conduct is the foundation of Definity's culture and our approach to sustainability. Our [Code of Business Conduct](#) sets clear expectations for integrity in decision-making, relationships, and daily operations, reinforced by policies on ethical behaviour, anti-harassment, and non-discrimination. Supported by our whistleblower ethics reporting program, these measures help foster accountability and transparency across our organization.

Strong governance and ethical leadership, headed by the Board and senior management, are critical to mitigating conduct risk and reinforcing our corporate values. Our ESG priorities are further reflected in our approach to compensation and risk management, seeking to ensure alignment with long-term sustainability goals.

Incentivizing Sustainability Outcomes

Definity recognizes that effective management of ESG risks and opportunities is required for the long-term sustainability and performance of our business and instills trust among our clients, partners, employees, and communities. Accordingly, a variety of sustainability-related assessment indicators are part of the individual objectives for executives and employees across Definity Financial Corporation. Examples include employee engagement targets, increasing the representation of women in leadership positions, other representation objectives, and reducing operational (Scope 1 and 2) greenhouse gas emissions.



ESG and Sustainability Governance

Strategy Development and Execution

Our Corporate Strategy group includes a dedicated ESG function responsible for developing sustainability strategies, implementing action plans, and providing day-to-day oversight, thought leadership, and execution support across our business lines and corporate functions. Several cross-functional groups contribute to advancing ESG priorities, drawing on talent from across the organization, including:

- **ESG Working Group** — Chaired by the head of our ESG function, this group drives the development, implementation, and progress measurement of ESG priorities across the enterprise.
- **Climate Change Working Group** — Co-chaired by the heads of Enterprise Risk and ESG, this group leads the execution of our enterprise climate change strategy. It enhances and promotes existing climate-related initiatives and helps develop new ones, including the establishment of a Commercial Insurance Underwriting Working Group to further integrate climate and sustainability factors into underwriting practices.
- **Climate Centre of Excellence** — Established in 2023 and led by a climate scientist and actuary, this technical hub supports the integration of climate change considerations into scenario analysis, product development, underwriting risk appetite decisions, and risk management. The Centre assesses both short- and long-term climate impacts on our insurance operations and develops strategies to mitigate climate-related risks while exploring new opportunities. It also collaborates with academic institutions to support research projects of mutual interest, which help inform our advocacy efforts for climate adaptation and resilience across Canada.

- **Inclusion, Diversity, Equity, and Accessibility (IDEA) Advisory Committee** — Chaired by our Senior Vice-President and Chief Technology Officer, this committee includes Employee Group chairs and business leaders who work to enhance our culture of inclusion and belonging.
- Using the insight and expertise of these specialized groups, Definity strives to effectively embed ESG considerations into our business strategies, risk management, and corporate culture.

Industry Memberships

Our industry memberships play a key role in shaping our approach to current and emerging ESG issues. Transparent ESG disclosure allows us to engage meaningfully on topics material to our business and stakeholders. We align with common ESG reporting frameworks and standards to enhance our reporting on material ESG topics and support efforts to improve consistency and comparability of disclosures across our industry, capital markets, and Canadian society.

We are supporters or members of the following organizations:

- **Climate Proof Canada**
- **Insurance Bureau of Canada**
- **Institute for Catastrophic Loss Reduction**
- **United Nations Women’s Empowerment Principles (WEPS) (signatory)**
- **Sustainable Waterloo Region**

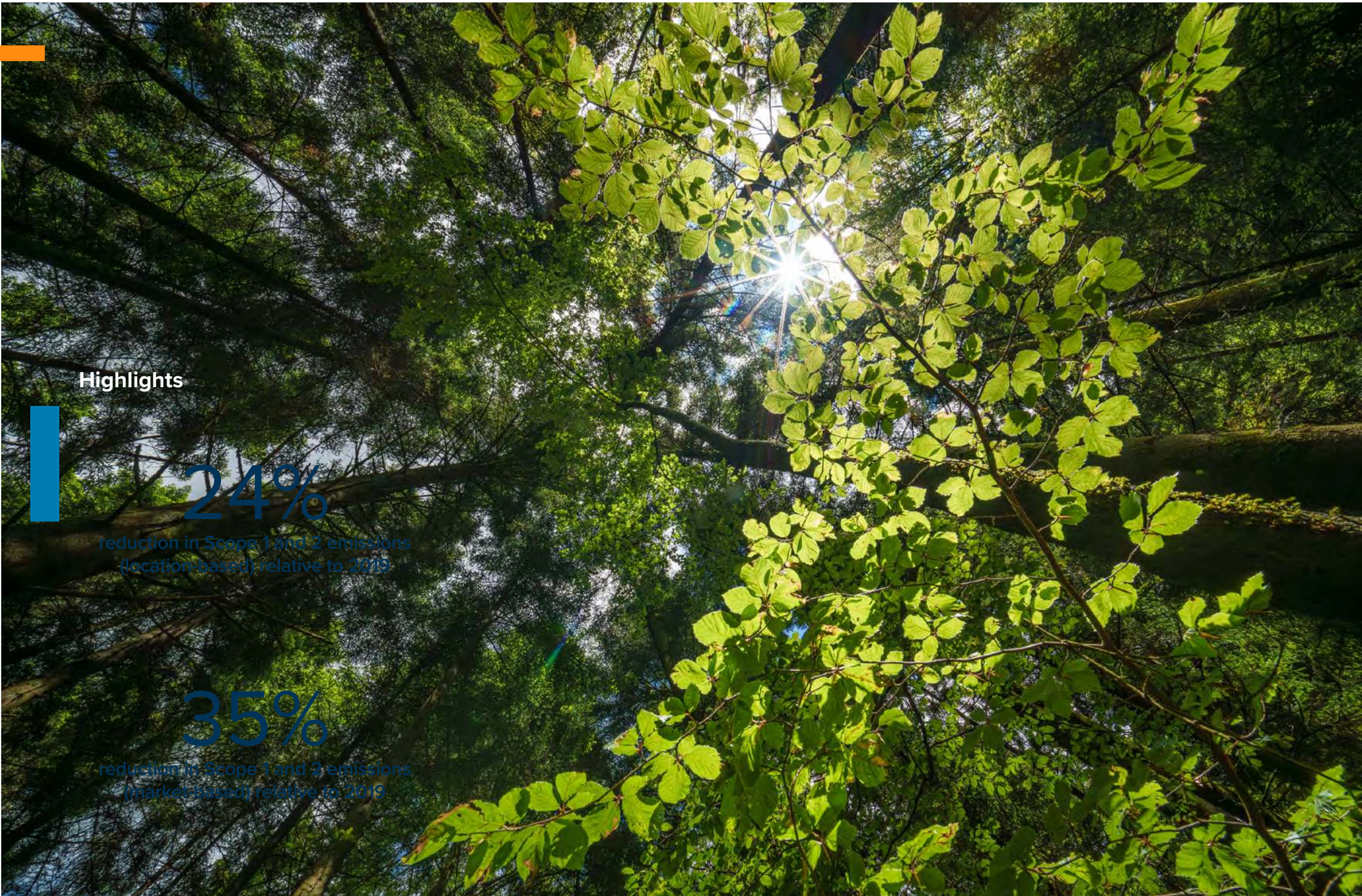


In support of



Adapting to the Changing Climate

- 17 Climate Risk Management
- 20 Our Commitment to Net-Zero
- 21 Reducing Our Carbon Footprint
- 22 Advancing Climate Research and Resilience



Approach

Definity proactively seeks to understand and manage the risks and opportunities that increasingly frequent and more damaging extreme weather events may pose to our policyholders, communities, insurance operations, products and services, and investment portfolios. Our approach extends beyond supporting customers to engaging employees, suppliers, and policy makers and fostering collaboration that strengthens resilience and drives sustainable solutions.

We are committed to enabling climate-ready communities by investing in Definity’s risk modelling capabilities, advancing risk mitigation efforts, and supporting adaptation initiatives that help individuals, businesses, and communities navigate an evolving climate landscape. This is particularly

important in light of significant catastrophe losses from climate change impacts — including record-breaking insured losses in 2024 driven by events like the Jasper wildfire, the Calgary hailstorm, and severe flooding in the Greater Toronto Area.

Why It Matters:

Managing climate-related risks is central to our business — ensuring we can continue to fulfill claims, support policyholders, and contribute to a more resilient society. As a P&C insurer, we experience how climate change is increasing the frequency and severity of extreme weather events, damaging property and infrastructure, and disrupting communities, businesses, and households. We therefore embed climate risk considerations across our business, using catastrophe modelling, claims data, and loss trends to refine our underwriting approach, inform product development, and enhance risk mitigation strategies including reinsurance. We also engage with governments and industry partners to advocate for stronger climate adaptation measures including land use planning, building codes, flood and wildfire prevention infrastructure, and disaster response planning.

Overview of our Climate Strategy

Our enterprise climate strategy is built on six key strategic pillars that integrate climate considerations into all aspects of our business:



Climate Risk Management

Our enterprise risk management framework is rooted in the understanding that we are in the business of taking risks for an appropriate return. We strive to balance risk and reward through a dynamic alignment between business strategy and risk appetite, diversification of risk, appropriate risk compensation, and proactive risk management. This includes preventive, detective, and mitigating controls, as well as transferring risk to third parties when appropriate.

As outlined in Section 11 — Risk Management and Corporate Governance of the Management’s Discussion and Analysis in our 2024 Annual Report, we take an integrated approach to identifying, assessing, monitoring, reporting, and mitigating risks across the organization, including emerging risks. All identified key and emerging risks are assessed for their potential impact on our corporate strategy, competitive position, operational results, reputation, and financial condition.

Climate change is a core strategic risk — defined as one we are willing to assume and manage to achieve our return expectations and business objectives. Definity actively manages both physical and transition climate-related risks through our enterprise risk management framework and climate strategy. Development and refinement of our climate strategy considers the strategic and operational implications for our business of transitioning to a low-carbon economy and the increasing frequency and severity of extreme weather events. These trends will impact the development and distribution of our insurance products and services, claims practices, investment portfolios, operations, and relationships with various stakeholders. We are also implementing practices to align with *OSFI Guideline B-15*, which sets regulatory expectations for managing climate-related financial risks. As the guideline comes into effect, we are evaluating — and refining where appropriate — our risk governance, scenario analysis, and disclosures with a view to ensuring full compliance while strengthening our overall climate risk management approach.

Risk complexity: Climate change risks are interdependent and interact with many of the other risks we face, adding further uncertainty and complexity. Our climate change strategy is integrated into our business strategy across the organization. We analyze the implications of adverse climate change impacts on our financial strength through stress testing, while taking underwriting and investment decisions to reduce volatility in our results. Additionally, we continue to raise awareness — both internally and externally — of strategies to mitigate weather-related losses.

Financial planning: Risks and opportunities arising from climate change are incorporated into Definity’s financial planning processes. Weather-related events may impact loss trends and are factored into our budgeted loss projections, including catastrophe losses and reinsurance recoveries where appropriate. Loss and reinsurance trends also impact our policy pricing and underwriting risk appetite, potentially leading to changes in our gross written premiums and net earned premiums based on our underwriting goals.

Investments: Investment values and returns may be affected by both physical and transition climate change risks. Weather-related losses or the transition to a low-carbon economy may impact the profitability and prospects of investee entities. These factors, along with investor sentiment, could adversely affect the value of our investments. We manage these risks by maintaining a highly liquid, well-diversified investment portfolio across industries and regions. To manage climate transition-related investment risks, we have set targets to reduce the emissions intensity of our listed equity and corporate bond investments, as detailed in the *Appendix* section on pages 69 and 70 of this report. Definity has integrated these and other climate-related considerations into our investment process and Sustainable Investment Policy Statement, which are periodically evaluated and revised.



Climate Risk Management

Our in-house Climate Centre of Excellence further advances our understanding of potential climate change impacts on current and future underwriting portfolios.



We have conducted a qualitative risk assessment of our investment portfolio and perform regular monitoring of physical and transition risks. Our portfolios are heavily weighted toward low-risk sovereign debt and strategically diversified across regions and industries to manage climate risks and opportunities. In our view, they remain sufficiently liquid to enable prompt rebalancing if necessary.

Modelling potential impacts: Our in-house Climate Centre of Excellence further advances our understanding of climate change impacts on current and future underwriting portfolios. We continuously enhance our modelling capabilities to better assess changes in key climate-related risk exposures and their potential interactions. This helps to support adequate and appropriate pricing, coverage options, risk selection, risk accumulation and concentration, reinsurance program, and claim liability estimates. Additionally, we assess other climate-related hazards and reputational risks within our insurance offerings. These insights also inform our advocacy efforts and community investments to support climate adaptation and resilience initiatives across Canada.

Concentration risk: We mitigate our concentration risk regarding catastrophe losses by monitoring our exposure to weather-related risks — such as floods and wildfires — with advanced modelling capabilities. We also consider the potential impact of such events on our capital position and overall risk tolerances. To limit our exposure, we implement various risk management tactics including applying diligent risk selection, appropriate deductibles and coverage limitations, limiting underwriting capacity for certain risks or particular regions, and purchasing adequate reinsurance. We respond to claims caused by weather-related events through our catastrophe response teams and claims vendors. We regularly assess our vendor network with a view to ensuring quality service even when responding to the demands of natural catastrophe events.

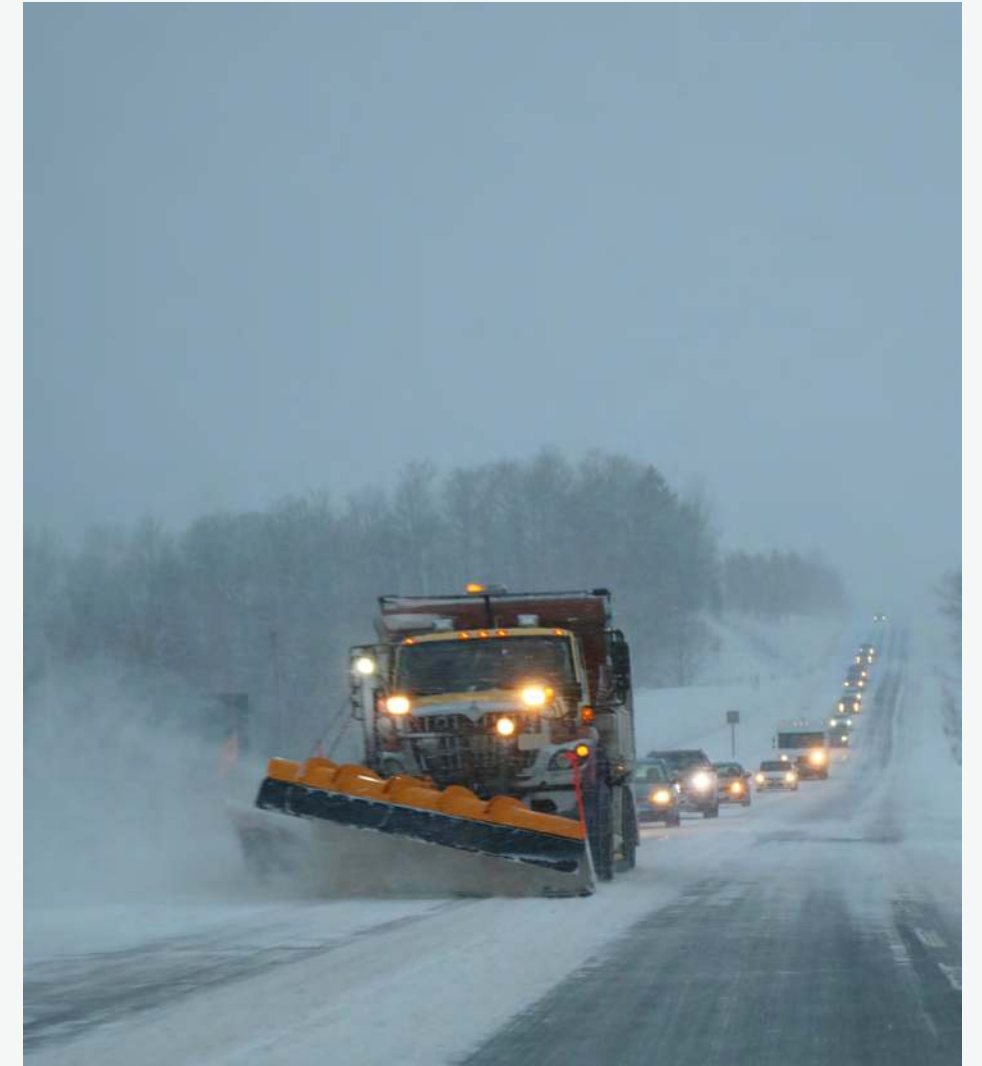
Influence on offerings: Physical and transition risk considerations can influence pricing, coverage options, product features, and services — both those sought by customers and those offered by competitors. If we are unable to maintain competitive pricing, coverage options, and product features and services that appeal to customers, our ability to grow or sustain written premium levels and underwriting profitability may be affected.

Extreme weather: Higher average global temperatures are expected to increase the frequency and severity of extreme weather events, presenting acute physical risks that will likely result in more frequent and higher-value property, auto, commercial, and farm insurance claims. Additionally, shifting climate patterns will result in more chronic physical effects such as drought and heat stress, and more rapid infrastructure degradation, which could alter the nature and volume of insurance needs and claims. Furthermore, climate scientists have observed that Canada is warming more than twice as fast as the global rate, potentially further increasing the risk domestically.

Climate-related perils also impact national and international supply chains, driving inflationary pricing and potentially increasing claims costs for specialized coverages.

We anticipate an increased interaction of perils and successive extreme weather events, such as the 2024 incidents including the major rainfall event in the Greater Toronto Area, wildfires affecting Jasper, the hailstorm impacting the greater Calgary area, and hurricane-induced flooding in Quebec.

These factors could ultimately influence the availability and affordability of insurance coverage in certain regions or for specific types of property or activities. It will become increasingly important for Definity to understand the potential impacts of the changing climate on our customers and operations, and take these factors into account in our underwriting, pricing, reserving, claims management, reinsurance, capital management, and overall business operations.



Climate Risk Management

Proactive management of climate-related risk exposure supports Definity’s strategy to secure appropriate reinsurance coverages.



Reinsurance: Climate change risks influence the cost, coverage, and availability of reinsurance for certain regions, risk profiles, and carbon-intensive industries. These risks could impair reinsurers’ ability or desire to provide us with reinsurance protection, potentially impacting our ability to obtain adequate reinsurance coverage on acceptable terms, or at all. We have established strong relationships with our reinsurers and actively collaborate with them to help them understand the climate-related risk profile of our book of business. We believe that these relationships, combined with proactive management of our insurance portfolios and reinsurance program, help us to maintain access to sufficient and cost-effective reinsurance.

Market dynamics: A societal transition to net-zero implies policy and economic changes that may be unpredictable and not yet quantifiable. These changes could include a rising price on carbon emissions in Canada, more dynamic market and regulatory environments, an increase in commercial liability claims, and heightened stakeholder expectations. Strategically positioning our business in response to these transition risks — such as decarbonizing our operations and investment portfolios or evolving our underwriting risk appetite — can help mitigate potential downside impacts and position Definity to capitalize on certain opportunities over time.

Government policy and regulatory requirements: Government policies both impact and are impacted by climate change. Increasing carbon pricing or stringent emissions caps could have adverse implications for operational and claims costs. Weather-related catastrophe events contribute to concerns about the cost and availability of insurance for certain coverages, regions, or industries. This could lead to new legislation impacting the viability of our existing products or services. Additionally, regulator-mandated climate change scenario modelling,

reporting, and disclosures may increase our compliance costs. Recent amendments to the *Competition Act*, aimed at addressing “greenwashing” in environmental or climate change-related representations, have increased uncertainty and created a heightened risk of challenges regarding what constitutes adequate substantiation of such representations. To monitor, encourage, and respond to government policy developments, we actively engage with regulators, both directly and through industry associations, to advocate for climate risk mitigation, resilience, and adaptation.

Qualitative risk assessment: A qualitative assessment of climate-related risks and opportunities across Definity’s business lines, investments, and operations was updated in late 2024 and can be found in the *Appendix* on page 72 of this report. These risks and opportunities were primarily assessed based on potential changes in asset values, operating revenues and costs, and the frequency and severity of insurance claims. In this qualitative analysis, a “business-as-usual” scenario was used to illustrate the maximum physical impacts, while a Paris-aligned emissions scenario was applied to illustrate the maximum transition impacts.

Partnership with the Canadian Red Cross

Definity is proud to be a long-standing partner of the Canadian Red Cross through the Disaster Response Alliance (DRA), supporting resilience in Canadian communities. This partnership enables the Red Cross to pre-position supplies, deploy disaster teams, and respond swiftly to emergencies across the country. As one of our flagship partners, the Red Cross plays a prominent role in Definity’s community engagement, offering virtual volunteer opportunities and inspiring employees to contribute personally. Together, we are building a better world by helping communities adapt and thrive in the face of disasters like wildfires and flooding.



Canadian
Red Cross



Our Commitment to Net-Zero

Definity set an ambitious target to achieve net-zero emissions across our operations and investment portfolios (listed equity and corporate bonds only) by 2040 or sooner. This means that by the target date, we expect to have reduced absolute emissions by at least 90%, with any remaining emissions to be balanced by an equivalent amount of carbon removals from the atmosphere.

Our net-zero target is backed by interim milestones to ensure steady progress.

- **Operational Emissions Targets:** Cover all Scope 1 and Scope 2 market-based emissions (measured in tonnes of CO₂ equivalent), calculated on an absolute basis relative to a 2019 base year, a reflection of pre-pandemic operational conditions.
- **Investment Emissions Targets:** Measured on an intensity basis (tonnes of CO₂ equivalent per million dollars invested) relative to a 2020 base year. This applies to listed equity and corporate bonds, includes the Scope 1 and 2 emissions of investee companies, and follows the methodology set by the Partnership for Carbon Accounting Financials (PCAF).⁷

Interim Targets

	Scope 1 and 2 Market-based – Operational Emissions (absolute tonnes CO ₂ e) relative to 2019 base year	Scope 3 – Investments (Category 15) ⁸ (tonnes CO ₂ e per million dollars invested) relative to 2020 base year
2025	-30%	-30%
2030	-50%	-65%
2035	-70%	-85%
2040	Net zero (-90% before removals)	Net zero (-90% before removals)

⁷ Partnership for Carbon Accounting Financials (PCAF): <https://carbonaccountingfinancials.com>

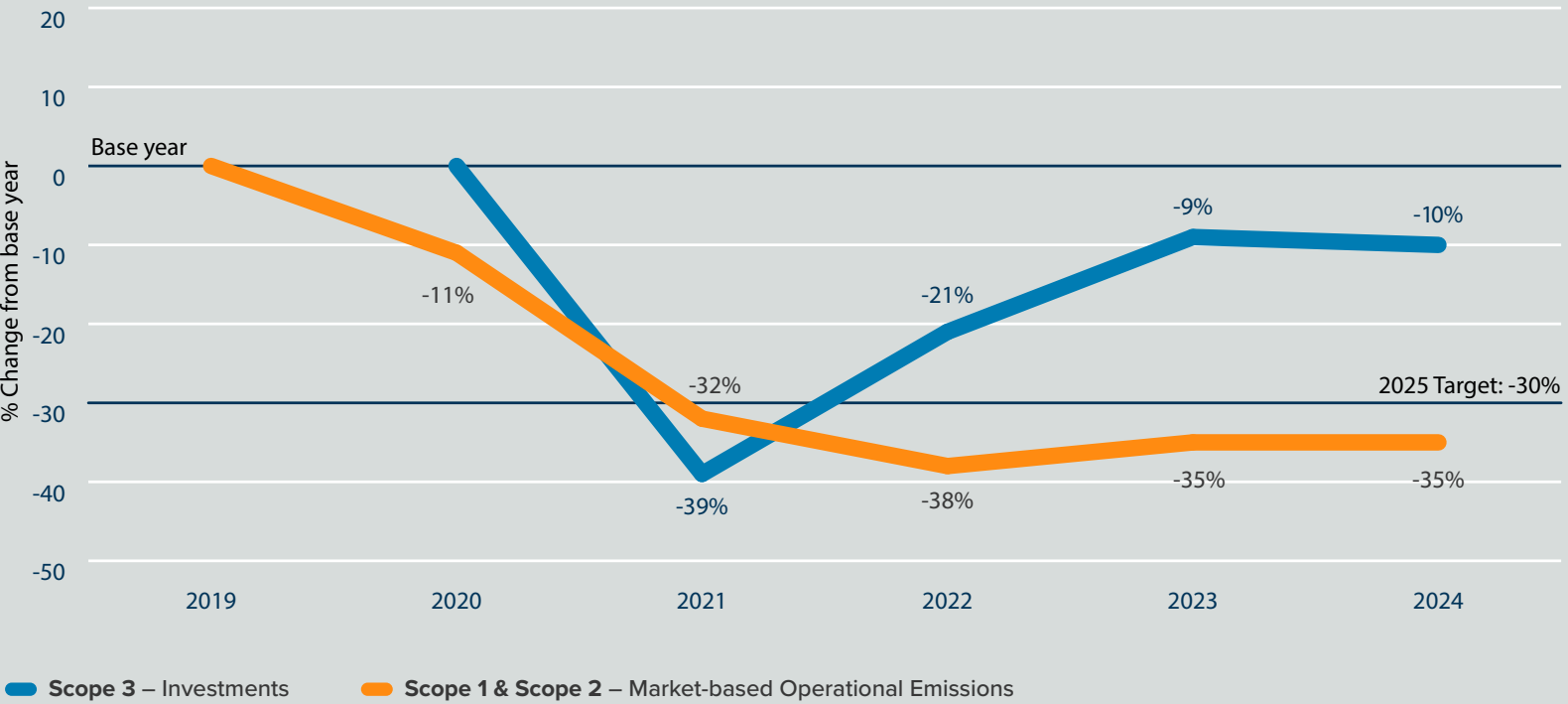
⁸ Target includes emissions from listed equity and corporate debt. Excludes emissions from sovereign debt. The dollars invested used in the emissions intensity calculation is the combination of market value (MV) for equity investments and book value (BV) for corporate bonds investments. This is consistent with the PCAF methodology for calculating financed emissions, which also uses MV for listed equities and BV for corporate bonds.

