

definity.

2025 SUSTAINABILITY REPORT

Helping clients and communities adapt and thrive



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Land Acknowledgement

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

We honour the histories, cultures, and knowledge of Indigenous communities and acknowledge the lasting impacts of colonialism, including intergenerational trauma and systemic inequities. We are committed 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 page 46 for more on Definity's approach to Truth and Reconciliation.

OVERVIEW

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Cautionary Statements About Forward-Looking Information

Certain information in this report includes forward-looking statements, including assumptions and estimates related to climate commitments, targets, and transition pathways. These statements are based on current expectations and are subject to change as data quality improves, methodologies evolve, and regulatory and market practices develop.

This report may also contain “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future business, financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “aims”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “can”, “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts, but instead represent management’s expectations, estimates and projections regarding possible future events or circumstances. This report contains forward-looking statements with respect to the Company’s agreement with St. Paul Fire and Marine Insurance Company and Travelers Casualty and Surety Company (collectively, “Travelers”) to acquire Travelers’ Canadian P&C insurance operations, excluding its Canadian surety business and certain select business lines retained by Travelers, for cash consideration of approximately \$3.3 billion (the “Travelers Transaction”).

Estimates and assumptions have been made regarding, among other things, the realization of the expected strategic, financial, and other benefits of the Travelers Transaction, and the implications of the economic, political and

geopolitical environments and industry conditions during the integration period. There can be no assurance that the strategic, financial, and other benefits expected to result from the Travelers Transaction will be realized.

Forward-looking information in this report is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as at the date such statements are made, and are 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:

- Definity’s ability to continue to offer competitive pricing or product features or services that are attractive to customers;
- Definity’s ability to appropriately price its insurance products to produce an acceptable return, particularly in provinces where the regulatory environment requires auto insurance rate increases to be approved or that otherwise impose regulatory constraints on auto insurance rates;
- Definity’s ability to accurately assess the risks associated with the insurance policies that it writes;
- Definity’s ability to assess and pay claims in accordance with its insurance policies;
- Definity’s ability to obtain adequate reinsurance coverage to manage risk;
- Definity’s ability to accurately predict future claims frequency or severity, including the frequency and severity of weather-related events and the impact of climate change;
- Definity’s ability to address inflationary cost pressures through pricing, supply chain, or cost management actions;
- the occurrence of unpredictable catastrophe events;

- litigation and regulatory actions, including potential claims in relation to demutualization and our IPO and unclaimed demutualization benefits and the tax treatment of related amounts transferred to the Company, and COVID-19-related class-action lawsuits that have arisen and which may arise, together with associated legal costs;
- Definity’s ability to successfully identify, complete, integrate and realize the benefits of acquisitions or manage the associated risks;
- Definity’s ability to improve its combined ratio, retain and attract new business, retain key employees, achieve synergies, and maintain market position during and after the integration of the Travelers Transaction;
- Definity’s ability to complete the integration of the Travelers Transaction within anticipated time periods and at the expected cost;
- estimates and expectations in relation to future economic and business conditions and other factors in relation to the Travelers Transaction and any resulting impacts on growth and accretion in various financial metrics;
- unfavourable capital market developments, interest rate movements, changes to dividend policies or other factors which may affect our investments or the market price of our common shares;
- changes associated with the transition to a low-carbon economy, including reputational and business implications from stakeholders’ views of our climate change approach or of our environmental or climate change-related representations (e.g. “greenwashing”), those of our industry, or those of our customers;
- Definity’s ability to successfully manage credit risk from its counterparties;
- foreign currency fluctuations;
- Definity’s ability to meet payment obligations as they become due;
- Definity’s ability to maintain its financial strength rating or credit ratings;
- Definity’s dependence on key people;
- Definity’s ability to attract, develop, motivate, and retain an appropriate number of employees with the necessary skills, capabilities, and knowledge;
- Definity’s ability to appropriately collect, store, transfer, and dispose of information;

Cautionary Statements About Forward-Looking Information

- Definity’s reliance on information technology systems and software, internet, network, data centre, voice or data communications services and the potential disruption or failure of those systems or services, including disruption as a result of cyber security risk or of a third-party service provider;
 - failure of key service providers or vendors to provide services or supplies as expected, or comply with contractual or business terms;
 - Definity’s ability to obtain, maintain and protect its intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our technology;
 - Definity’s ability to effectively govern the use of, and extract value from, models, artificial intelligence, generative AI, and agentic AI technologies;
 - compliance with and changes in legislation or its interpretation or application, or supervisory expectations or requirements, including changes in the scope of regulatory oversight, effective income tax rates, risk-based capital guidelines, accounting standards, and generally accepted actuarial techniques;
 - changes in domestic or foreign government policies, such as cross-border tariffs, trade policies, or trade agreements may negatively impact the Canadian economy and the P&C insurance industry and/or exacerbate other risks to Definity;
 - failure to design, implement and maintain effective controls over financial reporting and disclosure which could have a material adverse effect on our business;
 - deceptive or illegal acts undertaken by an employee or a third party, including fraud in the course of underwriting insurance or administering insurance claims;
 - Definity’s ability to respond to events impacting its ability to conduct business as normal;
 - Definity’s ability to implement its strategy or operate its business as management currently expects;
 - general business, economic, financial, political, geopolitical, and social conditions, particularly those in Canada;
 - the emergence or continuation of widespread health emergencies or communicable disease, and their impact on local, national, or international economies, as well as their heightening of certain risks that may affect our business or future results;
 - the competitive market environment and cyclical nature of the P&C insurance industry;
 - the introduction of advanced technologies including AI and agentic AI, disruptive innovation or alternative business models by current market participants or new market entrants;
 - distribution channel risk, including Definity’s reliance on brokers to sell its products;
 - Definity’s dividend payments being subject to the discretion of the Board and dependent on a variety of factors and conditions existing from time to time;
 - Definity’s dependence on the results of operations of its subsidiaries and the ability of the subsidiaries to pay dividends;
 - Definity’s ability to manage and access capital and liquidity effectively;
 - management’s estimates and judgments in respect of IFRS 17 and its impact on various financial metrics;
 - periodic negative publicity regarding the insurance industry, Definity, or Definity Insurance Foundation; and
 - management’s estimates and expectations in relation to interests in the broker distribution channel and the resulting impact on growth, income, and accretion in various financial metrics.
- If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in Section 12 – “Risk Management and Corporate Governance” of the Company’s Management’s Discussion and Analysis for the year ended December 31, 2025 should be considered carefully by readers.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, the factors above are not intended to represent a complete list and there may be other factors not currently known to us or that we currently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such forward-looking information will prove to be accurate, as actual results 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. The forward-looking information contained in this report represents our expectations as at the date of this report (or as at the date they are otherwise stated to be made) and are subject to change after such date. However, we disclaim any intention, obligation, or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

All of the forward-looking information contained in this report is expressly qualified by the foregoing cautionary statements.

About Definity

We are one of Canada’s leading property and casualty insurance companies. With a multi-line and multi-channel business model that has been built on sound fundamentals in pricing, risk selection, and claims management, we have a relentless focus on delivering superior experiences. By investing in businesses and innovations, the companies in our group help our customers, broker partners, employees, and communities adapt and thrive in a world of constant change.

With more than 6,300 employees across Definity Insurance Company and our national broker platform, and more than 600 independent brokerage firms, we work every day to help 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 one of the top five P&C insurers in the country and the third-largest carrier in the broker channel.

Our purpose is building a better world by helping our clients and communities adapt and thrive. At Definity, we believe strong communities are essential for a sustainable future and we are committed to supporting thriving, equitable, and climate-resilient communities. Definity’s common shares are listed on the Toronto Stock Exchange (TSX) under the symbol DFY.



Meet Our Family of Trusted Insurance Brands and Companies

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

Broker Brands



Economical Insurance

Founded in 1871, Economical Insurance protects Canadians’ homes, vehicles, businesses, and farms with policies distributed exclusively through licensed broker partners.



Family Insurance

Family Insurance Solutions is a leading distributor of home and optional auto insurance serving customers across British Columbia.



Direct Brands



Sonnet Insurance

Sonnet provides fully digital home and auto insurance, offering customers the ability to obtain quotes, purchase policies, and manage their accounts online through a secure, analytics-driven platform.



Petline Insurance

Petline Insurance is one of Canada’s oldest and largest providers of pet health insurance, offering a range of coverage options designed to meet the needs of pet owners across the country.



About Definity

Creating and Sharing Value

Economic Value Generated (in millions)¹

Economic Value Distributed (in millions)¹

\$5,122²

Revenue

\$3,643

Operating costs, including approximately \$2,880 in claims coverage to policyholders, and adjustment expenses

\$657

Employee wages and benefits

\$5.3³

Total charitable contributions



\$114

Payments to providers of capital, including \$91 in dividends to shareholders

\$382

Payments to governments

“

As the world becomes more complex and our business becomes more dynamic, we remain focused on fulfilling our purpose of building a better world by helping our clients and communities adapt and thrive.

– Rowan Saunders
President and CEO

¹ Calculated on the same basis as the Global Reporting Initiative.

² Includes insurance revenue, distribution revenue, and net investment income.

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

About this Report

Reporting Scope and Period

This report outlines Definity’s sustainability performance and activities for the 2025 financial year, covering the period from January 1 to December 31, 2025, unless otherwise stated. The report includes Definity Financial Corporation and its principal subsidiaries, including Definity Insurance Company, Sonnet Insurance Company, Family Insurance Solutions Inc., Petline Insurance Company, and Westmount Financial Inc. References to “Definity,” “we,” “our,” or “us” refer collectively to these entities.

The report follows an “operational control” approach for defining reporting boundaries, consistent with prior years. As a result, data related to entities where Definity holds a majority financial interest but does not control day-to-day operations — such as certain brokerages and portfolio investments — are not included, unless otherwise noted. This approach differs from Definity’s financial reporting scope. All figures are presented in Canadian dollars and may be rounded for presentation purposes.

Reporting Frameworks and Standards

Definity continues to evolve its disclosures in response to changing stakeholder expectations and regulatory developments. This report is informed by leading sustainability and climate-related frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD), Office of the Superintendent of Financial Institutions (OSFI) Guideline B-15: Climate Risk Management and relevant Sustainability Accounting Standards Board (SASB) Standards. The Company is preparing for alignment with Canadian Sustainability Disclosure Standards (CSDS) as issued by the Canadian Sustainability Standards Board and endorsed under International Financial Reporting Standards, and continues to monitor developments from the Canadian Securities Administrators related to mandatory sustainability disclosure.

This report focuses on sustainability-related risks and opportunities that could reasonably be expected to materially affect Definity’s financial performance, cash flows, capital allocation, and long-term value creation.



Definity’s previous Sustainability Report was recognized for the Best ESG reporting (mid-cap) at the 2026 IR Impact Awards – Canada.

Governance and Internal Review

The content of this report is developed through a cross-functional process involving Sustainability, Finance, Risk, Legal, and other teams. Definity’s executive management, Public Disclosure Committee, and Board of Directors review and/or approve the report prior to publication, consistent with the Company’s broader governance and disclosure controls. The Audit Committee of our Board reviews the control environment supporting sustainability-related disclosures, including data quality, internal controls, and the basis and findings associated with external assurance activities.

External Assurance

This report is unaudited, except for select performance indicators that underwent limited assurance by Ernst & Young LLP. Additional details on the scope of assurance are provided later in this report.

Business Changes and Reporting Comparability

On May 27, 2025, Definity announced an agreement with St. Paul Fire and Marine Insurance Company and Travelers Casualty and Surety Company (collectively, “Travelers”) to acquire Travelers’ Canadian P&C insurance operations, excluding its Canadian surety business and certain select business lines retained by Travelers, for cash consideration of approximately \$3.3 billion (the “Travelers Transaction”), a transaction that closed on January 2, 2026. As the Travelers Transaction closed after the end of the 2025 reporting period, its operations are not reflected in the performance data included in this report. Our sustainability reporting will further evolve in 2026 to reflect Definity’s expanded business. We anticipate challenges with data availability and quality and will maintain appropriate internal controls and assurance processes to support data integrity, transparency, and decision-useful reporting.

Companion Disclosures

This Sustainability Report is intended to be read alongside other Definity disclosures that provide additional context on governance, performance, and strategy, including:

Reports and Statements

- [2025 Annual Report](#)
- [2026 Management Information Circular](#)
- [2025 Public Accountability Statement](#)
- [2025 ESG Data Sheet](#)

Policies

- [Statement on Human Rights](#)
- [Enterprise Sustainability Policy Statement](#)
- [Supplier Code of Conduct](#)
- [Sustainable Investment Policy Statement](#)

Additional information is available at definityfinancial.com



2025: Year in Review

Helping clients and communities adapt and thrive



Responding to Climate Change and Strengthening Resilience

- **Outperformed** our interim operational emissions target of -30% by achieving a 36% reduction in Scope 1 and Scope 2 (market-based) emissions relative to our 2019 baseline.
- **Achieved** our interim financed emissions target, a 30% reduction in emissions intensity from listed equity and corporate bond investments relative to the 2020 baseline.
- **Invested** in climate science and research, co-funding the ClimACT Research Chair at Université du Québec à Montréal to advance climate risk modelling and adaptation research.



Supporting Clients and Communities

- **Delivered** strong catastrophe response during major climate events, supporting approximately 500 wildfire property claims resulting in strong customer satisfaction.
- **Partnered** with auto vendors to enhance tracking of sustainability metrics resulting in reduced material consumption and shortened parts wait times.
- **Invested** \$5.3 million⁴ in organizations supporting climate resilience and economic inclusion – the largest amount of community investments in Definity’s 150+ year history.



Investing in People and Inclusive Workplaces

- **Achieved** record employee engagement of 81%, alongside an 88% Inclusion and Belonging Index, reflecting a strong culture and high employee sentiment.
- **Outperformed** our 2026 representation goal of at least 15% of Vice-President and Executive Leadership Team roles held by individuals who self-identify as Black, Indigenous, People of Colour, LGBTQ+, and/or persons with disabilities, reaching 29%.
- **Advanced** toward our 2026 representation goal of at least 30% women in Vice-President and Executive Leadership Team roles, increasing representation from 19% in 2022 to 27% in 2025.
- **Invested** heavily in skills development, completing 54,000 employee training hours and 16,000 broker training hours, including expanded digital and artificial intelligence (AI) learning programs.



Recognition and Leadership

- **Earned** national recognition for culture and inclusion, including one of Canada’s Most Admired™ Corporate Cultures – Enterprise (2025) and the Insurance Business Canada Excellence in Diversity, Equity & Inclusion Award.
- **Awarded** the Best ESG Reporting (Mid-Cap) award at the 2025 IR Impact Awards – Canada.
- **Enhanced** our commitment to transparent reporting by obtaining third-party limited assurance on 20 material ESG metrics.

⁴ Donations include those made directly to registered charities, including donations to the Definity Insurance Foundation (a registered charity), donations to universities, employee matching, and other donations recorded in the general ledger accounts for corporate charitable giving.

A Message from Our CEO and Board Chair



Rowan Saunders
President and CEO

Definity's commitment to sustainability stems from our purpose: building a better world by helping our clients and communities adapt and thrive. As we have done for many years, Definity continued to make a positive impact for our clients and communities throughout 2025 by delivering on our climate change and social impact commitments. We are pleased to share our 2025 Sustainability Report, which outlines how Definity has worked to manage environmental, social, and governance risks and opportunities, build a more resilient organization, and fulfill our purpose.

Building a Canadian Champion

Positioning Definity as a purpose-driven sustainability leader is one of the company's key strategic objectives. It reflects our conviction to thoughtfully embed sustainability throughout the organization and operate our business in ways that deliver benefits to all our stakeholders for the long term. To us, being a Canadian Champion includes being a champion for Canada, contributing to a more inclusive, robust and, sustainable Canadian economy.

We introduced Definity in 2021, and as our profitability has grown, so too have our contributions to Canadian communities. In 2025, Definity again surpassed our previous record for charitable giving, donating well over \$5 million to a variety of strategic partners that are helping to build more climate-resilient communities and enabling more equitable participation in the Canadian economy. We also achieved our 2025 interim emissions reduction goals for our direct operations and investment portfolio — an important step toward our ultimate objective of net zero by 2040 or sooner.

2025 was a remarkable year for Definity on many fronts, including the acquisition of the personal insurance business and the majority of the commercial insurance business (excluding surety and certain select business lines retained by Travelers) of the Canadian operations of Travelers for \$3.3 billion. Announced in May and closed January 2, 2026,

the acquisition has provided us with greater scale, capabilities, and opportunity to influence positive change through our business. Building on our combined organization's foundation of over 300 years, we will now be able to unlock the energy and expertise of approximately 1,800 new colleagues to extend our impact to even more policyholders, brokers, vendors, and communities.

Navigating the Risks of a Changing Climate

Insured losses from catastrophe events in Canada in 2025 exceeded \$2.4 billion, representing the tenth costliest year on record when losses and expenses are adjusted to current dollar values.⁵ While this figure is a relative reprieve from 2024's record-breaking losses, Canadians continue to be impacted by the devastating effects of increasingly frequent and catastrophic events like severe floods, wildfires, and more.

As an insurer, it is undeniable that effectively managing climate-related risk is an integral part of our role in society and how we support our customers. Sustainability is embedded across our business, using catastrophe modelling, claims data, and loss trends to refine our underwriting approach, inform product redevelopment, and enhance risk mitigation strategies. As such, in 2025, Definity launched new policy wordings for personal property products that include an adaptation-focused endorsement to enable



John Bowey
Board Chair

⁵ <https://www.ibc.ca/news-insights/news/severe-weather-related-insured-losses-in-canada-exceed-2-4-billion-in-2025>

A Message from Our CEO and Board Chair

building-back-better for greater resilience to future climate-related losses.

We were also thrilled to partner with Université du Québec à Montréal to establish the ClimACT Research Chair, which will accelerate our industry’s efforts to model, understand, and prepare for more frequent and extreme weather events. We also formed a two-year partnership with MaRS Discovery District to enable the creation of the Adaptech Accelerator program which will support Canadian ventures in the development, scaling, and adoption of technologies for adaptation and resilience to the impacts of our changing climate.

Throughout, Definity has maintained a leadership role in the Climate Proof Canada coalition, continuing to advocate with governments for investments and policies that will make the Canadian economy, communities, and households more resilient to climate impacts. This role becomes increasingly important as climate risks intensify, and as the federal government looks to stimulate an ambitious agenda of nation-building projects including housing and infrastructure that must be fit for the future.

Equally, we are focused on doing our part to limit greenhouse gas emissions that result from our activities, and in this report, you will read more about our significant progress toward achieving our emission reduction targets.

Building a More Inclusive Culture and Economy

Through our commitment to inclusion, diversity, equity, and accessibility, Definity continues to build a culture where all employees can thrive. We aspire to become the career destination for the widest and deepest pool of talent possible, inviting valuable diverse perspectives to the table as we continue to pursue our ambitious strategy. This intentional approach to culture-building also supports deeper engagement, retention of key talent, and ultimately, outperformance.

The report you are about to read profiles policies and programs that continue to drive a sense of belonging for our employees, with 89% of employees surveyed indicating that they feel they can be themselves at work, and 89% indicating that diverse perspectives are valued and encouraged. These positive internal metrics were complemented by external recognitions from Great Place to Work® Institute as one of the Best Workplaces™ for Inclusion and Best Workplaces™ for Women in 2025.

This commitment to equity extends beyond our employees. In these pages, you will find examples of how Definity is supporting communities to enable more equitable participation in the economy, including our renewed partnership with Windmill Microlending to support newcomers to Canada reestablish their careers. We have also made considerable progress in developing Definity’s efforts to support Truth & Reconciliation, which are summarized in this report.

Looking Ahead

As the world becomes more complex and our business becomes more dynamic, we remain focused on fulfilling our purpose of building a better world by helping our clients and communities adapt and thrive. We extend our thanks to all of the Definity team members who strive to integrate sustainability across our business to the benefit of our brokers, customers, fellow employees, partners, and communities. These efforts are undoubtedly helping us to be more efficient, responsive, and resilient as we embark on the exciting journey that lies ahead.

We look forward to the future with confidence and making our mark as a Canadian Champion.

Rowan Saunders
President and CEO

John Bowey
Board Chair



To us, being a Canadian Champion includes being a champion for Canada, contributing to a more inclusive, robust and sustainable Canadian economy.

MSCI ESG Rating

AAA

In 2025,

\$5M+

total charitable contributions

Our Purpose and Strategy

How Definity Helps Clients and Communities Adapt and Thrive

In a world shaped by accelerating climate impacts, economic uncertainty, persistent barriers to equity, and evolving societal expectations, the role of insurance is more important than ever. At Definity, our purpose is to help clients and communities adapt and thrive. We view insurance as more than financial protection — it is a foundation for resilience that supports Canadians as they prepare for, respond to, and recover from life’s unexpected events. Insurance enables individuals, families, households, and businesses to pursue their aspirations by providing the security and peace of mind to take measured risks.

To deliver on this purpose, we take a long-term approach to risk and value creation, embedding sustainability into our strategy, governance, and operations. Definity is working to create lasting value for customers, broker partners, employees, shareholders, and the communities we serve — helping Canadians adapt and thrive, now and over the long term.



Our journey of building a Canadian Champion in the property and casualty insurance industry is guided by our purpose, our ambition, and our promise.