Progress

Progressing Towards Our 2025 Emissions Reduction Targets

Definity continues to make progress toward our two interim 2025 targets of a 30% reduction in both Scope 1 and 2 emissions and Scope 3 financed emissions intensity associated with listed equity and corporate bonds. In 2024, Scope 1 and 2 market-based emissions were down approximately 35% from the 2019 base year. This compares to 2023 performance of 35%, and 2022 performance of 38%, maintaining a level below the interim target. Financed emissions intensity associated with listed equity and corporate bonds were 10% below the the 2020 base year in 2024 compared to 9% in 2023 and 21% in 2022. Corporate bonds from particularly emissions-intensive issuers are due to mature in 2025, positioning Definity satisfactorily to achieve the interim goal of a 30% reduction relative to the base year.

For a detailed overview and analysis of our Scope 1, 2, and 3 emissions targets, performance, methodology, and refinements, please see page 68 of this report.



Reducing Our Carbon Footprint

Definity is committed to reducing our carbon footprint and supporting the transition to renewable energy. Through our partnership with Bullfrog Power, we purchase renewable energy certificates (RECs) to match our enterprise-wide electricity consumption. As a Vanguard-level partner, we go beyond our own operations, helping to fund community renewable energy projects in schools, non-profits, and Indigenous communities. By choosing Bullfrog’s green energy since 2022, we’ve prevented over 2,628 tonnes of CO₂ emissions. Together, we’re making a meaningful impact by reducing emissions, investing in clean energy, and helping communities build a more sustainable future.

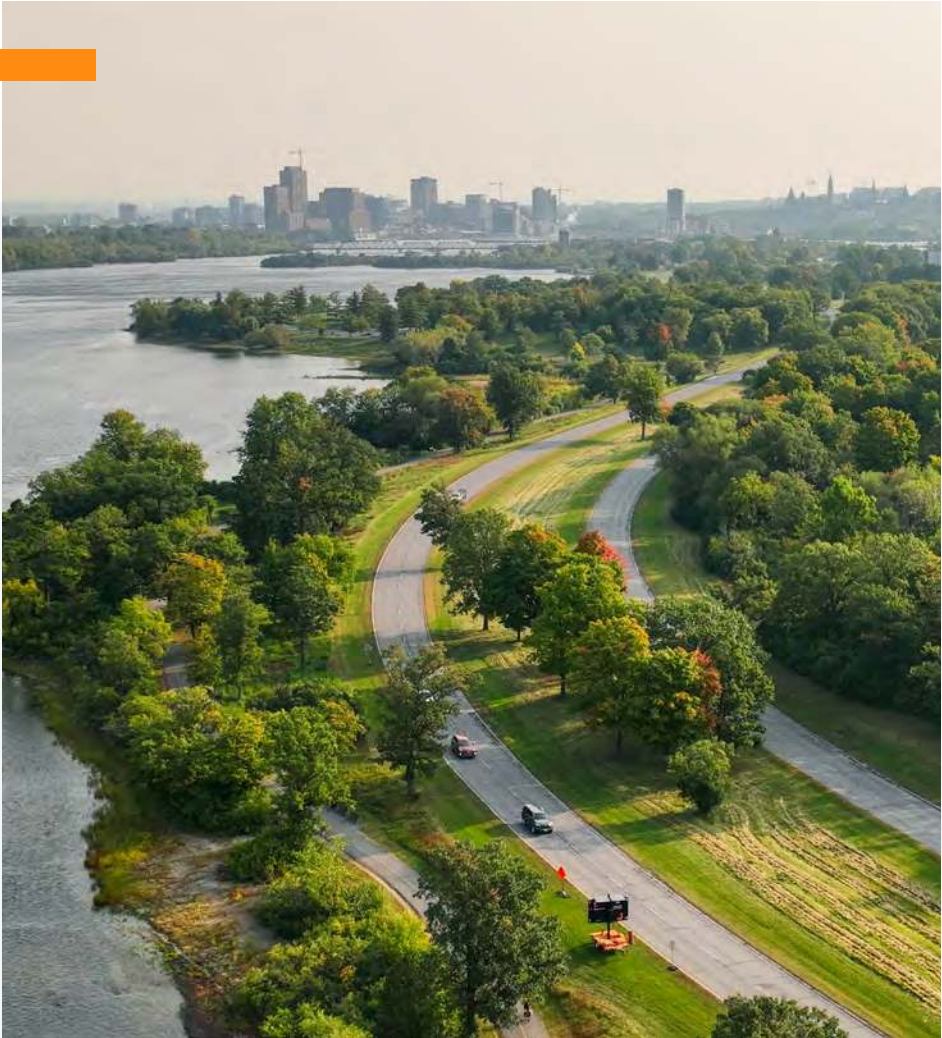
Improving Operational Efficiency

In 2024, we further integrated sustainability principles into facilities management, fleet management, corporate travel, and on-site services, ensuring our partnerships reflect our environmental and social responsibility priorities. By leveraging innovative solutions and data-driven decision-making, we aim to enhance operational efficiencies, reduce environmental impact, and create positive social outcomes.

Over the past year, the Corporate Services team has worked to improve energy efficiency, reduce costs, and support Definity’s sustainability goals.

Notable projects include:

- **Cooling Tower Manifold Installation:** Reduced chemical use by 80%, improving efficiency and environmental impact.
- **Chiller Replacement:** New energy-efficient chillers with eco-friendly refrigerants lowered electricity costs.
- **Exterior Lighting Optimization:** A scheduled lighting system reduced electricity consumption.
- **UPS Battery Disposal:** The safe disposal of 60 UPS batteries improved safety and reduced possible environmental damage by lowering the possibility of battery leakage.
- **Other Energy-Saving Initiatives:** Recent upgrades including new lighting, heating systems, and chillers, are now integrated with our advanced Building Automation System (BAS), improving energy use and operational control.
- **Waste Reduction:** Piloted a flavoured water dispensing machine to encourage use of refillable water bottles rather than single-use plastics.



Advancing Climate Research and Resilience

Research Partnerships:

In 2024, Definity deepened our commitment to climate research by supporting a long-term research chair at a leading Canadian university, collaboratively funded by other industry partners, to enhance climate-related physical and transition risk modelling. This builds on our ongoing research partnerships with leading Canadian post-secondary institutions, which have helped us assess the potential implications of various climate scenarios on our insurance portfolios across various regions.

This research has provided critical insights into the physical risks and impacts of climate change across the country. Key initiatives include:

- **Flood Risk Modelling** — Initially focused on high-emissions scenarios, this study examined the future risks of pluvial flooding (caused by extreme rainfall) and fluvial flooding (caused by river overflow) across Canada. The partnership was later expanded to assess the long-term impact of climate change on tropical storms.
- **Weather and Catastrophe Peril Analysis** — A separate study analyzed how weather patterns influence insured catastrophe losses in three major Canadian metropolitan areas, generating detailed weather-related data to support future climate modelling efforts.

The findings from these studies, along with insights from the research chair, will continue to influence Definity's climate risk management strategy, including through risk selection, policy wordings, pricing, portfolio strategy, reinsurance strategies, broker management, and customer communications.

Financial Resilience & Stress Testing

As part of Definity's 2024 financial condition testing program, we assessed the potential financial impacts of climate-related physical and transition risks on our property and casualty operations. This included developing a stress scenario that factored in additional catastrophe losses across three projection years and the macroeconomic impact of transitioning to a green economy. The results confirmed that, according to this methodology and relevant assumptions, under these stress conditions Definity would remain financially stable and fully capable of meeting our contractual obligations.

Advocating for Climate Adaptation and Resilience

Definity recognizes that climate-resilient communities rely not only on local preparedness but also on strong climate policies and regulations. As Canada faces the increasing impacts of climate change, urgent action is needed to build a more disaster-resilient country.

As a member of Climate Proof Canada, a cross-sector coalition advocating for a more disaster-resilient economy and society, Definity is committed to driving meaningful change. Throughout 2024, Climate Proof Canada focused its advocacy on achieving rapid, tangible progress in four key areas: building resilient infrastructure and communities, enhancing Indigenous resilience, strengthening disaster resilience, and improving community health and well-being.

We believe that a whole-of-society approach is essential for both climate mitigation and adaptation, and that the insurance sector has a meaningful role to play in supporting both.



Climate Centre of Excellence

Established in 2023, our Climate Centre of Excellence is a dedicated hub for integrating climate considerations into our business. Led by a climate scientist and actuary, the Centre helps us better understand and navigate the evolving risks and opportunities posed by climate change. By enhancing our scenario analysis, product development, underwriting risk appetite, and risk management, we are building a more resilient approach to insurance.

A key focus of the Centre is modelling potential climate-related impacts on our underwriting portfolios – both now and in the future. We continuously refine our risk assessment models to track Definity's potential exposures, ensuring our pricing, coverage options, reinsurance strategies, and claims estimates remain robust. We also assess broader climate-related and reputational risks within our offerings.

Beyond risk management, the Centre actively collaborates with academic institutions on research that informs our climate adaptation and resilience advocacy, helping to shape a stronger, more prepared Canada.

Advancing Climate Research and Resilience

Definity Sponsors National Climate Adaptation Summit



In October, Definity proudly sponsored for the second time Climate Proof Canada's National Climate Adaptation Summit in Ottawa, reinforcing our commitment to strengthening Canada's resilience to climate change. As part of this initiative, we joined fellow coalition members in roundtable discussions with federal Cabinet ministers and other senior government officials responsible for climate adaptation and resilience, as well as opposition Members of Parliament. These conversations focused on advancing policies and strategies that will help communities and businesses across the country better prepare for and respond to climate-related challenges.

Beyond our work with Climate Proof Canada, Definity actively engages with governments, regulators, and industry bodies to help shape climate-related legislation and policies:

- **Flood Insurance Advocacy** — Definity engages directly with the federal government to emphasize the importance of a public-private partnership that would provide flood insurance for high-risk residential properties.
- **Supporting Disaster Research & Resilience** — Definity is a long-standing supporter of the Institute for Catastrophic Loss Reduction (ICLR), which works to reduce loss of life and property from severe weather and earthquakes through sustained research and mitigation initiatives.
- **Industry Collaboration** — Definity participates in working groups of both the Insurance Bureau of Canada and the Canadian Institute of Actuaries, contributing expertise and feedback on climate-related legislation and regulatory guidance.

By actively advocating for climate adaptation and resilience, Definity continues to play a leading role in helping communities, governments, and businesses prepare for the realities of a changing climate.

Advancing Climate Research and Resilience

Priorities

As climate risks increasingly manifest across our society, Definity will continue to prioritize risk management efforts, support customer and community-level adaptation and resilience to more frequent and extreme weather events, and maintain our commitment to reducing environmental impact and improving operational efficiency. We intend to:

- Continue to enhance climate risk modelling capabilities
- Support policyholder climate risk awareness and exposure mitigation
- Enhance climate resilience in personal property claims by introducing a resilience endorsement alongside our green endorsement, helping policyholders rebuild with durable, sustainable materials
- Invest in and advocate for community-level climate resilience activities
- Prioritize sustainability in Definity’s facility upgrades, including boilers, chillers, and building automation systems
- Promote long-term value by aligning internal projects with cost savings, sustainability, and operational excellence

Through these efforts, we will continue to reduce Definity’s operational climate footprint and help individuals, businesses, and communities navigate an evolving climate landscape.



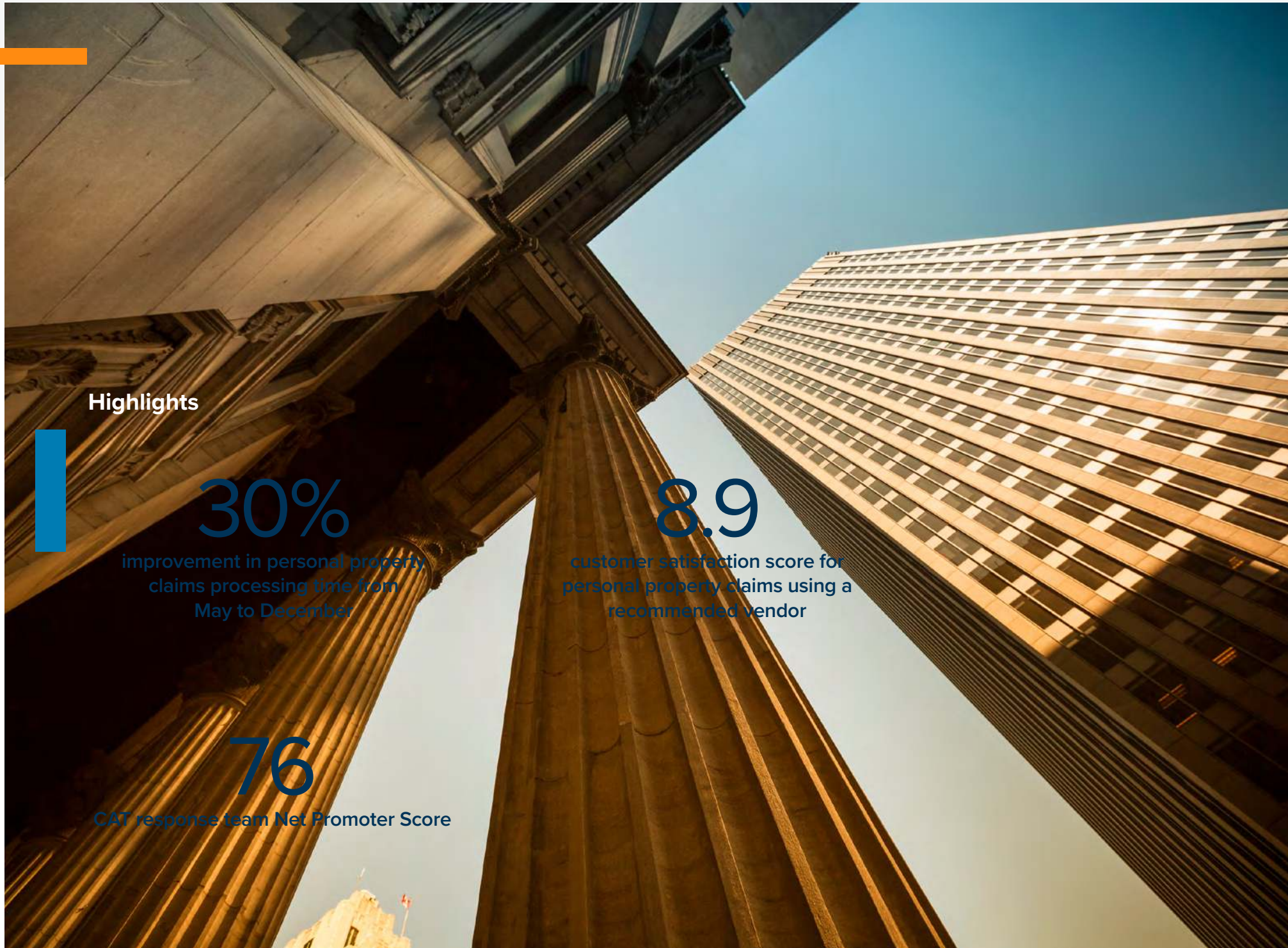
ESG Corner

[Climate Performance and Targets](#)

[Sustainable Investment Policy Statement](#)

Building Resilient Business Practices

- 26 Customer Practices
- 32 Privacy
- 33 Cyber Security Risk Management
- 37 Ethical Business Conduct
- 39 Responsible Investing and Financing
- 41 Innovation and Technology



Customer Practices

Approach

We are committed to strengthening our customer-focused approach, ensuring that individuals, businesses, and communities have the confidence to move forward, even in uncertain times.

Insurance is more than a financial product — it is a safety net that enables people to take essential risks, from purchasing a home to expanding a business. When the unexpected occurs, we act as a “financial first responder”, delivering a caring claims experience that supports and helps customers recover and rebuild.

Definity offers a comprehensive range of property and casualty insurance products designed to provide reliable protection at competitive prices. Available through our direct and extensive broker channels, our coverage options empower customers to choose what best suits their needs. Through fair, efficient, and transparent claims processing, we minimize disruptions and provide financial relief so customers can focus on what matters most.

Our broker channel plays a vital role in delivering expert advice and personalized service. To support brokers and enhance the customer experience, we continue to invest in education, technology, and process improvements including more widespread digital document delivery, making insurance more accessible, efficient, and responsive. Through our blogs and other educational resources, we help brokers and insureds better understand their risk exposure and how it can be mitigated to reduce the likelihood and potential severity of a loss.

As climate-related catastrophe (CAT) events increase in frequency, we continue to evolve our approach to meet new challenges. By enhancing claims efficiency, reducing costs, and strengthening customer support, we look to ensure that customers receive timely, seamless assistance during crises.

In recent years, Definity has focused on insourcing to support our strategic goals and a leading customer experience. For example, our experienced in-house claims litigation legal team provides an efficient and cost-effective alternative to relying on external resources. This team handles most liability defense cases in Canada, reducing cycle times and overall claims costs, and remains an area of focus of internal investment. We have also insourced a large portion of our business-as-usual claims management to optimize claims costs and control cycle times while improving customer service and experience. For more details, see “Delivering a Caring Claims Experience” on page 30.

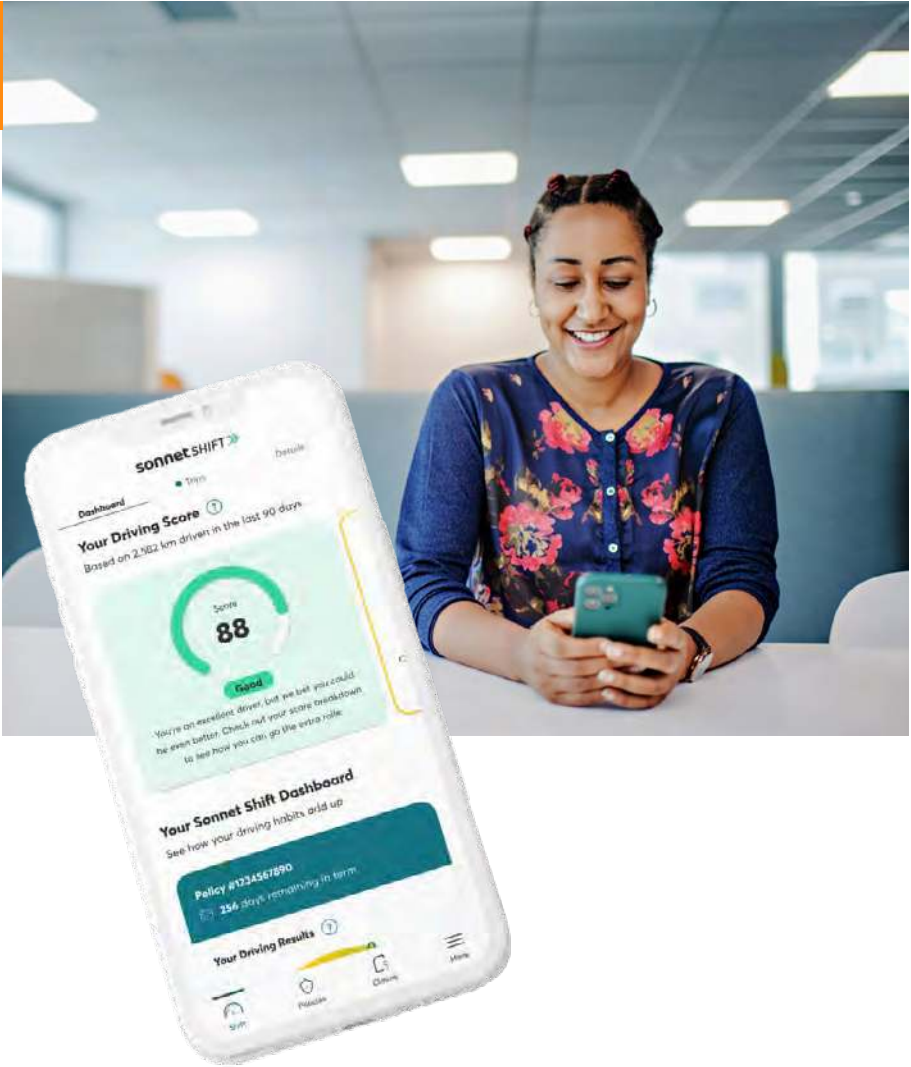
Through the development and evolution of our products, claims processes, advice and educational resources, broker partnerships, and data security efforts, we provide not just coverage — but true peace of mind. Customers can trust that their financial security is in capable hands.

Why It Matters:

By pursuing Definity’s purpose of *building a better world by helping clients and communities adapt and thrive*, we help to provide security for navigating life’s uncertainties. Beyond offering reliable, high-quality insurance products, we support the resilience of the communities where our customers live and work. Our business strategy integrates environmental and social considerations across our operations — from product development and claims processing to risk management, investments, and stakeholder engagement. By continuously strengthening our customer-focused approach, we uphold ethical business practices, enhance financial resilience, and promote long-term sustainability — striving to ensure customers and communities are prepared for both the challenges and opportunities that lie ahead.



Customer Practices



Progress

Adapting Insurance to a Changing World

Advancing Sustainability Through Personal Insurance Underwriting

The insurance landscape is evolving as climate change intensifies CAT events, and modern lifestyle — driven by urbanization, remote work, and the gig economy — blur the lines between personal and commercial activities. Traditional insurance models must adapt to keep pace with shifting risks and consumer expectations, moving from a reactive to a proactive risk management approach.

To address these challenges, Definity’s Personal Insurance Underwriting team has redesigned personal property policy wordings, set for release in early 2025. These updates improve transparency while embedding sustainability principles into coverage. A key enhancement is new coverage for resilient building materials and features, enabling homes to be rebuilt with sustainability and risk mitigation in mind.

Balancing the needs of customers, claims teams, and underwriters, we’ve prioritized simplifying policy language, clarifying coverage, and adapting to modern risks. Our sustainability efforts go beyond product updates, offering incentives such as discounts for water mitigation technologies and expanded endorsements for green and resilient materials. A key focus is strengthening the “build back better” approach by embedding resilience into insurance policies. In response to rising CAT events, Definity’s green endorsement will enable policyholders selecting that endorsement to rebuild with durable, sustainable and resilient materials.

Data-driven insights play a crucial role in refining policies, identifying high-risk areas, and supporting consumer education on climate risks. Our governance structures reinforce our commitment to responsible insurance practices, with ESG factors a growing area of focus.

By modernizing products, leveraging data, and integrating ESG principles, we are strengthening underwriting practices to support a more resilient future for policyholders and communities.

Our Climate-Related Offerings

Our climate-related offerings are designed to help customers mitigate the effects of climate change on their property and activities. These include:

- Eco-friendly products such as Sonnet Shift — a usage-based insurance product that encourages fuel-efficient driving habits and donates 1% of Definity Insurance Company’s premiums to local charities focused on green infrastructure development
- Discounts for homes equipped with backflow valves, sump pumps, and/or water sensors, as these technologies help reduce the likelihood of water damage
- A partnership between Sonnet and FLO, one of North America’s largest EV charging networks, offering discounts to FLO members who have an EV on their auto insurance policy
- Sustainable claims strategies, such as Advanced Structural Drying and decontamination solutions, as well as a repair-versus-replace approach where possible to minimize debris and salvage usable materials
- Solutions to enhance climate resilience, including a green endorsement that provides property claimants with additional funds to include more climate-resilient or environmentally friendly solutions in their repairs
- Educational resources including blog articles, social media posts, and other materials to help customers reduce their environmental impact and avoid property damage caused by severe weather

Case Study:

Advancing Affordable, Climate-Resilient Housing

Canada’s housing crisis demands innovative, scalable solutions that balance affordability, sustainability, and resilience. In 2024, Definity partnered with Dalhousie University’s Mass Timber Project, contributing \$300,000 over two years to support the development of a prefabricated modular housing prototype using mass timber — an environmentally friendly alternative to steel and concrete.

Unlocking the Potential of Mass Timber

Mass timber has the potential to revolutionize construction by reducing carbon emissions and offering a sustainable, cost-effective building material. However, widespread adoption has been hindered by knowledge gaps, regulatory complexities, and hesitancy among builders, insurers, and financiers.

Definity’s collaboration with Dalhousie began as a discussion about sponsorship but quickly evolved into a transformative opportunity to advance mass timber research. Recognizing the material’s social and environmental benefits, Definity engaged with Dalhousie researchers to better understand its structural properties, resilience to fire and flood, remediation potential, and long-term viability.

To deepen industry expertise, Dalhousie hosted a virtual workshop connecting researchers and practitioners, fostering knowledge exchange on mass timber’s potential and risk considerations.

Driving Research and Industry Collaboration

Definity’s investment is helping bridge industry gaps by supporting critical research to:

- Accelerate the development of cost-effective, rapidly deployable housing solutions.
- Strengthen collaboration between academia, industry leaders, and policymakers to advance sustainable construction.
- Provide insights into mass timber’s performance, resilience, and restoration strategies.