<p>Our purpose</p> <p>Building a better world by helping our clients and communities adapt and thrive</p>	<p>Our ambition</p> <p>To be one of Canada’s leading and most innovative P&C insurers</p>	<p>Our promise</p> <p>Making insurance better</p>			
<p>Our values</p> <p>Our values guide how we work and how we show up for our stakeholders.</p> <table border="0"> <tr> <td data-bbox="1173 961 1749 1156"> <p>We are all owners</p> <p>We take accountability for our actions and results, acting with integrity, sound judgment, and a long-term mindset.</p> </td> <td data-bbox="1780 961 2356 1156"> <p>We inspire customer confidence</p> <p>We adapt quickly, think creatively, and focus on solutions that protect what matters most.</p> </td> <td data-bbox="2387 961 2950 1156"> <p>We work together to win together</p> <p>We respect diverse perspectives, collaborate openly, and care deeply about our people and communities.</p> </td> </tr> </table>			<p>We are all owners</p> <p>We take accountability for our actions and results, acting with integrity, sound judgment, and a long-term mindset.</p>	<p>We inspire customer confidence</p> <p>We adapt quickly, think creatively, and focus on solutions that protect what matters most.</p>	<p>We work together to win together</p> <p>We respect diverse perspectives, collaborate openly, and care deeply about our people and communities.</p>
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Sustainability Embedded in Our Corporate Strategy

Our corporate strategy is built on ambitious goals designed to make us one of Canada’s most innovative P&C insurers:

- Become one of the three largest Canadian P&C insurers in Canada
- Grow our digital and AI advantage
- 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 environmental, social, and governance risks and opportunities that are most material to our business and where we can make the greatest impact. This report highlights our efforts to prepare Definity for a more complex and uncertain future by supporting climate adaptation and resilience, promoting equity, and driving innovation to strengthen our industry and make insurance better.

Our Sustainability Strategy

Embedding Sustainability into How We Manage Risk and Create Value

Definity’s sustainability strategy is oriented towards positioning Definity as a purpose-driven sustainability leader. As a P&C insurer operating in an increasingly volatile and complex risk environment, sustainability is integral to how we assess risk, design products, engage partners, and support communities. Our approach prioritizes issues that influence financial performance, customer outcomes, and societal resilience.



How the Strategy is Applied

Definity’s sustainability strategy responds directly to significant social and environmental forces shaping our industry and communities.

Climate change is increasing the frequency and severity of insured losses and affecting insurance affordability and availability. Our response focuses on enabling climate-ready communities through climate-informed underwriting, claims practices, and risk management, alongside support for adaptation and resilience.

Persistent social and economic inequities continue to limit opportunity and participation. Definity addresses these challenges by fostering inclusive workplaces, promoting responsible practices across our value chain, and investing in communities where we operate.

Together, these priorities capture how sustainability supports Definity’s purpose and are embedded into our operations and governance — supporting resilience, protecting customers, and creating long-term value.

SUSTAINABILITY GOVERNANCE

Strong sustainability governance underpins how Definity delivers on its purpose, manages risk, and remains focused on creating long-term value. Our approach brings together Board and management oversight, clear accountability, and thoughtful engagement with stakeholders.

By integrating climate and social considerations into risk management, decision-making, and performance incentives, we strengthen resilience while reinforcing a culture of integrity and transparency. Together, these elements help us respond to emerging risks and opportunities while building trust with customers, employees, partners, and shareholders.


13 Board Oversight

14 Management Accountability and Governance Structure

15 Specialized Working Groups and Centres of Expertise

15 Industry Memberships

16 Materiality



At Definity, sustainability considerations are embedded into how we set strategy, manage risk, and make decisions across the organization. Our governance framework brings consistency and accountability to the management of sustainability matters. It connects oversight, accountability, and risk management in a way that supports informed decision-making, transparent disclosure, alignment with regulatory and market expectations, and long-term value creation.

Board Oversight

The Board of Directors oversees sustainability matters that may affect Definity’s strategy, risk profile, and long-term performance. Sustainability topics are addressed through a combination of full Board discussions and committee-level oversight, informed by regular reporting from management and subject matter experts.

Board of Directors

Oversees Definity’s overall sustainability governance framework and receives updates on material sustainability risks, opportunities, and priorities.

Audit Committee

Oversees the control environment supporting sustainability-related disclosures, including data quality, internal controls, and assurance processes.

Corporate Governance Committee

Oversees governance practices, code of conduct, and community investment activities, with sustainability governance matters reviewed periodically throughout the year.

Human Resources and Compensation Committee

Oversees talent strategy, succession planning, culture, engagement, pension, Inclusion, Diversity, Equity, and Accessibility (IDEA), and executive compensation and equity programs. Sustainability-related performance considerations are reviewed as part of the committee’s ongoing oversight of incentive design and outcomes.

Risk Review Committee

Receives quarterly updates on physical and transition climate risks, including insurance and investment exposures, and reviews progress against Definity’s enterprise climate strategy annually, or more frequently as needed.

Strategic Oversight	Board of Directors
	<ul style="list-style-type: none"> • Audit Committee • Corporate Governance Committee • Human Resources and Compensation Committee • Risk Review Committee
	Executive Leadership Team
	<ul style="list-style-type: none"> • Management Risk Committee • Executive Investment Committee
	Sustainability Steering Committee
	Inclusion, Diversity, Equity, and Accessibility Advisory Committee
	Indigenous Advisory Council

Development and Execution	Business Units	Support Functions
	<ul style="list-style-type: none"> • Personal Insurance and Digital Channels • Commercial Insurance • Claims • Investments 	<ul style="list-style-type: none"> • Actuarial • Corporate Services • Corporate Strategy • Enterprise Analytics and Data Office • Enterprise Risk Management • Finance • People and Culture • Investor Relations • Sustainability • Technology Solutions
	Working Groups	Climate Centre of Excellence
	Employee Groups	
	<ul style="list-style-type: none"> • Anti-Racism and Cultural Equity • Disability and Accessibility Advocacy • Environment and Climate Action • LGBTQ+ • Women’s Empowerment 	

Management Accountability and Governance Structure

Definity's Executive Leadership Team is accountable for integrating sustainability considerations into business strategy, planning, and operations. This accountability is supported by a cross-functional governance structure that enables coordination across risk, strategy, finance, operations, and people priorities.

Key management forums and roles include:

Sustainability Steering Committee

An executive-level, cross-functional body responsible for overseeing sustainability strategy development and execution. The committee reviews sustainability priorities, monitors progress against targets and commitments and supports consistent implementation across business units and corporate functions.

Management Risk Committee

Oversees enterprise risk and control activities, including sustainability-related risks, to support alignment with the Board-approved risk appetite and escalation of emerging risks requiring management or Board attention.

Executive Investment Committee

Oversees compliance with Definity's Sustainable Investment Policy Statement, which incorporates climate and other sustainability considerations, and evaluates how external trends — including regulatory, economic, and market developments — may affect investment strategy and performance.

Chief Risk Officer

Maintains oversight of key and emerging risks, including responsibility for Definity's climate change strategy, supported by the Enterprise Risk Management function and regular reporting to senior management and the Board.

Sustainability Function

Dedicated functional group within Definity's Corporate Strategy office provides strategic counsel and implementation guidance across business units and support functions, integrating sustainability considerations into project planning and day-to-day operations to improve business outcomes.



Specialized Working Groups and Centres of Expertise

Several specialized groups provide technical expertise, coordination, and execution support, helping embed sustainability considerations into day-to-day decision-making and operations:

Sustainability Working Group

Chaired by the head of Definity’s Sustainability function, this cross-functional group supports the development, implementation, and performance measurement of sustainability priorities across the enterprise and facilitates collaboration between business lines and corporate functions.

Climate Change Working Group

Co-chaired by leaders from Enterprise Risk and Sustainability, this group leads the execution of Definity’s enterprise climate strategy. It advances climate-related initiatives across underwriting, claims, investments, and operations, and supports the integration of climate considerations into underwriting practices through dedicated working streams.

Climate Centre of Excellence

Led by a climate scientist and actuary, this hub of technical expertise supports climate scenario analysis, risk modelling, product development, underwriting risk appetite decisions, and enterprise risk management. The Centre assesses both short- and long-term climate impacts on insurance operations and collaborates with academic institutions to inform climate adaptation and resilience efforts.

Inclusion, Diversity, Equity, and Accessibility (IDEA) Advisory Committee

Chaired by a senior executive, currently our Chief Technology Officer, this committee brings together Employee Group chairs and business leaders to advance Definity’s inclusion and belonging objectives, and support progress on representation and accessibility initiatives.

Together, these groups help translate sustainability priorities into practical actions to reinforce consistent application across the organization and to provide valuable input and guidance to Definity’s senior leadership for continued improvement.

Integrating Sustainability into Risk Management

Sustainability risks and opportunities, including climate and social factors, are integrated into Definity’s enterprise risk management framework in line with OSFI Guideline B-15. Climate-related risks are assessed across short-, medium-, and long-term horizons and are considered alongside other material risks affecting underwriting, investments, operations, and reputation. This integrated approach supports informed risk appetite decisions, scenario analysis, and ongoing monitoring of emerging risks.

Incentivizing Sustainable Outcomes

Definity links sustainability considerations to executive compensation to reinforce accountability and alignment with long-term sustainability objectives. Sustainability-related performance factors influence variable compensation for executives, with a basket of indicators considered including representation of women in leadership and reductions in operational greenhouse gas emissions.

Industry Memberships

Our industry memberships play a key role in shaping our approach to ESG issues while demonstrating our commitment. 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:



In support of



Established by UN Women and the UN Global Compact Office



Materiality

Understanding which sustainability issues are most important to Definity and our stakeholders is central to how we set priorities, manage risk, and create long-term value. We view materiality as a dynamic concept, shaped by a changing risk environment, evolving stakeholder expectations, and emerging regulatory requirements. Regularly refreshing our assessment helps ensure our sustainability strategy remains focused and relevant, while supporting Definity’s long-term financial performance, resilience, and the trust of those who rely on us.

Our Approach to Double Materiality

In 2025, Definity conducted a double materiality assessment, building on the approach introduced in 2023 and aligned with leading global practices. The assessment 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.

Together, these lenses provide a more complete view of materiality and support integration into enterprise strategy, risk management, and disclosure, consistent with regulatory and market expectations.

Methodology and Key Enhancements

Our process is anchored on engaging internal stakeholders (Board members, senior management, and employees) and external stakeholders (investors, suppliers, customers, and brokers) about a wide variety of sustainability topics through direct consultations and surveys. Results were analyzed and synthesized to identify priority issues and relative positioning.

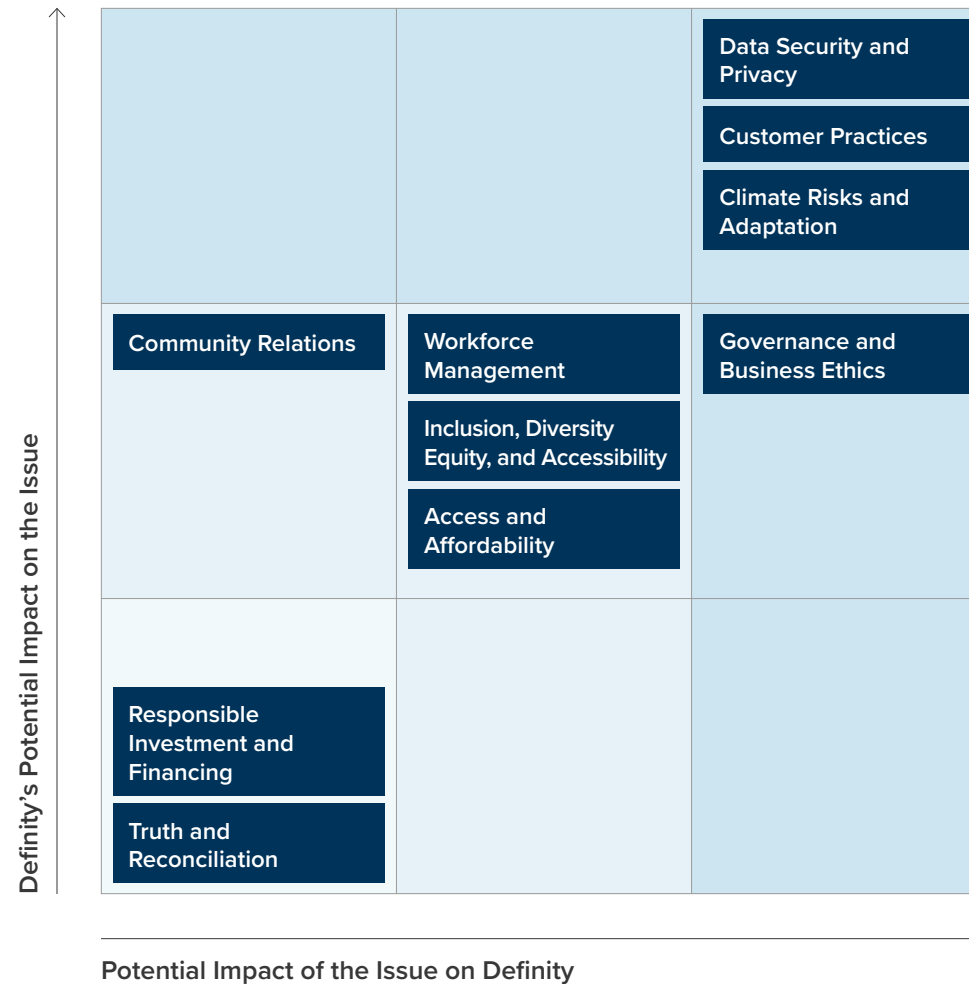
Stakeholder Engagement

Stakeholder engagement is a core input to Definity’s materiality process and broader sustainability governance. Our approach emphasizes inclusiveness, transparency, and dialogue, helping us understand evolving expectations, validate priorities, and identify emerging risks and opportunities across the value chain. Insights from engagement directly inform our materiality assessment, enterprise risk management, and sustainability strategy.

What’s Changed Since the Prior Assessment

Compared to Definity’s prior materiality assessment, data security and privacy and customer practices have increased in relative significance. These changes reflect accelerated digitization and deployment of AI and elevated cyber risk.

Governance and business ethics, climate risk, workforce management, and IDEA remain consistently material, underscoring their importance to profitability, trust, talent, and long-term resilience.



The **Double Materiality Matrix** plots sustainability issues based on their significance to Definity and to stakeholders, highlighting priority risks and opportunities. Issues positioned in the upper-right area of the matrix represent the greatest combined significance and inform Definity’s sustainability and risk management priorities.

From insight to action: Materiality and stakeholder engagement are ongoing processes. Definity uses these results to refine sustainability priorities, inform enterprise risk management, guide Board and management oversight, and focus disclosure on the topics we believe to be most relevant to stakeholders and long-term performance. Ongoing monitoring and targeted engagement help ensure our understanding of material sustainability issues remains current as risks and expectations continue to evolve.

ADAPTING TO THE CHANGING CLIMATE

Climate change is reshaping the frequency, severity, and distribution of risk across the insurance value chain. Adapting to these shifts is central to Definity’s long-term resilience and to the communities we serve. By integrating climate considerations into underwriting, claims, operations, investments, and governance, we strengthen risk management, and support more resilient communities, while safeguarding long-term value creation.

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- 29 Optimizing Operations
- 32 Responsible Investing and Financing



2025 Highlights

36%

reduction in Scope 1 and 2 emissions (market-based) relative to 2019

33%

reduction in financed emissions associated with listed equity and corporate bonds relative to 2020

Co-funded the establishment of the ClimACT Research Chair at Université du Québec à Montréal to advance climate risk modelling

Climate Risk Management



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 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.

Approach

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

Products and Claims

Integrating sustainability factors into product development, pricing, and claims to manage climate-related risks and opportunities.

Risk and Actuarial

Providing risk management and actuarial expertise to inform underwriting and other enterprise actions to manage physical and transition risks impacting the industry.

Operations

Improving energy efficiency and reducing emissions from our buildings and fleet to advance toward our net-zero objective by 2040 or sooner.

Investments and Finance

Incorporating climate risks and opportunities as core elements of investment decision-making and advancing toward our net-zero objective by 2040 or sooner.

Advocacy and Engagement

Collaborating with policymakers, industry leaders, communities, and partners to support climate adaptation and resiliency efforts.

Governance and Reporting

Ensuring compliance with regulatory requirements and meeting disclosure obligations.

Climate Risk Management

Progress

Our enterprise risk management framework is rooted in the understanding that we are in the business of taking on 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 12 — Risk Management and Corporate Governance](#) of the Management’s Discussion and Analysis in our 2025 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 business objectives and expectations of financial return. 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 take into consideration 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: Climate Risk Management, which sets regulatory expectations for managing climate-related financial risks. With the Guideline now in effect, we have evaluated — and are refining where appropriate — our risk governance, scenario analysis, and disclosures to strengthen our overall climate risk management approach and comply with its phased expectations.

In 2025, we advanced our enterprise climate-scenario methodology by refreshing both the transition and physical risk components. The transition risk module now incorporates the most recent scenarios from the Network for Greening the Financial System designed for short- to medium-term analysis, representing a material improvement over prior inputs that were not optimized for these time horizons. For physical risk,

scenario assumptions were realigned with internal planning and budgeting processes, making results more consistent, relatable, and actionable.

We also migrated to a new modelling environment, which significantly accelerates our ability to generate results, iterate stress tests, and quantify insured losses under different climate pathways. These enhancements improve both the construction of the scenarios themselves and the efficiency, frequency, and reliability of their implementation, supporting more robust capital stress testing and financial readiness assessments.

Definity considers a range of climate-related risk factors in its strategic planning, including the following:

Frequency and severity of extreme weather: Higher average global temperatures are expected to increase the frequency, volatility 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.

These factors could ultimately influence the availability and affordability of insurance and reinsurance 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.

In 2025, we continued strengthening our underwriting and pricing approach by integrating climate-related insights across key perils such as flood and wildfire. This includes expanding our internal technical expertise, partnering with external vendors to deepen understanding of secondary perils, and developing bespoke analytical tools that enable more granular regional hazard differentiation. We have also acquired climate-focused modelling tools and built internal frameworks to address emerging climate-related questions, particularly where off-the-shelf solutions are insufficient.



Climate Risk Management

As an insurer, it is undeniable that effectively managing climate-related risk is an integral part of our role in society and how we support our customers.



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. These risks are also considered in the context of geopolitical developments that may slow the orderly transition to a low-emissions global economy.

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, while also giving rise to new industries and related growth opportunities. 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 our existing products or services. Additionally, regulator-mandated climate change scenario modelling, reporting, and disclosures may increase our compliance costs. 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.

Risk complexity: Climate change risks are interdependent and transversal, interacting 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 and monitoring: Risks and opportunities arising from climate change are incorporated into Definity's financial planning processes. Weather-related events may impact loss trends and various scenarios 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.

Through Definity's quarterly reporting and business review processes we assess the impact of climate-related risks and opportunities on our financial performance, capital position and liquidity for the quarter and the year-to-date. As part of this process, Definity also re-assesses our assumptions and forecasts for future periods and considers the need to revise our climate risk management activities.

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 on pages 32 to 34 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.

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.

In 2025, we incorporated climate scenarios into investment stress testing at an aggregate level. The investment portfolio was shocked based on climate scenarios that involved impacts on interest rates, credit spreads, and equity market movements under transition and physical risk pathways. Given the conservative nature of our holdings and their short duration, the overall impact under the constructed scenarios was limited. This analysis will continue to evolve as methodologies mature across the industry.

Modelling potential impacts: Our in-house Climate Centre of Excellence advances our understanding of climate impacts on current underwriting portfolios. We continuously enhance our modelling capabilities to better assess changes in key climate-related risk exposures and their potential interactions. This supports adequate and appropriate pricing, coverage options, risk selection, risk accumulation and concentration, our 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.

Climate Risk Management

While climate scenario results do not directly feed into individual customer-level assessments, they inform our broader approach to business, customer, and community resilience. Insights help guide claims preparedness planning, contribute to enterprise risk strategy, and shape our understanding of the short- to medium-term operational and financial implications of a destabilizing climate. Tools we have developed, and intelligence gained through partnerships, acquisitions, and internal research provide meaningful guidance on how we structure and position the business to better support clients and communities facing evolving climate risks.

Concentration risk: We mitigate our concentration risk regarding catastrophe losses by monitoring our exposure to potential 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.

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. 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.

In 2025, we continued strengthening our underwriting and pricing approach by integrating climate-related insights across key perils such as flood and wildfire. This includes expanding our internal technical expertise, partnering with external vendors to deepen understanding of secondary perils, and developing bespoke analytical tools that enable more granular regional hazard differentiation. We have also acquired climate-focused modelling tools and built internal frameworks to address emerging climate-related questions, particularly where off-the-shelf solutions are insufficient.

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 with strong and aligned reinsurance partners.

Qualitative risk assessment: A qualitative assessment of climate-related risks and opportunities across Definity's business lines, investments, and operations was updated in 2025 and can be found in the Appendix on page 80 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 Spotlight

ClimACT Chair at Université du Québec à Montréal

Definity is continuously advancing our modelling capabilities to assess climate-related risks. Through the establishment of the ClimACT Research Chair at Université du Québec à Montréal, we are collaborating with industry peers and leading researchers to deepen our collective understanding of the financial impacts of climate change and support communities in adapting to evolving climate risks.



Launch of the ClimACT Research Chair at Université du Québec à Montréal in September 2025 with Paul Boisvert, AVP Insurance Risk Oversight (retired). Photo: UQAM, Clémence Lesné.

Climate Advocacy and Policy Engagement

Definity recognizes that climate resilience depends not only on local preparedness, but also on effective public policy. As climate-related losses increase, coordinated action between governments, insurers, and communities is essential to reduce risk, protect vulnerable populations, and maintain a stable insurance market.

In 2025, we continued to advance adaptation and resilience policy through our leadership role in Climate Proof Canada (CPC), a cross-sector coalition advocating for a more disaster-resilient economy and society. Definity has served on CPC's Executive Committee since 2023, contributing to the coalition's strategic direction and helping shape practical, evidence-based recommendations. A key strength of CPC is its ability to present a unified voice on adaptation and resilience, representing diverse stakeholders while advancing clear, actionable policy priorities.

During the year, CPC streamlined its recommendations to the Canadian federal government ahead of its Budget 2025, focusing on infrastructure resilience, disaster preparedness, Indigenous resilience, and support for high-risk communities. Definity supported these efforts through sustained engagement and targeted input.

We also publicly advocated for climate-informed land-use planning. In connection with the launch of Build Canada Homes, CPC published an op-ed emphasizing the importance of avoiding new housing development in areas with high climate risk exposure. Responsible growth requires aligning housing supply with resilient infrastructure and sound risk management.

Sustained advocacy has contributed to meaningful policy progress. CPC's engagement was a significant factor in the establishment of Canada's National Adaptation Strategy and in advancing the federal government's commitment to work with insurers on a program to support coverage for homes at high risk of flooding. We have also seen increased federal prioritization of infrastructure upgrades in areas facing new development pressures, exemplified by the Black Creek sewer project in Toronto.

Beyond CPC, Definity continues to engage with governments, regulators, and industry and professional bodies, including the Insurance Bureau of Canada and the Canadian Institute of Actuaries, to inform climate-related legislation and regulatory guidance.

By combining the technical expertise of our Climate Centre of Excellence with sustained, collaborative advocacy, Definity continues to support a more resilient and climate-ready Canada.



Climate Advocacy and Policy Engagement

Partnership Spotlight

Investing in community and nature-based solutions

As a partner to Green Communities Canada, Definity supports the Living Cities Canada Fund to advance equitable, abundant, and thriving green infrastructure in communities nationwide. Through wetlands and mini forests, tree-lined streets and parks, bioswales and rain gardens, green infrastructure strengthens climate resilience, reduces flood risk, enhances biodiversity, and improves community well-being. In 2025, through its support of the Living Cities Canada Fund, Definity supported 37 projects, resulting in the planting of more than 12,000 plants across a combined site area of 33,000 m². This funding equips community-based organizations, Indigenous groups, and municipalities with funding, training, project management tools, and peer learning networks to advance local policy and implement nature-based solutions — helping to build more sustainable, climate-ready, livable communities in a complex world.

Definity supported 37 projects that planted

12,000 plants

over a combined site size of 33,000 m²



Future Priorities

Definity will continue to prioritize risk management efforts and support customer and community-level adaptation and resilience to more frequent and extreme weather events. Our priorities include:

- Enhancing climate risk management by deepening our use of advanced modelling to assess physical and transition risks across our portfolio, over the short, medium and long term.
- Continued refinement of Definity's climate transition plan.



Strong Underwriting

Why It Matters

Strong underwriting is foundational to Definity's profitability, financial resilience and long-term performance. As climate-related perils increase in frequency and severity, disciplined underwriting helps to ensure we price risk appropriately, manage portfolio exposure responsibly, and maintain capacity to serve customers in evolving markets. Integrating climate risk into underwriting appetite and product design supports both capital stability and community resilience. It enables growth in emerging, more climate-resilient segments while mitigating structural vulnerabilities that increase loss volatility. In a changing risk landscape, underwriting discipline is not only about protection — it's about shaping a more resilient environment.



Approach

Integrating Climate Risk into Underwriting

We embed evolving climate risk insights into underwriting appetite, pricing, and portfolio management across personal and commercial lines.

This includes:

- Enhanced hazard mapping for flood, wildfire, and hail
- Granular identification of high-risk zones
- Continuous portfolio exposure monitoring, including risk aggregation
- Pricing refinement reflecting severity and frequency trends
- Offering incentives such as discounts for water mitigation technologies

As pluvial flooding increases and traditional proximity-based assumptions become less reliable, our modelling capabilities continue to evolve to support more accurate risk selection and risk-adjusted pricing.

In commercial underwriting, resilience considerations also inform material preferences and construction standards. Where structural vulnerabilities are identified through loss experience, underwriting appetite is adjusted accordingly.

This disciplined integration of climate risk supports portfolio durability and realistic pricing.

Strong Underwriting

Progress

Modernizing Personal Property Products

In 2025, we continued modernizing personal property products to improve clarity, flexibility, and resilience.

A key advancement was the redesign of the Green Coverage Enhancement Endorsement, which now more explicitly supports “build back better” principles following a covered loss.

Enhancements included:

- Moving the endorsement onto the policy declaration page to improve visibility, customer awareness, and uptake
- Expanding language to include proactive, preventative loss mitigation measures, in addition to environmentally friendly products
- Maintaining open-ended wording to accommodate emerging resilience technologies

The endorsement provides up to \$10,000 per loss for upgrades such as hail- and wind-resistant roofing, fire-resistant materials, backflow valves, sump pumps, and foundation waterproofing.

This flexible structure differentiates Definity by allowing customers to select upgrades most relevant to their risk profile, rather than limiting coverage to narrow lists. It also supports more durable rebuild outcomes, reinforcing the alignment between underwriting, claims, and long-term loss mitigation for customers.

Definity continues to engage with the Institute for Catastrophic Loss Reduction to strengthen personal insurance resilience practices and underwriting insights. Through ongoing collaboration and knowledge exchange, we incorporate research-based mitigation guidance into underwriting frameworks and broker education.

Participation in Institute for Catastrophic Loss Reduction committees helps Definity to better translate research findings into underwriting guidance, broker engagement tools, and customer communications.

Climate Risk Integration in Commercial Underwriting

By aligning underwriting appetite with resilience and environmental considerations, we support more durable building practices while managing exposure to recurring climate-driven losses.

- Increasing uptake of resilience-focused endorsements
- Deepening collaboration with research institutions and industry partners
- Supporting adoption of sustainable and climate-resilient construction practices

Through disciplined underwriting and informed innovation, Definity aims to support resilient growth while safeguarding long-term portfolio stability.

Future Priorities

Strong underwriting requires continuous refinement as climate risk evolves and building practices change. We remain focused on expanding our knowledge, strengthening analytics, deepening resilience integration, and supporting sustainable growth.

Looking ahead, our priorities include:

- Refining climate risk modelling and hazard mapping
- Enhancing underwriting analytics for flood, wildfire, and hail exposures
- Expanding broker and customer education on resilience incentives

Partnership Spotlight

Advancing Mass Timber

Adoption of mass timber construction has historically faced hesitancy due to regulatory complexity and knowledge gaps across the insurance sector.

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 — a lower-carbon alternative to steel and concrete.

Through collaboration with researchers, we enhanced our understanding of mass timber’s structural performance, resilience to flood and fire damage, remediation potential, and long-term durability. Following due diligence and risk assessment, Definity updated underwriting guidelines and now provides coverage for some of the largest mass timber projects in Canada. This reflects our commitment to supporting climate-resilient construction while maintaining underwriting discipline.



Responding to Catastrophes

Why It Matters

Climate-driven catastrophe events are increasing in frequency and severity. Rapid, coordinated response during these events enables faster customer recovery, and reinforces confidence in the insurance system. As a “financial first responder”, Definity plays a critical role in stabilizing households and businesses during crises. Effective catastrophe (CAT) events readiness helps ensure that financial support flows quickly when it is needed most.

Approach

CAT Readiness and Operational Discipline

Our catastrophe response model is designed to deliver speed, clarity, and consistency during high-volume events.

Key components include:

- Dedicated CAT response teams
- Surge staffing and triage protocols
- Broker coordination
- State-of-the-art technology to track CAT events
- Real-time communication planning
- Digital claims intake and estimating capabilities
- In-person, on-location presence where appropriate

These initiatives improve coordination and reduce friction during crisis conditions.

Collaboration between our Claims and Corporate Communications teams ensures customers and brokers receive timely updates regarding operational plans, claims processes, and available support. Additionally, we continuously strengthen climate literacy and disaster-response training across claims and broker teams to improve preparedness and execution during severe weather events.



Responding to Catastrophes

Progress

Improving CAT Customer Experience and Cycle Times

Operational enhancements — including insourcing, digital intake expansion, and workflow optimization — have strengthened year-over-year CAT performance by enabling:

- Reduced cycle times
- Clearer communication during surge conditions
- Stronger coordination with broker partners

Real-time operational updates during CAT events help maintain transparency as situations evolve. Claims teams issue real-time customer advisories, share operational updates, and clearly communicate claims-handling plans, keeping customers and brokers informed throughout the event and supporting a smoother claims experience.

Strengthening Climate Literacy and Broker Engagement

Definity continues to invest in training and resources that strengthen climate literacy and disaster preparedness across our organization and broker network.

In 2025:

- Claims teams received ongoing training across all lines of business, complemented by year-round customer service training to strengthen disaster response capabilities.
- Climate resilience resources were expanded for customers and brokers, including blog posts and online materials that provide guidance on weather preparedness, protective measures, and post-event recovery steps.

Partnership Spotlight

Canadian Red Cross and the Disaster Response Alliance

Definity’s longstanding partnership with the Canadian Red Cross through the Disaster Response Alliance supports communities in preparing for and recovering from disasters such as wildfires and floods.

2025 Impact Highlights

2,600+
people trained in disaster preparedness

250,000+
emergency relief items pre-positioned

1,050+
responders deployed to 21 major emergencies

11,000+
households supported through recovery services

Employee and Broker Engagement

- **120+** employee and broker volunteers contributed 250 hours through the Missing Maps program, strengthening emergency planning efforts by mapping 8,500 buildings and 300 kilometres of roads across communities in Newfoundland and Labrador, Manitoba, and Saskatchewan.
- The Canadian Red Cross’s wildfire appeal was amplified on Definity’s iCare platform and generated more than \$17,000 in employee-directed and Definity-matched donations. In addition to supporting customers with wildfire-related claims, Definity also raised funds to help affected communities.



Responding to Catastrophes

Partnership Spotlight

Wildfire Response

During the 2025 wildfires, Definity's Property Claims Groups handled approximately 500 wildfire claims.

As evacuation orders were issued with little notice, locating displaced customers became an immediate priority. Our Claims teams worked closely with broker partners — who helped identify updated contact details and facilitate outreach — to help ensure timely support.

We implemented a streamlined mass evacuation settlement process that included proactive Electronic Funds Transfer advances to provide immediate funds and a simplified claims process. Our CAT team was present providing direct assistance and reinforcing our commitment to being accessible during crises.

Our Property CAT team consistently delivers timely, empathetic support, reflecting the impact of disciplined preparation and a customer first approach. Of those customers that were supported by our Property CAT Team in 2025, 71% were advocates⁶, likely to recommend Definity to a friend or colleague based on their experience.

Definity Property Claims Groups handled approximately

500 wildfire claims

during the 2025 wildfires



Future Priorities

As CAT events evolve in frequency and severity, we will continue to strengthen readiness and operational resilience.

Key priorities include:

- Expanding surge capacity planning
- Enhancing real-time digital communication tools
- Deepening broker climate literacy programming
- Further refining mass-settlement processes
- Investing in analytics to support faster triage and resource deployment

Through disciplined execution and a caring culture, Definity remains committed to helping customers recover quickly and confidently when disasters strike.



⁶ Based on responses to a single question rated from 0–10: "How likely are you to recommend Definity to a friend or colleague?" A score of 9 or 10 is classified as an advocate. Includes Property CAT claims from the Post Claims Survey 2025.

Optimizing Operations



Why It Matters

Our operational footprint — including our offices, fleet, energy use, and business travel — contributes to our overall environmental impact and exposure to climate-related risks. Managing this footprint responsibly helps reduce emissions, control costs, and strengthen resilience.

Optimizing operations supports our broader decarbonization strategy and reinforces our commitment to responsible growth. It also aligns with stakeholder expectations, including sustainability-linked financing commitments and ESG ratings.

Approach

Definity takes a data-driven and risk-informed approach to operational emissions and resilience. Our strategy focuses on three priorities: decarbonizing energy use, strengthening facility performance and oversight, and enhancing business continuity.

Operational Emissions and Renewable Energy

We monitor energy use and greenhouse gas (GHG) emissions across our operations and align our reduction pathway with our net-zero ambition. Through our partnership with [Bullfrog Power](#), we purchase renewable energy certificates (RECs) to match our enterprise-wide electricity consumption, offsetting over 3,400 tonnes of CO₂ emissions since 2022. As one of Bullfrog Power's leading corporate partners, we also support community renewable energy projects, extending our impact beyond our own footprint.

Given that most of our offices are leased, we prioritize collaboration with landlords to improve building performance. For new and renewal leases, we seek high-performing Class A buildings with recognized sustainability certifications and embed green lease principles, including utility data sharing. We benchmark energy and GHG intensity by location to identify improvement opportunities and focus investment where we believe it can deliver the greatest emissions reductions.

Resilience and Business Continuity

Physical risk considerations are integrated into facility management and business continuity planning. The Corporate Services team maintains enhanced monitoring of vulnerable infrastructure areas, including basements and mechanical systems, supported by sensors and security oversight. Together, these measures strengthen our ability to detect and respond quickly to extreme weather or equipment issues, reinforcing business continuity across all locations.

We also incorporate IDEA principles into office design and renovations, supporting inclusive, and accessible workplaces across our portfolio.

Optimizing Operations

Progress

Delivering on Our 2025 Operational Emissions Reduction Target

Definity has outperformed our interim 2025 target of a 30% reduction in both Scope 1 and Scope 2 (market-based) emissions by delivering a reduction of approximately 36% lower than our 2019 base year (2,879 CO₂e). By comparison, reductions in 2024 and 2023 were 35%.

The decrease in operational emissions since 2019 is mostly attributed to COVID-related impacts that enabled a consolidation of Definity’s real estate footprint and a reduction in travel with company-owned and leased vehicles. Maintaining this level of direct operational emissions since 2023 reflects a disciplined approach to decarbonization while continuing to drive strong business growth.

Definity is taking a data-driven approach to reduce emissions across our operations, targeting a 50% reduction in Scope 1 and Scope 2 (market-based) emissions by 2030 relative to our 2019 baseline. Emissions have decreased relative to 2019, driven by operational efficiencies in our buildings and a higher proportion of low- and zero-emission vehicles in our fleet, and we will continue to focus on these abatement levers to achieve our interim target. The integration of the business acquired in the Travelers Transaction may have a material impact on Definity’s emissions footprint and may require adjustments to our planned emissions reductions pathways and related initiatives.

Energy Conservation and Building Performance

At our head office, we conducted an energy audit and invested more than \$600,000 in energy efficiency upgrades, including the installation of a more energy-efficient chiller and hot water system. These projects build on prior lighting and mechanical upgrades and are integrated with our building automation system to improve real-time monitoring and control.

We continued year-over-year tracking of utility consumption and spending across locations, collecting and analyzing landlord-provided data to benchmark energy performance. This portfolio-

level oversight enables consistent monitoring of Scope 1 and Scope 2 emissions and supports targeted conservation initiatives.

Fleet Electrification Strategy

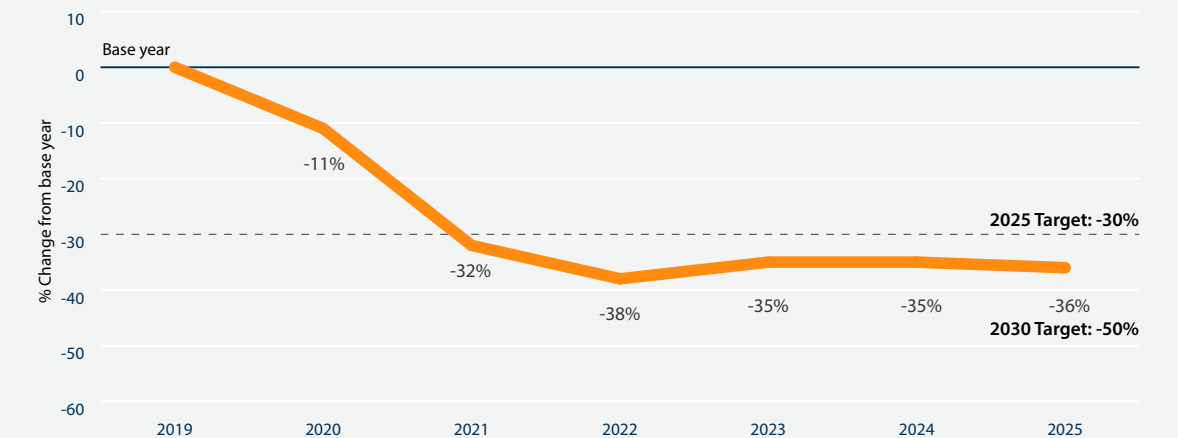
Our fleet transition strategy supports cost management, emissions reduction, and alignment with our sustainability-linked loan commitments. It is designed to reduce Scope 1 emissions while ensuring operational reliability across Canada’s diverse geographies and climates.

Vehicles are replaced at defined lifecycle milestones, with plug-in hybrid electric vehicles (PHEVs) as the default replacement with the goal of transitioning all vehicles to PHEVs by 2029. This phased conversion reflects infrastructure readiness, regional climate considerations, and total cost of ownership.

Starting in 2028, we plan to review charging infrastructure advancements in the areas where we operate, pilot electric vehicles (EVs) where feasible, and create a plan to transition from PHEVs to EVs. This next phase of transition supports deeper decarbonization over time while maintaining operational flexibility.

By sequencing the transition — from internal combustion engines to PHEVs, and ultimately to EVs in infrastructure-ready markets — Definity is advancing a pragmatic and resilient pathway to lower operational emissions.

Scope 1 & Scope 2 – Market-based Operational Emissions



We achieved our 2025 interim emissions reduction goals for our direct operations and investment portfolio — an important step toward our ultimate objective of net zero by 2040 or sooner.

– Rowan Saunders
President and CEO

Optimizing Operations

Future Priorities

Looking ahead, we will continue to advance operational decarbonization and resilience.

Key priorities include:

- Recalculating our operational emissions baseline and targets following the full integration of the business acquired in the Travelers Transaction
- Continuing the transition of our fleet to 100% PHEVs by 2029 while monitoring EV infrastructure readiness
- Expanding energy benchmarking and green lease practices across leased offices
- Identifying additional energy conservation investments with strong emissions and cost-reduction impact

By combining disciplined performance monitoring with targeted investments, Definity aims to reduce emissions, strengthen resilience, and operate more efficiently — supporting long-term value creation for our stakeholders.



Responsible Investing and Financing

Why It Matters

Climate change, technological developments, social expectations, and shifting government policies and regulations affect asset values, capital flows, and long-term returns.

By integrating ESG considerations into how we manage our assets, we pursue greater returns, manage risk thoughtfully, and support a more resilient, low-carbon economy. Responsible investing is part of how we deliver on our purpose — building a better world by helping our clients and communities adapt and thrive.

Approach

We embed ESG considerations into our investment process from the outset. Climate-related risks and opportunities are assessed alongside traditional financial factors in our investment selection and portfolio construction. This includes evaluating emissions exposure, transition risk, governance practices, and stakeholder expectations at the individual company level.

Our portfolios are diversified across asset classes, sectors, and regions to help manage risk and maintain liquidity. We actively consider climate exposure across industries, balancing risk reduction with prudent asset allocation. While there is an inherent trade-off between lowering carbon intensity and preserving diversification, we aim to manage this transition responsibly and in line with our stakeholders' expectations.

To align with our sustainability principles, we use a composite of ESG ratings and internal analysis to monitor performance. Definity also excludes direct investments in businesses where 5% or more of revenue comes from:

- Manufacturing tobacco products
- Producing or distributing controversial weapons
- Thermal coal mining or coal-fired power generation without a credible plan to decommission by 2030

We are committed to achieving net-zero emissions from our listed equity and corporate bond investments by 2040 or sooner.

Strong investment policy and governance support this work. Our Chief Investment Officer oversees the execution of our strategy, while the Executive Investment Committee oversees compliance with our Investment Policy Statement and Sustainable Investment Policy Statement. Climate and ESG considerations are formally embedded in these policies.

Responsible Investing and Financing

Progress

Financed Emissions Management

Definity has achieved our interim 2025 Scope 3 (Category 15 – Investments) target: a 30% reduction in emissions intensity (tonnes CO₂e per million dollars invested in listed equity and corporate bonds) from our 2020 baseline, which is 37 tCO₂e / million.⁷

As of December 31, 2025, our portfolio of listed equity and corporate bonds had a 33% lower emissions intensity than the 2020 baseline. This decline reflects two primary factors:

- **Portfolio allocation:** We increased weighting in less carbon-intensive sectors, such as financials, and reduced exposure to more emissions-intensive industries.
- **Organic improvement:** Many of the companies we invest in have advanced their own sustainability initiatives, contributing to lower emissions intensity across most industry groups.

Year-over-year reduction is primarily attributed to the maturing of corporate bonds from particularly emissions-intensive issuers.

Because Definity’s investment portfolio is heavily weighted towards bonds, our financed emissions calculations are particularly sensitive to fluctuations in the enterprise value of issuers in the portfolio. For example, if the share price of an emissions-intensive company were to rise substantially between reporting dates, this could significantly reduce the attribution factor of a corporate bond held by Definity (the relatively static book value of the debt as a percentage of the issuer’s higher enterprise value) which is in turn multiplied against the issuer’s emissions to determine Definity’s financed emissions for that holding. If the share price of the same company were to fall significantly, this would reduce the enterprise value of the company and therefore increase the attribution factor of the bond held by Definity, resulting in higher financed emissions. This dynamic significantly influenced the emissions intensity of Definity’s holdings in 2021 in particular, which is reflected in the graph on this page.

We expect additional progress as bonds from higher-emitting issuers mature in the coming year. For a detailed overview of our Scope 3 emissions targets, methodology, and refinements, see page 78 of this report.