“Understanding mass timber’s performance will help drive broader adoption,” says Brendan Seale, AVP & Head of ESG at Definity.

“We hope that the valuable research insights about its resilience will help to stimulate more interest in these construction practices.”

By collaborating with academic institutions, Definity is helping to advance research, foster innovation, and support climate-resilient solutions that can assist in addressing Canada’s housing challenges.



Customer Practices

Growth and innovation in the broker channel remain core to our strategy, ensuring brokers are well-equipped to support customers effectively.



Advancing Sustainability Through Commercial Insurance Underwriting

We continue to integrate ESG principles into our underwriting practices, enhance talent development, refine risk assessment, and promote sustainable resilience in the commercial insurance sector.

As part of these efforts, in 2024 we expanded educational resources for customers and brokers. Our Risk Services team launched a Flood Resilience Guide and a Wildfire Resilience Guide, along with tools and resources to help businesses prepare for these increasingly likely impacts. These materials reinforce proactive risk management and climate resilience and support our commitment to sustainable business practices.

Additionally, we introduced new classifications within our building construction underwriting framework to reflect certain renewable materials. This refined approach ensures more accurate risk assessment and better aligns with evolving sustainability considerations. To support underwriters, our Risk Services team also released a technical bulletin outlining key risk factors and guidance related to these materials.

In 2024, we launched a new graduate rotational program for commercial insurance to diversify our talent pipeline and develop future industry leaders. The two-year program welcomed six new employees across our mid-market and specialty lines streams. To further support both new graduates and our broader Commercial Insurance workforce, we also introduced enhanced learning opportunities, including e-learning modules and live technical training sessions. These initiatives strengthen employee development and will continue to evolve as we expand our training programs.

Our Broker Value Proposition

Growth and innovation in the broker channel remain core to our strategy, ensuring brokers are well-equipped to support customers effectively. Key initiatives include strengthened theft deterrence measures, enhanced digital document delivery, and improved broker support through education and technology. Our ongoing investment in the broker channel underpins our efforts to drive better service, efficiency, and community engagement.

Across the industry, vehicle theft remains a concern. In response, efforts to enhance theft prevention strategies have expanded, with a focus on broker and customer awareness. In 2024, a renewed approach to theft deterrence — including the Auto Theft Prevention (TAG) initiative — emphasized providing brokers with centralized resources to educate customers on vehicle protection. These initiatives have contributed to a decline in auto theft rates, with notable reductions observed in key markets. Additionally, the industry-wide adoption of TAG and other theft prevention programs, such as vehicle tracking and recovery tools, has further strengthened deterrence.

Throughout the year, we accelerated the transition to electronic document delivery for brokers and customers. Originally launched in 2021, this initiative has significantly reduced paper usage, saving approximately 4 million printed pages last year. Brokers now have access to a bulk upload option for customer email lists, enabling seamless electronic distribution of policy documents. This service is available across key markets, including Alberta, Ontario, Quebec, and the Atlantic provinces.

We also introduced AI-driven agent assistance tools to improve broker service experiences, particularly in underwriting.

Our Claims and Catastrophe Response Practices

In an era of increasing climate-related CAT events, our Claims team implemented strategic improvements to enhance efficiency, reduce costs, and provide superior customer support. We refined our vendor management, invested in internal expertise, and expanded technological capabilities, with a view to optimizing claims handling while integrating sustainable practices into our response efforts. These improvements help ensure we remain agile and responsive to evolving risks while delivering an exceptional claims experience to our customers.

In 2024, one of our most impactful initiatives was the transition to a direct vendor management model. Previously reliant on a third-party contractor network, we now manage vendor relationships in-house, employing internal appraisers with construction expertise to provide robust claim assessments. This shift has yielded substantial benefits:

- **Significant improvement in customer experience and repair times** by delivering more accurate estimates and reducing overhead costs
- **30% faster claims processing**, enhancing customer satisfaction and reducing cycle times
- Improved fraud detection by leveraging expert assessments in early claim stages

Given the trend of increasingly frequent and more severe CAT events, we expanded our national CAT team to include bilingual licensed representatives in Quebec. This proved critical in responding to historic flooding in Montreal, ensuring efficient communication and claims resolution. Additionally, we continue to develop an inside CAT team to handle minor claims, so field adjusters can focus on complex cases. This team will also support post-event wrap-ups, improving resource deployment during major events.

Customer Practices

In response to the increasing complexity of commercial claims, we have created a dedicated Commercial Claims team. By establishing commercial claims within a focused unit, we have curtailed processing times for complex claims, reduced cost leakage through expert handling, and improved service quality for commercial policyholders.

We expanded our use of technology in several key areas to improve claims efficiency and accuracy. Drones are used for property inspections for faster roof damage assessments. Internal and external virtual inspection tools enable remote evaluations which speed up settlements and reduce wait times for customers. Also, our planned extension of Guidewire Claims Centre to property claims will enhance claims management, improving system integration and streamlining the entire process.

Sustainability in Claims Handling

We continue to integrate environmentally conscious practices into our claims and CAT responses, including:

- **BioSweep® technology** to neutralize a wide range of persistent odors, including those from wildfires, residential and commercial fire losses, animal excrement, and trauma claims. Eliminating odors at the source reduces the need for material removal and landfill waste, making it a more sustainable solution across various restoration scenarios.
- **Drying-in-place protocols** for water damage, prioritizing preservation over demolition whenever feasible.
- **\$10,000 Green Endorsement** within policies, supporting customers to rebuild with more sustainable materials.
- **Partnership with Wildfire Defense Services**, providing proactive home protection services in areas of imminent wildfire danger at no additional cost to insured homeowners.

- **Our repair-to-replace ratio for eligible auto parts** was above industry average at 46% in 2024, and up from 44% in 2023 and 43% in 2022. This increase has been influenced by Definity’s appraisal team reviewing independent appraisal files to influence repairs over replacement where feasible, delivering additional cost savings and waste prevention. We continue to work closely with our repair partners to expand our shared sustainability commitments, also reusing salvaged parts wherever possible to reduce unnecessary waste and energy consumption from production and transportation of new parts.

Delivering a Caring Claims Experience

Insurance is a promise to be there for our customers when they need us most. The claims experience is our opportunity to fulfill that promise and truly help our customers in the moments that matter.

At the heart of delivering an exceptional customer experience is collaboration. Customer feedback is invaluable, offering insights into their needs, preferences, and pain points. These insights help us improve our claims process, enhance customer experience, and fosters trust, which leads to loyalty.

Over the past year, we made significant strides in improving the claims experience by actively listening to our customers and using their feedback to guide our priorities. We implemented several initiatives to improve the claims process, reduce cycle times, enhance communication, and better ensure customers have access to trusted repair partners who can get them back on the road or into their homes or businesses quickly and safely.

To further enhance service quality, we developed and delivered specialized customer service training to all frontline staff. This training

Customer Satisfaction

Our commitment to exceptional service is reflected in our strong customer satisfaction and Net Promoter Scores (NPS). Our customer satisfaction score was 8.9 for personal property claims using a recommended vendor, demonstrating the impact of our trusted partnerships.

The 2024 NPS for the CAT response team handling personal property claims was 76, with survey respondents also reporting a client satisfaction score of 9.5 regarding their claims handlers.

The complaints-to-claims ratio (complaints received per 1000 claims across all segment and regions) was 3.83 in 2024, compared to 4.3 in 2023. We attribute this decrease to improvements in our customer service practices and shorter claims handling cycle times.

focuses on providing a consistent, caring customer experience and emphasizing the importance of being a reliable source of support during customers’ times of need.

Additionally, we established the Claims Customer Experience Council to act as a bridge between strategy and operations, with a view to helping us deliver a holistic, sustainable and caring customer experience. This Council, composed of key stakeholders across our Claims team, regularly reviews critical customer experience metrics and insights to identify and drive initiatives that align with our goals.

We are also focused on maximizing claims that are handled by our internal claims professionals and have maintained high levels of insourcing in 2024. Insourced property damage claims, including CAT, were closed 45% faster than similar claims outsourced to independent adjuster partners and customer Net Promoter Score on these claims was 70% higher than outsourced property damage claims.

Time and again, we hear from customers — both in conversations and through post-claim feedback — how grateful they are for our support during difficult times.

Customer Practices

What Our Customers Say

“My representative was so patient and grounded in guiding me through this process. I was dreading this call and worried that it would be a logistical nightmare. He was calm, patient and made sure that I was prepared for the next steps in the process. Everything was handled efficiently in one call.”

“This was my first claim, and my representative was great — kept me at ease and talked me through the whole process — I was very happy and felt taken care of!”

“Prompt, efficient service, everything about my claim was explained thoroughly to me. Everything was taken care of.”

“Immediate support and assistance in a very stressful situation. The adjuster was great! Available, understanding, and fast to assist. Grateful for how I was taken care of.”

“My Economical representative was professional, prompt, and a pleasure to communicate with about my claim. It was like speaking with a friend. I appreciated her care and attention to my claim and was very satisfied with the whole process.”



Our focus remains on enhancing resilience, efficiency, and sustainability across customer services, broker support, and claims management.

Key priorities include:

- Expanding climate-related solutions to help customers mitigate risks while integrating sustainable materials and practices into claims management
- Enhancing broker support through investments in technology, service improvements, and education, while improving digital tools, and claims communication
- Enhancing claims management by extending Guidewire Claim Centre to improve efficiency and customer experience for property claims, deploying AI to triage and direct claims to appropriately skilled adjusters, expanding the Commercial Claims unit to handle specialized claims, and advancing technology adoption with proprietary drones for CAT assessments
- Refining climate risk analytics to improve underwriting and mitigate exposure in high-risk areas
- Strengthening partnerships with government and advocacy groups to promote climate adaptation initiatives and resilient rebuilding practices

These initiatives seek to ensure our customer practices remain forward-thinking, sustainable, and responsive to the evolving technology landscape and customer needs.

Privacy

Definity has established a robust privacy program designed to protect personal information in our possession. Our privacy statements are posted on our websites. These privacy statements, together with our enterprise-wide privacy policy, govern Definity’s privacy practices, establish common frameworks to govern the collection, use, and disclosure of personal information, and address requirements of privacy legislation.

Processes are in place that proactively identify and evaluate privacy risks, including risks related to the quality, transfer, and use of personal information. This includes a privacy impact assessment process, which considers the application of privacy principles through the lifecycle of personal information, from collection to destruction. In 2024, we expanded our privacy impact assessment process to embed privacy-by-design into all AI-driven initiatives across Canada.

All employees undertake mandatory training to promote privacy awareness. This training covers the protection, retention, and disposal of personal information, and our privacy incident protocol. Our privacy incident protocol outlines the process that must be followed by all staff if a privacy incident has occurred. It obliges staff to report privacy incidents to our Privacy Office and outlines appropriate steps to take, including notifying affected individuals and third parties as appropriate.

Our privacy statements outline how individuals can exercise rights under applicable privacy legislation. We have processes for individuals to request access to their personal information, correct it when inaccurate, or withdraw their consent for us to use it. Our privacy officer and their team receives all inquiries and complaints concerning privacy and strives to ensure that our responses meet privacy-related requirements.

Definity also has an information management policy that sets out requirements for the identification, classification, retention, and safe and secure destruction of information, including personal information.



Why It Matters:

Our customers trust us to protect their personal data and maintaining that trust and confidence in their data security is a priority for Definity. Protecting customer data is important to achieving our strategic objectives and reducing potential reputational and financial risks. We monitor and manage privacy risks and implement strong measures to keep customer data secure.

Cyber Security Risk Management

As digital threats evolve, we remain committed to safeguarding our systems, along with customer and employee data, through a comprehensive cybersecurity strategy. Our multi-year cybersecurity plan continues to advance, integrating leading-edge technology and best practices to defend against emerging risks.

Cybersecurity risk management remains a top priority for Definity. The Board’s Risk Review Committee receives quarterly updates, with additional briefings as needed in response to geopolitical or emerging threats. We align with appropriate industry best practices to ensure strong cybersecurity measures, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework and PCI DSS (Payment Card Industry Data Security Standard) certification.

We continue each year to invest in key initiatives to strengthen our cyber defenses to anticipate and defend against emerging threats, including those posed by AI and quantum computing. With the rapid advancement of generative AI, we’ve taken proactive steps to support secure adoption while reducing risks posed by malicious actors. AI-driven security measures are embedded into our systems to enhance detection and response capabilities. We conduct 24/7 monitoring through our Cyber Security Operations Centre, ensuring continuous threat detection and incident management. In the event of a cyber incident, we follow well-defined response protocols, including timely notifications and regulatory compliance measures.

Our commitment to security is reinforced through annual independent audits, ongoing internal vulnerability assessments, penetration testing, and proactive threat-hunting exercises. Additionally, we require our vendors and partners to uphold strict data protection standards, with a view to ensuring a secure ecosystem for our operations. We also emphasize cybersecurity awareness across our workforce. New employees undergo cybersecurity training as part of their onboarding. Annually, all employees and contractors complete mandatory training, reinforcing best practices and vigilance against cyber threats.

As technology continues to evolve, we will remain focused on strengthening our security framework. We are actively monitoring the development of quantum-resistant encryption standards and expanding AI-driven threat detection capabilities. Our goal is to maintain a proactive and adaptive security posture that aligns with industry best practices while safeguarding the trust of our customers, employees, and stakeholders.



Why It Matters:

Amid evolving geopolitical tensions, rising cyber threats, and the rapid advancement of AI, cybersecurity remains a critical pillar of our risk management strategy. As a digital leader, Definity is committed to safeguarding our customers, employees, stakeholders, and systems from cyber security risks, promoting resilience in an increasingly complex digital landscape.

Case Study: Driving Ethical AI and Digital Leadership

Digital leadership is at the heart of Definity's strategy, enabling business value creation while ensuring our customers and communities can adapt and thrive. Over the past decade, we've leveraged AI and machine learning to drive responsible innovation, delivering significant operational benefits while enhancing employee and customer experiences.

A strong foundation in model risk management ensures that AI and generative AI operate as intended. Model risk — the potential for adverse consequences from the design, development, implementation, or use of a model — remains a key focus, with all AI and GenAI models included in our model inventory. By continuously monitoring and validating models, we safeguard their accuracy, fairness, and compliance, helping align our AI-driven innovation with our commitment to responsible and sustainable growth.

A major milestone in 2024 was the expansion of generative AI solutions, with ten use cases in production as of the end of 2024. These innovations improved operational efficiency, profitability, and customer service. Our Agent Assist program, for example, transcribes calls in real time and provides AI-driven recommendations to support our contact centre representatives, reducing hold times and improving first-call resolution rates.



Case Study:

Driving Ethical AI and Digital Leadership

Beyond internal advancements, Definity actively contributes to industry-wide discussions on responsible AI. In March 2024, we presented on this topic at the Financial Services Regulatory Authority of Ontario (FSRA) Exchange, reinforcing our leadership in AI ethics.

Commitment to Ethical AI: Ethical AI is embedded in Definity’s model development and governance structures. Since forming our Bias and Fairness of Analytical Models Subcommittee in 2022, we’ve refined tools and best practices to mitigate bias across our analytical models. The subcommittee’s work provided Definity’s 200+ data analytics practitioners with tools to build ethical models across the insurance value chain. Considerable time and effort went into developing practical checklists and guidelines — “AI fairness cookbooks” — that enable teams to apply responsible AI principles in their day-to-day work. We have escalation processes in place to support team members with questions about how to balance model performance with model fairness.

Empowering AI Literacy: As AI adoption accelerates, ensuring employees have the knowledge to use it responsibly is key. Definity is launching an AI Literacy Training Program to equip all employees with foundational AI skills.

For analytics practitioners, we continue to refine our self-study AI education program, offering specialized training in generative AI, bias detection, and model governance. Our Analytics Community of Practice fosters cross-functional knowledge sharing, allowing for consistent application of best practices across business units.

Strengthening Innovation through Collaboration: Definity’s digital leadership is amplified through strategic partnerships. Since 2022, our collaboration with Google has improved data management, scalability and model deployment, powering AI-driven innovations in claims triage, fraud detection, and customer service.

Beyond technology, Definity actively engages with regulators, academia, and industry groups to help shape the future of ethical AI governance.

AI-Driven Operational Enhancements

In 2024, AI played a critical role in optimizing Definity’s operations, including:

- **Fraud Detection:** Strengthened real-time fraud prevention at underwriting and claims stages
- **Claims Processing:** Enhanced predictive models for faster, more accurate claims triage
- **Broker Service:** Automated intake processes to improve turnaround times and service levels

Sustainable AI Practices: Recognizing AI’s environmental impact, Definity prioritizes energy-efficient cloud computing through our partnership with Google. In 2024, we cut cloud computing costs by 20%.

As we expand AI adoption, we continue to reduce resource demands by improving model training and inference, selecting more cost- and energy-efficient solutions, and leveraging AI advancements that reduce processing power requirements. We also assess the energy intensity

of AI activities with Google with a view to lowering emissions and resource use. Through these efforts, we aim to ensure that AI-driven innovation at Definity remains scalable, financially disciplined, and environmentally responsible.

The Road Ahead: Definity is focused on scaling AI solutions that drive business value while upholding the highest ethical standards. Key priorities include:

- **Expanding capacity for AI solution delivery:** Our newly established AI Factory, a cross-functional team, is accelerating AI-driven innovation and expanding our capacity to develop impactful solutions
- **Advancing fraud prevention:** Strengthening consumer protection and operational integrity
- **Improving customer & broker interactions:** Leveraging AI to deliver strong customer and broker experiences

With a strong foundation in ethical AI, robust data strategies, and digital leadership, Definity is well-positioned to drive innovation that benefits customers, employees, and communities.

Definity’s commitment to responsible AI and data-driven innovation strengthens risk management, enhances the customer experience, and drives smarter, more efficient solutions. By embedding ethical AI practices into our operations, we reinforce trust, ensure fairness and transparency, and advance our ambition to be one of Canada’s leading and most innovative P&C insurers – delivering long-term value for our customers and communities.

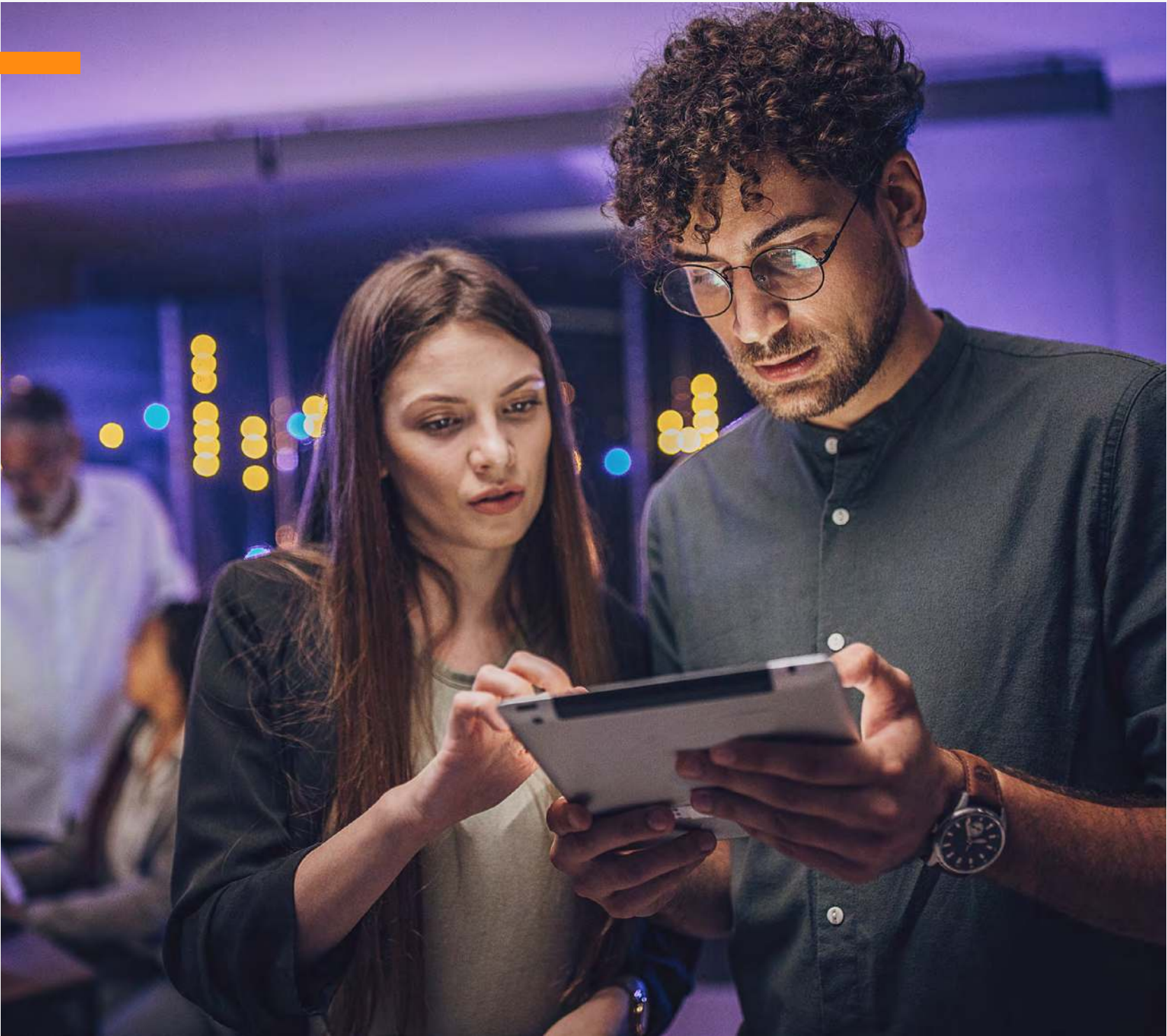
Cyber Security Risk Management

Priorities

Our focus remains on advancing our cybersecurity strategy by integrating leading-edge technology and best practices to defend against emerging risks. Key priorities include:

- Continuing to enhance privacy and information security practices to safeguard customer and employee information and reinforce trust.
- Continuing to strengthen our security framework with AI-driven threat detection and quantum-resistant encryption.
- Maintaining a proactive security posture aligned with industry best practices to ensure strong cybersecurity measures.

These initiatives will help ensure our cybersecurity practices remain forward-thinking and responsive to the evolving technology landscape, reinforcing our digital leadership.



Ethical Business Conduct

Approach

Upholding Integrity and Governance

Definity remains steadfast in its commitment to ethical business practices at both the corporate and individual levels. Our Code of Business Conduct sets clear expectations for ethical behaviour, guiding employees in their decision-making and professional interactions. The Code outlines requirements pertaining to ethical behaviour, anti-harassment, non-discrimination, and responsible data governance. It is an integral part of our onboarding process, and employees must annually acknowledge that they have reviewed and agree to the Code.

Our Board ensures that employees have robust mechanisms to report ethical concerns. Definity's whistleblower ethics reporting program offers a toll-free hotline and website, managed by an independent third party, providing employees with a confidential and anonymous platform to report any violations of our Code, financial misconduct, fraudulent activity or concerns related to data privacy and cybersecurity. Employees can also escalate concerns to their leaders or Human Resources group, if they prefer, with provisions in place to protect them from reprisal.

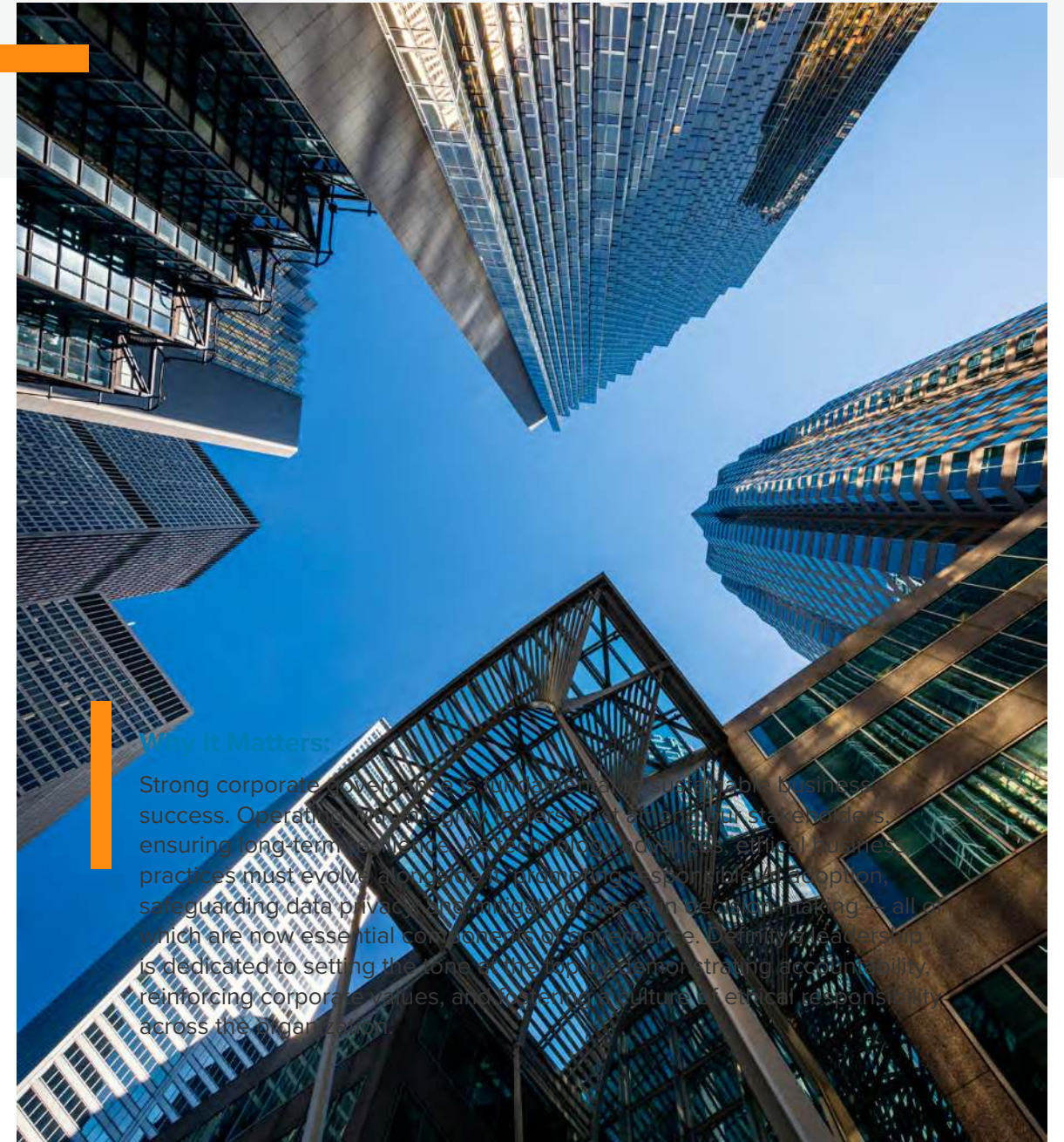
Definity requires compliance with all applicable legislation and adheres to relevant non-legislative standards, supported by enterprise-wide practices designed to prevent and detect misconduct, non-compliance, and unethical AI use. As AI and advanced analytics play an increasing role in decision-making, we continue to maintain focus on effective governance that aligns with fairness, transparency, and bias mitigation principles. Additionally, training on AI ethics and data governance is now available as part of our evolving compliance framework.