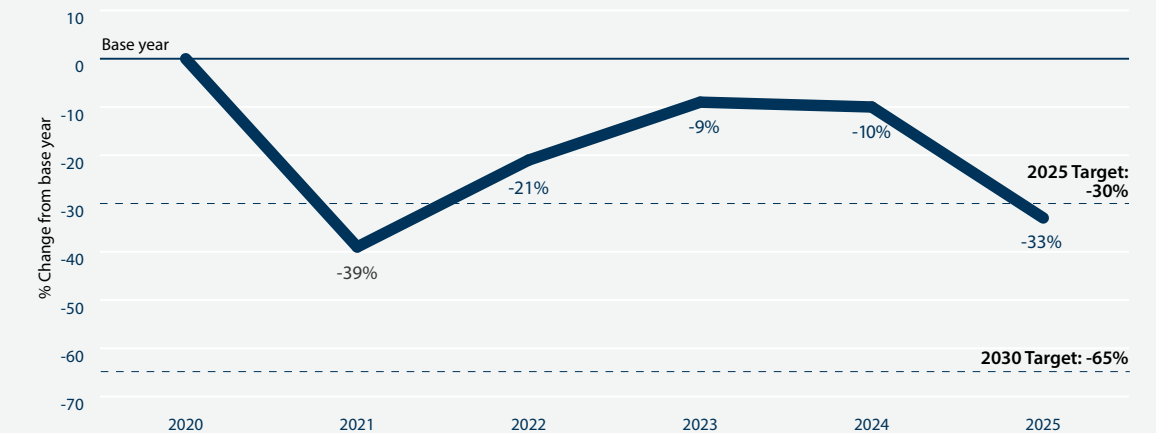
Climate Risk Oversight

We conduct qualitative climate risk assessments at the issuer level and monitor both physical and transition risks on an ongoing basis. Our portfolio remains heavily weighted toward sovereign debt and other high-quality, liquid assets, which enhances resilience and allows us to adapt as market conditions evolve.

Responsible Integration of Travelers Transaction Assets

In preparation for the integration of the business acquired in the Travelers Transaction, we strengthened sustainability governance by aligning the acquired portfolio with Definity’s Investment Policy Statement and increasing sustainability monitoring from annual to quarterly review. Results are now reported regularly to the Executive Investment Committee.

Scope 3 financed emissions intensity⁸ (listed equity and corporate bonds)⁹



⁷ Financed emissions calculated following the Partnership for Carbon Accounting Financials (PCAF) methodology. The financed emissions reported for listed equity and corporate bonds include only the Scope 1 and 2 emissions of investees. Scope 3 financed emissions associated with listed equity and corporate bonds were restated for the 2020 baseline year, as described in Definity’s 2023 ESG Report, due to methodology improvements.
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 for equity investments and book value for corporate bonds investments. This is consistent with the PCAF methodology for calculating financed emissions, which also uses market value for listed equities and book value for corporate bonds.
⁹ Relative to 2020 and only includes the Scope 1 and 2 emissions of investees.

Responsible Investing and Financing

Future Priorities

Looking ahead, we will continue strengthening how climate considerations are integrated into our investment oversight while maintaining disciplined capital allocation and a focus on long-term value creation.

Our priorities include:

- Progressing toward our 2030 interim emission intensity target while maintaining prudent diversification
- Enhancing climate scenario analysis and transition risk assessment
- Improving the quality, consistency, and transparency of financed emissions data and disclosure
- Aligning acquired and legacy portfolios with our Sustainable Investment Policy Statement

Sustainability Corner

[Sustainable Investment Policy Statement](#)



ENABLING A THRIVING WORKFORCE

Our people are central to delivering long-term value. We enable a thriving workforce by fostering an inclusive, high-performing culture grounded in ownership, employee engagement, customer focus, and continuous improvement. By prioritizing high performance, reward and recognition, and Inclusion, Diversity, Equity, and Accessibility (IDEA), we embed accountability and respect into how we lead, grow talent, and make decisions — strengthening trust with employees, customers, partners, and communities.

Awards

- Canada’s Most Admired™ Corporate Cultures of 2025 – Enterprise
- Excellence in Diversity, Equity & Inclusion Award at the Insurance Business Canada Awards 2025



- 36 Providing a Rewarding Employee Experience
- 42 Inclusion, Diversity, Equity, and Accessibility (IDEA)
- 46 Truth and Reconciliation

2025 Highlights

81%

Employee engagement score¹⁰
(79% in 2024; 77% in 2023)

88%

Inclusion and Belonging Index¹¹
(87% in 2024; 88% in 2023)

9%

Voluntary turnover¹²
(10% in 2024; 11% in 2023)

6.9 years

average employee tenure
(6.6 in 2024; 6.3 in 2023)

¹⁰ Employee engagement reflects employees’ emotional commitment and willingness to apply discretionary effort to help their organization meet its goals. Definity reports an Engagement Index as the % favourable (“agree/strongly agree”) across five benchmark questions posed in the last employee survey issued in Q4 2025: (1) I would recommend as a great place to work, (2) I rarely think about looking for a new job, (3) I am proud to work for this company, (4) The company motivates me to contribute more than is normally required, and (5) My work gives a feeling of personal accomplishment. Each question score is calculated as favourable responses ÷ total responses, and the Engagement Index is the average of the five question scores.

¹¹ Inclusion and Belonging Index is compiled from scores to 4 questions asked during the employee survey in Q2 2025: 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 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: = (Number of respondents who indicate “agree” + number of respondents who indicate “strongly agree”)/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.

¹² 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

Why It Matters

A rewarding employee experience is a strategic advantage. When employees feel supported, included, and recognized — and when leaders listen and act on feedback — teams perform better, change is easier to manage, and customers benefit from more consistent service and stronger collaboration. Strong engagement and leadership effectiveness also help reduce turnover, strengthen readiness for inorganic and organic growth, and build confidence among shareholders and other stakeholders that Definity is well positioned to execute its strategy over the long term. These factors also enhance our reputation as an employer of choice, helping us attract top talent in a well-connected industry where that reputation matters.



Approach

At Definity, a rewarding employee experience begins with our employee promise of CARE – to create an environment for all that is **C**ollaborative, **A**mbitious, **R**ewarding, and **E**mpowering. It guides how we hire, develop, reward, and lead so our people can do their best work, grow their careers, feel good about what they do, and contribute to outcomes that matter for our customers, broker partners, colleagues, and communities.

We manage this work through connected governance, disciplined measurement, and a strong culture of listening, learning, and follow-up. Our enterprise Listen Strategy enables ongoing dialogue across the employee lifecycle, generating insights that inform decision-making, leadership actions, and continuous improvement. We monitor engagement, leadership effectiveness, inclusion and belonging, internal mobility, and key talent retention, and we regularly report people and culture metrics to senior leadership and relevant Board committees to support oversight and accountability. Our enterprise human rights scan, conducted in 2025 and detailed in the [Building Resilient Business Practices section](#), has further informed how we identify and manage workforce-related risks.

Our approach is strengthened through practical programs and policies that support performance, growth, and recognition. These include a connected leadership development ecosystem, modern performance management that links goals to business outcomes, a Total Rewards strategy designed to be fair, competitive and motivating, and well-being and safety programs that support resilience and flexibility in a hybrid workplace.

Providing a Rewarding Employee Experience

Progress

In 2025, employee engagement reached an all-time high, while voluntary turnover fell to its lowest level since demutualization in 2021. In preparation for the integration of the business acquired in the Travelers Transaction, we continued to strengthen the employee experience. Engagement increased, turnover declined, and internal mobility remained strong — results that reflect a culture of CARE, strong leadership, and a disciplined approach to talent and performance.

Our progress was also reflected externally. In 2025, Definity was recognized again as a top employer in Canada, earning distinctions including Canada’s Most Admired™ Corporate Cultures — Enterprise, Excellence in Diversity, Equity & Inclusion at the Insurance Business Canada Awards, Best Reward & Recognition Strategy at the Canadian HR Awards, and Best Workplaces in Canada by Great Place To Work® Canada.

Listening, Leadership, and Culture of CARE

Employee sentiment and leadership experience indicators remain consistently strong, with high levels of pride and perceived leader support, alongside sustained Inclusion and Belonging Index results. These outcomes are closely linked to productivity, retention, and the ability to navigate change effectively.

	2025	2024	2023
Employee engagement	81%	79%	77%
Employees would recommend Definity as a great place to work	86%	84%	81%
Inclusion and Belonging Index	88%	87%	88%
Employees who report their direct leader cares about them as an individual	92%	91%	92%
Employees who believe Definity is committed to social and environmental responsibility	85%	84%	84%
Employee Experience Survey participation	91%	92%	90%

Our Listen Strategy is designed to drive follow-through. After survey results are compiled, leaders receive team dashboards and hold Listen Sessions with their team to review insights and agree on potential actions together. In 2025, 86% of employees said they had the chance to discuss results with their leader, reflecting continued improvement in “closing the loop.” People and culture measures are also shared through quarterly reporting to the Board of Directors, the Human Resources and Compensation Committee, and the Executive Leadership team.

Talent Acquisition, Mobility, and Retention

Our People and Culture team strengthened the rigour of our hiring processes to support long-term employee success, advance retention goals, and improve the experience for candidates. We enhanced structured interviews and validated assessments, and we implemented changes required under Ontario’s Working for Workers Act, including salary range disclosure and improved candidate notification practices. We continue to explore AI-enabled recruitment tools cautiously, keeping human judgment central and assessing new technology that meets our standards for fairness, explainability, privacy, and minimizing bias — core principles of our hiring philosophy.

IDEA continues to be embedded across the talent lifecycle. We introduced earlier voluntary candidate self-disclosure, which is used at the aggregate level, to better understand representation across our applicant pool and to inform inclusive and equitable sourcing approaches. We also continued to expand sourcing partnerships while ensuring our job postings remain accessible. In 2025, leaders in our High Performing Leader program completed training designed to ensure inclusive hiring practices.

Internal mobility is a key indicator of career opportunity and succession strength. In 2025, 54% of all open roles were filled internally (consistent with 54% in 2024 and up from 46% in 2023), while 73% of leadership positions were filled internally. This continued emphasis on developing and promoting from within helps retain institutional knowledge, reduce hiring risk, and provide visible career pathways across the Company. Structured talent reviews and succession planning processes support this approach and strengthen our leadership pipeline.

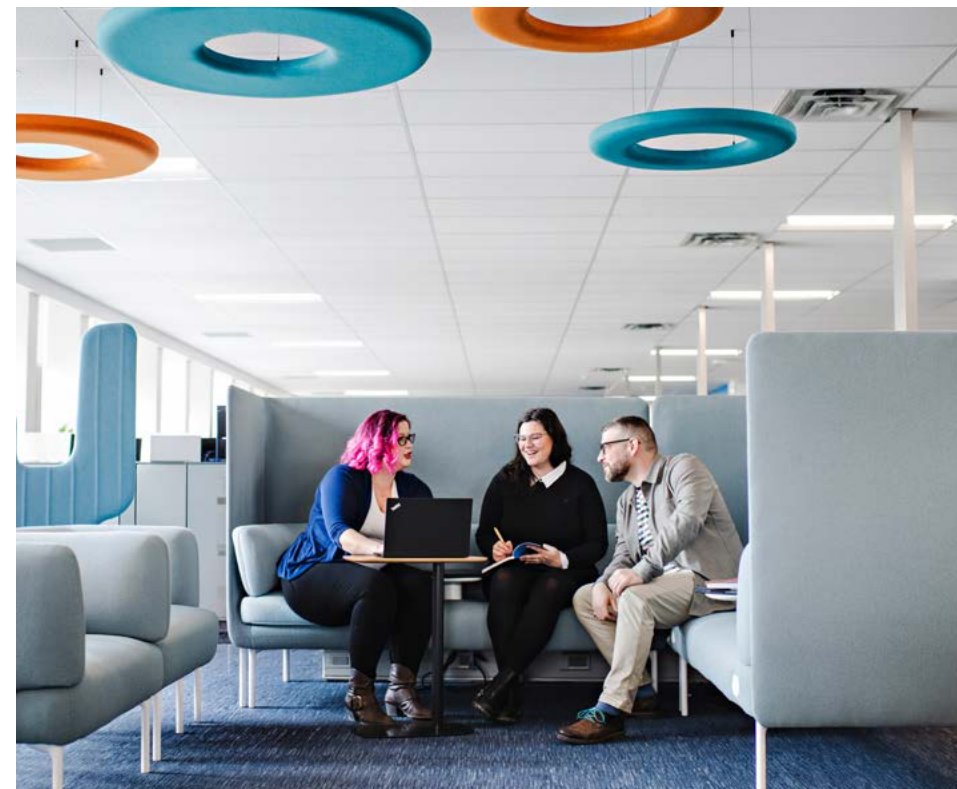


Providing a Rewarding Employee Experience

Retention continued to improve year over year, reflecting both Definity’s sustained investment in engaging and developing our workforce and broader labour market conditions that have contributed to greater employee stability. Voluntary turnover declined to 9% from 10% in 2024 and 11% in 2023, continuing a positive multi-year trend. Average employee tenure increased to nearly 7 years, up from 6.6 in 2024 and 6.3 in 2023. New hire turnover remained within target ranges, with most attrition

occurring in frontline customer-facing roles. Exit feedback reflected common market factors — such as career progression and hybrid work preferences — rather than indicating a systemic issue with our pay positioning. Overall, these trends reflect a stable, engaged workforce as we prepared for integration of the business acquired in the Travelers Transaction and long-term growth.

Strong internal hiring rates, high retention of top talent, and declining voluntary turnover reflect a **stable and engaged workforce** in 2025. These results demonstrate the strength of our succession pipeline, visible career pathways, and continued progress toward balanced leadership representation.



Internal Mobility

54%
of all roles filled internally
(54% in 2024; 46% in 2023)

73%
of leadership roles filled by
internal candidates

Retention and Stability

9%
voluntary turnover
(10% in 2024; 11% in 2023)

6.9 years
average employee tenure
(6.6 in 2024; 6.3 in 2023)

Leadership Representation

48%
of managerial roles held by women
(45% in 2024 and 2023)

Employee Spotlight

Claims Engagement and Performance Improvements

Claims is often one of the most challenging functions for employees in the Canadian P&C industry due to the nature of the work and market dynamics. In 2025, Definity saw meaningful improvements in employee engagement, leadership effectiveness, and overall experience in Claims. Actions included stronger leadership accountability and coaching through adjuster scorecards, a dedicated Claims Team Leader Development Program for 100+ front-line leaders, improved hiring quality through formal assessment tools, and operational improvements such as the rollout of Guidewire ClaimCenter. This reduced manual work and helped to move caseloads from unsustainable levels toward industry norms, supporting both performance and well-being. All together, these initiatives contributed to higher employee engagement and lower turnover in a critical part of our business, and improved our customer experience.

Providing a Rewarding Employee Experience



Early-Career Talent and Community Partnerships

We continue to invest in early-career talent to build a future-ready pipeline. In 2025, our co-op program welcomed more than 150 students, with a 20% conversion rate into ongoing roles, up from 11% in 2024, strengthening continuity and long-term talent development. Our New Grad Rotation Program also maintained strong engagement, with 92% of participants rating their experience as “Exceeds Expectations.”

Our campus strategy includes a strengthened partnership with the University of Waterloo, which remains a key source of early-career talent in close proximity to our corporate headquarters. In 2025, 32% of our co-op hires came from Waterloo, reflecting the impact of sustained campus engagement and brand presence. Together, these programs support long-term workforce planning and reinforce Definity’s position as an employer of choice for emerging professionals.

Community investment supports our employer brand and expands equitable access to opportunity. Through our Scholarship Program, we help reduce barriers for students facing socioeconomic and systemic challenges. We also participate in The King’s Trust Canada Employer Community of Practice, collaborating with peers to address youth employment barriers and promote inclusive hiring.

Total Rewards, Recognition, and Financial Well-being

Our Total Rewards approach supports retention, performance, and employee engagement. We link performance and development to business outcomes through our modernized process, where merit increases and Short-Term Incentive Plan outcomes reflect both individual and enterprise performance.

We continued to strengthen programs that support long-term financial well-being. Voluntary participation in Definity’s share ownership program increased to 70% in 2025, compared with 63% in 2024 and 61% in 2023, supported by expanded employee education. We also introduced a new option for employees to direct a portion of their annual bonus to retirement savings and saw growing interest in ESG-focused investment choices within our pension plan.

Fair pay is foundational to employee trust. In 2025, Definity completed the legislated Québec Pay Equity Maintenance Audit and posted results as required. Through annual market benchmarking and internal pay equity reviews – including transparent salary ranges in job postings – Definity is committed to providing an equitable rewards program.

Recognition is a key part of feeling valued. In 2025, recognition activity continued to grow year over year, reinforcing a culture where employees

and leaders celebrate performance, collaboration, and impact. Our Definity Appreciate+ system is a highly utilized forum for leaders and employees to recognize each other and award “points” for high performance and then points can be exchanged for highly valued items. This system also acknowledges service milestones with the company. Employee Appreciation Week and the CEO Awards – Definity’s highest recognition of individuals and teams – further highlight our culture of high performance and recognition bringing our values to life.

Well-being, Benefits, and a Safe Workplace

We support employee well-being through a holistic approach that includes mental, physical, social, financial, and emotional well-being. In 2025, participation and engagement in our wellness programming remained strong, even as we prepared for the integration of the business acquired in the Travelers Transaction, showing that these supports remain relevant and that we continue to expand access to meet evolving employee needs.

Approximately three-quarters of employees participated in our Spring and Fall Wellness Challenges, reflecting strong engagement across the organization. Through accessible programs and meaningful incentives, we support employee well-being and foster connection and resilience in a hybrid work environment.

Mental health support remains a key differentiator. We provide market-leading coverage and expanded access through the TELUS Total Mental Health platform. Registered users increased significantly year over year, and counselling and work/life services utilization rose to approximately 21% up from 17% in 2024, reflecting both growing awareness and reduced stigma around seeking support.

We also enhanced benefits in 2025 to better reflect evolving employee needs, including pharmacogenetic testing coverage, step therapy, and additional support to offset long-term disability pricing increases. Mental health coverage provides \$500 per year under each medical option, with up to \$2,500 at 100% coverage across four types of practitioners, and extended benefits at 50% co-insurance up to \$10,000 per year. Fertility coverage of up to \$15,000 and competitive maternity and parental leave top-ups remained important supports for employees and their families.

Workplace safety is essential. In 2025, we strengthened Emergency Warden coverage and maintained a First Aider approach that targets 5% of employees per office location, trained to support daily coverage. We also continue to provide ergonomic support and accommodations, including assistive devices and technology where needed. To support a safe and secure workplace, Definity updated physical security features across all offices to align with modern systems and practices.

Providing a Rewarding Employee Experience

Learning and Development

Learning is a key enabler of performance, mobility, and digital readiness. In 2025, we expanded programs that build business and digital fluency, including the Digital Business Foundations program. We also strengthened AI literacy, with approximately 4,000 hours of completions for the introductory module. This included an AI literacy certification program with four foundational courses aligned to the organization’s AI rollout. Leadership development remains a key lever for culture and performance, supporting succession planning and internal mobility. Our connected leadership ecosystem — from Leadership Essentials to High Performing Leader to High Performing Executive — supported by VP Connect, coaching, and mentoring, strengthens everyday leader effectiveness and our leadership pipeline. Definity’s Executive Leadership Summit, themed “Adapt and Thrive in ’25,” brought approximately 170 leaders together to strengthen alignment, capability, learning, and connection.

In 2025, we introduced a Learning Impact Survey to better assess outcomes, capturing nearly 19,000 responses on skill-building, leadership readiness, and cross-functional mobility. These insights are shaping our learning strategy by identifying the programs with the greatest impact, enabling us to prioritize development areas and tailor future offerings to better support employee growth.

Investing in development: Our investment in employee and broker development has increased steadily over time and continues to support strategic capability-building, with 100% of employees consistently accessing voluntary learning opportunities.

Investing in employee and broker development

	2025	2024	2023
Amount invested in employee training and development	\$1,758,000	\$1,679,000	\$1,628,000
Employee training hours completed	54,000	55,000	50,000
Broker training hours completed	16,000	9,000	5,000

Hours Invested in Sustainability Learning

6,800 hours

of sustainability-related training completed by employees

6,200 hours

of sustainability-related training completed by brokers



Providing a Rewarding Employee Experience

Future Priorities

Our focus is on strengthening a unified, high-performing, and engaging culture — one that supports inorganic growth, builds critical capabilities, advances equity and transparency, and enables our people to thrive as we execute our long-term strategy.

Looking ahead, we will focus on:

- Prioritizing a people-first integration approach through the Travelers Transaction, ensuring continuity, clarity, and equitable access to programs
- Continuing to strengthen mental health, well-being, and financial resilience supports, informed by employee feedback and utilization trends
- Continuing our commitment to provide equitable rewards programs aligned with evolving stakeholder and ESG rater expectations
- Accelerating digital fluency and AI literacy through targeted learning that supports productivity and responsible adoption
- Strengthening career pathways and internal mobility through employee and leadership development, succession planning, and skills-based movement across the Company



Inclusion, Diversity, Equity, and Accessibility (IDEA)



Why It Matters

A culture of inclusion and belonging helps our people thrive and supports strong, sustainable performance. Inclusive workplaces foster engagement, strengthen decision-making and leadership, and help us attract, develop, and retain talent in a dynamic labour market. IDEA also helps us reflect the diverse communities we serve and build trust with customers, brokers, partners, and regulators.

Equitable access to opportunity, inclusive leadership, and clear accountability are essential for women and other equity-deserving groups (Indigenous employees, racialized employees, LGBTQ+ employees, and people with disabilities). Recognizing that barriers can be systemic and intersecting, we are committed to advancing equity and creating environments where everyone can succeed. Culturally informed and tailored approaches further strengthen inclusion. Embedding IDEA into how we govern, operate, and grow reinforces our commitment to fairness, opportunity, and responsible growth.

Approach

Definity's refreshed IDEA strategy reflects the continued evolution of our long-standing commitment to inclusive practices. Endorsed by the Sustainability Steering Committee in 2025, the updated strategy is designed to deepen IDEA integration across the organization and better support delivery of our business priorities.

The strategy is anchored in four pillars:

- Growing IDEA awareness and advocacy
- Ensuring accessible working environments and experiences
- Advancing equity in recruitment and talent development
- Strengthening IDEA accountability and measurement

Clear governance underpins our approach. Oversight is provided through the Sustainability Steering Committee with guidance from our IDEA Advisory Committee. Targeted investments and stronger integration into business processes support consistent execution across the enterprise.

Partnerships continue to strengthen our impact, including IDEA-focused recruitment partners, inclusive leadership learning providers, and community organizations that support skills-based volunteerism. Our partnerships include the Canadian Centre for Diversity and Inclusion, Pride at Work Canada, Indigenous Works, and the Link Canada 2SLGBTQ+ Insurance Network, each of which helps advance inclusion within our workplace and across the industry.

Inclusion, Diversity, Equity, and Accessibility (IDEA)

Progress

Embedding IDEA into Talent Practices

In 2025, we continued to advance Definity’s IDEA strategy during a year of significant organizational change, including readiness for a major acquisition. Keeping a strong focus on inclusion during this period helped support employee engagement. Participation in Employee Groups initiatives, consistently strong Inclusion and Belonging Index scores, and external recognition all provided meaningful signals of progress.








We also continued to invest in targeted recruitment and development initiatives to strengthen representation, particularly within leadership pipelines. The expanded rollout of Winning Talent, a comprehensive recruitment training program for leaders, gave many hiring leaders their first formal training on applying an IDEA lens throughout the recruitment process.



Advancing Women in Leadership

Our work to advance gender equity is informed by alignment with the UN Women’s Empowerment Principles, which provide a global framework for promoting equity in the workplace, marketplace, and community. A summary of our progress against each principle can be found in the Appendix on page 87 of this report.

Our IDEA strategy aligns with all seven UN Women’s Empowerment Principles, including:

- 
Principle 1 Establish high-level corporate leadership for gender equality
- 
Principle 2 Treat all women and men fairly at work — respect and support human rights and non-discrimination
- 
Principle 3 Ensure the health, safety and well-being of all women and men workers
- 
Principle 4 Promote education, training and professional development for women
- 
Principle 5 Implement enterprise development, supply chain and marketing practices that empower women
- 
Principle 6 Promote equality through community initiatives and advocacy
- 
Principle 7 Measure and publicly report on progress to achieve gender equality

We have demonstrated this alignment throughout the year. We supported progress for women at the vice-president level and above through focused succession and development practices. Enhanced Talent Talks – our annual company-wide process that engages more than 500 leaders to identify top talent and advance IDEA goals – placed increased focus on women in Assistant Vice President (AVP) and Vice President (VP) roles, strengthening our ability to identify talent, support development, and increase visibility for advancement opportunities.

Partnership Spotlight

Skills-based volunteerism

Through our partnership with [Windmill Microlending](#), Definity supports affordable loans that help skilled immigrants and refugees overcome barriers to employment in their fields. Our funding contributes to Windmill’s Impact Fund, supporting a growing number of newcomers to Canada. Employees also participate through skills-based volunteer opportunities that connect professional expertise with meaningful community impact.



Mentoring newcomers has been profoundly impactful, deepening my appreciation for their resilience and highlighting the systemic barriers they face; this awareness has inspired me to become a stronger advocate for equitable opportunities and has also enhanced my leadership skills.



– Ridhima Nangia,
Director, Finance at Definity

Inclusion, Diversity, Equity, and Accessibility (IDEA)

Inclusion, Belonging, and Employee Voice

Beyond awareness events, Employee Groups increasingly served as trusted advisory forums, providing input on policies and practices. For example, representatives from all Employee Groups contributed to the review of our workplace harassment policy, helping ensure it reflected diverse perspectives and lived experiences. Additionally, Employee Groups consultations informed the strategic pillars of our refreshed IDEA strategy.

Employee Groups continued to play a vital role in fostering inclusion and belonging. Approximately 20% of employees participated in Employee Groups-led initiatives and events. Leadership from the LGBTQ+ Employee Group led to Definity sponsoring the Halifax Pride Parade. The Anti-Racism & Cultural Equity Employee Group provided guidance on renovations to our Mississauga office, resulting in a new multifaith room — complete with ablution stations and dedicated storage for meditation materials — the first of its kind across our offices. The Disability and Accessibility Advocacy also consulted on updates to our Accommodation policy and on embedding accessibility into our meeting practices.

Employee feedback underscored the personal impact of these efforts. At a Pride flag raising ceremony, employees expressed appreciation for Definity for maintaining our ongoing commitment to IDEA amid the retrenchment observed in some jurisdictions.

Definity Employee Groups

Anti-Racism and Cultural Equity
Disability and Accessibility Advocacy
Environment and Climate Action
LGBTQ+
Women’s Empowerment

Progress Toward Our Diversity Goals

Equitable opportunity is core to our inclusive culture. We have leadership diversity goals to help ensure our leaders reflect the communities we serve and the talent across the Company.

By the end of 2026, we aim to achieve:

- At least 30% of Vice President and Executive Leadership Team roles held by women
- At least 15% of Vice President and Executive Leadership Team roles held by individuals who identify as part of other equity-deserving groups

Board diversity targets include balanced gender representation (no less than 30% women and 30% men) and at least one director who identifies as part of other equity-deserving groups by the date of the Company’s annual meeting in 2026. Additionally, the Board aspires to have at least two directors who each identify as a member of other equity-deserving groups from that date onwards. As of the date of publishing this Report, our Board was composed of 31% women (four individuals) and 23% (three individuals) identifying from other equity-deserving groups.

In 2025, we continued to encourage confidential self-disclosure and achieved a 52% response rate among employees. Of those respondents, 52% identified as belonging to other equity-deserving groups, compared with 51% in 2024 and 49% in 2023. Among respondents in Vice President and above (VP+) roles, 29% identified as belonging to other equity-deserving groups,^{13,14,15} compared with 27% in 2024 and 25% in 2023 – surpassing our 2026 goal of having at least 15% VP+ held by employees who identify as belonging to other equity-deserving groups. Given we have significantly exceeded our goal, we will reassess our representation target for other equity-deserving groups that reflect our post-acquisition workforce.

At the end of 2025, our total workforce comprised 57% women, relatively consistent with 58% in 2024 and 2023. Women held 27% of all VP+ roles, up from 26% in 2024 and 24% in 2023. In addition, 48% of mid-management positions (manager, director, and Assistant Vice President roles) were held by women, up from 45% in 2024 and 2023.^{14,15} While this trend is encouraging, we continue working to access diverse candidate pools and support the career development of women leaders to help ensure we remain well positioned to achieve our 2026 representation target for women in Vice President roles and above. Note that the integration of the acquired Travelers Canada businesses may have a material impact on the relative composition of Definity’s workforce.

For more information on our representation data, refer to page 76.

	2026 Target	2025	2024	2023
VP+ roles held by an individual from other equity-deserving groups	15%	29%	27%	25%
VP+ roles held by women	30%	27%	26%	24%



¹³ Data as of December 31, 2025, based on voluntary self-disclosure with a response rate of 52%; includes Indigenous, Black, People of Colour, LGBTQ+, and/or persons with disabilities.

¹⁴ Family Insurance is excluded from this metric due to data limitations related to system incompatibility. Headcount includes permanent, active employees and excludes students, contractors, and individuals employed through third-party staffing agencies.

¹⁵ Employee demographic figures are calculated using average headcount from twelve monthly reports and are based on internally collected self-identification data.

Inclusion, Diversity, Equity, and Accessibility (IDEA)

Future Priorities

As Definity continues to evolve, our IDEA priorities reflect our focus on deepening impact and strengthening accountability. Looking ahead, we will focus on:

- Embedding the refreshed IDEA strategy more fully into business planning, leadership development, and talent processes
- Reassessing representation targets that reflect our post-acquisition workforce, while maintaining transparency on progress
- Further operationalizing the UN Women's Empowerment Principles across recruitment, succession planning, and workplace policies
- Advancing accessibility standards and inclusive design across employee experiences
- Maintaining strong governance through the Sustainability Steering Committee and shared leadership accountability

Together, these priorities reflect Definity's commitment to building an inclusive, equitable, and accessible organization — one where all team members are supported to grow, contribute, and lead, today and into the future.



Truth and Reconciliation

Why It Matters

Definity acknowledges the lasting impacts of colonialism and the systemic barriers that continue to affect Indigenous Peoples and communities across Canada. Advancing reconciliation requires humility, ongoing learning, accountability, and collaboration over time.

This work supports responsible governance, strengthens trust with employees and communities, and reflects our role as a national insurer serving diverse regions and communities across Canada. By building understanding and partnering with Indigenous-led organizations, we aim to contribute to stronger, more resilient communities and shared long-term value.

Approach

Truth and reconciliation is an important part of Definity's commitment to building a more inclusive and resilient future. This work contributes to our broader purpose of building a better world by helping our clients and communities adapt and thrive.

Our mission is to partner with First Nations, Inuit, and Métis employees, customers, brokers, and communities to amplify Indigenous potential and successes, and to help address barriers to Indigenous economic inclusion.

Our approach focuses on learning, partnership, and clear governance to support meaningful, long-term action guided by Indigenous perspectives. We continue to invest in cultural awareness and learning initiatives that deepen understanding of Indigenous histories, worldviews, and lived experiences, helping build internal capability and support respectful engagement across the organization.

At the same time, we are advancing the development of Definity's Truth and Reconciliation Action Plan, with support from an Indigenous-led consulting firm. The multi-year plan is intended to provide a clear and practical framework to guide commitments, governance, and actions over time. Its development emphasizes listening, reflection, and collaboration to help ensure actions are relevant, grounded in community priorities, and focused on real-world impact.



Truth and Reconciliation

Progress

In 2025, we continued to build a strong foundation for reconciliation, recognizing that this work is ongoing and evolving. Development of the Truth and Reconciliation Action Plan progressed during the year, with a focus on defining clear areas of action and accountabilities. This phase centred on listening, learning, and refining commitments to reflect Indigenous perspectives and community-defined priorities. The Indigenous Advisory Council has provided input on both the overall framework and specific actions within the plan to help ensure initiatives are feasible, meaningful, and impactful.

Learning Focused on Truth and Reconciliation

As part of the National Day for Truth and Reconciliation, Definity offered employees a virtual tour of a former Mohawk Residential School facilitated by the Woodland Cultural Centre, which was followed by a live Q&A. More than 200 employees participated, reflecting strong engagement and a continued commitment to learning and reconciliation, contributing to a more informed and respectful workplace for Indigenous employees.

In addition to the National Day for Truth and Reconciliation, the Anti-Racism & Cultural Equity Employee Group promoted learning throughout the year along with calls to action for employees.

Future Priorities

Looking ahead, Definity's priorities include:

- Continuing to develop and formalize the Truth and Reconciliation Action Plan
- Strengthening engagement with the Indigenous Advisory Council and integrating its guidance into implementation
- Expanding cultural awareness and experiential learning opportunities across the organization
- Deepening partnerships with Indigenous-led organizations
- Identifying opportunities to embed Truth and Reconciliation considerations into business practices and community investment decisions

Through continued learning, partnership, and accountability, Definity is working to advance reconciliation in a way that is thoughtful, credible, and responsive to Indigenous perspectives.

Partnership Spotlight

Crow Shield Lodge

As part of this learning-focused approach, members of Definity's Reconciliation Action Working Group spent time with one of our grantees, [Crow Shield Lodge](#), an Indigenous land-based healing and education organization. Through time on the land, participants took part in ceremony and hands-on activities, including stockpiling wood and harvesting traditional medicines.

This experience supported deeper understanding of Indigenous knowledge systems and reinforced the importance of respectful, reciprocal partnerships grounded in community needs. Insights from this engagement are helping inform Definity's approach as the Action Plan continues to take shape.



Definity employees harvesting sage while volunteering for Crow Shield Lodge.

BUILDING RESILIENT BUSINESS PRACTICES

Definity builds resilient business practices by putting customers at the centre of how we operate. From fair treatment principles and responsive claims service to climate resilience solutions, strong privacy protections, and secure digital experiences, we focus on delivering clarity, consistency, and support when it matters most. By combining operational discipline, innovation, and sustainability, we strengthen customer confidence and create long-term value for our stakeholders and the communities we serve.

49 [Helping Customers](#)

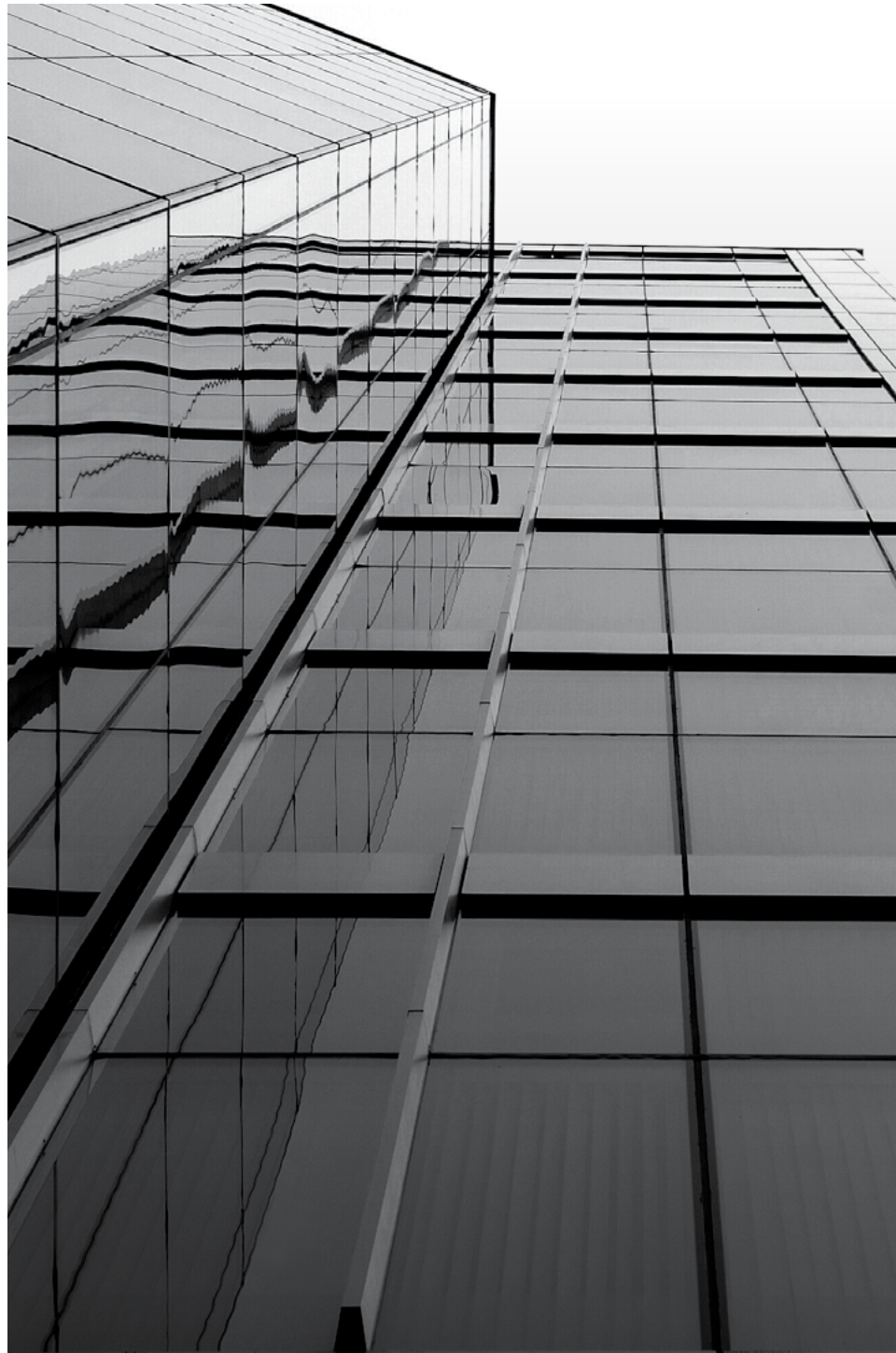
53 [Robust Privacy](#)

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2025 Highlights

8.8

customer satisfaction score¹⁶ when using a recommended vendor for personal property claims

8.7

customer satisfaction score¹⁷ when using a recommended vendor for personal auto claims

75%

adoption of Definity's secure AI chatbot by employees, strengthening AI literacy across the organization while reinforcing safe and responsible use.

¹⁶ This metric is measured on a 10-point scale and includes customers with personal property claims who used a recommended vendor for repairs and responded to the Post Claims survey in 2025.

¹⁷ This metric is measured on a 10-point scale and includes customers with personal auto claims who used a recommended vendor for repairs and responded to the Post Claims survey in 2025.

Helping Customers

Why It Matters

Insurance is more than a contract — it is a promise. When customers choose Definity, they trust us to provide clarity, fairness, and timely support when it matters most. Delivering faster claims resolution, reducing cycle times, strengthening digital channels, and designing clear, responsive products improves customer confidence and operational efficiency. These efforts form a core part of our commitment to build resilient business practices that deliver long-term value for customers, communities, and the company. Improving the everyday customer experience remains central to our purpose of helping clients and communities adapt and thrive.



Approach

Fair Treatment of Customers

Inspiring customer confidence is at the heart of what we do. We make fair treatment of customers a core component of our governance framework and business culture. By embedding these principles across our operations, we support customers when it matters most and make a positive impact on the individuals, businesses, and communities we serve.

Definity's Fair Treatment of Customers framework sets clear expectations for how customers are to be treated throughout the entire product lifecycle. Our commitment to fair treatment is embedded across our operations, including corporate governance and culture, product design and marketing, customer service practices and policies, and claims handling. Training and onboarding programs incorporate fair treatment of customers principles to reinforce employees' understanding of their responsibilities.

We maintain processes and controls to ensure that marketing materials accurately reflect product features and coverage offerings. We also provide clear and balanced information to help customers make informed decisions and choose the products that meet their needs.

When designing a new product or amending an existing one, the Company considers the interests of the target customer. We regularly assess how our products and services perform for customers and use established oversight processes and controls to identify, escalate, and address issues when they arise. Accessible and transparent dispute-resolution mechanisms help ensure that customer concerns are handled fairly and consistently, and that we continue to meet customer needs responsibly.

Our Fair Treatment of Customers framework defines roles and responsibilities across the organization. Through our integrated risk management approach, we monitor and supervise adherence to these principles. This includes responsibility for analyzing key indicators to identify potential fair treatment of customers-related issues or trends, taking corrective action when required, and reporting results to support oversight and accountability.

Helping Customers

Delivering a Caring Claim Experience

Making a claim for insurance coverage is a moment of truth for our customers; a time when they need us most. Our claim model prioritizes responsiveness, accountability, and clear communication. This approach supports both service quality and disciplined cost management, strengthening customer satisfaction.

Digital Enablement: We continue to modernize claim and service infrastructure to improve speed and accessibility. Automation and AI-supported triage tools help reduce manual intake and allow adjusters to focus on complex files.

Digital self-service capabilities enable customers to initiate and monitor claims conveniently, improving transparency and responsiveness.

Climate-related Products and Resilience Solutions: We also evolve product offerings to help customers mitigate risk before a loss occurs.

Our climate-related solutions include:

- Sonnet Shift, which encourages fuel-efficient driving behaviours and directs 1% of premiums to green infrastructure initiatives
- Water mitigation discounts for homes equipped with backflow valves, sump pumps, and water sensors
- A partnership between Sonnet and FLO offering EV insurance discounts
- The Green Coverage Enhancement Endorsement, supporting resilient rebuild upgrades
- Educational resources to help customers understand and reduce climate-related risk exposure

By combining prevention incentives with responsive claims service, we support customers before, during, and after a loss.

Integrating Sustainability into Claims: Sustainability considerations are embedded into vendor management, repair decision-making, and restoration practices.

We promote a repair-first culture, where appropriate, and engage vendors through structured scorecards that measure performance across quality, cycle time, customer experience, and sustainability metrics. In property claims, restoration techniques that preserve materials and reduce waste are prioritized, supporting improved environmental outcomes while accelerating recovery.

Progress

In 2025, we made measurable progress across claims efficiency, digital adoption, sustainability integration, and customer advocacy to build long-term value for customers and the business.

Claims Customer Experience

Delivering a caring claims experience that supports and satisfies customers is one of our key claims objectives. Insurance is a promise to be there for our customers when they need us most and the claims experience is our opportunity to show them that we care.