Management is responsible for reporting on operational performance and key outcomes of business decisions, enabling our Board to oversee, challenge, and assess corporate conduct, data governance, and risk management effectiveness. This process also informs enterprise-wide learnings and response strategies.

To mitigate the inherent risks of internal and external fraud, we've implemented robust internal controls, including AI-driven fraud identification models for underwriting and claims.

Why It Matters:

Strong corporate governance is foundational to sustainable business success. Operating with integrity fosters trust among all stakeholders, ensuring long-term resilience. As technology advances, ethical business practices must evolve alongside innovation, responsible adoption, safeguarding data privacy, and thoughtful biases in decision-making — all of which are now essential components of governance. Definity's leadership is dedicated to setting the tone at the top, demonstrating accountability, reinforcing corporate values, and fostering a culture of ethical responsibility across the organization.



Progress

In 2024, we strengthened our compliance training program by introducing new courses, including expanded education on ethical AI, data privacy, and governance. These enhancements reinforce our commitment to responsible decision-making, regulatory compliance, and transparency in emerging technologies.

All employees are required to complete key training within their first 30 days of employment, covering essential topics such as workplace accessibility, business conduct, risk management, and cybersecurity.

Additionally, all Definity employees must complete the following training on an annual basis:

- **Code of Business Conduct**
- **Privacy**
- **Risk Management**

Mandatory Compliance Training for All Employees

Training Course	Focus Area
Accessible Workplace and Customer Service	Inclusivity and accessibility standards
Code of Business Conduct	Ethical decision-making and corporate integrity
Introduction to Definity’s Culture	Values and cultural expectations
Disclosure Policy	Transparency and regulatory obligations
Emergency Preparedness and Response Plan	Crisis management and safety protocols
Legal Risk	Compliance with legal frameworks
Occupational Health and Safety	Rights and responsibilities and procedures
Physical Security	Physical security awareness
Privacy	Data protection and confidentiality
Preventing Workplace Violence and Harassment	Identifying rules and responsibilities, policies and procedures
Risk Management	Identifying and mitigating business risks
Securities Trading Policy	Insider trading legislation and compliance
Security Essentials	Physical and digital security awareness
Security Awareness and Cybersecurity	Cyber threat prevention and best practices
Threat Management Protocol	Identifying and responding to third-party threats
Visitor Management	Workplace security and visitor protocols



Responsible Investing and Financing

Approach

Integrating ESG for Long-Term Impact

In 2024, Definity continued to implement and adhere to its [Sustainable Investment Policy Statement](#) to reinforce our commitment to responsible investing. This reflects our commitment to the effective management of ESG risks and opportunities and our purpose of *building a better world by helping our customers and communities adapt and thrive*. By embedding ESG factors into our investment decisions, we aim to drive positive change while maintaining strong risk-adjusted returns.

Definity integrates ESG considerations into investment analysis and decision-making, helping to ensure our portfolios are diversified, resilient to climate risks, and positioned to capitalize on sustainability-related opportunities.

Our approach to investing balances financial returns and ESG factors, recognizing that long-term value creation requires responsible stewardship. We use a composite of ESG ratings

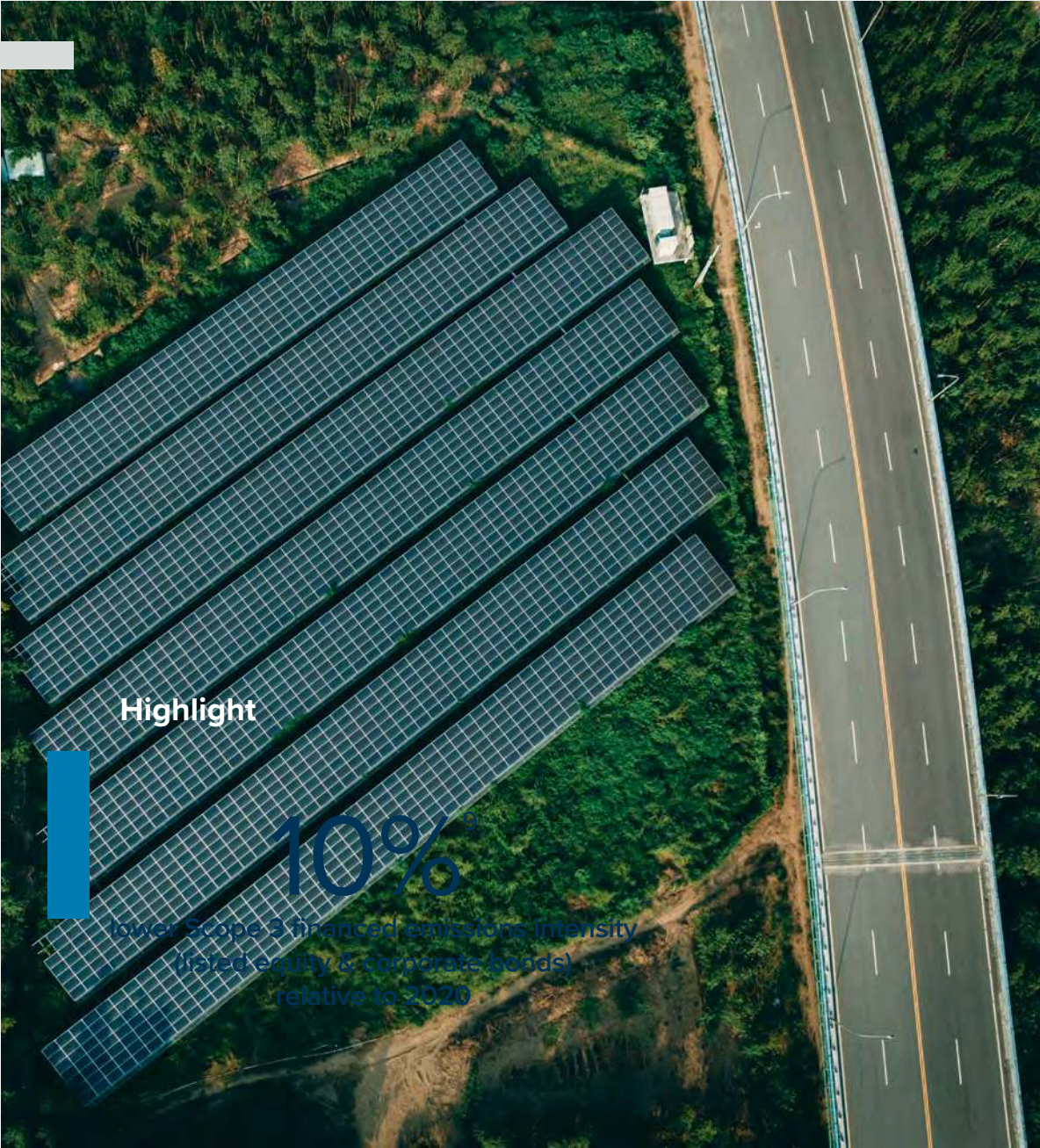
Why It Matters:

Definity’s [Sustainable Investment Policy Statement](#) reflects our belief that financial success and sustainability go hand in hand. By systematically incorporating ESG factors, excluding high-risk sectors, and stewardship within a robust enterprise risk management framework, we aim to drive positive change while safeguarding long-term value for our stakeholders.

in our investment monitoring process, acknowledging the variations in methodologies used to assess sustainability performance, and exercise our voting rights when ESG-related risks could materially impact our holdings. We are committed to achieving **net-zero emissions from investments by 2040 or sooner**, inclusive of emissions associated with listed equity and corporate bonds.

To align with our sustainability principles, we exclude direct investments in businesses where 5% or more of revenue comes from manufacturing tobacco products, producing or distributing controversial weapons, or thermal coal mining and coal-fired power generation without a credible plan for decommissioning by 2030.

Beyond risk management, we strive to continuously refine our approach to drive positive social and environmental outcomes alongside financial performance. We remain transparent in our progress, reporting on our investment activities to shareholders at least annually. For further details on how we are integrating ESG for long-term impact, refer to Definity’s [Sustainable Investment Policy Statement](#).



9 Includes Scope 1 and 2 emissions of investees only.

Responsible Investing and Financing

Monitoring and steering the carbon intensity of the portfolio helps Definity to manage investment risk associated with the transition to a low-carbon future.



Diversified, Responsible Investing

Diversification is central to our portfolio strategy, providing a balanced approach to risk management and returns optimization. Our investment portfolios are structured across asset classes, risk levels, and risk qualities to reduce exposure to significant losses while increasing after-tax returns, unless prevailing circumstances render it imprudent to do so. Additionally, we seek to establish appropriate levels of diversification in climate risks and opportunities across industries and regions, maintaining liquidity to enable rapid shifts when necessary.

Our Chief Investment Officer is responsible for executing our investment strategy, while the Executive Investment Committee (EIC) oversees compliance with Definity’s Investment Policy Statement, including [Sustainable Investment Policy Statement](#), which explicitly incorporates climate change and other ESG risks and opportunities. The EIC also evaluates the potential impacts of economic, capital markets, and regulatory changes on our portfolios, strategies, and operations.

Definity’s investment team is supported by expertise in sustainable investment, with relevant professional designations and certificates held by individuals in executive leadership and portfolio management. To ensure accountability, our Enterprise Risk Management team monitors compliance and tracks financed emissions associated with our investment portfolios. This rigorous oversight:

- Enhances transparency in investment performance and compliance reporting,
- Seeks to ensure our investments align with our policies and commitments, including GHG reduction efforts, and
- Reinforces stakeholder confidence in our robust monitoring processes.

By integrating strong governance, ESG expertise, and proactive risk management, we uphold our commitment to responsible and sustainable investing.

Progress
Managing Climate and Transition Risks in Investments

Climate change and the transition to a low-carbon economy can impact investment values and returns, affecting the profitability and outlook of investees. Weather-related losses, regulatory shifts, and evolving investor sentiment may also influence asset performance.

To manage these risks, we maintain a highly liquid, well-diversified portfolio spanning industries and regions. We have set targets to reduce the emissions intensity of our equity and corporate bond investments, which are detailed in the *Appendix* section (pages 69 and 70). There is an inherent trade-off in reducing the carbon intensity of the portfolio as it may limit asset selection and diversification.

We conduct qualitative risk assessments of our portfolio and engage in ongoing monitoring of both physical and transition risks. Our portfolio is heavily weighted toward low-risk sovereign debt, well-positioned to adapt to climate risks and opportunities, and liquid enough to enable rapid shifts if necessary. By embedding climate-conscious risk management into our investment strategy, we aim to safeguard value while supporting a more sustainable financial future.

For more detail on Definity’s approach to incorporating ESG considerations into investment process and decision-making, please see our [Sustainable Investment Policy Statement](#).

Progress Toward Our 2025 Scope 3 Emissions Target

We continue to make steady progress toward our 2025 interim target for Scope 3 — Investments (Category 15), a 30% reduction in emissions intensity (tonnes CO₂e per million dollars invested, listed equities and corporate bonds) relative to a 2020 base year. As of 2024, we have achieved a 10% reduction⁹, positioning Definity satisfactorily to achieve the 2025 interim target upon the maturity of particular bonds in the year ahead.

Our performance reflects ongoing efforts to align investment strategies with our climate commitments, including refinements in our methodology and integration of climate considerations into investment decision-making. While external market factors may influence year-over-year fluctuations, we remain confident in our ability to meet our 2025 target and continue to drive meaningful emissions reductions.

For a detailed overview of our Scope 3 emissions targets, methodology, and refinements, please see page 20 of this report.

Emissions Reduction Progress Toward 2025 Target

	2025 Interim Target	Status relative to 2020 base year		
		2024	2023	2022
Scope 3 financed emissions intensity (listed equity and corporate bonds) ⁹	-30%	-10%	-9%	-21%

9 Includes the Scope 1 and 2 emissions of investees only.

Innovation and Technology

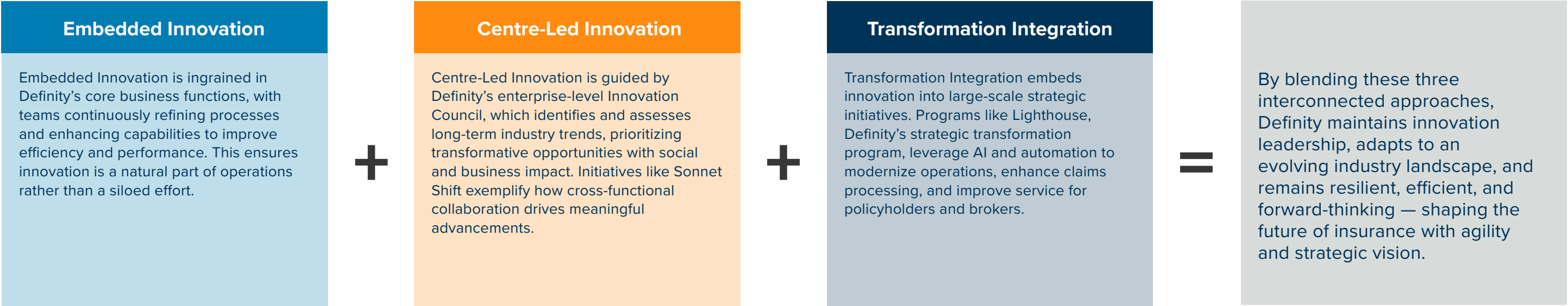
“Definity takes a pragmatic, business-led approach — aligning every initiative with our scale, capabilities, and long-term strategy. We make deliberate, strategic decisions, adapting swiftly to market disruptions without chasing short-term trends.”
— Tanu Sharma, Senior Manager, Corporate Strategy



Approach

Innovation is key to resilience and growth in the insurance industry. As market dynamics evolve, Definity stays ahead by integrating advanced technologies, enhancing customer experiences, and adapting to emerging risks. Climate change, shifting mobility trends, and advancements in AI are reshaping the industry, demanding a balanced and strategic approach to innovation.

Definity’s multi-modal innovation model drives progress at all levels of the business, ensuring that innovation is embedded in daily operations while being strategically integrated into large-scale transformation projects. This approach strikes the right balance between continuous improvement, enterprise-wide initiatives, and bold, strategic advancements.



Innovation and Technology

Progress

In 2024, we continued to make progress in enhancing claims efficiency, adapting to market shifts, and advancing climate-focused and inclusive insurance solutions.

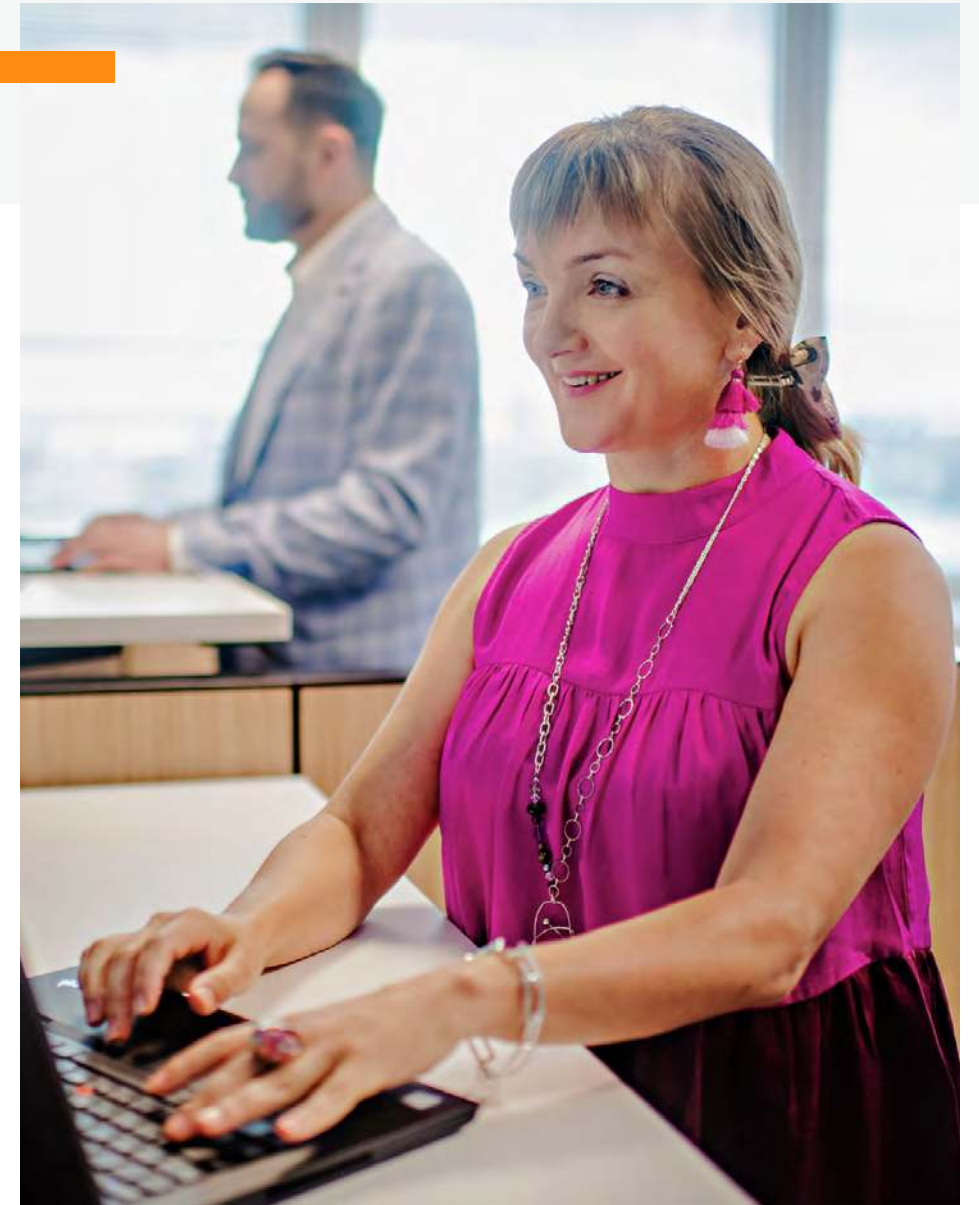
Definity's strategic transformation includes enhancing claims processing through AI and automation. The adoption of a new Guidewire technology platform streamlined workflows, reduced policyholder touchpoints, and improved response times. AI-driven tools, including contact centre transcription and automated customer updates, further enhanced efficiency, allowing for a more seamless claims experience. Definity's recently established AI Factory brings together the expertise of our Enterprise Analytics and Data Office, Technology Solutions group, and various business lines to explore, develop and deploy customized applications of predictive models to drive business value.

As EV adoption rises, Definity is carefully managing our approach to balance market penetration with profitability. While EVs present significant growth opportunities, high repair costs remain a challenge.

By continuously monitoring repair trends and regulatory changes, we are refining our strategy and positioning ourselves to scale as the market evolves.

Climate change continues to reshape the insurance landscape, influencing risk assessment and claims processes. After improving post-claim experiences for customers affected by extreme weather in 2023, our focus in 2024 shifted toward risk mitigation. We're helping policyholders reduce climate exposure through infrastructure resilience and proactive adaptation as part of the green endorsement. The endorsement provides resilience support for homeowners hit by catastrophe events including flood, fire, wind, and hail.

Beyond environmental sustainability, Definity remains committed to making insurance more accessible to underserved communities, including Indigenous populations and new immigrants. Through market research and stakeholder engagement, we are identifying coverage gaps and developing tailored products to better meet diverse customer needs.



Case Study:

Advancing Ethical Use of Data and Predictive Models

As AI continues to reshape the financial services landscape, Definity is committed to ensuring its responsible and ethical use. In an era of evolving cyber threats and heightened privacy concerns, we've taken proactive steps to embed transparency, fairness, and security into our AI-driven processes.

In 2024, Definity reinforced its AI governance framework to uphold fairness and mitigate bias in automated decision-making. We expanded our Bias and Fairness Subcommittee, enhancing our ability to detect and address potential disparities in AI models. To ensure transparency, we updated public disclosures, providing customers with clearer insights into how AI-driven decisions impact their financial experiences. Additionally, we implemented an AI escalation procedure, enabling teams to identify and correct bias-related concerns more effectively.

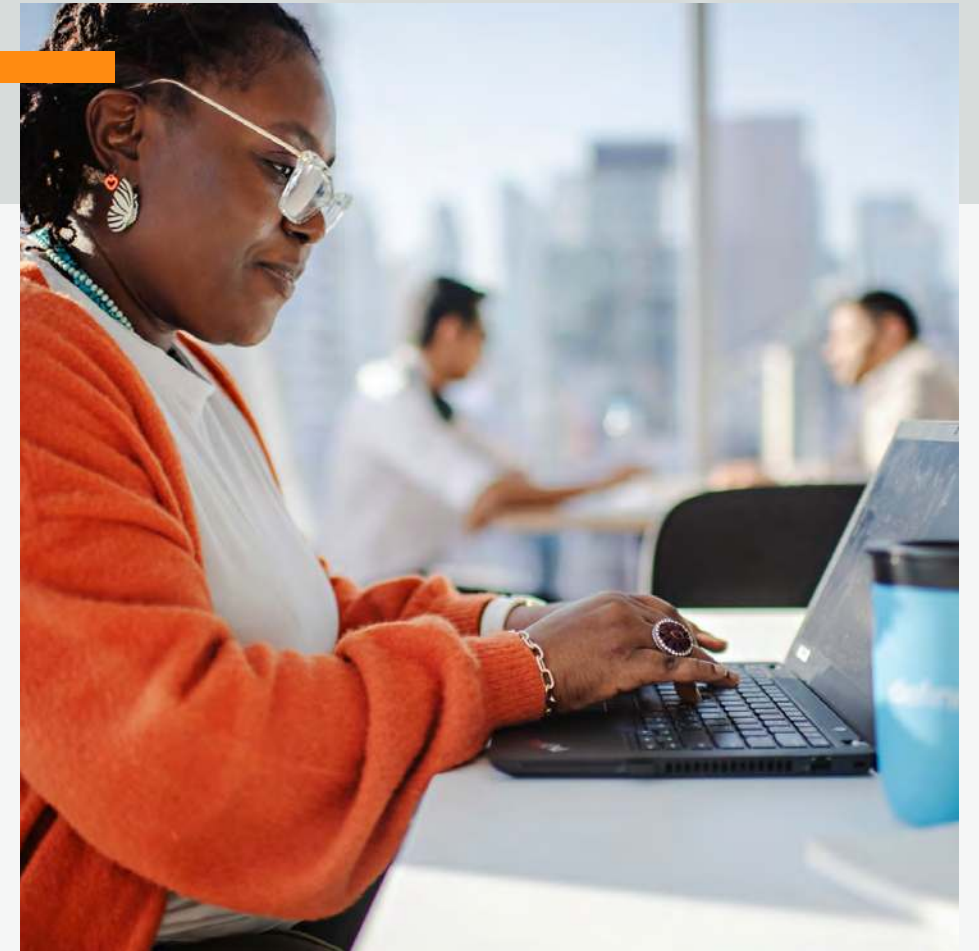
Beyond governance, we continuously refine our predictive models to set new industry standards in bias mitigation, strengthening the equity and inclusivity of our analytics initiatives. By embedding ethical principles into AI development, we enhance customer experiences while safeguarding against unintended consequences.

Enhancing Cybersecurity Protections: AI advancements bring both opportunities and risks, particularly in data privacy and cybersecurity. Recognizing this, we strengthened Definity's data governance and security frameworks to uphold customer trust. In 2024, we implemented Google's sensitive data tools to further protect personal information and worked to ensure compliance with evolving legislation through structured risk assessments and enhanced privacy controls.

AI-driven security measures are embedded into our systems to enhance detection and response capabilities. We conduct 24/7 monitoring through our Cyber Security Operations Centre, ensuring continuous threat detection and incident management.