We strengthened the adoption of our Claims CARE Customer Experience (CX) Guiding Principles across frontline claims teams by delivering hands-on workshops and targeted coaching. The CARE CX framework emphasizes:

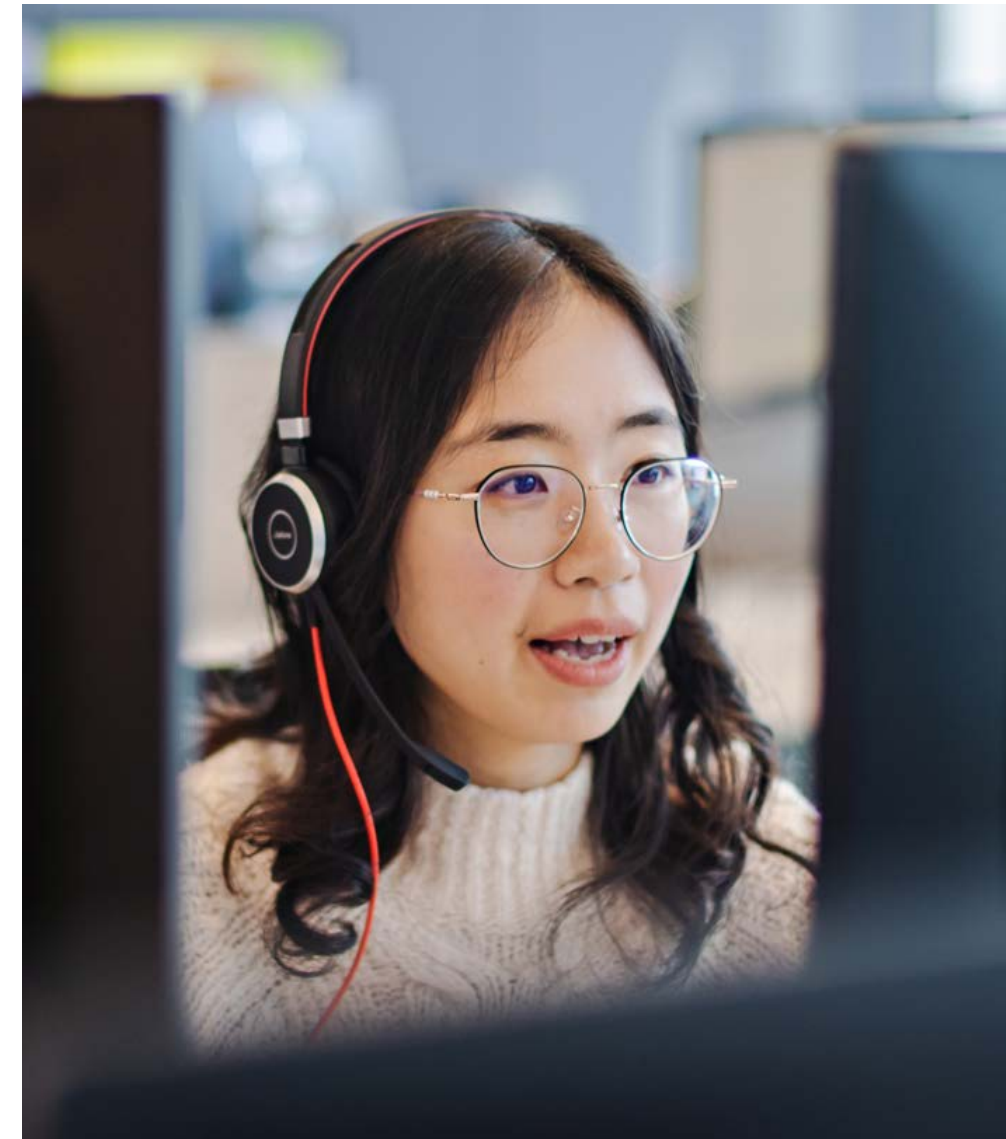
- **Communication** – providing proactive updates, setting clear expectations, and explaining the claims process in simple, easy-to-understand language. We also deliver communications through the customer’s preferred channel – whether by phone, email, or text – to make interactions clear, accessible, and convenient.
- **Active Listening** – building trust by ensuring customers feel heard and that their concerns are taken seriously
- **Relationship Building** – creating a positive, lasting connection with customers by demonstrating genuine care and support
- **Empathy** – showing customers that we understand their situation and are committed to supporting them through every step of the claims journey

Embedding Claims CARE CX into training and performance expectations strengthened consistency across teams and aligned operational improvements with customer feedback, helping to reinforce a customer-first culture.

Claims Efficiency and Digital Leadership: Enhancements to Guidewire ClaimCenter and AI-supported triage improved intake speed and workflow routing.

Approximately 40% of Sonnet policyholders now report claims through automated online channels. This digital-first design has:

- Accelerated first notice of loss
- Reduced manual intake
- Improved response times



[Read reviews from Sonnet customers](#)

Helping Customers

More Sustainable Claims Practices

In 2025, Definity strengthened the integration of sustainability into claims vendor management and operational practices.

Auto Claims – Sustainable Vendor Practices: The auto vendor scorecard was enhanced to include sustainability metrics alongside cycle time, process compliance, and customer experience. A new repair-to-replace performance metric reinforces our repair-first culture.

These changes reduce material consumption, shorten parts wait times, and lower embodied emissions as repairing usable parts avoids the carbon footprint of manufacturing and shipping new components — benefiting customers and the environment. We also expanded engagement with auto and general contracting partners to gather sustainability data and explore additional waste-reduction opportunities in rebuilds.

Property and Fire Claims — Waste Reduction: We continue to expand restoration-focused claims practices, including drying-in-place techniques and Biosweep deodorization, to minimize unnecessary material replacement and reduce waste and repair time.

Metric ¹⁸	2025	2024	2023
Fire claims using Biosweep (% of eligible fire claims) ¹⁹	58%	50%	—
Repair-to-replace ratio (eligible auto parts) ²⁰	47%	46%	—
Industry average auto parts repair-to-replace ratio ²¹	44%	44%	—

These practices help preserve materials, reduce landfill waste, lower emissions associated with replacement, and shorten repair timelines. Increased adoption in 2025 reflects the continued integration of sustainability into our core claims processes.

Customer Advocacy Highlights

Strong overall

claims Net Promoter Score

8.8

customer satisfaction score when using a recommended vendor for personal property claims

8.7

customer satisfaction score when using a recommended vendor for personal auto claims

Metric:	2025	2024	2023
Complaints per 1,000 claims ²²	4.36	3.83	4.30

Complaint volumes are influenced by our continued growth and broader economic pressures affecting our customers. We remain focused on delivering a responsive and caring claims experience.

Higher customer satisfaction scores among recommended vendor claims demonstrate the value of disciplined vendor governance and service consistency.

Partnership Spotlight

Proactive Wildfire Protection Through Wildfire Defense Services

Definity partners with Wildfire Defense Services to provide proactive, pre-loss wildfire mitigation during periods of elevated risk. During the Edith Lake Fire (May–June 2025), extreme wildfire conditions placed Swan Hills, Alberta, under evacuation and threatened enrolled insured properties.

Through Definity’s partnership with Wildfire Defense Services:

- Fire Watch Officers assessed risk
- Combustibles were removed
- Ember-resistant zones were created
- Exterior vents were sealed
- Surrounding fuels were mitigated
- Ongoing monitoring and rehabilitation were completed

Result: No enrolled structures were damaged or destroyed. This prevention-focused approach reduces losses, strengthens resilience, and supports a more sustainable, forward-looking claims model.



Wildfire Defense Services personnel relocating combustibles to reduce potential sources of ignition adjacent to the primary structure.

¹⁸ Metrics reflect claims and auto parts deemed eligible based on claim type, safety requirements, and repair feasibility.

¹⁹ Biosweep usage represents the percentage of eligible fire claims where deodorization was deployed.

²⁰ Repair-to-replace are captured through Definity’s auto parts selection system.

²¹ Data source: Our estimatics system (Qapter).

²² Ratio represents the number of complaints received from both front line and the Customer Dispute Resolution Office for all insurance segments and regions per 1,000 claims filed across all segments and regions.

Helping Customers

Future Priorities

Looking ahead, Definity will continue focusing on improving the everyday customer experience while deepening sustainability integration across operations.

Key priorities include:

- Further reducing claims cycle times
- Expanding digital self-service capabilities
- Embedding Claims CARE CX principles into performance management
- Enhancing vendor sustainability data
- Strengthening proactive mitigation partnerships
- Increasing uptake of resilience-focused endorsements

By aligning fairness, operational discipline, digital innovation, and sustainability integration, we are delivering stronger customer outcomes and long-term value.



Robust Privacy

Why It Matters

Our customers trust us to protect their personal information. Maintaining that trust — and confidence in how we collect, use, and safeguard data — remains a priority for Definity.

As digital capabilities continue to evolve, protecting customer data is essential to achieving our strategic objectives and reducing potential reputational and financial risks. Strong privacy practices support customer confidence, enable responsible innovation, and help Definity comply with applicable privacy legislation. We monitor and manage privacy risks and implement measures designed to safeguard the personal information entrusted to us.

Approach

Definity has established a robust privacy program designed to protect personal information in our possession. Our privacy statements are posted on our websites. These 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 applicable privacy legislation.

We maintain processes to 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 that applies privacy principles throughout the lifecycle of personal information, from collection to secure destruction. We embed privacy-by-design principles into all AI-driven initiatives across Canada through this assessment process.

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

Our privacy statements outline how individuals can exercise their rights under applicable privacy legislation. We have established processes for individuals to request access to their personal information, correct inaccuracies, or withdraw consent for its use.



Robust Privacy



Progress

During the year, Definity continued to enhance oversight of privacy risks across new and evolving initiatives, including AI-driven solutions, through our privacy impact assessment process. As the usage of AI tools by our employees increases, we have extended our training and education to cover the intersection between data privacy and responsible AI usage.

All employees were required to complete mandatory privacy training covering the protection, retention, and disposal of personal information, as well as our privacy incident protocol. The protocol outlines the steps

staff must follow if a privacy incident occurs, including reporting incidents to our Privacy Office and taking appropriate actions, such as notifying affected individuals and third parties where required.

Our privacy officer and their team continued to manage inquiries and complaints concerning privacy and oversee processes that enable individuals to exercise their rights under applicable privacy legislation.

Future Priorities

Looking ahead, we will continue to strengthen our privacy governance framework and monitor emerging regulatory developments. Our priorities include:

- Maintaining strong oversight of privacy risks across digital and AI-driven initiatives
- Continuing to embed privacy-by-design principles into innovation activities
- Reinforcing employee awareness and accountability through ongoing training

Through these efforts, we carry out our commitment to safeguarding personal information and aim to maintain customer confidence.

Sustainability Corner

[Privacy Statement](#)

Cybersecurity

2025 Highlights

More than 4,000 hours

of AI literacy training completed by employees

99%

of employees completed security awareness/
cyber security training

Why It Matters

Amid evolving geopolitical tensions, rising cyber threats, and the rapid advancement of artificial intelligence (AI), cybersecurity remains a critical pillar of our enterprise risk management strategy.

As a digital leader, Definity is committed to safeguarding our customers, employees, brokers, and systems from cybersecurity risks. As digital threats evolve, we remain focused on protecting sensitive information and strengthening resilience across an increasingly complex digital landscape. Maintaining strong cybersecurity practices is essential to preserving customer confidence and supporting long-term business stability.

Cybersecurity risk management continues to be a top priority for Definity. Strong governance, disciplined oversight, and continuous improvement help us safeguard trust while meeting regulatory expectations.

Approach

Definity manages cybersecurity risk through a comprehensive, multi-year strategy that integrates governance, technology, and workforce awareness.

The Risk Committee of the Board provides oversight of cybersecurity risk and receives quarterly updates, with additional briefings as needed in response to emerging or geopolitical threats. Management oversight is supported by the Management Risk Committee, while day-to-day governance is led by the Cyber Working Group, composed of VP-level leaders who provide input, support decision making, budgetary and overall cyber and information strategy approval.

We align our cybersecurity program with recognized industry standards, including the NIST Cybersecurity Framework and PCI DSS. We continue to invest in initiatives that strengthen our ability to anticipate, detect, and respond to emerging threats — including those associated with AI and future technologies such as quantum computing.

We conduct 24/7 monitoring through our Cyber Security Operations Centre, enabling continuous threat detection and incident management. In the event of a cyber incident, we follow defined response protocols, including regulatory notifications where required.

Our commitment to cyber and information security is reinforced through annual independent audits, threat assessments, intelligence informed threat hunting and red teaming activities. Cyber tabletop exercises are executed with management which includes both technology and business participants with results provided to the Board. We also require vendors and partners to meet defined data protection and cyber security standards to support a secure operating environment.

Cybersecurity awareness remains an important pillar of our overall cybersecurity strategy. New employees complete cybersecurity training as part of onboarding, and all employees and contractors complete mandatory annual training to reinforce best practices and vigilance.

We also participate in industry threat intelligence networks and leverage intelligence feeds integrated into our monitoring systems to maintain real-time awareness of emerging risks and evolving standards across the financial and insurance ecosystem.

Cybersecurity

Progress

In 2025, Definity continued to execute on its multi-year cybersecurity roadmap and strengthen foundational controls across the organization.

During the year, we strengthened information security practices across our broker network by enforcing multifactor authentication using higher-assurance authentication methods for all brokers. This initiative helps to ensure secure digital access for our broker network while meeting industry standard authentication.

We supported this rollout with targeted broker communications and cybersecurity training, including a course offered during Cybersecurity Awareness Month. These efforts helped raise awareness and strengthen cyber readiness across a diverse distribution network.

We continued to monitor and assess the evolving role of AI in cybersecurity. This included evaluating both the risks posed by AI-enabled threat actors and the defensive opportunities presented by AI-powered tools.

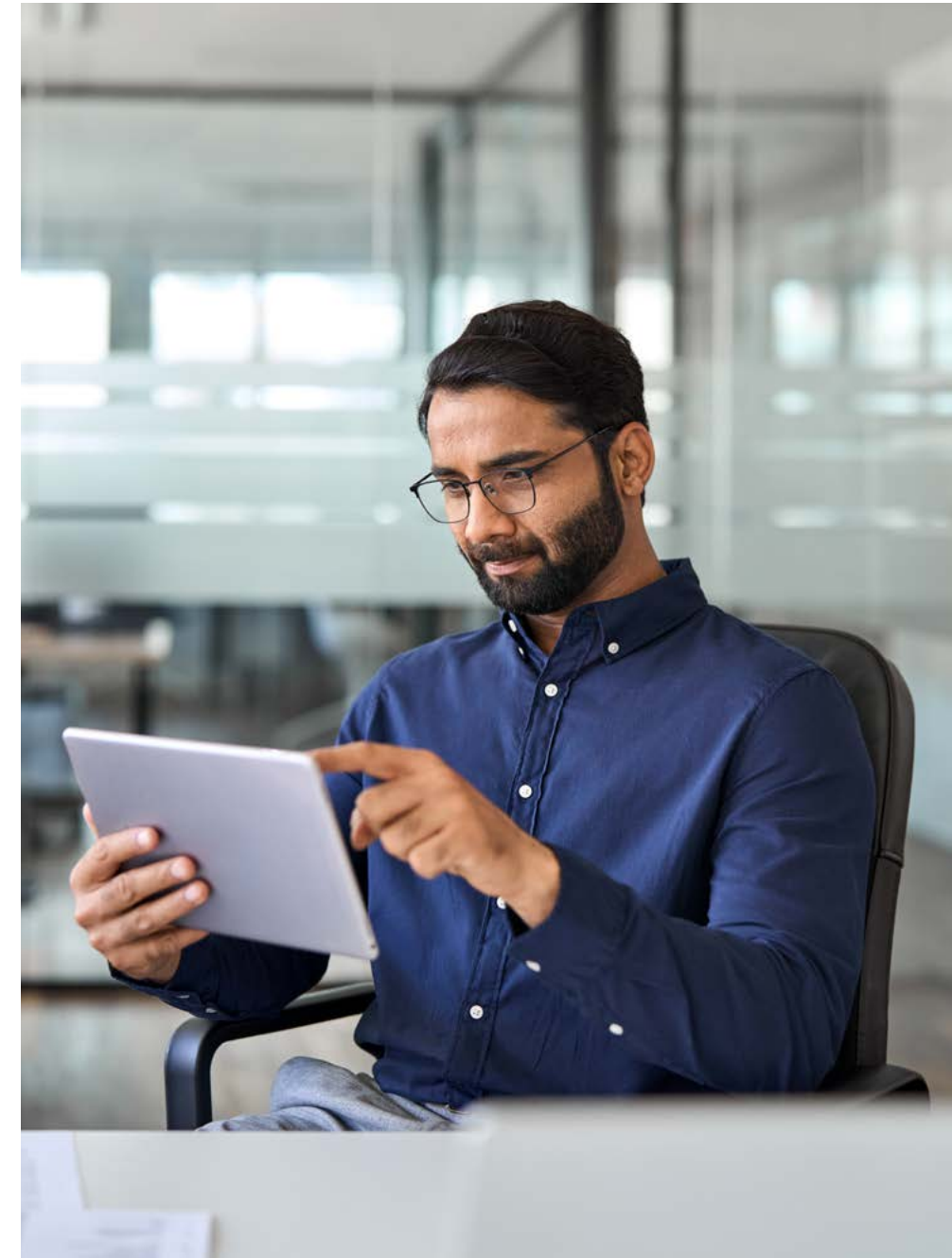
Future Priorities

Looking ahead, we will continue to strengthen our cyber resilience while supporting secure digital growth.

Our key priorities include:

- Evaluating opportunities to augment existing practices through AI-driven threat detection and response capabilities, supported by appropriate governance and risk frameworks
- Monitoring emerging risks, including those associated with AI and quantum computing, and migrating to quantum-resistant encryption standards
- Continuing to elevate broker and employee cybersecurity awareness through training and collaboration
- Continuing to monitor the rapidly changing external and geopolitical landscape for emerging threats to both insurance industry from nation-states and criminal organizations

As cyber risks continue to evolve, Definity remains focused on maintaining a proactive and adaptive security posture. By investing in strong governance, modern technology, and a culture of shared responsibility, we are committed to protecting the trust our customers and partners place in us — today and into the future.



Innovation

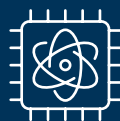
Approach

Definity’s multi-modal innovation model blends three interconnected approaches to ensure innovation is embedded in daily operations, guided by enterprise oversight, and integrated into large-scale transformation initiatives.



Embedded Innovation

Embedded Innovation is ingrained in Definity’s core business functions, with teams continuously refining processes and enhancing capabilities to improve efficiency and performance. This ensures innovation is a natural part of operations rather than a siloed effort.



Centre-Led Innovation

Centre-Led Innovation is guided by Definity’s enterprise-level, cross-functional committees to support innovation efforts. For example, the Innovation Council identifies and assesses long-term industry trends, prioritizing transformative opportunities with social and business impact. Our AI Factory co-ordinates capabilities to accelerate AI-enabled solutions, ensure responsible deployments, democratize access, and promote AI learning across the organization.



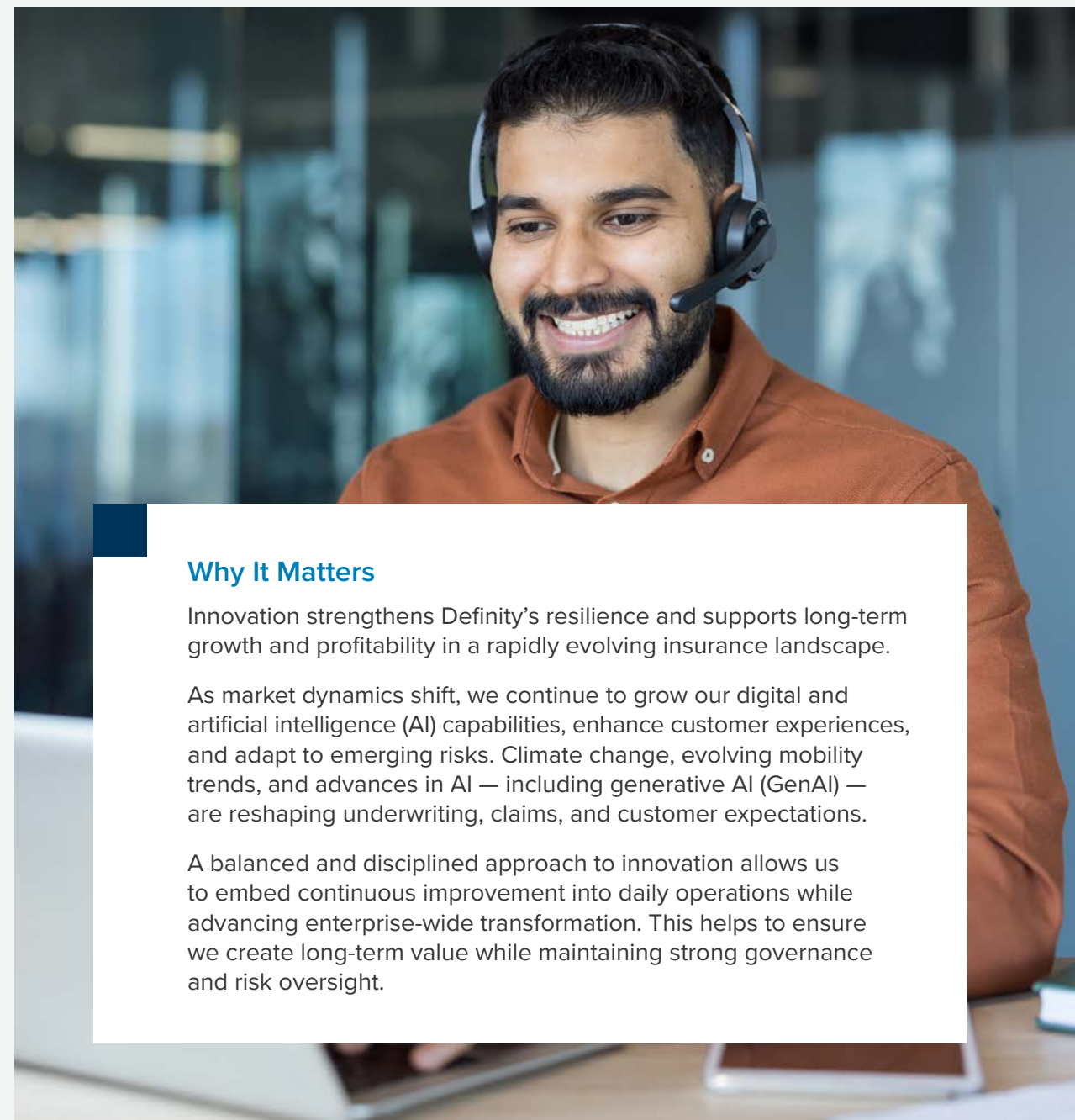
Transformation Integration

Transformation Integration embeds innovation into large-scale strategic initiatives. For example, Guidewire ClaimCenter was first launched for auto in 2024 and expanded to include property in 2025. The platform supports a new operating model which reduces workflow hand-offs and improves customer experience, while increasing the productivity of our adjusters.