To combat the increasing threat of underwriting and claims fraud, we integrated AI-driven fraud detection models, enabling real-time identification of suspicious activity.

A Future Focused on Responsible AI: As AI capabilities advance, we remain steadfast in our commitment to ethical data use, privacy protection, and cybersecurity resilience. Definity remains focused on advancing privacy-first AI strategies, strengthening cybersecurity protocols, and ensuring that AI-powered insights serve our customers and communities responsibly. Through ongoing investment in fairness, transparency, and security, we continue to lead in ethical AI adoption while safeguarding the integrity of our data ecosystem.



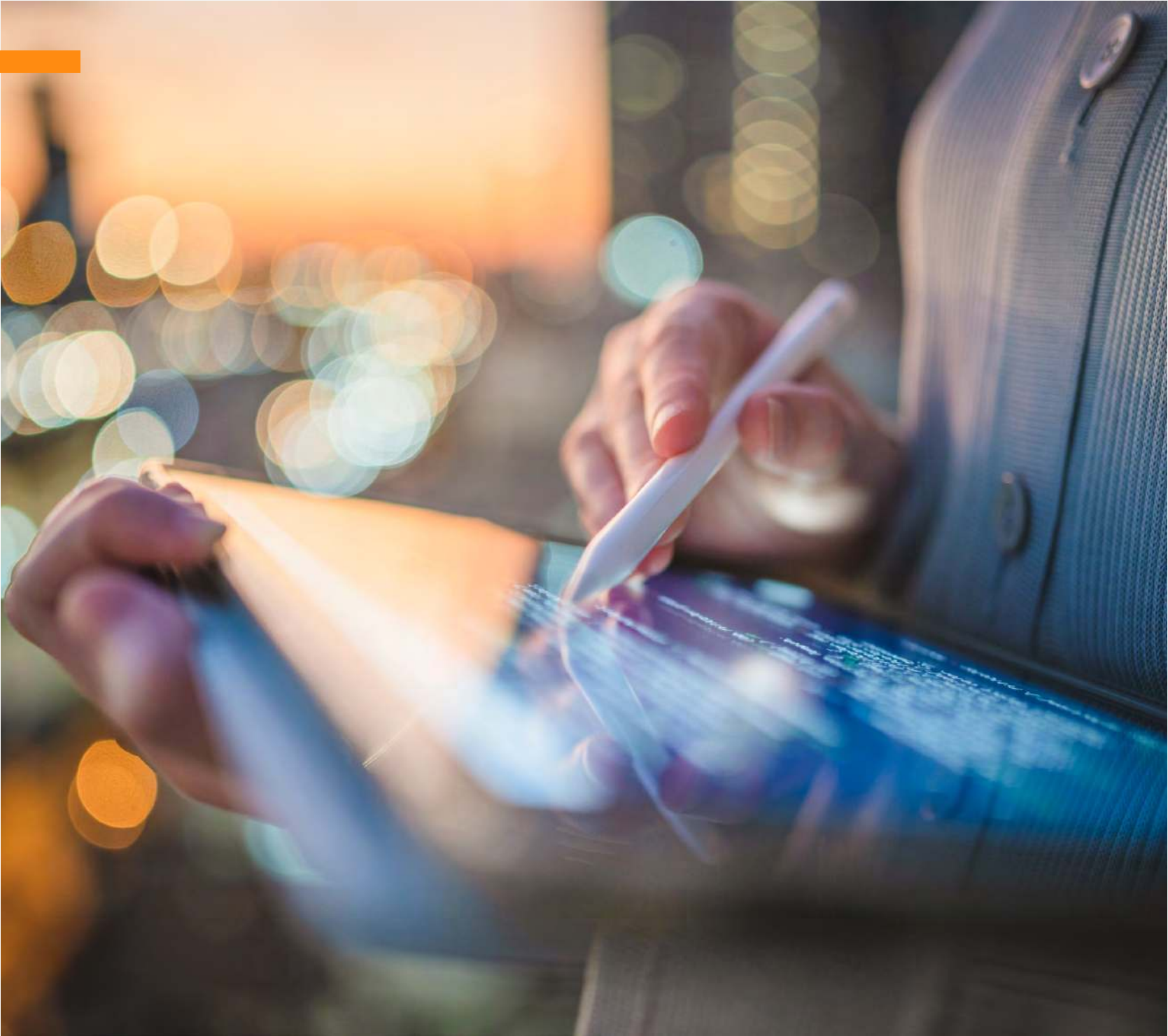
Innovation and Technology

Priorities

Definity remains committed to advancing our innovation agenda in three key areas:

- Building on this year’s research by collaborating with government agencies and industry partners to expand climate risk mitigation solutions. Efforts will focus on sustainable claims practices and green endorsements that support environmentally responsible rebuilding.
- Ramping up Definity’s AI Factory to extract further customer and business value through AI-driven claims improvements and expanding the use of Generative AI and predictive analytics to enhance underwriting performance, fraud detection, and customer interactions.
- Extend innovation into additional business areas by integrating automation and advanced analytics into daily operations, boosting efficiency while prioritizing customer experience.

This approach ensures that innovation supports our long-term goals of resilience, efficiency, and sustainability.



Enabling a Thriving Workforce

- 46 Providing a Rewarding Employee Experience
- 52 Inclusion, Diversity, Equity, and Accessibility
- 55 Supporting Truth and Reconciliation



Providing a Rewarding Employee Experience

Approach

At Definity, we’ve committed to creating a workplace where employees feel valued, supported, and empowered. A strong employee experience is built on well-being, recognition, career growth, and financial security.

In alignment with our Total Rewards strategy, our programs focus on providing competitive compensation, flexible benefit offerings, and wellness initiatives that promote overall health and financial stability, fostering an environment where employees can thrive.

Attracting and retaining top talent is essential to our success. We focus on hiring the right people and developing internal talent pipelines to support long-term growth. Data-driven recruitment, targeted hiring, and leadership development position Definity as a top employer in the P&C insurance industry.

We offer flexible learning opportunities to support employees at every stage of their careers. Tailored mentorship, internal mobility programs, and upskilling

initiatives ensure they have the tools to advance and succeed. Our commitment to a high-performance and inclusive workplace is reinforced by ongoing improvements to performance management, strategic talent development, and strong employee engagement. Continuous feedback helps us refine programs that enhance engagement, growth, and retention.

By embedding learning, leadership development, and well-being into our culture, Definity strives to build an agile, high-performing workforce. These efforts equip employees and brokers with the skills they need to drive innovation, deliver exceptional service, and strengthen our organization.



Providing a Rewarding Employee Experience

Progress

In 2024, we continued our commitment to providing employees with opportunities to develop and grow. As a result, our internal mobility rate, a measure of the number of employees who have moved to different roles, increased to 54% from 46% in 2023, reflecting strong career progression within Definity. We also saw a decrease in our voluntary turnover rate to 10.1%,¹⁴ down from 11.3% in 2023 and 12.9% in 2022, highlighting the impact of our talent management strategy, Total Rewards offerings, and inclusive workplace culture on employee retention.

Additionally, our average employee tenure rose to 6.6 years in 2024, up from 6.3 years in 2023 and 5.9 years in 2022, as we continue to build a stable and experienced workforce. These positive trends reflect our focus on employee engagement, career development, and continuous learning opportunities, ensuring that employees are able to feel valued, supported, and motivated to grow their careers within Definity.

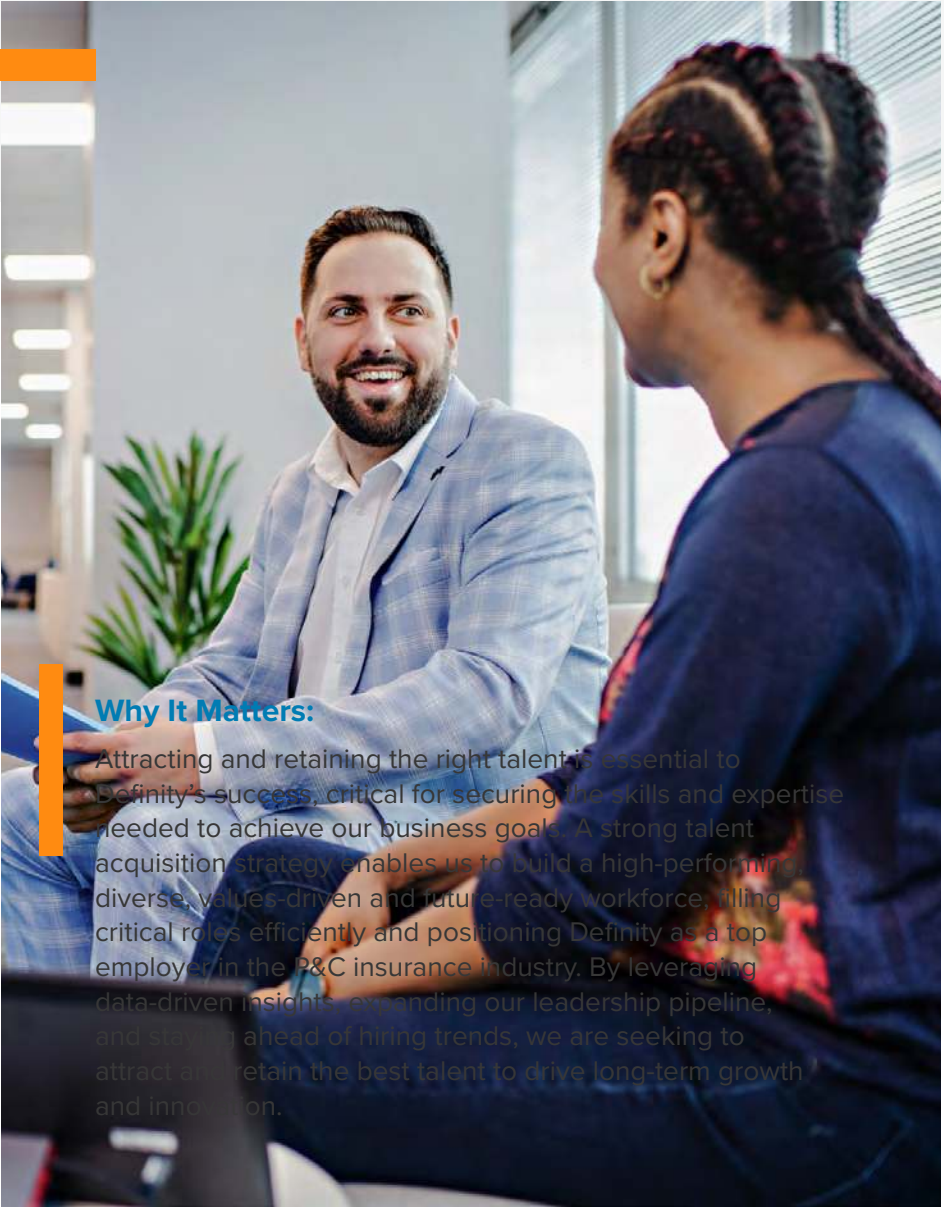
Talent Management

In 2024, our Talent Acquisition team made significant strides in streamlining recruitment processes, enhancing hiring manager capabilities, and improving the candidate experience. One of the most notable achievements was reducing the average time to fill roles to under 45 days, ensuring the organization had the right people in place when needed. This efficiency was particularly critical in high-volume hiring areas, such as Claims, where workforce stability directly impacts customer service and operational effectiveness.

To further enhance hiring effectiveness, we introduced Winning Talent, a comprehensive recruitment training program for Claims leaders. This initiative equipped hiring managers with the skills to recruit effectively, apply an IDEA lens in candidate selection, and confidently represent Definity as an employer of choice. Due to its success, the training will expand to all hiring leaders in 2025. Additionally, we provided targeted IDEA training for recruiters and human resources business partners, helping them navigate bias in hiring decisions and better support business leaders in fostering a diverse workforce.

A key innovation in our recruitment process was the introduction of psychometric testing for claims adjusters. In collaboration with claims leadership, we developed a success profile to identify key traits associated with high-performing claims professionals. This internal benchmarking exercise enables us to predict the quality of hires more accurately and assess their long-term impact over the coming months. While psychometric testing is not new in the industry, this is the first time Definity has implemented a structured, data-driven approach tailored to our specific needs.

We continued to expand our brand visibility in campus recruitment, attracting the next generation of talent through targeted programs and enhanced engagement. A major milestone was the launch of our New Graduate Rotational Program in specialty underwriting, mid-market underwriting, and actuarial and advanced analytics — addressing industry-wide labour shortages by developing entry-level employees into future leaders. As workforce demographics shift and senior professionals retire, these initiatives help secure a strong talent pipeline.



Why It Matters:

Attracting and retaining the right talent is essential to Definity's success, critical for securing the skills and expertise needed to achieve our business goals. A strong talent acquisition strategy enables us to build a high-performing, diverse, values-driven and future-ready workforce, filling critical roles efficiently and positioning Definity as a top employer in the P&C insurance industry. By leveraging data-driven insights, expanding our leadership pipeline, and staying ahead of hiring trends, we are seeking to attract and retain the best talent to drive long-term growth and innovation.

¹⁴ Based on voluntary separations as a percentage of active headcount for active (excludes individuals on leave) permanent (excludes students, contract employees, independent contractors or individuals employed by a third-party staffing agency are not included) full-time and part-time employees (derived from 12 monthly headcount reports). Does not include retirements.

Providing a Rewarding Employee Experience

Understanding that this next generation of talent values meaningful work, career development, and job security, we refined our recruitment approach with virtual webinars, interview prep sessions, and digital resources to create a seamless candidate experience. At the same time, we strengthened our employer branding, gaining traction on LinkedIn, Instagram, and campuses. This heightened visibility has transformed our presence at career fairs and recruitment events, where candidates now proactively seek out Definity. Further reinforcing our brand, we launched a company-wide employer brand campaign in late 2024, expanding our reach beyond campus recruitment and seeking to position Definity as an employer of choice across all talent segments.

We improved recruitment data analytics, including campus hiring metrics and long-term trend tracking. By refining applicant tracking data, we can better monitor co-op conversions, rehire rates and overall recruitment success. As a result, more than 66% of our co-op students returned for additional terms or transitioned into full-time roles with us, compared to 30% in 2023. In 2024, student-related roles accounted for 20% of our available positions, while student applicants made up 22% of all applications. Our new graduate offer acceptance rate was 80% for the reporting period, compared to 100% in 2023, reflecting evolving labour market conditions.

As AI reshapes recruitment, we are exploring tools to enhance talent identification while ensuring hiring decisions balance technology with human input and perspective. We also anticipate challenges, such as AI-assisted interviews, and remain focused on maintaining competency and culture. Additionally, our long-term strategy includes alumni and boomerang hiring, leveraging past employees’ expertise.

Total Rewards

In 2024, we refreshed Definity’s Total Rewards strategy based on market information, industry insights, and employee feedback, including an employee survey and a series of leadership and employee interviews. The review focused on external trends, internal strengths, and the goal of helping our compensation and benefits remain competitive, engaging and fair. Through annual benchmarking and pay equity reviews — including transparent salary ranges on job postings — Definity is committed to providing an equitable rewards program. Market-leading benefit offerings, such as mental health coverage up to \$10,000 annually per employee, enhanced retirement savings, and an immediate share ownership opportunity — the Definity Share Ownership Program Welcome Grant for new employees — further strengthen our position as an employer of choice.

Well-being remained a key focus in 2024, with the Spring Wellness Challenge engaging 2,222 employees and the Fall Wellness Challenge engaging 2,474 employees in a wide variety of activities to support health and wellness. Employees also completed Total Well-being Assessments and participated in IDEA seminars, fostering a healthier, more inclusive workplace.

Definity’s Total Rewards programs are guided by our employee value proposition and continue to evolve to meet employees’ diverse needs. The personal wellness account offers an expanded list of eligible expenses, including fitness, financial health, and Indigenous health services. Additionally, enhanced benefits coverage — including fertility and gender affirmation benefits — has been well-received.

Transforming Employee Mental Health Support

Recognizing the growing need for accessible mental health support, Definity launched the TELUS Total Mental Health (TMH) platform in August 2024. This initiative marked a significant step forward in employee well-being by providing unlimited and immediate access to mental health coaches, online counsellor booking, and other vital resources.

With 980 employees registering on the platform within just a few months, engagement exceeded expectations, underscoring the demand for comprehensive mental health solutions. The initiative also aligns with our broader ESG commitments, fostering a culture of well-being while driving employee engagement and productivity.

To further support employees, we integrated TMH resources into our wellness challenges, encouraging proactive mental health management. Early feedback highlights the platform’s positive impact, with employees citing greater ease in accessing professional support. Moving forward, we aim to expand mental health initiatives, ensuring all employees have the resources they need to thrive in a dynamic work environment.



Providing a Rewarding Employee Experience

To help employees manage rising benefit costs, Definity made a one-time \$1 million contribution to offset increased Long-Term Disability (LTD) premiums in 2025. We also introduced new health and well-being coverage for temporary full-time employees hired through our payroll. Those with contracts exceeding six months are now eligible for a Health Spending Account (HSA) to cover medical, drug, and dental expenses, as well as pro-rated paid vacation days. These changes promote equity and well-being, reinforcing our commitment to supporting temporary employees.

Commitment to a Safe, Healthy, and Inclusive Workplace

Definity is dedicated to fostering a workplace that prioritizes employee health, safety, and well-being. Our approach focuses on preventing occupational illnesses and injuries while ensuring a supportive and inclusive environment for all employees.

Our equipment and workstation setups align with ergonomic best practices. We offer accommodations for employees with disabilities, medical restrictions, injuries, or illnesses, alongside an ergonomics program designed to enhance workplace comfort and productivity. When needed, we provide assistive devices and technology such as footrests and monitor risers to optimize workstation adjustments.

Recognizing the evolving nature of work, we continue to focus on optimizing the hybrid experience. Improvements include creating more effective collaboration spaces, enhancing digital tools, and meeting equity to ensure all employees have a voice, and implementing ad hoc surveys

to gather real-time feedback on hybrid work effectiveness. To support a hybrid work environment, we’ve also strengthened our Emergency Warden and First Aider programs. The updated Emergency Warden process ensures daily coverage, with 96% of designated employees completing training. Additionally, the First Aider program sets a minimum threshold of certified responders in each office, further reinforcing workplace safety.

Fostering a Culture of High-Performance and Engagement

As we grow, our people remain at the heart of Definity’s success. In 2024, we continued to build a high-performing, inclusive, and engaged workforce by modernizing our performance management systems, enhancing employee experiences, and strengthening our leadership programs.

We launched a digitized goal-setting and performance process to be fully implemented in 2025. This initiative will help improve performance management processes with real-time tracking and measurement; enable cascading and sharing of goals across teams for improved collaboration; and ensure a consistent Performance Development Plan experience for all employees.

We conduct engagement surveys twice a year to measure employee sentiment and drive meaningful change. In 2024, our engagement score was 79%, compared to 77% in 2023 and 80% in 2022. With a 92% participation rate, our employees continue to share strong feedback about their workplace experiences, particularly on what we are doing well and where we can improve.

Key Strengths

- **Trust in Direct Leaders:** Over **90%** of employees believe their leaders care about them as people
- **Well-being Index:** **86%** of employees feel they have a sense of purpose in their work and have the flexibility they need in their work schedule
- **Inclusion and Belonging:** **87%** of employees feel Definity fosters an inclusive culture, compared to 88% in 2023 and 87% in 2022
- **Commitment to Sustainability:** **84%** of employees believe Definity is committed to social and environmental responsibility, consistent with 2023 and 2022 results

Opportunities for Improvement

Employees expressed a strong desire for clearer career growth opportunities and fairer performance-based rewards. We also identified a drop in engagement among new hires after six months, emphasizing the need for a stronger onboarding experience. While many employees recognize positive changes based on survey feedback, there is room to improve communication around action plans.

ESG and Employee Engagement

Definity’s commitment to ESG principles is embedded in our culture and leadership. Our engagement survey highlights a strong ESG commitment, reinforcing the importance of purpose-driven leadership. Notably, 84% of employees believe Definity is committed to social and environmental responsibility.

Providing a Rewarding Employee Experience

Each year, we invest in our top leaders through our Executive Leadership Summit, a cornerstone of our commitment to their growth and development. The 2024 Summit, themed “Delivering on Our Commitments,” brought together 156 leaders from across Canada for two days of intensive business and leadership learning. This in-person event culminated in our annual CEO Awards ceremony, recognizing 83 employees for both individual and team excellence. The Summit proved highly impactful, with 100% of respondents agreeing that they now have a clear understanding of what they need to do as leaders to foster greater agility, adaptability, and resilience within their teams. At the summit, we engaged senior leaders in understanding and driving social impact by giving their time, financial support, and fundraising efforts to some of our most strategic charitable partners. These partners are enabling community-level climate resilience and more equitable participation in the economy.

Empowering Leaders for the Future

The 2024 Definity Leadership Summit focused on equipping leaders with the inspiration, agility, and resilience needed to navigate the journey ahead. With an emphasis on adaptability and confidence, the Summit provided practical insights that leaders could bring back to their teams, reinforcing key priorities and driving engagement and retention. Through 2024, we continued to foster executive connections through panel discussions related to retention of key talent, and employee engagement, and a regular executive forum for sharing best practices in leadership.

CEO Awards — Recognizing Excellence and Impact

The Definity CEO Award, our highest level of recognition, celebrates individuals and teams who exemplify our core values — We Are All Owners, We Inspire Customer Confidence, and We Work Together to Win Together. In 2024, 60 individuals and 30 teams were nominated by their peers for their outstanding contributions to our culture, business, brokers, customers, and communities.

This year’s nine individual and four team winners led transformative projects that drove innovation and efficiency, including Data Platform Transformation (Cloudera), AI-powered customer solutions in our Contact Centre, National Subrogation Unit improvements, and advancements in Commercial Insurance through collaboration and performance. Their efforts not only enhanced our operations but also reinforced Definity’s commitment to excellence and continuous improvement.

For the first time, the CEO Awards were embedded into the Leadership Summit, where winners were honoured at an in-person celebration hosted by our President and CEO Rowan Saunders. By celebrating these achievements on a larger stage, we reinforced the value of innovation, teamwork, and employee-driven success across Definity.

Investing in Learning and Development

Definity remains a destination for top talent by prioritizing career development and leadership growth. Through structured programs, we are building a strong pipeline of future leaders. In 2024, we delivered targeted learning experiences, including: Leadership Essentials and High-Performing Leader (HPL) Programs, High-Performing Executive (HPE) Program, Claims Team Leader Training Program, and a Broker-Learning Development Program.

Our Learn@Work Week further reinforced a culture of continuous learning, engaging 1,200+ employees in trivia, podcasts, workshops, and Blinkist book summaries. The event also welcomed broker partners, strengthening Definity’s commitment to external learning and collaboration. Additionally, the launch of Elevation+, a year-long broker education program, is fostering career development, networking, and business growth.

To enhance cross-functional awareness and business acumen, we introduced the Definity Learns webinar series, providing insights into different areas of the organization. Broker education has also evolved, with five new ethics courses under accreditation review. The training model now emphasizes business partnerships, sales, and negotiation rather than just product knowledge.

We continue to enhance mandatory training programs in customer fairness, security, privacy, and risk management. A major advancement was the implementation of accessibility and workplace safety training company-wide, including updates required for legislative compliance, integrating psychological safety elements across all of Definity’s operating units.

Providing a Rewarding Employee Experience

To simplify access to training, we curated accredited courses for finance professionals (CPA, CFA) within Definity Learning, streamlining continuing education requirements. In 2024, this initiative was expanded to human resources, further integrating in-house education credits. To improve training consistency and measure impact, we adopted ISO standards for evaluation, creating a unified reporting system.

Innovating for Future Resilience

Definity is working with the Institute for Catastrophic Loss Reduction at Western University to develop a fire and flood resilience education program. This initiative includes field trips and educational videos designed to equip employees and customers with practical knowledge on mitigating catastrophe losses. By providing actionable insights on home protection, Definity is reinforcing our commitment to making insurance better and helping customers proactively reduce risk.

Investing in employee and broker development

	2024	2023
Amount invested in employee training and development	\$1,679,000	\$1,628,000
Employee training – hours completed	55,000	50,000
% of employees who accessed voluntary learning offerings	100%	100%
Broker training – hours completed	9,000	5,000

Priorities

As part of our long-term vision, Definity has refined our People and Culture strategy, aiming to ensure employees have the skills, support, and opportunities to thrive. Our approach focuses on three key priorities:

- **Future Readiness** — equipping employees with the skills needed for evolving business demands
- **Becoming a Talent Hot Spot** — positioning Definity as a premier career destination
- **Driving High Performance** — strengthening goal alignment and accountability

Over the next three years, Definity will enhance the employee experience by focusing on:

- Harnessing real-time data to personalize career growth and performance management
- Introducing a new financial wellness initiative that allows employees to direct a portion of their incentive payments into their RRSPs
- Growing our High-Performing Leader and Executive programs in partnership with the Smith School of Business at Queen’s University, one of Canada’s leading business schools
- Investing in broker education, workforce development, and personalized learning
- Ensuring employees fully understand and benefit from their compensation and perks
- Expanding flexible benefits, recognition initiatives, and wellness programs to support engagement and retention

Definity’s evolving human resource strategies and programs ensure we remain a career destination where employees can grow, lead, and succeed. By integrating learning, development, and a high-performance culture into every aspect of our workplace, we empower employees to thrive in an industry that is constantly evolving.



Inclusion, Diversity, Equity, and Accessibility

Approach

A diverse, equitable, and inclusive workplace is essential for a thriving workforce, a sense of belonging, client service, and business performance. Our Inclusion, Diversity, Equity, and Accessibility (IDEA) strategy is embedded across the organization, fostering a culture of belonging and opportunity for employees, customers, and communities.