Blended Approach Outcome

By blending these three interconnected approaches, Definity maintains innovation leadership, adapts to an evolving industry landscape, and remains resilient, efficient, and forward-thinking — shaping the future of insurance with agility and strategic vision.



Why It Matters

Innovation strengthens Definity’s resilience and supports long-term growth and profitability in a rapidly evolving insurance landscape.

As market dynamics shift, we continue to grow our digital and artificial intelligence (AI) capabilities, enhance customer experiences, and adapt to emerging risks. Climate change, evolving mobility trends, and advances in AI — including generative AI (GenAI) — are reshaping underwriting, claims, and customer expectations.

A balanced and disciplined approach to innovation allows us to embed continuous improvement into daily operations while advancing enterprise-wide transformation. This helps to ensure we create long-term value while maintaining strong governance and risk oversight.

Innovation

Through embedded innovation, teams continuously refine processes and apply digital tools to improve underwriting precision, optimize loss ratios, enhance broker, customer and employee experience, and reduce claims cycle time.

As part of centre-led innovation, cross-functional governance structures assess long-term industry trends — including climate-related risks and AI advancements — and prioritize opportunities with meaningful business and social impact.

Innovation is also integrated into major transformation initiatives. In 2025, the launch of Guidewire ClaimCenter capabilities for property — building on the 2024 launch of Guidewire ClaimCenter for auto — supported the implementation of a new operating model by bringing both auto and property onto a unified, modern claims platform.

Across all innovation initiatives, we apply disciplined governance frameworks, including model controls, bias monitoring, value capture discipline, cybersecurity safeguards, and regulatory compliance oversight. This approach helps to ensure innovation supports resilience without compromising risk management standards.

Together, these interconnected approaches allow Definity to strike the right balance between continuous improvement, enterprise-wide initiatives, and longer-term strategic transformation.

Progress

In 2025, we advanced our innovation agenda by expanding AI integration, strengthening governance, and completing key modernization milestones.

Expanding AI and Strengthening Governance

We increased deployment of AI and GenAI tools across underwriting, claims, and support functions to improve efficiency, enhance broker and customer interactions, and support more informed decision-making.

To enable scalable and responsible AI adoption, we established centralized AI delivery across the enterprise. Enhanced model governance, bias testing, security controls, and regulatory compliance oversight reinforce responsible implementation and help proactively manage risks across technology, data, people, and processes.

We also continued employee education on responsible AI use, equipping teams with tools and training to improve productivity while maintaining strong ethical and data governance standards.

Completing the Guidewire ClaimCenter Implementation for Property

In late 2025, we completed the final material phase of our Guidewire ClaimCenter rollout, extending the platform from auto to property and supporting the launch of a new operating model. This model reduces workflow hand-offs, improves adjuster productivity, enhances communication and transparency for customers, and provides real-time claims updates. Earlier intervention and streamlined processes help accelerate claims resolution.

The modernized platform supports a streamlined operating model that reduces manual hand-offs, increases adjuster productivity, improves transparency for customers, and shortens claims cycle time. This milestone strengthens our technological foundation and positions Definity for continued operational improvement.

We also continued collaborating with ecosystem partners to advance innovation that supports climate resilience and long-term sustainability.

Partnership Spotlight

MaRS and Definity launch Adaptech Accelerator

In partnership with MaRS Discovery District, Definity launched the Adaptech Accelerator to support Canadian ventures dedicated to scaling climate adaptation and resilience.

In April 2026, MaRS announced a select cohort of eight to ten Canadian ventures participating in the accelerator. The ventures receive tailored programming, market research, network building, connections to world-class labs, capital raising assistance, advisory services, and connections to investors, industry partners and governments seeking to adopt resilience solutions.

This initiative will strengthen Canada's climate innovation ecosystem while helping Definity stay close to emerging solutions that address evolving climate-related risks. It reflects our commitment to creating shared value — advancing both business resilience and community impact.



Innovation

Future Priorities

Looking ahead, Definity will continue to strengthen its innovation capabilities to support resilience, efficiency, and sustainable growth.

Our priorities include:

- Enhancing the deployment of AI and GenAI capabilities to optimize loss ratios, improve operating efficiency, and enhance broker, customer and employee experiences.
- Further integrating innovation into our operations, using advanced technology and sustainable solutions to improve efficiency and reduce environmental impact. This includes remote assessments, repair-first strategies, and resilience-focused rebuilding options.
- Collaborating with technology partners, academic institutions, and industry leaders to accelerate innovation and access emerging ideas. These partnerships support our climate research efforts, digital transformation, and responsible AI leadership.
- Continuing to cultivate an innovation-driven culture by investing in continuous learning and cross-functional collaboration, empowering employees to contribute to responsible, future-ready innovation.

By maintaining a disciplined and integrated innovation model, Definity is building the technological and operational foundation needed to manage emerging risks, improve customer experience, and support long-term value creation.



Responsible Artificial Intelligence

Why It Matters

Artificial intelligence (AI) is increasingly central to how Definity serves customers, supports brokers, and operates efficiently. When applied and sourced responsibly, AI can improve decision quality, speed, and consistency across the insurance value chain. At the same time, data-driven models introduce ethical, privacy, fairness, and governance considerations that require strong oversight.

Responsible AI is essential to maintaining trust with customers, brokers, regulators, and employees. For Definity, this means using AI in ways that are fair, explainable, secure, and aligned with our values — while supporting sustainable, long-term value creation.

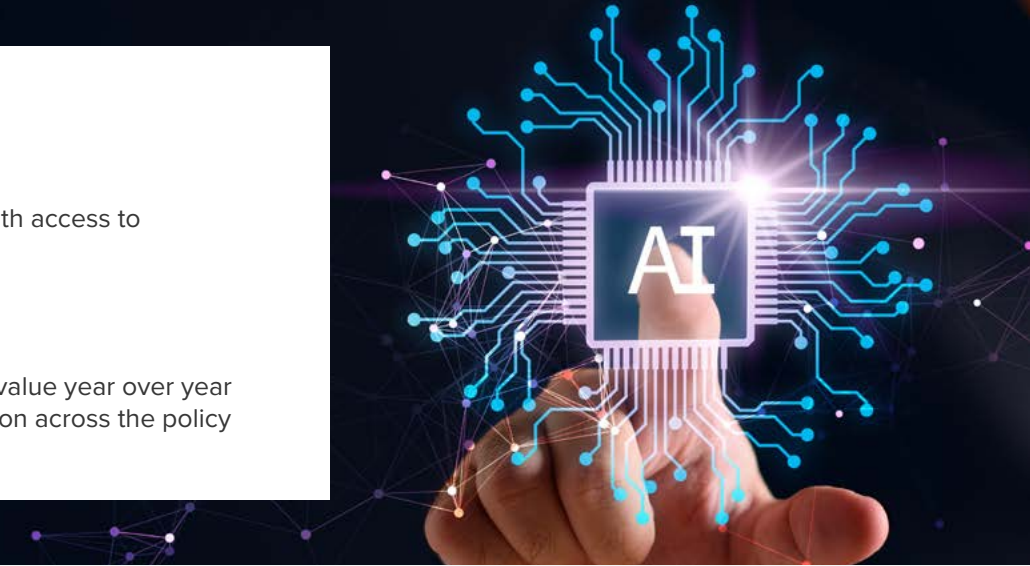
2025 Highlights

75%

of employees are empowered with access to GenAI capabilities

30%–40%

increase in estimated economic value year over year through AI-enabled fraud detection across the policy and claims lifecycle



Approach

Definity manages AI through a comprehensive governance framework designed to support the ethical use of data and models across the organization. Our approach balances innovation with prudent risk management, with clear roles and responsibilities across all three lines of defence.

In addition to model-level controls, strong data governance serves as a foundational safeguard for responsible AI. Definity maintains clear data ownership and stewardship, supported by practices that promote data quality, lineage, retention, and appropriate use. These controls help ensure that AI systems are built on governed, well-understood data, managing model risk upstream and reinforcing trust, consistency, and compliance across all AI-enabled processes.

Our Advanced Analytics and Technology teams conduct upfront risk assessments and design AI systems with appropriate safeguards, monitoring, and controls, particularly for tools that interact with customers

and brokers. Enterprise Risk Management establishes model risk management standards and policies, while Internal Audit provides independent assurance through periodic reviews.

Governance is further reinforced at the senior level through regular oversight by the executive Management Review Committee and the Risk Review Committee of the Board. These forums oversee emerging risks and guide responsible adoption as technologies evolve.

This framework is supported by Definity's refreshed enterprise AI strategy, which focuses on delivering business value, maintaining strong technology and operating model foundations, enabling an AI-fluent workforce, and ensuring the responsible design, development, and monitoring of AI solutions.

Energy and Emissions Associated with AI

Definity monitors the greenhouse gas emissions associated with its cloud services consumption from major providers, including through

its strategic partnership with Google. Our primary cloud partners have made public sustainability commitments, including matching data centre energy consumption with renewable electricity and/or achieving net-zero emissions, which we consider aligned with Definity's climate targets. In addition, many of the data centres we rely on are located in jurisdictions that benefit from low-emission electricity grids.

These efforts align with Definity's digital leadership and its commitment to supporting clients and communities through responsible innovation. We will continue to monitor and manage our usage to align with our sustainability ambitions.

The Greenhouse Gas Protocol does not yet include a standardized methodology to isolate the emissions of AI applications. This makes reporting on the precise impact of AI applications a challenge across our industry. We will continue to monitor the evolution of these standards and adapt our approach to align with best practices for transparent reporting.

Responsible Artificial Intelligence

Progress

Accelerating Responsible AI Adoption

In 2025, Definity accelerated the integration of AI across the organization, delivering measurable business value while maintaining a strong focus on responsible use.

Enhancements to AI-enabled fraud detection across the policy and claims lifecycle increased estimated economic value by approximately 30–40% year over year. New and upgraded capabilities helped identify higher-risk activity earlier, detect suspicious networks, and flag potentially illegitimate claims in real time.

Within our Legal team, we introduced AI-powered legal and medical document summarization tools to help employees quickly extract key information from large volumes of files. These tools reduce manual effort, improve decision-making speed, and support a more streamlined claims experience.

AI also enhanced broker and customer interactions. Automated routing and data extraction now process approximately half of all commercial insurance broker emails, improving turnaround times. In our personal insurance contact centres, real-time agent assist tools provide contact centre representatives with real-time guidance during live conversations, helping deliver faster and more consistent service.

To support improved productivity and employee experience, all Definity employees have access to a secure AI chatbot, supported by training, change management, and clear usage guidance. Adoption reached approximately 75% by year-end, helping build AI literacy while reinforcing safe and appropriate use.

Strengthening Ethics, Fairness, and Privacy

Definity continued to advance responsible AI practices focused on fairness, transparency, and data protection.

In 2025, Definity's Bias and Fairness Subcommittee received a CEO Award in recognition of its leadership in advancing responsible AI practices across the organization. The committee has developed and operationalized practical methods to identify, test, and mitigate potential bias in analytics and AI models, strengthening fairness and consistency in decision-making. This work is embedded into model development and review processes and supports both ethical outcomes and stronger business performance.

In parallel, Definity strengthened privacy-by-design practices by embedding privacy impact assessments across major programs and projects. These assessments are now automatically triggered at project initiation and supported by streamlined workflows, reinforcing privacy as a shared responsibility. Mandatory annual privacy training for all employees continues to support consistent awareness as risks and expectations evolve.

Advancing Fairness Through Regulatory Collaboration

In 2025, Definity was selected to participate in the Financial Services Regulatory Authority (FSRA) of Ontario Auto Insurance Accreditation Pilot, following a rigorous selection process. As one of only three insurers chosen, Definity is contributing to the development of a new, risk-based supervisory model for auto insurance in Ontario.

The pilot centres on an accreditation framework that recognizes insurers who consistently demonstrate fair consumer outcomes and strong controls. Insurers meeting FSRA's standards may benefit from enhanced filing privileges, streamlined approvals, and reinforced regulatory trust.

Through its participation, Definity is working with FSRA to test the practicality and effectiveness of the model in real-world conditions. The accreditation assessment is designed to set a higher benchmark for fairness in auto insurance, including minimizing unfair bias or discrimination and strengthening transparency and cost mitigation practices.

This work reflects Definity's commitment to responsible innovation and fair outcomes — and supports our broader goal of making insurance better for customers.

Future Priorities

Looking ahead, Definity will continue to advance responsible AI in a way that supports innovation, strong governance, and long-term value creation.

Key areas of focus include:

- Strengthening AI governance and oversight as new capabilities, including more advanced AI tools, are introduced
- Continuing collaboration with regulators and industry partners to help shape responsible and practical approaches to AI use
- Expanding AI literacy and change management to support safe, confident, and effective use of AI across the organization

These priorities reinforce our commitment to using AI responsibly, maintaining stakeholder trust, and supporting sustainable growth as expectations and technologies continue to evolve.



Business Ethics

Why It Matters

Strong governance and ethical conduct are fundamental to Definity’s long-term resilience and stakeholder trust.

Operating with integrity supports sustainable growth, strengthens our reputation, and ensures we meet evolving regulatory expectations. As technology advances — including the increased use of artificial intelligence (AI) and data analytics — our governance practices must also evolve to promote fairness, transparency, and responsible decision-making.

By setting clear expectations and reinforcing accountability at every level, Definity builds a culture where ethical behaviour is embedded in how we operate.

Approach

Upholding Integrity and Responsible Conduct

Definity’s Code of Business Conduct sets the standard for ethical behaviour across the Company. It outlines expectations related to integrity, anti-harassment, non-discrimination, data governance, conflicts of interest, gifts and hospitality, anti-bribery and corruption, sanctions compliance, and competition law.

All employees are required to acknowledge the Code annually, and it forms a core part of onboarding.

We maintain enterprise-wide controls and oversight mechanisms to prevent and detect misconduct, including:

- Anti-bribery and corruption controls
- Sanctions screening procedures
- Gifts and hospitality guidelines
- Fraud detection and prevention controls

Our ethics hotline — operated by an independent third party — provides a confidential and anonymous channel for employees to report concerns related to Code violations including but not limited to: financial misconduct, fraud, data privacy, cybersecurity, or employee conduct. Employees may also raise concerns through leaders or Human Resources. Strong anti-reprisal protections are in place.

Management reports on operational performance, key conduct risks, and outcomes to support Board oversight and challenge. This governance structure aligns with regulatory expectations for effective risk management and internal control frameworks.

As AI capabilities expand, we continue to strengthen governance frameworks that promote transparency, bias mitigation, data privacy, and responsible model oversight.

Compliance Training

Training is central to reinforcing our ethical culture and compliance framework. All employees complete required courses during onboarding and renew key training annually.

Below is a summary of key compliance training programs:

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, responsibilities, and procedures
Physical Security	Physical security awareness
Privacy	Personal information and confidentiality
Preventing Workplace Violence and Harassment	Prevention, supports, and reporting 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

Business Ethics

Progress

In 2025, we continued to apply consistent governance practices and standards.

Mandatory Training and Enhanced Disclosure

Mandatory compliance training completion remained high in 2025. All employees are required to complete core training within their first 30 days of employment and to renew key training annually.

Human Rights Risk Assessment

In 2025, we conducted an enterprise-wide human rights scan across Definity's operations and value chain, reinforcing the commitments set out in our Statement on Human Rights. This work reflects our approach to periodically assessing potential human rights impacts linked to our business activities and partner relationships, and to identifying and addressing salient risks in a structured and responsible way.

To support the assessment, Definity worked with a global consultancy specializing in sustainability and human rights. The scan followed an internationally aligned approach informed by the UN Guiding Principles on Business and Human Rights and examined potential risks from a rights-holder perspective. It mapped human rights considerations across key business functions, drawing on internal policies and documentation, and relevant external standards. This approach helped us better understand where human rights risks may arise within our operations, investments, and broader value chain. One example of a risk identified for P&C insurers was the use of algorithmic decision-making to profile people and make predictions that can potentially result in discrimination. We will continue to monitor the risks identified in the scan.

The findings from the 2025 human rights scan strengthened Definity's ability to integrate human rights considerations into governance, operations, and corporate policy management. They also provided a practical foundation for ongoing due diligence, including clearer prioritization of risks and opportunities to embed human rights. Together, these efforts support our broader approach to ethical business conduct, accountability, and long-term value creation.

Statement on Political Advocacy

In 2025, we enhanced our public *Statement on Political Advocacy*, further clarifying our governance approach, oversight mechanisms, and principles guiding political engagement and advocacy activities.

Definity recognizes the important role governments play in fostering a healthy, competitive insurance market that benefits consumers across Canada. As a regulated insurer, we engage responsibly and transparently in public policy discussions that affect our industry, our customers, and the long-term resilience of the communities we serve.

Our approach to political advocacy is guided by integrity, accountability, and compliance. We engage to share expertise and evidence-based perspectives on issues relevant to insurance and customer outcomes. Our advocacy activities are conducted in a responsible, non-partisan manner and are guided by Definity's Code of Business Conduct and supporting governance and compliance policies.

Political advocacy activities are overseen by senior leaders responsible for insurance business functions. These leaders help ensure advocacy priorities align with Definity's strategy, values, and risk appetite, and that engagement is conducted appropriately and transparently. The Board of Directors has oversight of the Company's overall governance framework, ethical conduct, and enterprise risk management, including risks related to regulatory and public policy engagement.

Definity complies with all applicable federal and provincial laws and regulations governing political engagement, including lobbying reporting requirements. We are required to report communications with public office holders in accordance with relevant legislation, and

we maintain processes and controls to support accurate and timely reporting. Employees and representatives acting on Definity's behalf are expected to comply with lobbying, competition, and anti-corruption requirements and to seek guidance where obligations are unclear.

Definity engages in public policy advocacy through communications with provincial and federal governments and regulators. As we operate in a highly regulated sector, we take an active and informed approach to participating in discussions that shape the insurance landscape and customer outcomes.

Our engagement focuses on key issues, including:

- Reforms to auto insurance regulation that improve the customer experience and help contain costs
- Changes to regulatory processes that promote better customer outcomes through increased competition and innovation
- Support for policies and government investments in climate adaptation to help protect Canadians from the impacts of severe weather

Political contributions: Definity does not make any corporate contributions to political parties, candidates, or campaigns. We recognize that expectations for transparency around political advocacy continue to evolve. We monitor evolving best practices and will continue to assess opportunities to enhance our disclosures over time.

Business Ethics

Future Priorities

Looking ahead, Definity will continue to strengthen its governance framework to support ethical, transparent, and responsible growth.

Our priorities include:

- Continuing to embed consistent ethical standards across the integrated organization.
- Enhancing compliance training content to reflect evolving regulatory expectations, including AI governance and data protection.
- Monitoring emerging risks in bribery, sanctions, competition law, and cybersecurity compliance.
- Further strengthening reporting mechanisms and investigative processes to support timely resolution of concerns.
- Maintaining clear and transparent disclosures regarding political advocacy and public policy engagement.

By reinforcing accountability, transparency, and ethical leadership, Definity remains committed to operating with integrity and building long-term trust with customers, employees, regulators, and investors.

Sustainability Corner

[Code of Business Conduct](#)

[Statement on Human Rights](#)



FOSTERING STRATEGIC RELATIONSHIPS

Definity partners with brokers, suppliers, and community organizations to deliver on our purpose and strengthen long-term resilience. Through capability building, responsible procurement, and collaborative community investment, we embed sustainability considerations across our value chain. These strategic relationships extend our reach, deepen local impact, and support innovation, risk management, and sustainable growth in a rapidly evolving environment.

66 Strengthening Broker Relationships

69 Strategic Procurement

71 Enabling More Equitable and Climate-Ready Communities



2025 Highlights

800+

brokers completed our climate risk course

\$5.3M

invested in charities

92%

of surveyed brokers agreed that Definity is helping shape a more socially and environmentally sustainable future

600+

independent brokerage firms

1.6M+

personal policies in force

Strengthening Broker Relationships

Why It Matters

Brokers are central to Definity's distribution model and long-term success. They are trusted advisors to customers and a critical link between the Company and the communities we serve. Strong broker relationships enable us to deliver responsive service, relevant products, and clear guidance — particularly as climate risk, digital expectations, and regulatory requirements continue to evolve.

By investing in broker capability, digital tools, and sustainability knowledge, we strengthen our distribution network and help customers better understand and manage risk. This supports long-term resilience for our business, our broker partners, and the customers who rely on us.



Approach

Definity takes a collaborative and capability-driven approach to broker partnerships. We focus on making it easier for brokers to do business with us, grow confidently, and serve customers in a changing risk environment.

Enablement and Long-term Partnership

We support brokers through digital modernization, accredited training, leadership development, and ongoing dialogue. Our Broker Value Proposition is centred on operational efficiency, education, and access to insights — including emerging climate and severe weather trends. We actively seek broker feedback through structured engagement channels and use those insights to refine processes and optimize the broker experience.