Our IDEA philosophy extends to all stakeholders — brokers, suppliers, investors, regulators, and industry partners — contributing to meaningful change across our industry. By integrating IDEA into our corporate culture, talent acquisition, and leadership development, we demonstrate our commitment to a more inclusive and equitable future.

As part of this commitment, we have set clear leadership diversity goals for 2026:

- At least 30% of Vice-President and Executive Leadership Team roles held by women
- At least 15% Vice-President and Executive Leadership Team roles held by individuals who identify as Black, Indigenous, People of Colour (BIPOC), LGBTQ+, and/or persons with disabilities

Additionally, the Board of Directors is committed to increasing diversity in its composition, with a goal of ensuring women and men each make up no less than 30% of all directors, and an ambition to have at least one director, with aspirations for two directors on the Board identify as BIPOC, LGBTQ+, or persons with a disability.

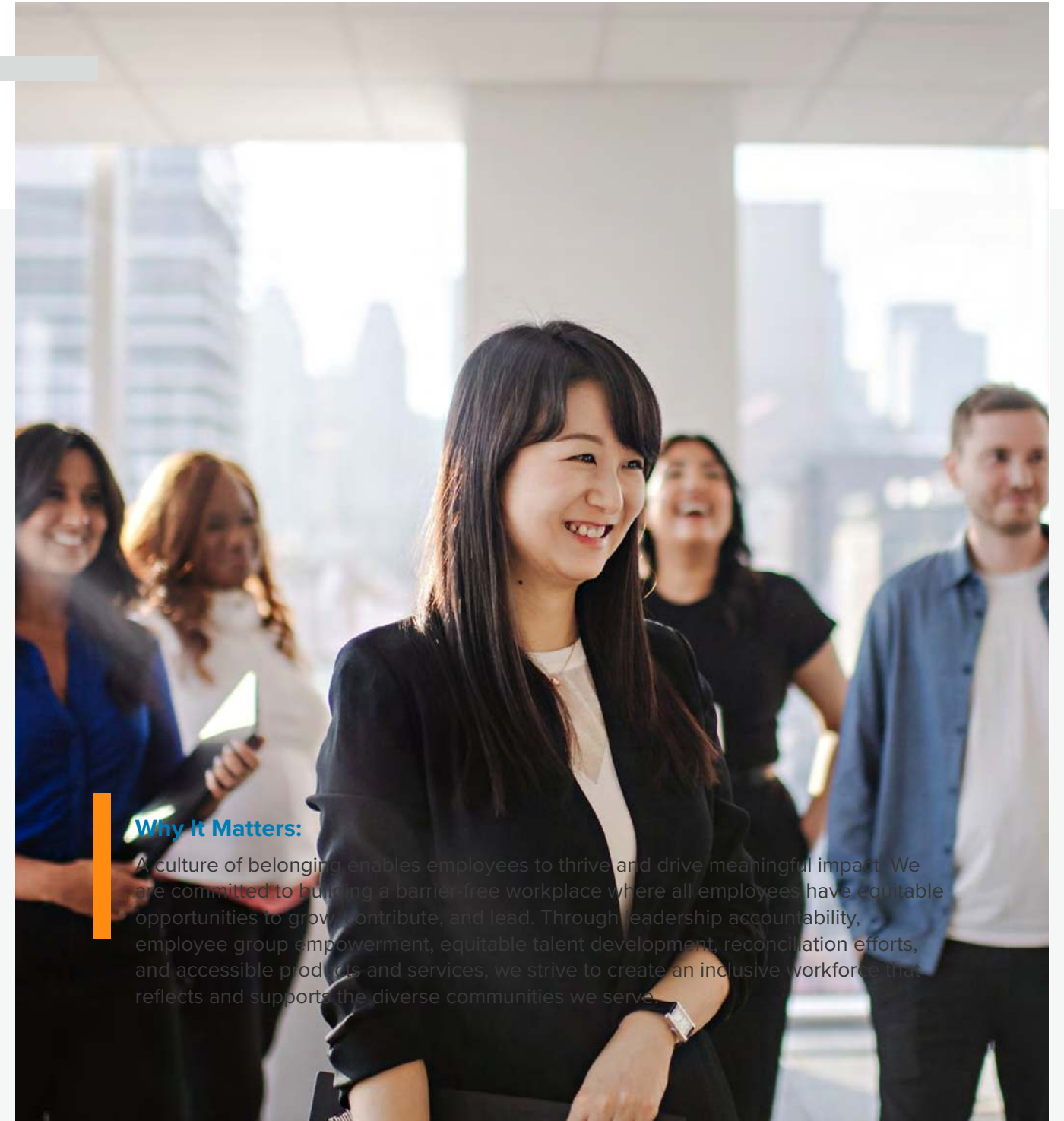
At the time of writing, Definity’s Board has met its commitment for representation of women, as well as its aspiration to have at least two directors from among the following designated groups: BIPOC, persons with disabilities, and LGBTQ+. Women comprise 31% (four individuals) of our Board and 33% of the independent members of our Board. These targets reflect our commitment to building leadership teams that better represent the communities we serve.

Guided by our IDEA Advisory Committee, we continue to cultivate a workplace where accountability for diversity and inclusion is shared across all business leaders. Our approach includes:

- Strengthening employee groups through structured VP sponsorship and reciprocal mentorship to elevate diverse voices and leadership.
- Embedding IDEA into business strategy, including leadership development, recruitment, and employee engagement.
- Expanding reconciliation efforts through a formalized Reconciliation Action Working Group and Indigenous Advisory Council. See pages 55 and 56 of this report for more details on Supporting Truth and Reconciliation.
- Advancing accessibility by empowering our Disability and Accessibility Advocacy Employee Group to drive awareness and workplace improvements.

Why It Matters:

A culture of belonging enables employees to thrive and drive meaningful impact. We are committed to building a barrier-free workplace where all employees have equitable opportunities to grow, contribute, and lead. Through leadership accountability, employee group empowerment, equitable talent development, reconciliation efforts, and accessible products and services, we strive to create an inclusive workforce that reflects and supports the diverse communities we serve.



Inclusion, Diversity, Equity, and Accessibility

Progress

We ask employees to voluntarily and confidentially disclose their personal demographic details to better understand the makeup of our workforce. This helps us design targeted initiatives to attract, develop, and retain diverse talent.

In 2024, we continued to encourage confidential self-disclosure and achieved a 47% response rate among employees. 51% of all employee respondents identified as belonging to an equity deserving group^{10, 11}, compared to 49% in 2023. For respondents in Vice President and above roles, 27% identified as belonging to an equity deserving group^{10, 11}, compared to 25% in 2023.

Our workforce comprised 58% women, consistent with 2023. At VP and Executive Leadership Team levels, 26% of all roles were held by women, up from 24% in 2023. A total of 45% of mid-management positions (manager, director, and AVP roles) were held by women, consistent with 45% in 2023.^{11, 15, 16, 17} While this trend is encouraging, we continue to make efforts to access diverse candidate pools and support the career development of equity-deserving and underrepresented employee populations. For more information on these efforts, please refer to Talent Management on page 47.

Board Gender Diversity



In 2024, we introduced Gender Talent Talks, a leadership initiative focused on identifying and developing women at the director level and above to strengthen their readiness for executive roles. This work directly supports our representation targets and ensures that participating women have access to mentorship and career advancement opportunities.

The launch of our Disability and Accessibility Advocacy Employee Group marked a significant step forward in workplace accessibility. The group successfully led company-wide learning initiatives, including a guest speaker event with a Paralympian during National AccessAbility Week. These efforts, alongside ongoing work from our Accessibility Committee, reinforce our commitment to creating an inclusive workplace for employees with disabilities.



Advancing Indigenous Inclusion

We are committed to fostering an inclusive and equitable future for Indigenous employees through meaningful action, ongoing engagement, and accountability. More information about Definity’s efforts to advance truth and reconciliation is included on pages 55 and 56. These efforts reflect our commitment to creating a more inclusive workplace where Indigenous employees are valued, supported, and empowered to thrive.

¹⁵ These employee demographics figures are calculated on a 12-month average basis, to smooth the potential effects of late-year changes but remain sensitive to small absolute changes in representation and/or the population size, based on internally collected self-identification data to indicate gender.

¹⁶ Based on average headcount in the year from 12 monthly reports.

¹⁷ Figures include employees on leaves of absence (excluding Long-Term Disability)

Inclusion, Diversity, Equity, and Accessibility

Definity's Commitment to the UN Women's Empowerment Principles

Our commitment to gender equity was further strengthened in 2024 when we became a signatory to the UN Women's Empowerment Principles (WEPs). Initially advocated for by our Women's Empowerment Employee Group, the commitment was then endorsed by the ESG Steering Committee and ultimately signed by our CEO on behalf of Definity.

As a WEPs signatory, Definity gains access to a global network and a structured framework to advance gender equity across leadership, recruitment, and workplace policies. In 2025, our focus will be on the following commitments:

- Strengthening career development programs for women in leadership
- Expanding mentorship and sponsorship initiatives
- Enhancing gender-focused policies, including parental leave and pay equity reviews

By embedding these commitments into our long-term strategy, Definity is reinforcing our commitment to achieving the company's 30% women in leadership target by 2026 and fostering an inclusive culture where all employees can thrive.

Priorities

Definity's IDEA journey is ongoing, with a strong focus on continuing to embed inclusion, diversity, equity, and accessibility into our business. In 2025, we will continue driving meaningful, lasting change through:

- Continued governance and financial support for employee groups, including structured VP sponsorship and dedicated funding
- Reciprocal mentorship programs, connecting employee group leaders with VP — and executive-level mentors
- Implementing an evolved IDEA strategy to drive leadership and accountability, enhance diverse talent acquisition, and expand IDEA learning opportunities for all levels of the organization
- Enhancing inclusive recruitment through new sourcing partnerships, strengthened diverse slate requirements, and inclusive hiring training for leaders
- Strengthening Indigenous talent pipelines by deepening recruitment and mentorship programs and expanding training and education on Indigenous histories and cultures across all levels of the organization
- Operationalizing the UN Women's Empowerment Principles by integrating gender equity considerations into recruitment, leadership development, and workplace policies

These priorities reflect our ongoing commitment to create a more inclusive, equitable, and accessible environment for employees, brokers, customers, vendors and communities.



Supporting Truth and Reconciliation

Approach

Definity continues to grow our response to the Truth and Reconciliation Commission of Canada's Call to Action #92, which urges corporate Canada to advance reconciliation with Indigenous Peoples. Following extensive consultations in 2023, we established a structured framework to guide our efforts, striving for a thoughtful and sustained approach to reconciliation.

Why It Matters:

Definity acknowledges the long history of colonialism and the intergenerational trauma inflicted on Indigenous Peoples and communities of the lands we now call Canada. To move forward, we must understand the truth and lived experiences — past and present — of, and take action to develop healing and reciprocal relationships with, the original inhabitants and caretakers of these lands.

Highlight

Formed an Indigenous Advisory Council to inform and guide Definity's reconciliation strategy and initiatives

Supporting Truth and Reconciliation

We are committed to being transparent, vulnerable, and authentic in this journey — centring Indigenous voices in an equitable and reciprocal way that respects their unique aspirations, needs, and rights.



Progress

We recently formalized this commitment by assembling an Indigenous Advisory Council (IAC) composed of Indigenous employees and leaders from First Nations and Métis communities with diverse professional backgrounds and lived experiences. The IAC will convene multiple times a year to share knowledge and perspectives, providing guidance on the development and implementation of Definity’s reconciliation strategy and initiatives.

To drive this strategy forward, the Senior Vice-President and Chief Underwriting Officer, Personal Insurance, serves as the executive sponsor, providing leadership, support, and oversight. Additionally, they support and oversee the Reconciliation Action Working Group, chaired by the Vice President, Talent & Culture. This working group includes representatives from all lines of business, relevant support functions, and various job levels, ensuring reconciliation efforts are embedded across the organization.

We are committed to being transparent, vulnerable, and authentic in this journey — centring Indigenous voices in an equitable and reciprocal way that respects their unique aspirations, needs, and rights.

As Definity continues to develop and formalize its reconciliation commitments, we have strengthened partnerships with Indigenous-led organizations that are driving systemic change and creating meaningful outcomes for First Nations, Métis, and Inuit communities.

Notable partnership developments in 2024 include:

- **Kocihta** — A national charity founded by Indigenous Works, and a long-standing Definity partner, Kocihta is dedicated to closing the Indigenous education and employment gap. It supports youth, including those with disabilities or special needs, in realizing their career potential. Definity was proud to provide a foundational grant of \$200,000 to enable the recruitment and employment of an Executive Director, helping to expand and scale the organization’s programs.
- **First Nations Executive Education (FNEE)** — A leadership development initiative based at HEC Montréal, one of Canada’s leading business schools. Designed by and for First Nations, FNEE offers innovative leadership programs in First Nations governance, entrepreneurship, management, economic reconciliation, women’s leadership, and youth leadership. Definity contributed \$200,000 to Fondation HEC Montréal to support the program’s development, delivery, and expansion.

Priorities

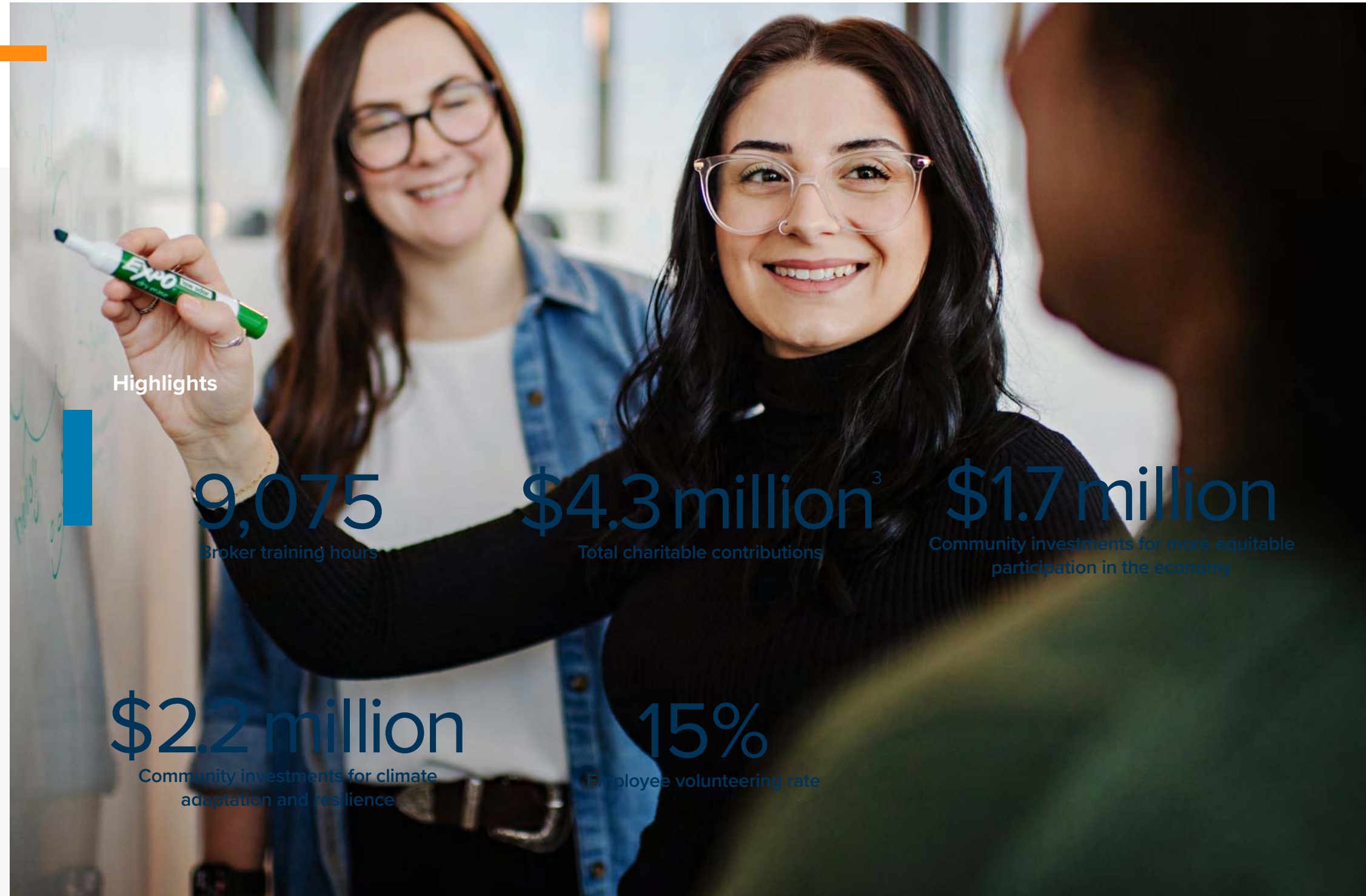
As we move forward, we remain committed to advancing reconciliation with Indigenous Peoples, striving for a thoughtful and sustained approach. We will:

- Strengthen engagement with the IAC by integrating feedback into reconciliation initiatives
- Enhance the impact of the Reconciliation Action Working Group through cross-functional collaboration and accountability
- Expand partnerships with Indigenous-led organizations to drive systemic change and support capacity-building initiatives
- Embed reconciliation commitments into business strategy, policies, and decision-making processes

Through ongoing engagement, meaningful action, and accountability, we are dedicated to fostering an inclusive and equitable future for Indigenous employees, partners, and communities.

Fostering Strategic Relationships

- 59 Strengthening Broker Relationships
- 60 Enabling Equitable and Climate-Ready Communities
- 63 Building Meaningful and Strategic Partnerships
- 64 Strategic Procurement and Vendor Relationship Management

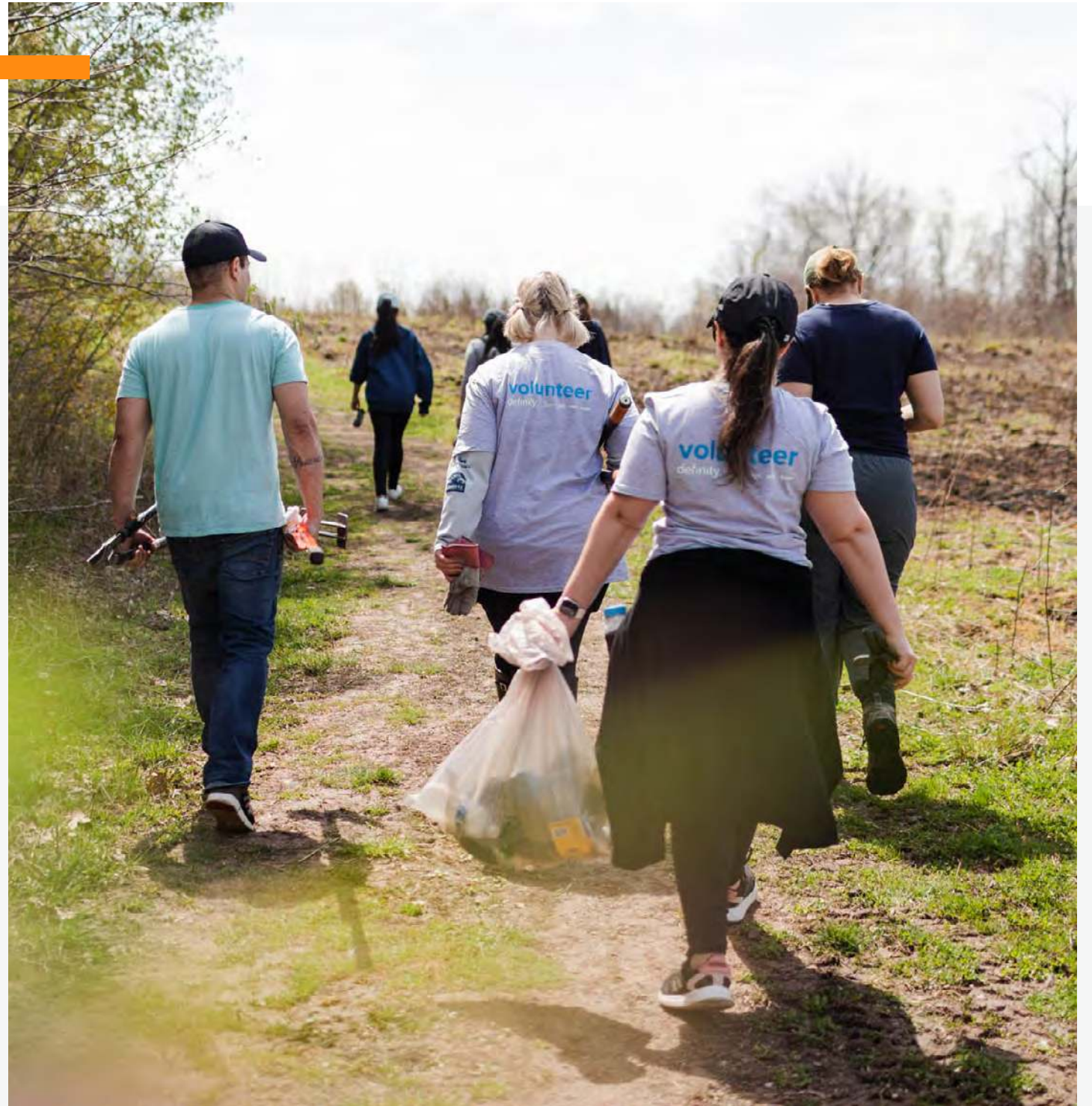


Approach

Definity takes a strategic, purpose-driven approach to both broker relationships and community investment, recognizing that strong partnerships drive long-term success and resilience.

We support brokers by enhancing training, refining business processes, and improving accessibility, helping them grow and better serve customers. At the same time, our community investment strategy focuses on building climate-ready communities and advancing economic inclusion, striving to ensure our contributions create lasting, measurable impact.

By integrating social and environmental responsibility into our core business, we collaborate with brokers, employees, and community partners to address critical challenges. Whether expanding distribution networks, improving accessibility, or funding initiatives that support climate adaptation and economic equity, we are committed to fostering sustainable growth for both our partners and the communities we serve.



Strengthening Broker Relationships

Definity takes a collaborative and growth-focused approach to broker partnerships, emphasizing education, engagement, and continuous improvement. In 2024, we deepened our relationships with over 650 broker partners across 3,100 locations, reinforcing our commitment to a partnership model that drives mutual success. Through our learning platforms, we delivered more than 9,000 hours of training, expanding our in-house course offerings to equip brokers with the knowledge and tools they need to thrive.

We actively seek broker input through dedicated forums and strategic collaborations, using their insights to refine our offerings and enhance customer service. By fostering an open dialogue, we continue to evolve the broker experience, helping our partners build trust with customers, grow their businesses, and achieve long-term success.

Expanding Broker Training

We offer flexible training formats, including online courses, in-person sessions, and instructor-led workshops, tailored to meet brokers' needs. Our programs cover essential topics such as insurance fundamentals, compliance requirements, and emerging industry trends.

We've expanded our accredited training offerings, enabling brokers to earn necessary licensing hours through our programs. We also piloted interactive training tools, which received positive feedback for engagement and effectiveness. Looking ahead, we aim to increase accessibility to quick-reference educational materials, allowing brokers to retrieve critical information efficiently without the need for lengthy sessions.

Investing in Community Engagement

Community engagement remains a priority, and we leveraged key industry events, such as the Insurance Brokers Association of Ontario (IBAO) convention, to showcase our sustainability and social impact initiatives. Broker feedback indicated strong interest in aligning with our environmental and social programs, reinforcing our commitment to meaningful partnerships.

Our teams also actively participated in local volunteer efforts, including environmental cleanups and disaster relief initiatives. As ESG considerations play an increasing role in broker decision-making, we will continue to support community engagement opportunities through our business development teams.

Broker-endorsed giving

We regularly work with brokers to identify opportunities for positive impact in the communities where they and our clients live and work. In 2024, our broker partners endorsed \$148,500 in charitable donations in 22 communities across the country, compared to \$175,000 across 32 communities in 2023, and \$146,000 in 20 communities in 2022.



Enabling More Equitable and Climate-Ready Communities

At Definity, we believe strong communities are essential for a sustainable future. Our Community Investment and Social Impact strategy focuses on two key areas:

- 1. **Enabling Climate-Ready Communities (Adapt)** – Helping Canadians prepare for and respond to climate-related risks
- 2. **Driving Equitable Economic Participation (Thrive)** – Reducing systemic barriers for underrepresented and underserved communities

By prioritizing these areas, we strive to ensure our contributions create meaningful, lasting impact where they are needed most. Through strategic partnerships, employee engagement, and targeted funding, we address critical challenges while fostering long-term resilience. Furthermore, through our commitment to donate at least 1% of Definity Insurance Company’s net profits before taxes, we expect to deliver proportionally increasing social impact as we continue to grow our business.

Fulfilling this commitment has earned Definity the PRISM Certification and use of the Imagine Canada Trustmark, demonstrating our dedication to building strong corporate-community partnerships. The Caring Company Certification — previously a standalone recognition — is now part of the PRISM Community Impact Company Network, offering access to leading insights and support to further enhance our community investment strategies and maximize social impact.

Governance of Community Investments

Community investment proposals undergo a thorough vetting process to ensure alignment with our social impact priorities. Applications are reviewed based on factors such as volunteerism opportunities, business integration, and strategic focus areas, including geographic priorities. Approved proposals advance to leadership review before final assessment by the ESG Steering Committee, composed of senior business leaders.

We also partner with the [Definity Insurance Foundation](#), providing a minimum annual contribution of \$250,000 in financial support. As a registered Canadian charity, the Foundation operates independently and directs its philanthropic efforts and programs autonomously. We further collaborate by identifying and co-funding causes and organizations that align with common strategic priorities, providing in-kind support, and sharing opportunities and networks.

How We Drive Impact

Definity’s Community Investment and Social Impact strategy is built on collaboration, engagement, and measurable outcomes. Through strategic partnerships, we work with organizations that share our commitment to climate resilience and economic inclusion. Our employees play a key role in this effort, with volunteerism and skills-based contributions strengthening local communities.

We prioritize trust-based philanthropy, providing community organizations with the flexibility and resources they need to create lasting impact. Our partnerships focus primarily on capacity building, ensuring organizations have the tools and support to grow and sustain their efforts. While some collaborations target specific areas, our broader mission remains the same: to help organizations achieve their goals in the most effective way possible.

	2024	2023	2022
Hours volunteered	5,644	4,500	2,155
Paid employee volunteer days used	1,030	900	288
Total number of employees who volunteered	644	498	260

Unlike traditional funding models that dictate how resources must be used, we take a collaborative approach. We endeavour to listen to our partners, understand their priorities, and align our support with their needs. Instead of prescribing solutions, we trust organizations to determine the best path forward – working alongside them to amplify their impact and drive meaningful change.

Highlights

- **Targeted Community Investment:** 70% of our community investments align with our prioritized social impact areas
- **Employee Volunteering:** 15% annual employee volunteer participation
- **Local Giving:** Strengthen engagement with brokers to enhance community giving
- **Strategic Partnerships:** Expand partnerships that drive climate adaptation and equitable participation in the economy
- **Employee-Driven Giving:** Match employee donations to eligible charities and enable each Employee Group to financially support a charity aligned with their mission and mandate

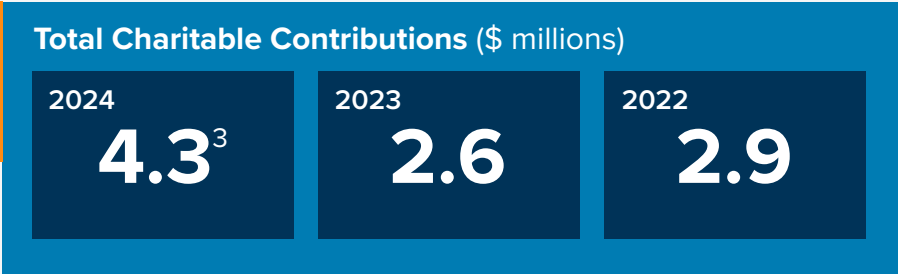
By focusing on these priorities, we aspire to create lasting, measurable impact and foster stronger, more resilient communities across Canada.

Enabling Equitable and Climate-Ready Communities

Progress

Record-Breaking Community Investment

2024 marked a transformative year for Definity’s Community Investment and Social Impact strategy, with \$4.3 million³ — the highest contribution in our company’s more than 150-year history — directed toward building more equitable and climate-ready communities across Canada.



In 2024, we continued to target initiatives that build more equitable and climate-ready communities. In 2024 alone, Definity invested nearly \$1.7 million in partners who are supporting more equitable participation in the Canadian economy, compared to \$1.2 million in 2023, and \$0.5 million in 2022. Additionally, Definity invested nearly \$2.2 million in organizations that support climate adaptation and resilience efforts across the country, compared to \$0.9 million in 2023 and \$0.6 million in 2022. We also contributed to communities in the form of in-kind donations by volunteering our workforce and technical expertise to support local projects and organizations.

In support of Definity’s purpose we renewed several key corporate partnerships that enable climate-ready communities, both rural and urban, through adaptation and resilience and drive more equitable outcomes in society.

Strengthening Climate Resilience and Adaptation

ALUS: ALUS engages farmers and ranchers to develop nature-based solutions on their land to build climate resilience and enhance biodiversity for the benefit of communities and future generations. In 2024, Definity’s financial support enabled ALUS to grow its network of participants and enroll 18,342 acres of new nature-based solutions adjacent to productive farmland, including grasslands, wetlands, and trees and shrubs.

Green Communities Canada: Green Communities Canada is a national registered charity that supports grassroots-led climate action through leadership, connection, training, and funding. Definity’s funding helped to establish the Living Cities Canada Fund, enabling community green infrastructure projects across Canada to be developed and scaled. Employees also engaged in volunteer activities, reinforcing our hands-on commitment to sustainability.



Driving Economic Equity

Windmill Microlending: Windmill Microlending is a charity offering affordable loans to help skilled immigrants and refugees achieve career success. Definity’s funding supports Windmill’s Impact Fund, enabling support for the organization’s growing client base of newcomers to Canada.

Advancing Reconciliation Through Partnerships: Definity is deepening our commitment to Indigenous communities through partnerships that support economic self-sufficiency and leadership development:

- **Kocihta** empowers Indigenous youth, including those with disabilities, by helping them stay in school, develop career skills, and access workforce opportunities.
- **First Nations Executive Education** (FNEE) at HEC Montréal provides leadership training co-created with First Nations to equip elected officials, administrators, and entrepreneurs with practical and academic skills for long-term success.

Enabling Equitable and Climate-Ready Communities

- **Evergreen’s** Investing in Indigenous Communities and Regenerative Landscape initiative is an Indigenous-led and -serving program focused on environmental stewardship and community well-being. The initiative supports Indigenous programming aimed at creating climate-resilient landscapes, advancing community well-being through ceremony and celebration, and promoting food security by cultivating traditional gardens and forests.

Through these initiatives, Definity is helping to build a stronger, more inclusive future.

Engaging Employees in Building Thriving Communities

At Definity, employee engagement starts at the top, with leadership setting the tone for a culture of community investment and volunteerism. Senior executives actively champion volunteer initiatives, often incorporating them into team-building activities to inspire participation and build connections. Business units with strong leadership support for volunteerism consistently report higher levels of employee engagement, demonstrating the influence of leadership advocacy.

Employee Volunteerism: Volunteerism at Definity reached new heights in 2024, with 15% of employees reporting that they are actively participating compared to 11% in 2023. This increase reflects a growing number of employees registered in the iCare platform, up by approximately 900 year-over-year, and a focused effort to support leaders to incorporate volunteer activities into team gatherings. Key initiatives included:

- **Skills-Based Volunteering:** Employees mentored newcomers, analyzed risk data for nonprofit organizations, and contributed to community education materials — for instance helping [Green Learning](#) enhance their student education materials.
- **Employee-directed giving:** Employee-directed donations through the iCare platform totaled \$136,500 to charitable organizations, generating an additional \$68,000 through Definity’s donation matching program. In addition, our five employee groups each directed a \$20,000 contribution to an organization aligned with their advocacy work.

- **Matching Program:** Employees’ volunteer hours were matched with up to \$400 in financial contributions to registered charities, amplifying their impact. In 2024, this program contributed nearly \$68,000 to support community organizations.
- **Increased Visibility:** Internal storytelling and recognition programs inspired more employees to engage in volunteer opportunities.



Helping Newcomers Thrive and Succeed

As an immigrant herself, Tatjana Lalkovic, our SVP & Chief Technology Officer, understands the challenges newcomers face in building their careers in Canada. Now a digital transformation leader, Tatjana is passionate about breaking down barriers for others. Through financial support and employee mentorship opportunities, Definity is empowering skilled immigrants to succeed. As a board member of Windmill Microlending, Tatjana contributes her expertise to drive impact, ensuring more newcomers can overcome obstacles and achieve their full potential in Canada.

New employees frequently cited volunteer programs as a major factor in choosing Definity, underscoring its influence on employee engagement and workplace culture.

Scholarship Programs: Definity offers two academic scholarship programs to support education and foster inclusivity.

Investing in Education

\$50,000

Awarded to 10 students from equity-deserving groups

\$39,000

In scholarships to 20 dependent children of employees



The **Dependent Children Scholarship Program** has been a long-standing initiative providing financial assistance to the dependent children of Definity employees, reinforcing our commitment to employee engagement and support.

Aster Penny: *This scholarship provides the opportunity to pursue my dreams and secure a future where I can make a meaningful impact in all I do.*



The **Equity Scholarship Program** reflects Definity’s dedication to building a more inclusive and equitable future. Expanded in 2024, this program awards 10 annual scholarships of \$5,000 to students from under-represented backgrounds pursuing post-secondary studies in fields that strengthen the insurance industry. Employees are actively engaged in the selection process, further embedding inclusivity into Definity’s workplace culture while empowering the next generation of industry leaders.

Manan Vig: *Being recognized by Definity encourages me to keep pushing forward, knowing that their values align with my own vision for a more inclusive future.*

Building Meaningful and Strategic Partnerships

In 2024, Definity refined its partnership strategy by focusing on fewer, high-impact collaborations that closely align with our purpose. We also encouraged our broker channel to engage in volunteer initiatives like Missing Maps, fostering stronger connections between brokers, employees, and the communities we serve.

Priorities

Building on 2024’s momentum, Definity is committed to deepening our impact in communities across Canada by:

- Expanding partnerships within our social purpose areas, building capacity and shared value
- Further integrating community investment into core business operations, reinforcing Definity’s role as a strategic partner rather than simply a funder
- Enhancing storytelling to showcase employee and partner impact, inspiring broader participation
- Strengthening broker engagement, encouraging more brokers to align their giving with Definity’s purpose

Through these efforts, we will continue to foster strategic relationships to address critical challenges and help our customers and communities adapt and thrive.

Local Efforts, Global Impact

In 2024, Definity deepened our partnership with the Canadian Red Cross through the Missing Maps initiative, combining employee engagement with meaningful global impact. Over six sessions, 96 mappers dedicated 12 hours to map 9,743 buildings in vulnerable communities across Canada, including Lévis, Québec, where 14 volunteers mapped 2,328 buildings in a single session. This was the largest impact than any other corporate partner.

This initiative enables employees to support disaster preparedness and aid in underserved areas worldwide, fostering purpose-driven volunteering and collaboration between brokers, employees, and communities.

“I love how I can work with other employees across the company towards a common goal, and we can use our skills for something positive,” shares Denys Elliott, Senior Data Specialist. “It’s also cool that you can see the results of your work in real-time as the previously empty map fills up. Definity makes it easy, so it’s worth taking the leap to sign up for opportunities like this and make a difference!”

Since 2019, Definity employees have mapped 54,793 buildings across the globe, reinforcing our commitment to creating a better world by helping communities adapt and thrive.

Definity’s Mapping Impact in 2024

6 events 12 hours of mapping 96 mappers



8,237 buildings mapped in

- | | | |
|-------------------------------|-----------------|-----------------------------------|
| 1 Timmins and Porcupine, ON | 3 Castlegar, BC | 5 Beauharnois and Châteauguay, QC |
| 2 Summerland and Naramata, BC | 4 Lévis, QC | |

Strategic Procurement & Vendor Relationship Management

Approach

Definity’s procurement and vendor management strategy prioritizes ethical supplier relationships, governance adherence, and proactive risk management to drive responsible and sustainable procurement practices.

We partner with suppliers who share our commitment to strong ESG practices, integrating these expectations into our procurement processes through our Supplier Code of Conduct. We continue to strengthen ESG considerations in sourcing and vendor management to support our sustainability goals.

Definity’s Supplier Code of Conduct sets expectations for ethical conduct, labour rights, environmental responsibility, and governance. We work to ensure our supply chains are managed for business continuity, cybersecurity, and regulatory compliance.

Why It Matters:

Strong supplier partnerships are essential to our success. We value our long-standing relationships while actively engaging new suppliers who align with our values and sustainability commitments. By embedding ESG principles into procurement decisions, we foster responsible partnerships that drive positive outcomes, with a view to ensuring our business operations reflect our commitment to ethical, sustainable growth.

Supplier Management & Risk Mitigation

We employ a comprehensive supplier management framework that includes proactive risk monitoring, regular assessments, and compliance with evolving legislation. Continuous supplier performance reviews help us identify improvements and maintain alignment with corporate values and business objectives. Our governance approach involves tracking policy updates, conducting supplier audits, and confirming compliance with industry best practices. We proactively adapt to regulatory changes to manage third-party risks effectively.



Highlight

Launched new centralized risk assessment tool

Enabling faster decision-making and real-time risk monitoring

Strategic Procurement & Vendor Relationship Management

Progress

In 2024, we made significant progress in procurement risk management, enhancing governance and standards, and implementing a centralized risk tool. These improvements provide better oversight of critical vendors while increasing efficiency and responsiveness. By focusing on compliance and flexibility, we support business objectives while effectively managing risk.

A key achievement was the implementation of enterprise-wide vendor management standards and a centralized risk assessment tool. These initiatives ensure consistent oversight of critical vendors, safeguarding both the company and our customers from third-party risks. The centralized tool has streamlined due diligence, enabling faster decision-making and real-time risk monitoring.

Embedding sustainability in procurement is a key priority. We are piloting a tool to assess vendor ESG performance, aiming to integrate these factors into selection processes. Additionally, we are developing an ESG questionnaire for requests-for-proposals (RFPs) and have updated our Supplier Code of Conduct to reinforce expectations regarding environmental responsibility, diversity, safety, and human rights. Additionally, Definity has joined the CCSR (Canadian Business for Social Responsibility) Sustainable Procurement Fellowship, gaining access to expertise and resources to advance sustainable procurement practices.

In response to regulatory change, we refined risk scoring, classifications, and due diligence processes. Our risk assessment tool improved visibility into vendor risks, allowing for effective monitoring and mitigation. We are also strengthening supplier diversity efforts by providing guidance on engaging Indigenous and diverse vendors.

To enhance governance, we implemented stronger controls on vendor spending and selection, moving away from decentralized procurement processes.

Other sustainability initiatives include:

- *Corporate Travel Optimization:* We implemented a new travel booking system to streamline expenses, ensure compliance with corporate discounts, and enhance tracking. This system also provides greenhouse gas data for sustainability reporting.
- *Waste Reduction Efforts:* At our Waterloo location, we partnered with local food and sustainability-focused organizations to reduce food waste and support food security. Additionally, we enhanced our coffee program by transitioning to biodegradable and compostable materials, minimizing single-use plastics.
- *Sourcing Responsibly:* We collaborated with our vendor partners on sustainable initiatives to implement fair trade coffee across all our offices. Our medium roast is sourced from women-owned farms, while our dark roast comes from Indigenous-owned farms.

As part of our sustainability commitment, we launched an electric vehicle (EV) pilot program to assess the feasibility of transitioning to EVs and plug-in hybrid electric vehicles (PHEVs) across Canada’s varied climates and regions. These vehicles are intended for Definity’s employees to use for their work. The program has provided valuable insights into vehicle performance, infrastructure readiness, and cost implications, which are planned to be used to refine and expand the program over time.



Strategic Procurement & Vendor Relationship Management

Navigating Challenges and Opportunities in the Electric Vehicle Transition

Our Electric Vehicle (EV) pilot program has played a crucial role in assessing the real-world challenges and benefits of electric mobility. While EVs offer clear environmental advantages, the pilot has underscored barriers to widespread adoption, particularly in infrastructure readiness. Inconsistent charging station availability, long wait times, and legal complexities around home charging reimbursements remain key hurdles.

Cold climates also impact battery efficiency, requiring adjustments in fleet management and employee training. Additionally, provincial electricity rate differences and regulatory variations complicate cost assessments.

Plug-In Hybrid Electric Vehicles (PHEVs) have emerged as a cost-effective option, with lower operational costs compared to both fully electric and internal combustion engine (ICE) vehicles. However, procurement challenges persist, as the supply of EV and PHEV vehicles is still not meeting demand, necessitating adjustments in sourcing strategies. By identifying these challenges early, the pilot program is helping us refine our approach, shaping a more sustainable and operationally viable fleet transition.



Priorities

We remain committed to reducing environmental impact and improving operational efficiency through strategic procurement and vendor management. Our key priorities include:

- Expanding PHEV adoption while monitoring EV infrastructure and policy developments
- Purchasing from vehicle manufacturers who have strong plans to enhance EV charging infrastructure and partnerships
- Enhancing sustainability in corporate travel, waste management, and supply chain partnerships
- Partnering with food service providers that collaborate with organizations to donate surplus food and support those in need

Appendix

- 68 Greenhouse Gas Emissions
- 71 Workforce Representation
- 72 Table of Climate-Related Risks and Opportunities
- 76 Sustainability Accounting Standards Board (SASB) Indicators



Greenhouse Gas Emissions

(For the year ended Dec 31, 2024)

Greenhouse Gas Emissions (t CO₂e)^{18, 19, 20, 21, 22}

Scope 1 emissions	2024	2023	2022
Stationary combustion ²³	405	436	470
Refrigerants ^{24, 25}	80	80	80
Fleet ^{26, 27}	780	760	614
Total Scope 1 emissions	1,266	1,277	1,165
GHG reductions from green natural gas	(481)	(595)	(447)
Total Scope 1 emissions with reductions from green natural gas purchasing	785	681	718

Scope 2 emissions location-based ²⁸	2024	2023	2022
Electricity ²⁹	316	305	298
Steam ^{30, 31}	157	177	98
Stationary combustion ^{23, 33}	365	335	440
Refrigerants ^{24, 25, 33}	81	80	76
Total Scope 2 location-based emissions	919	896	912

Scope 2 emissions market-based ^{28, 29}	2024	2023	2022
Electricity ³⁰	316	305	298
Steam ^{31, 32}	157	177	98
Stationary combustion ^{23, 33}	365	335	440
Refrigerants ^{24, 25, 33}	81	80	76
GHG reductions from renewable energy certificates	(316)	(305)	(281)
Total Scope 2 market-based emissions	604	592	631
Total Scope 1 and 2 Emissions (Location-Based)	2,185	2,173	2,077
Total Scope 1 and 2 Emissions (Market-Based)	1,870	1,868	1,796

Energy Consumption

Total Energy Consumption (MWH)	2024	2023	2022
Stationary Combustion ³⁴	4,368	4,125	4,872
Electricity ³⁵	4,481	4,669	5,221
Steam ³⁶	691	781	434
Total Energy Consumption (MWH) ³⁷	9,540	9,575	10,527
Total Energy Intensity (MWH/Sq.Ft) ³⁸	0.02	0.02	0.02

18 The methodology for collecting data and calculating operational GHG emissions is based on The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and GHG Protocol Scope 2 Guidance for calculating Scope 2 GHG emissions. Significant contextual information contained within the [ESG Data Sheet](#).

19 GHG emissions (Scope 1 and 2) reported for 2022 to 2024 include annual data from all Canadian-based operations within Definity's operational control. Reported GHG emissions data for 2021 to 2024 pertains to all leased and owned real estate facilities located within Canada, covering 100% of our global occupied floor space and leased vehicles.

20 Definity has a significance threshold of 5% (e.g. a change of more than 5% to overall emissions due to structural changes, changes in methodology and any significant errors) in these cases to trigger re-calculation of the base year, applicable to both GHG emissions increases and decreases.

21 We use natural gas, electricity or steam data provided by the building landlord for our occupied floor space, where available. Where this is unavailable, we use whole building natural gas, electricity or steam data obtained from the landlord and prepare estimates by calculating the square foot intensity of the full building and applying it to our occupied floor space, where available. Where no current year data was available, but prior consumption data was provided for either the whole building or the unit occupied, prior year consumption data was used as it was the most recently available data at the time the inventory was prepared. Where this is unavailable, we prepare estimates by applying average energy use intensity for office buildings in relevant province, provided by Natural Resources Canada (representing 2021 data) and multiplied by our office floor area.

22 All Global Warming Potentials (GWPs) are from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, except for the R-123 GWP which is from the Fifth Assessment Report of the IPCC.

23 Direct and indirect emissions from the combustion of natural gas in stationary equipment for heating office space, calculated using the emission factors sourced from the National Inventory Report 1990-2022: Greenhouse Gas Sources and Sinks in Canada.

24 Emissions from intentional and unintentional gas releases for cooling within offices.

25 Refrigerant gas emissions estimated using the Environmental Protection Agency's (EPA) HFC Emissions Accounting Tool Simplified Screening 2 Approach based on type of building (warehouse, service, and industrial or office) and square footage of facility, and duration the space was occupied for the reporting year. Assumed R-410, a refrigerant blend consists of 50 percent HFC-125 (R-125) and 50 percent HFC-32 (R-32) by weight where the actual gas type is not available.

26 Direct emissions from the combustion of fuels in long-term leased vehicles, calculated using the emission factors sourced from the EPA Emission Factors for Greenhouse Gas Inventories, January 2025.

27 Mobile combustion is calculated using fleet data obtained from Definity's fleet service provider for kilometers driven and litres of fuel consumed. Kilometers driven is entered by Definity employees who operate the vehicles.

28 In accordance with the GHG Protocol's Scope 2 Guidance, we report both location-based and market-based Scope 2 figures. In calculating Scope 2 emissions from electricity, location-based Scope 2 uses grid emission factors, while market-based Scope 2 uses the emission factors associated with our renewable energy certificate (REC) purchases. Market-based Scope 2 emissions reflect the purchase of RECs to account for our total electricity consumption in 2022, 2023 and 2024. In 2024, Definity purchased RECs that exceeded our Scope 2 emissions associated with purchased electricity, totaling -382 t CO₂e. The remaining emissions in market-based Scope 2 are attributed to steam use, and the emissions from the reclassified stationary combustion and refrigerants.

29 Market-based emissions are calculated using location-based emission factors, as there are no residual mix emission factors available in Canada.

30 Indirect emissions associated with the use of purchased grid electricity, calculated using the emission factors sourced from the National Inventory Report 1990-2022: Greenhouse Gas Sources and Sinks in Canada.

31 Indirect emissions associated with purchased district steam use for heating, calculated using the emission factors sourced from the EPA Emission Factors for Greenhouse Gas Inventories, January 2025.

32 Boiler fuel is natural gas and assumed to have a thermal efficiency of 80%.

33 A reclassification was made as it was determined that emissions from leased assets are indirect emissions purchased from landlord, as required by the GHG Protocol Scope 2 Guidance.

34 2019 Base year: 7,169.29

35 2019 Base year: 7,282.25

36 2019 Base year: 197.47

37 2019 Base year: 14,649.02

38 2019 Base year: 0.03

Greenhouse Gas Emissions

Greenhouse Gas Emissions (t CO ₂ e)			
Scope 3 emissions (except Category 15)	2024	2023	2022
Purchased goods and services	18,795	25,064	19,750
Capital goods	1,574	2,163	3,885
Fuel and energy activities	193	211	231
Waste generated in operations	105	121	84
Business travel	1,247	1,310	587
Employee commuting	1,265	692	568
Scope 3 emissions without investments	23,178	29,560	25,105
Total Scope 1, 2 & 3 Emissions (location-based)	25,363	31,733	27,182
Total Scope 1, 2 & 3 Emissions (market-based)	25,048	31,428	26,901
Total Scope 1, 2 and 3 Emissions (net of reductions from GNG and RECs)	24,567	30,833	26,454

39 Includes approximately 50.1% of Definity’s total investments. Includes all common stocks, preferred stocks and all types of corporate bonds (excluding ETFs). Excludes sovereign debt. The financed emissions reported for listed equity and corporate bonds include only the Scope 1 and 2 emissions of investees.

40 Financed emissions (Scope 3 Category 15 – Investments) from listed equity, corporate bonds, and sovereign debt were calculated using the methodology prescribed by the Partnership for Carbon Accounting Financials (PCAF). For financed emissions from listed equity and corporate bonds, Scope 1, Scope 2 and Scope 3 emissions for investees are based on the emissions data for the period ending one year before the end of the current reporting period, where actual emissions reported by the investee is available on Bloomberg at the time of calculating the emissions. Where the actual emissions data is not available for the most recent year from Bloomberg and where Definity’s investment in the investee is significant, emissions data is based on the most recently available data published by the investee, where available. Where not available, industry sector emissions intensity averages based off Definity’s own investment portfolio are applied. The financial information of the investee is calculated using the market value of equity as of December 31, for publicly listed companies, and the book value for debt using the most recently available financial information.

41 Includes all common stocks, preferred stocks and all types of corporate bonds (excluding ETFs). Emissions associated with listed equity & corporate bonds include the Scope 1, 2 and 3 emissions of portfolio companies. Excludes sovereign debt. Data quality score for 2024, as per PCAF methodology: 1.79.

42 While emissions did exist in prior years, they are not being reported as this is a new requirement as per the PCAF methodology for 2024, requiring that all sectors are required for Scope 3.

43 Includes all common stocks, preferred stocks and all types of corporate bonds (excluding ETFs). Excludes sovereign debt. The financed emissions reported for listed equity and corporate bonds include only the Scope 1 and 2 emissions of investees. Data quality score for 2024, as per PCAF methodology: 1.59.

44 2024 figures include investments made by Family, which were not included in previous years, resulting in an immaterial impact, and thus not restated.

45 Data quality score for 2023, as per PCAF methodology: 1.51

46 Data quality score for 2022, as per PCAF methodology:1.71

47 Includes all common stocks, preferred stocks and all types of corporate bonds (excluding ETFs). Only Scope 3 emissions associated with listed equity & corporate bonds of portfolio companies. Excludes sovereign debt. Data quality score for 2024, as per PCAF methodology: 1.82.

48 Excluded from the Scope 3 – Investments emissions reduction target. Calculated using the Production-based approach, outlined by PCAF. Excludes sub-sovereign and municipal debts. 2024 emissions from sovereign debt is calculated using GDP (from the most recent 2023 GDP at the time of calculating the emissions from the World Bank) and emissions based on the most recent inventory year, which is 2022 (from the UNFCCC).

49 Data quality score for 2024, as per PCAF methodology: 1.00.

50 Data quality score for 2023, as per PCAF methodology: 1.00.

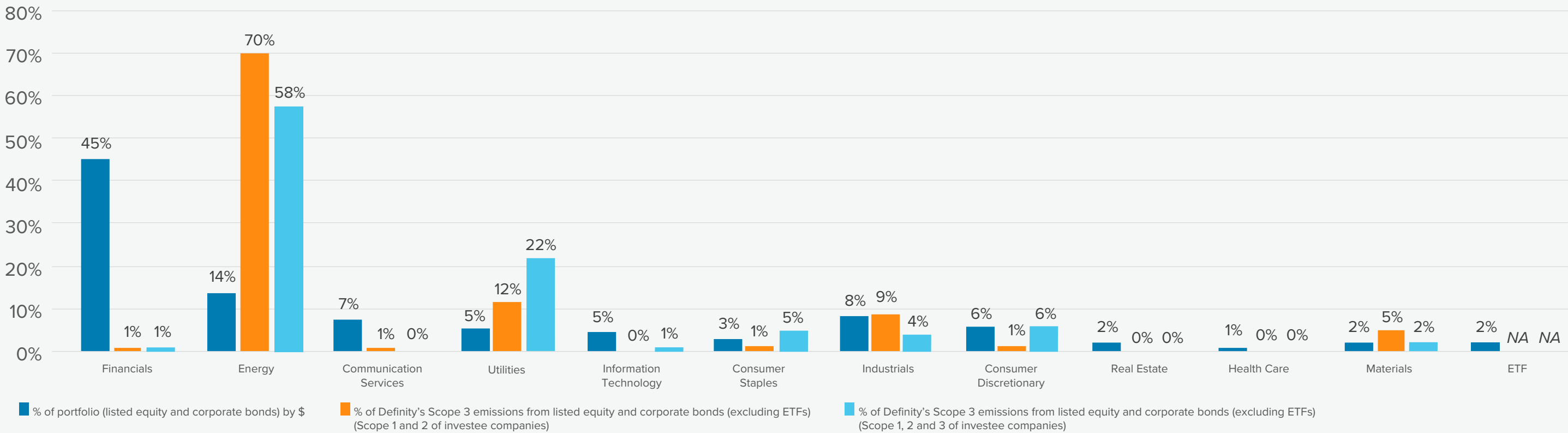
Greenhouse Gas Emissions from Investments (t CO ₂ e)			
Scope 3 Category 15 – Investments (Scope 1, 2 and 3) ^{20, 39, 40}	2024	2023	2022
Scope 3 Category 15 – Investments (listed equity and corporate bonds) (Scope 1 and 2 of Investee Companies) ⁴³	90,539 ⁴⁴	82,738 ⁴⁵	79,051 ⁴⁶
Scope 3 Category 15 – Investments (listed equity and corporate bonds) (Scope 3 of Investee Companies) ⁴⁷	663,067 ^{42,44}	—	—
Scope 3 Category 15 – Investments (listed equity and corporate bonds) (Scope 1, 2 and 3 of Investee Companies) ⁴¹	753,606 ^{42,44}	—	—
Emissions intensity of investments – listed equity and corporate bonds (tCO ₂ e per million dollars invested) (Scope 1 and 2 of Investee Companies) ⁴³	34 ⁴⁴	34	30
Emissions intensity of investments – listed equity and corporate bonds (tCO ₂ e per million dollars invested) (Scope 3 of Investee Companies) ⁴⁷	250	—	—
Emissions intensity of investments – listed equity and corporate bonds (tCO ₂ e per million dollars invested) (Scope 1, 2 and 3 of Investee Companies) ⁴¹	284	—	—
Scope 3 Category 15 – Investments (tCO ₂ e) (sovereign debt – including land use, land use change and forestry) ⁴⁸	282,526 ⁴⁹	323,412 ⁵⁰	—
Scope 3 Category 15 – Investments (tCO ₂ e) (sovereign debt – excluding land use, land use change and forestry) ⁴⁸	290,011 ⁴⁹	—	—
Emissions intensity of investments – sovereign debt, including land use, land use change and forestry (t CO ₂ e per million dollars invested)	178	217	—
Total Scope 3 Investment Emissions (t CO ₂ e)	1,036,132	406,150	79,051

Greenhouse Gas Emissions

Below is a comparison of the share of investment emissions associated with Definity’s holdings of listed equity and corporate bonds by industry sector versus the share of portfolio holdings in those sectors.

Investment Emissions Versus Investment Exposure, By Industry Sector (As of Dec 31, 2024)

(Listed equity and corporate bonds only)



Workforce Representation

Workforce ⁵¹	2024	2023	2022
Permanent	3,359	3,400	3,504
Temporary	34	42	51
Total Number of Employees	2024	2023	2022
Sonnet	154	209	259
Petline	139	138	154
Definity/Economical	3,020	3,009	3,054
Family	80	86	88

Representation and Diversity	2024	2023	2022
Total Company			
Women ^{11, 15, 16}	58% ¹⁷	58% ¹⁷	57%
Men ^{11, 15, 16}	42% ¹⁷	42% ¹⁷	43%
Individual from an equity-deserving group ^{10, 11}	51%	49%	—
LGBTQ+	—	—	—
Black, Indigenous, and People of Colour	—	—	—
Persons with disabilities	—	—	—
Managers, Directors and Assistant Vice Presidents			
Women ^{11, 15, 16}	45% ¹⁷	45% ¹⁷	45%
Men ^{11, 15, 16}	55% ¹⁷	55% ¹⁷	55%
Vice Presidents and above			
Women ^{11, 47}	26% ¹⁷	24% ¹⁷	19%
Men ^{11, 15, 16}	74% ¹⁷	76% ¹⁷	81%
Individual from an equity-deserving group ^{10, 11}	27%	25%	—
Board of Directors			
Women	31%	31%	31%
Men	69%	69%	69%
Individuals from an equity-deserving group	15%	8%	—

51 Includes all full-time and part-time permanent (regular with no set termination date) employees and temporary employees. Includes Family Insurance.

Climate-Related Risks and Opportunities

Risk	Risks and Opportunities	Impact Areas	Sources of Vulnerability	Time Horizon
Physical Risk	Flooding and extreme precipitation	- Personal Insurance - Commercial Insurance - Investments - Operations	- Climate change may drive more extreme precipitation events, resulting in increased pluvial flood risk. - Changes in rain, snow, and temperature patterns may increase fluvial flood risk, but the Canada-wide pattern is uncertain and heterogeneous. - Changes in flood risk may result in more frequent catastrophic loss events, potentially increasing claims for all insurance lines. - Floods may pose an operational risk to our office locations and financial risk to investment returns.	1 – 5 years
	Wildfires	- Personal Insurance - Commercial Insurance - Investments - Operations	- Canadian regions may face some of the highest increases in wildfire risk globally due to climate change-driven warming, and parts of Canada have already experienced an increasing trend. - Wildfires are a source of catastrophe losses, potentially triggering P&C claims across all insurance lines. - Wildfires could affect operations and significant wildfires could pose a financial risk to investment returns.	1 – 5 years
	Extreme wind events	- Personal Insurance - Commercial Insurance - Investments - Operations	- Warming ocean temperatures and other factors may increase the intensity but decrease the overall number of tropical storms. - More intense tropical storms may travel further north and make landfall with greater intensity, travel further inland and impact a greater geographical area with damaging windspeeds. - More extreme wind speeds are likely to cause more damage to homes, businesses, and automobiles. - High wind events may impact utility infrastructure and cause business interruption.	1 – 5 years
	Global sea level rise and Great Lakes water level	- Personal Insurance - Commercial Insurance - Investments	- Due to melting ice sheets, ice caps, and glaciers, global sea level will rise significantly in the 21st century. This will increase coastal flood risk and affect coastal communities and businesses. Much of Atlantic Canada additionally faces land subsidence and is more at risk from coastal flooding due to sea level rise than Pacific coastal areas. - Higher sea levels will raise the risk of high tide flooding, and drastically increase coastal flood risk during storms. - The range of extreme water levels in the Great Lakes may increase, resulting in extreme low and high values not yet observed. - Commercial clients and investments in industries that operate in coastal areas and depend on ports and coastal transport infrastructure will be negatively affected.	10 years and longer

Climate-Related Risks and Opportunities

Risk	Risks and Opportunities	Impact Areas	Sources of Vulnerability	Time Horizon
Physical Risk (continued)	Extreme temperatures	- Personal Insurance - Commercial Insurance - Investments - Operations	- As Canada is warming more than twice as fast as the global rate, all Canadian regions are expected to see significant increases in the number of heat waves and high temperature days. Increased extreme heat in Northern Canada has already been attributed to climate change. - Heat waves can lead to behaviours and impacts that cause increased insurance claims, including: – increased theft and violent crime – increased ticks and tick-borne diseases impacting pet health – property damage from exterior façade and roof damage – excess demand on the electricity grid could drive up casualty claims due to interruptions in air conditioning and/or refrigeration systems. - Increased extreme temperatures may also reduce economic productivity in all regions, particularly impacting outdoor-work industries. - Increases in extreme temperatures and the increased frequency of heatwaves may affect our employees, and through their chronic impacts on the economy affect investment portfolio returns in sectors such as agriculture, manufacturing, and construction.	10 years and longer
	Water stress/drought	- Personal Insurance - Commercial Insurance - Investments	- Most Canadian regions are expected to become drier due to warmer temperatures and changes in precipitation patterns. This may negatively affect our agriculture portfolio and may exacerbate other perils such as wildfire or floods. - Long-term water stress or drought in the Canadian Prairies may affect the Canadian economy and investment returns.	10 years and longer
	Ice storms and freeze-thaw cycles	- Personal Insurance - Commercial Insurance - Operations	- Freezing rain occurrence in Eastern Canada may shift northward. A shift away from key population centers may reduce overall ice storm risk. - Freeze-thaw cycles lead to accelerated structural degradation for properties and crop damage that impacts the agricultural industry. Fewer freeze-thaw cycles from increased temperatures would result in fewer associated claims.	10 years and longer
Transition Risk	Regulatory intervention	- Personal Insurance - Commercial Insurance	Climate risks and impacts may lead regulators to impose requirements relating to coverage, pricing, capital, operations, disclosures, or otherwise.	1 – 5 years
	Stakeholder action	- Personal Insurance - Commercial Insurance - Investments - Operations	- Definity may face stakeholder pressure or protest related to its activity (clients, investments). - Definity may face negative impacts if we are perceived to not be adopting or executing against an adequate climate strategy. - Amendments to the Competition Act to address “greenwashing” in environmental or climate change-related representations have increased uncertainty, and risk of challenge, as to what is considered adequate substantiation of such representations – for Definity and many of our counterparties.	1 – 5 years

Climate-Related Risks and Opportunities

Risk	Risks and Opportunities	Impact Areas	Sources of Vulnerability	Time Horizon
Transition Risk (continued)	Carbon pricing	- Personal Insurance - Commercial Insurance - Investments - Operations	- Climate policy, along with other societal factors such as remote work and public transit development, may decrease the number of people electing to own personal vehicles. This risk may be offset by clients choosing to drive electric vehicles. - Carbon-intensive businesses and industries may see decreased demand if certain sectors contract in a low-carbon scenario. - Uncertainty related to carbon pricing policies may shift investment away from climate smart investments causing economic challenges for this industry. - Investment returns may be affected through write-downs of stranded climate assets and due to new capital expenditures required for the transition.	1 – 10 years
	Market contraction	- Commercial Insurance - Investments	- Demand for emissions-intensive fuel sources and products may decline and therefore reduce market size in certain segments. - Lower demand for emissions-intensive fuels and products may cause a reduction in investment returns.	5 years and longer
	Liability	- Commercial Insurance - Investments	Climate litigation may affect customers in emission-intensive industries, as well as investment returns from those industries.	5 – 10 years
Opportunities	Operational efficiency	Operations	We can invest in buildings, fleet, remote working, and virtual meeting capabilities that reduce greenhouse gas emissions and deliver cost savings and/or cost certainty.	1 – 5 years
	Renewable energy	- Personal Insurance - Commercial Insurance - Investments - Operations	- Development of the renewable energy industry may present a market opportunity for residential and commercial installations. - Renewable energy development may provide an investment growth opportunity. - Renewable energy may help to lower emissions and enhance resilience of our direct operations.	1 – 5 years
	Building Retrofits	- Personal Insurance - Commercial Insurance - Operations	- The drive to increase the energy efficiency of buildings through retrofits will likely increase their climate resilience, while also likely increasing property value. - Increasing climate resilience at the property level can drive down claims, which in turn can help to contain or reduce premiums - Increased retrofits may also help drive increased construction insurance. - Retrofits to Definity locations may enhance resilience and lower recovery or operational costs.	1 – 5 years
	Electric vehicles	- Personal Insurance - Commercial Insurance	Growth of the electric vehicle segment presents an opportunity for market evolution and/or growth.	1 – 5 years
	Other products and services	- Personal Insurance - Commercial Insurance	We have an opportunity to develop innovative product and service solutions that enable our clients to mitigate their climate impacts by lowering emissions, and to increase awareness and understanding of climate-related risks and reduce or prevent material and financial losses from climate-related weather events. By extension, this will contribute to our clients’ climate adaptation and resilience.	1 – 5 years

Climate-Related Risks and Opportunities

Risk	Risks and Opportunities	Impact Areas	Sources of Vulnerability	Time Horizon
Opportunities (continued)	Climate-smart investment	Investments	- We can incorporate climate transition as a factor in the investment process to identify growth and valuation opportunities for potential investee companies. - Uncertainty related to carbon pricing policies may shift investment away from climate-smart investments causing economic challenges for this industry. - There is an inherent trade-off in reducing the carbon intensity of the portfolio as it may limit asset selection and diversification.	1 – 5 years
	Community investment for climate resilience	Communities	We can make grants and partner with charities, non-profit organizations and social enterprises that support community level risk assessment, infrastructure improvements, capacity building, and tools for increasing community-level resilience and adaptation capacity to the effects of climate change.	1 – 5 years
	Advocacy for climate solutions	- Personal Insurance - Commercial Insurance - Investments - Operations	We can participate in collaborative efforts in support of public policy to advance climate change mitigation and adaptation policies and funding, including nature-based solutions.	1 – 5 years
	Property revaluation	- Personal Insurance - Commercial Insurance	As climate risk becomes a part of property valuations, rates of change in personal and commercial property values could differ for areas with low and high climate risk. This is an opportunity for insurers to inform clients of their changing exposure and improve the alignment of risk and pricing. It is also an opportunity for insurers with more sophisticated risk selection models to grow profitably.	5 – 10 years

Sustainability Accounting Standards Board (SASB) Indicators

The below index contains commentary or references for a non-exhaustive list of SASB indicators for the insurance industry.

Topic	Accounting Metric	Category	SASB Code	Response
Transparent Information & Fair Advice for Clients	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning clients	Quantitative	FN-IN-270a.1	In management’s opinion, any amounts should not have a material effect on our business results or financial position.
	Complaints-to-claims ratio	Quantitative	FN-IN-270a.2	In 2024, the complaints-to-claims ratio was 3.83 complaints per 1000 claims received.
	Description of approach to informing clients about products	Discussion and Analysis	FN-IN-270a.4	Please refer to “Adapting Insurance to a Changing World” on page 27.
Incorporation of Environmental, Social, and Governance Factors in Investment Management	Total invested assets, by industry and asset class	Quantitative	FN-IN-410a.1	Please refer to “Investment Portfolio” in ESG Data Sheet.
	Description of approach to incorporation of ESG factors in investment management processes and strategies	Discussion and Analysis	FN-IN-410a.2	Please refer to “Responsible Investing & Financing” on page 39.
Policies Designed to Incentivize Responsible Behavior	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	Discussion and Analysis	FN-IN-410b.2	Please refer to “Adapting Insurance to a Changing World” on page 27.
Environmental Risk Exposure	Description of approach to incorporation of environmental risks into: The underwriting process for individual contracts The management of firm-level risks and capital adequacy	Discussion and Analysis	FN-IN-450a.3	Please refer to “Insurance Risk” on pages 57–59 of our 2024 Annual Report.
Systemic Risk Management	Exposure to derivative instruments by category: 1. Total potential exposure to noncentrally cleared derivatives, 2. Total fair value of acceptable collateral posted with the Central Clearinghouse 3. Total potential exposure to centrally cleared derivatives	Quantitative	FN-IN-550a.1	Please refer to “Derivative financial instruments” on page 107 of our 2024 Annual Report.

Sustainability Accounting Standards Board (SASB) Indicators

Topic	Accounting Metric	Category	SASB Code	Response
Systemic Risk Management (Continued)	Total fair value of securities lending collateral assets	Quantitative	FN-IN-550a.2	Please refer to “Off-Balance Sheet Liabilities and Contingencies” on page 50 of our 2024 Annual Report.
	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	Discussion and Analysis	FN-IN-550a.3	Please refer to “Risk Management and Corporate Governance” on pages 54–69 of our 2024 Annual Report.
Activity Metric	Number of policies in force, by segment: 1. Property and casualty 2. Life 3. Assumed reinsurance	Quantitative	FN-IN-000.A	The total number of personal policies in force for 2024 is 1,595,619.



Independent practitioner's assurance report

To the Management of Definity Financial Corporation

Scope

We have been engaged by Definity Financial Corporation ("Definity") to perform a 'limited assurance engagement,' as defined by Canadian Standards on Assurance Engagements, hereafter referred to as the engagement, to report on select performance indicators detailed in the accompanying Schedule (collectively, the "Subject Matter") for the year ended December 31, 2024 and contained in Definity's 2024 Sustainability Report and 2024 ESG Data Sheet (collectively, the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Definity

In preparing the Subject Matter, Definity applied the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and Scope 2 Guidance ("GHG Protocol"), the Partnership for Carbon Accounting Financials, Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition (2022) ("PCAF"), and internally developed criteria described within the Report (collectively, the "Criteria"). The internally developed criteria were specifically designed for the preparation of the Report. As a result, the applicable Subject Matter may not be suitable for another purpose.



Definity's responsibilities

Definity's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Canadian Standard on Assurance Engagements ("CSAE") 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information* ("CSAE 3000") and CSAE 3410, *Assurance Engagements on Greenhouse Gas Statements* ("CSAE 3410"). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires us to design, implement and

operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Conducting interviews with relevant personnel to obtain an understanding of the process for collecting, collating, and reporting the Subject Matter;
- ▶ Undertaking analytical review, making inquiries with relevant personnel, reperforming select calculations and comparing, on a limited sample basis, to underlying source information;
- ▶ Checking the presentation and disclosure of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.



Inherent limitations

The Greenhouse Gas (“GHG”) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Non-financial information, such as the Subject Matter, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the Subject Matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques which can result in materially different evaluation and can impact comparability between entities and over time.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended December 31, 2024, is not prepared, in all material respects, in accordance with the Criteria.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

Chartered Professional Accountants
Licensed Public Accountants

May 7, 2025
Toronto, Canada

Schedule

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2024:

Subject Matter	Criteria ¹	Unit	Reported Value	Report Page(s)
Total Scope 1 and Scope 2 GHG emissions (location-based)	The GHG Protocol ²	tCO ₂ e	2,185	68
Total Scope 1 and Scope 2 GHG emissions (market-based)	The GHG Protocol ²	tCO ₂ e	1,870	68
Scope 3 Category 15 GHG emissions - Investments (listed equity and corporate bonds) (Scope 1 and 2 of Investee Companies)	PCAF ²	tCO ₂ e	90,539	69
Scope 3 Category 15 GHG emissions - Investments (listed equity and corporate bonds) (Scope 3 of Investee Companies)	PCAF ²	tCO ₂ e	663,067	69
Scope 3 Category 15 GHG emissions - Investments (listed equity and corporate bonds) (Scope 1, 2 and 3 of Investee Companies)	PCAF ²	tCO ₂ e	753,606	69
Scope 3 Category 15 GHG emissions - Investments (sovereign debt with land-use, land-use-change, and forestry)	PCAF ²	tCO ₂ e	282,526	69
Scope 3 Category 15 GHG emissions - Investments (sovereign debt without land-use, land-use-change, and forestry)	PCAF ²	tCO ₂ e	290,011	69
Emissions intensity of investments - listed equity and corporate bonds (Scope 1 and 2 of Investee Companies)	PCAF ²	tCO ₂ e/\$ million	34	69
Emissions intensity of investments - listed equity and corporate bonds (Scope 3 of Investee Companies)	PCAF ²	tCO ₂ e/\$ million	250	69
Emissions intensity of investments - listed equity and corporate bonds (Scope 1, 2 and 3 of Investee Companies)	PCAF ²	tCO ₂ e/\$ million	284	69
Emissions intensity of investments - sovereign debt with land-use, land-use-change, and forestry	PCAF ²	tCO ₂ e/\$ million	178	69

¹ Applicable reporting boundaries used to measure the Subject Matter has been disclosed and explained on page 5 of the 2024 Sustainability Report.

² Significant contextual information necessary to understand how the data has been compiled has been disclosed in the Report. Refer to the Report Page(s) referenced in the 2024 Sustainability Report.

Schedule (continued)

Subject Matter	Criteria ¹	Unit	Reported Value	Report Page (s)
Total Charitable Contributions	Internally developed ³	\$ million	4.3	4, 6, 8, 57, 61
Total Company - Women	Internally developed ^{4, 5, 6, 7}	%	58	53, 71
Total Company - Men	Internally developed ^{4, 5, 6, 7}	%	42	71
Total Company - Individual from an equity-deserving group	Internally developed ^{4, 8}	%	51	53, 71
Managers, Directors, and Assistant Vice Presidents - Women	Internally developed ^{4, 5, 6, 7}	%	45	53, 71
Managers, Directors, and Assistant Vice Presidents - Men	Internally developed ^{4, 5, 6, 7}	%	55	71
Vice Presidents and above - Women	Internally developed ^{4, 5, 6, 7}	%	26	53, 71
Vice Presidents and above - Men	Internally developed ^{4, 5, 6, 7}	%	74	71
Vice Presidents and above - Individual from an equity-deserving group	Internally developed ^{4, 8}	%	27	53, 71
Voluntary turnover rate	Internally developed ⁹	%	10.1	47
Employee engagement score	Internally developed ¹⁰	%	79	46, 49
Inclusion and belonging index	Internally developed ¹¹	%	87	45, 49

¹ Applicable reporting boundaries used to measure the Subject Matter has been disclosed and explained on page 5 of the 2024 Sustainability Report.

³ Donations made directly to registered charities, including donations to the Definity Insurance Foundation (a registered charity), and donations to universities, employee matching, and other donations recorded in the general ledger accounts for corporate charitable giving.

⁴ Family Insurance is excluded from this metric due to data limitations related to system incompatibility. Headcount includes permanent, active employees, including those on all leaves of absence (except for employees on Long Term Disability). Students, contract employees, independent contractors or individuals employed by a third-party staffing agency are not included.

⁵ These employee demographics figures are calculated on a 12-month average basis to smooth the potential effects of late-year changes but remain sensitive to small absolute changes in representation and/or the population size and is based on internally collected self-identification data to indicate gender.

⁶ Based on average headcount in the year from 12 monthly reports.

⁷ Figures include employees on leaves of absence (excluding Long-Term Disability).

⁸ Data as of December 31, 2024, based on voluntary self-disclosure with a response rate of 47%; includes Black, Indigenous, People of Colour, LGBTQ+, and/or persons with disabilities.

⁹ Based on voluntary separations as a percentage of active headcount for active (excludes individuals on leave) permanent (excludes students, contract employees, independent contractors or individuals employed by a third-party staffing agency are not included) full-time and part-time employees (derived from 12 monthly headcount reports). Does not include retirements.

¹⁰ Employee Engagement Score is compiled from scores to 5 questions during the last survey of 2024: 1) I am proud to work for this company, 2) The company motivates me to contribute more than is normally required to complete my work, 3) My work gives me a feeling of personal accomplishment, 4) I would recommend this company to people I know as a great place to work, 5) I rarely think about looking for a new job with another company. Respondents rated each question on a 5-point Likert scale (from strongly disagree "1" to strongly agree "5"). The score for each question is calculated using the following formula:
$$= \frac{\text{Number of respondents who indicate "agree"} + \text{number of respondents who indicate "strongly agree"}}{\text{total number of respondents to this question}}$$
 The Index is the average score of 5 questions. All full time / part time, permanent and temporary employees, who are active (not on any leaves) are eligible to take the survey. 92% of recipients completed the survey.

¹¹ Inclusion and Belonging Index is compiled from scores to 4 questions during the last survey of 2024: 1) Diverse perspectives are valued and encouraged in my team, 2) I can be myself at work, 3) I am comfortable voicing my ideas and opinions, even if they are different from others, 4) At this company, everyone can succeed to their full potential, no matter who they are. Respondents rated each question on a 5-point Likert scale (from strongly disagree "1" to strongly agree "5"). The Index is compiled by the averaging the number of respondents who indicate "agree" or "strongly agree" to each question divided by total number of respondents to the questions. The score for each question is calculated using the following formula:
$$= \frac{\text{Number of respondents who indicate "agree"} + \text{number of respondents who indicate "strongly agree"}}{\text{total number of respondents to this question}}$$
 The Index is the average score of 4 questions. All full time / part time, permanent and temporary employees, who are active (not on any leaves) are eligible to take the survey. 92% of recipients completed the survey.

definity.