Sustainability is integrated into broker engagement through education, tools, and opportunities for collaboration to benefit communities. By embedding environmental and social considerations into learning and development programs, we help brokers respond to evolving customer expectations while driving positive outcomes in society. Through joint giving and volunteerism, Definity and our broker partners support more resilient and equitable communities.

Strengthening Broker Relationships

Progress

In 2025, we advanced digital adoption, expanded climate education, and deepened broker engagement.

Accelerating Digital Adoption

Customer document delivery shifted further toward electronic formats, increasing digital adoption by 8 percentage points from 2024 to 2025 and by 7 percentage points from 2023 to 2024.

We expanded our electronic document capabilities, enabling brokers to transition away from printed materials and adopt digital workflows. This enhancement was inspired by feedback we have heard consistently over the years. Uptake has been strong, contributing to a meaningful reduction in paper use while streamlining processes for brokers and customers. These enhancements reflect our continued focus on operational and cost efficiency, waste reduction, mitigating potential risk from mail-related delays, and a digitally enabled broker experience.

Expanding Climate and Resilience Education

In 2025, we launched a Registered Insurance Brokers of Ontario and Alberta Insurance Council-accredited course, *Protecting Clients Against Floods and Wildfires*, to help brokers better advise customers on mitigation and resilience. More than 800 brokers completed the course within months of release, reflecting strong demand for practical climate risk education. Definity’s Flood Resilience Guide and Wildfire Resilience Guide continue to be resources to help businesses prepare for these increasingly likely climate impacts.

Through our Broker Elevation Program — now in its third year — multiple brokerages participated in 6 to 12 months of structured learning, leadership development, and sustainability engagement. In 2025, activities directly aligned to fulfilling our purpose included:

- A volunteer event in Toronto assembling care bags for vulnerable community members
- Facilitating a food-drive in Alberta
- Climate and severe weather education sessions in London, delivered in partnership with the Institute for Catastrophic Loss Reduction, focused on wildfire risk, mitigation strategies, and resilience for homes and commercial properties

Regular sustainability updates delivered through broker conventions, newsletters, and sustainability-focused e-learning further support consistent awareness and capability across our growing broker network. Participant feedback on the sustainability components has been positive, reinforcing the growing importance of sustainability knowledge within broker practices.

Listening and Continuous Improvement

We value feedback from our broker partners and actively seek their input through a variety of channels, including conversations with frontline staff, engagement with our Business Development teams and other ongoing interactions. Definity conducts regular surveys to inform future programming and support continuous improvement of our Broker Value Proposition. Aligned with our ambition to be a purpose-driven sustainability leader, 92% of brokers in a recent survey²³ agreed that Definity is helping shape a more socially and environmentally sustainable future, reinforcing the impact of our ongoing efforts to thoughtfully embed sustainability.

Broker-endorsed Giving

Our partnership with brokers extends to creating a positive impact in the communities where we live and work. In 2025, it resulted in a record-high of \$308,000 in broker-endorsed charitable donations, a substantial increase from \$149,000 in 2024 and \$175,000 in 2023. This growth reflects deepening relationships with our broker partners and our shared commitment to community investment.



I can’t thank Definity enough for coming together and supporting the First Nation, Inuit and Métis families that we serve. I hope everyone recognizes this as a moment of reconciliation in action.

– Stephen Jackson,
CEO, Anishinaabeg Outreach

Partnership Spotlight

Broker Elevation in Action — Supporting Anishinaabeg Outreach

As part of our Broker Elevation Program, broker partners assembled 216 essential hygiene kits in support of Anishinaabeg Outreach, helping First Nation, Inuit, and Métis families access basic necessities.

This initiative reflects Definity’s growing commitment to Truth and Reconciliation through practical, community-led action, delivered in collaboration with our broker partners.

By connecting broker development with meaningful community engagement, we strengthen relationships while advancing shared impact.



23 Survey included over 100 respondents across Canada.

Strengthening Broker Relationships

Future Priorities

Looking ahead, we will continue to strengthen broker capability while advancing digital and sustainability objectives.

Our priorities include:

- Enhancing sustainability and climate education to support risk mitigation and adaptation
- Incorporating broker feedback to refine our Broker Value Proposition
- Collaborating on new industry initiatives that support resilience, innovation, and responsible underwriting
- Increasing digital document adoption and expanding paperless capabilities
- Investing and volunteering in the communities that our brokers serve to support climate adaptation and more equitable participation in the economy

As risks evolve and customer expectations shift, strong broker partnerships remain essential to long-term value creation. By investing in collaboration, capability, and shared purpose, we continue to build a resilient and future-ready distribution network.



Strategic Procurement

Why It Matters

Suppliers play a critical role in Definity's operations and risk profile. How we select, onboard, and manage vendors affects our ability to operate responsibly, serve our customers, and meet regulatory expectations. Clear supplier standards help ensure that sustainability considerations are embedded across our value chain and aligned with our values.

As Definity grows, including through acquisitions, consistent procurement practices support strong supplier partnerships while helping to reduce operational, legal, and reputational risks. This approach reinforces ethical business conduct and supports sustainable, long-term value creation.

Approach

We manage procurement with a strong focus on governance, risk management, and responsible business conduct. Definity's Supplier Code of Conduct is a cornerstone of this approach, setting clear expectations for suppliers related to ethical conduct, labour rights, environmental responsibility, and governance, with an emphasis on legal compliance and sound business practices.

Through this framework, we seek to extend Definity's sustainability commitments beyond our own operations and across our supplier relationships. The Code establishes baseline social and environmental expectations while recognizing that suppliers may be at different stages of maturity and encouraging continuous improvement over time.

Oversight of procurement and third-party risk is integrated into the Company's enterprise risk management framework. We apply standardized processes to assess vendors, manage contractual obligations, and monitor compliance, supporting business continuity, cybersecurity, and regulatory expectations. Procurement works closely with Legal, Risk, and Sustainability teams to monitor evolving regulatory requirements and strengthen supplier management practices as expectations continue to develop.



Strategic Procurement

Progress

In 2025, we focused on strengthening the application of our Supplier Code of Conduct in preparation for the integration of Travelers Canada. While the Code itself was not updated during the year, its scope expanded as the Procurement team began reviewing inherited vendor contracts and introducing applicable vendors to Definity's standards. This onboarding and alignment work is ongoing and supports consistent governance and expectations across the combined organization.

Together, these actions strengthen the foundation for integrating sustainability considerations into procurement in a consistent and scalable way.



Future Priorities

Looking ahead, our priorities remain focused on advancing procurement governance and embedding sustainability considerations into supplier management processes. Key areas of focus include:

- Completing the transition of applicable Travelers Canada vendors to Definity's Supplier Code of Conduct
- Continuing to align procurement practices with enterprise risk management, regulatory expectations, and evolving sustainability standards

These priorities support Definity's broader commitment to responsible growth, effective risk management, and ethical business practices across our value chain.

Sustainability Corner

[Supplier Code of Conduct](#)



Enabling More Equitable and Climate-Ready Communities



2025 Highlights

Growing our investment in Canadian communities

\$ millions	2025	2024	2023
Total charitable contributions	\$5.3	\$4.3	\$2.6

Why It Matters

Strong communities are essential to a resilient insurance system. As climate risks intensify and economic pressures grow, Canadians need support that helps them adapt, participate fully in the economy, and prepare for disruption. For Definity, community investment is not separate from our business — it strengthens our understanding of risk, supports long-term growth, and reinforces our purpose to help Canadians adapt and thrive.

By investing in climate resilience, reconciliation, and economic inclusion, we contribute to stronger local outcomes while building insight, capability, and trust that supports underwriting discipline, talent development, and long-term value creation.

Approach

Definity’s community investment and social impact strategy is grounded in collaboration, trust, and measurable outcomes. We focus our support where social impact and business priorities intersect — particularly climate adaptation, more equitable participation in the economy, and reconciliation with Indigenous Peoples.

We strive to practice trust-based philanthropy, providing partners with flexible funding and long-term support so they can focus on what they do best. Rather than prescribing solutions, we listen closely to community organizations, align around shared or complementary goals, and work alongside them to amplify impact. Many partnerships emphasize capacity building, helping organizations strengthen governance, scale programs, and sustain results over time.

Our employees play an important role in this work. Through volunteerism, skills-based contributions, and employee-directed giving, our people bring Definity’s purpose to life in their communities. Partnering with our broker network is embedded in this approach — by aligning community investment with our shared purpose, we extend our reach, deepen local impact and reinforce the strength of our broker channel.

In recent years, Definity’s charitable giving has grown at a rate commensurate with its profitability. This approach has earned Definity the PRISM Certification and use of the Imagine Canada Trustmark, reflecting our commitment to strong, transparent corporate-community partnerships.



All community investment proposals undergo a structured review to ensure alignment with our priorities, opportunities for engagement, and geographic relevance. Proposals advance through leadership review and final assessment by the Sustainability Steering Committee, which includes senior leaders from across the business.

We also provide a minimum annual contribution of \$250,000 to the [Definity Insurance Foundation](#). The Foundation operates independently as a registered Canadian charity, and we collaborate by co-funding aligned initiatives, sharing networks, and providing in-kind support.

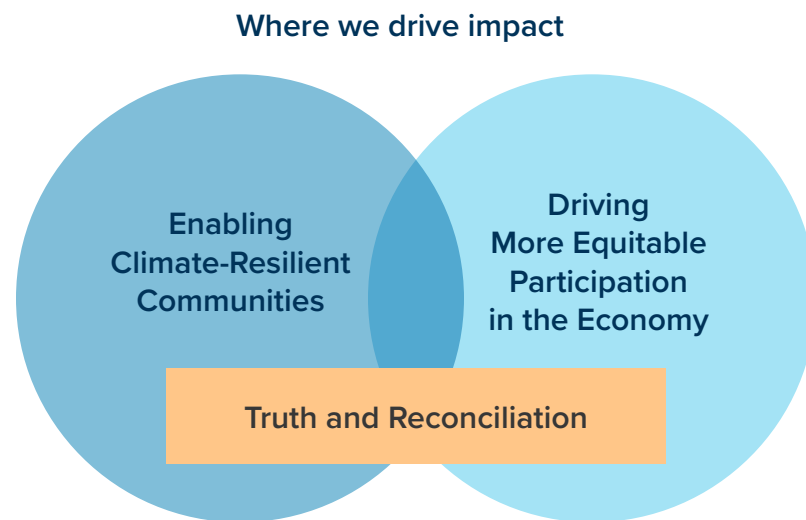
Enabling More Equitable and Climate-Ready Communities

Progress

2025 marked another milestone year for Definity’s community investment efforts. Total charitable contributions reached \$5.3 million, the highest level in our more than 150-year history, reflecting sustained growth and focus across our priority areas.

Investments supporting more equitable participation in the Canadian economy totalled \$2.5 million, up from \$1.7 million in 2024 and \$1.2 million in 2023. Funding for climate adaptation and resilience reached nearly \$2.4 million, continuing a multi-year upward trend. More than \$1 million of these investments supported Truth and Reconciliation, reinforcing the interconnected nature of social, environmental, and economic outcomes.

Beyond financial contributions, Definity employees supported communities through in-kind donations of time, skills, and technical expertise, and strengthening partner capacity.



Supporting Climate-Ready and Equitable Communities

In support of our purpose, Definity renewed several long-standing partnerships advancing climate resilience and equitable outcomes across rural and urban Canada. A key example is our renewed three-year, \$1.5 million commitment to ALUS, a national charity that partners with farmers to deliver nature-based solutions on working agricultural lands. This work creates new acres of nature on farmland for the benefit of all Canadians while reducing climate-related risks and strengthening community resilience.

Through this partnership, ALUS delivers outcomes in flood risk mitigation, biodiversity enhancement, water quality improvement, and land stewardship across a network of 41 communities — spanning more than 57,000 acres and engaging over 2,100 farmers. These outcomes are

delivered through projects such as wetland restoration, riparian buffers, tree planting, and native grassland establishment. Together, these efforts generate measurable ecosystem services that benefit communities and the environment.

Through participation in ALUS field activities, Definity employees gain first-hand insight into how nature-based solutions translate into measurable environmental and community outcomes. These experiences strengthen our understanding of climate risk, resilience, and adaptation at the local level.

ALUS Field Tour including Definity employees, Wheatland County, Alberta



It was exciting to spend time with people who are doing real, boots on the ground work to restore marginal agricultural lands. I was impressed to see how quickly ALUS projects are contributing to improved water quality and the restoration of both riparian and upland habitats. As a longtime Definity employee, I’m proud to work for a company that supports an organization creating such positive outcomes for people and the environment.

– **Chris Weber,**
Vice President, West Region Commercial Insurance, Definity

Enabling More Equitable and Climate-Ready Communities

Advancing Economic Equity and Reconciliation

Definity also continued its partnership with the First Nations Executive Education (FNEE) school, propelled by HEC Montréal. This First Nations-led initiative provides culturally grounded executive education that equips Indigenous leaders with the skills needed to navigate complex economic and governance environments. Programs are designed and delivered in alignment with First Nations traditions, values, and lived experience, ensuring learning is both culturally rooted and practically relevant.

Through an array of certified upskilling programs, including leadership development offerings, FNEE supports Indigenous leaders in strengthening organizational capacity and leadership within their communities. The commitment and determination demonstrated by participants underscore the importance of accessible, culturally relevant education in advancing equitable leadership opportunities, supporting self-determination, and fostering long-term economic resilience.



Every single woman that takes part in this program leaves here with a renewed sense of pride – of what it means to be an Indigenous woman.

– **Brigitte Skeene**
Academic Co-Lead of the Women Leadership Program at FNEE

Equity Scholarship Program — 2025

\$50,000

distributed to support post-secondary education

10

students supported through the Equity Scholarship Program

Investing in Education and Future Talent

Definity is committed to supporting the next generation of leaders across Canada by investing in education initiatives that reduce barriers to success, strengthen employee engagement, and help build a more inclusive insurance industry. To advance these goals, Definity offers two academic scholarship programs that support educational attainment and foster greater inclusivity.

Through the Equity Scholarship Program, Definity awarded 10 scholarships of \$5,000 to students from equity-deserving groups pursuing post-secondary education aligned with strengthening the insurance industry.



Receiving the Definity Equity Scholarship truly means the world to me and my family. It reminds me why I'm passionate about giving back and creating spaces where everyone feels included, supported, and seen. This award motivates me to keep serving my community and to champion diversity, equity, inclusion, accessibility, and sustainability in everything I do. Beyond easing the financial pressure of my studies, it encourages me to keep striving for positive change and to lead with compassion and purpose. I'm deeply grateful to Definity for believing in my journey.

– **Shiza Hiran**
Equity Scholarship Recipient



Complementing this effort, the Dependent Children Scholarship Program supports the educational goals of employees' families. In 2025, Definity supported 22 students, distributing \$41,000 to help reduce financial barriers and enable students to pursue their post-secondary studies.



Receiving Definity's Dependent Children Scholarship is an incredible honour that supports both my education and my family. As a Paramedicine student at Conestoga College, this support allows me to stay focused on my goal of becoming a flight paramedic and providing life-saving care to rural communities across Northern Ontario.

– **Curtis Broomfield**
Paramedicine Student, Conestoga College,
Dependent Children Scholarship Recipient



Dependent Children Scholarship — 2025

\$41,000

distributed to support post-secondary education

22

students supported across Definity employee families

Enabling More Equitable and Climate-Ready Communities

Employee Engagement and Volunteerism

In 2025, Definity launched the Purpose Champion Ambassador program, embedding community investment ambassadors within key business units. This initiative strengthens cross-team collaboration, increases visibility of volunteer opportunities, and reinforces a sense of belonging and shared purpose.

Skills-based volunteering: Employees continued to contribute through skills-based volunteering with organizations such as Public Policy Forum’s Action Canada program, The King’s Trust Canada, Green Communities Canada, Green Learning Foundation, and Windmill Microlending. While volunteerism slightly declined compared to the prior year, this reflects a period of organizational focus in preparation for the integration of Travelers Canada.

Employee-directed giving: Employee-directed giving through the iCare platform continued to generate meaningful support for local causes across Canada. Employee-directed donations totaled \$146,000 to charitable organizations, amplified by \$64,000 in corporate matching. In addition, Definity’s five Employee Groups each directed a \$20,000 contribution to organizations aligned with their advocacy priorities, further strengthening community impact and reinforcing employees’ ability to support causes that matter most to them.

Employee Volunteerism

	2025	2024	2023
Hours volunteered	5,000	5,600	4,500
Paid employee volunteer days used	900	1,000	900
Total number of employees who volunteered	600	600	500

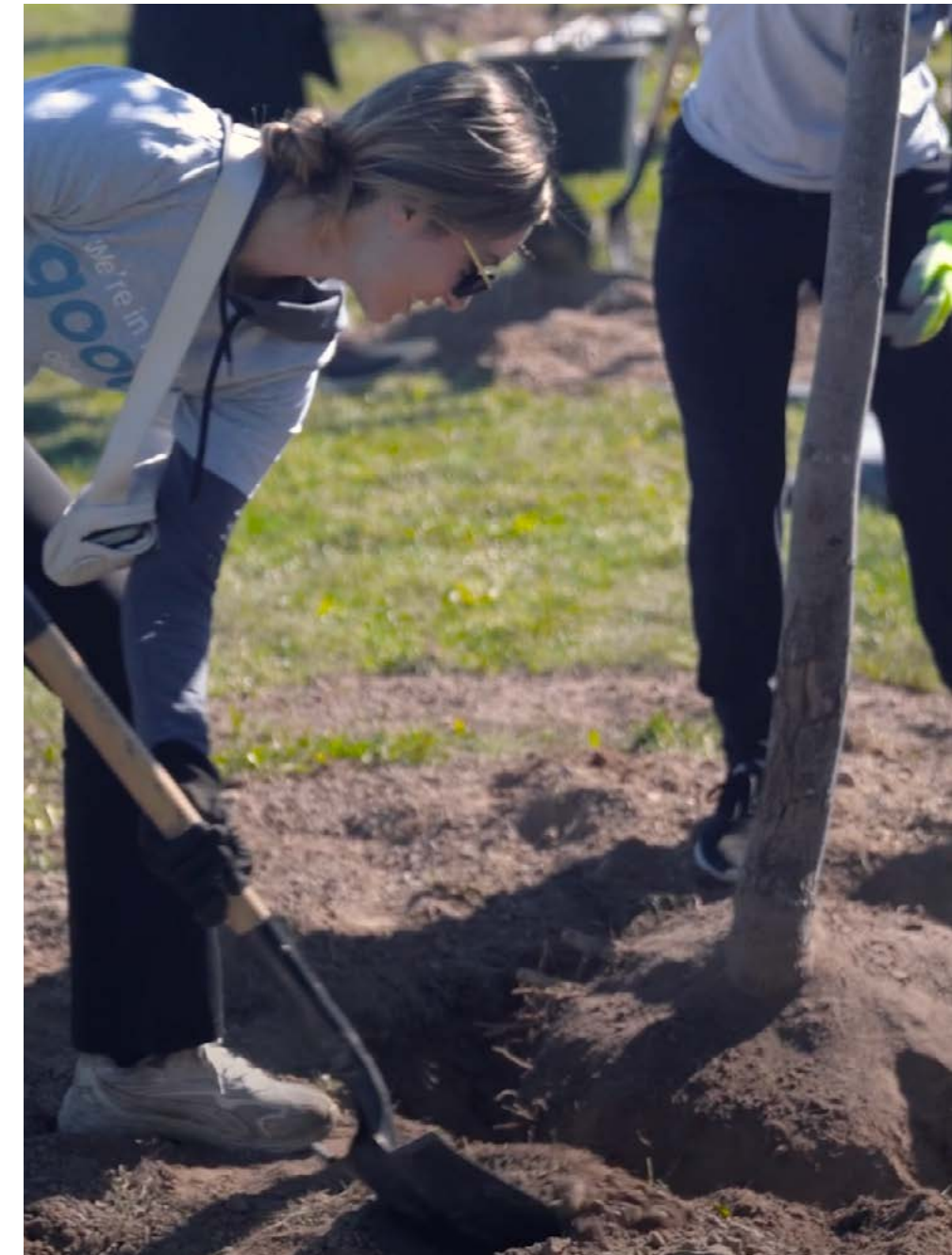
Future Priorities

Looking ahead, we remain focused on strengthening the impact and integration of Definity’s community investment efforts, while deepening alignment with our purpose and core business strategy. Key areas of focus include:

- Further aligning community investments with corporate goals and initiatives to deepen employee engagement and business integration
- Strengthening broker engagement to create greater combined impact in alignment with Definity’s purpose

These priorities support Definity’s commitment to building more equitable, climate-ready communities while creating shared value for our business and the people we serve.

Definity is a people business, inside and out, and we invest in the well-being of our communities to create measurable social impact.



PERFORMANCE

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Workforce Representation

(For the year ended Dec 31, 2025)

Workforce²⁴	2025	2024	2023
Permanent	3,393	3,359	3,400
Temporary	69	34	42
Total Number of Employees	2025	2024	2023
Definity/Economical	3,149	3,020	3,009
Family	83	80	86
Petline	134	139	138
Sonnet	96	154	209

Representation and Diversity	2025	2024	2023
Total Company			
Women ^{25, 27}	57%	58%	58%
Men ^{25, 27}	42%	42%	42%
Individual from other equity-deserving groups ²⁶	52%	51%	49%
Indigenous, Black, and People of Colour ²⁸	—	—	—
LGBTQ+ ²⁸	—	—	—
Persons with disabilities ²⁸	—	—	—
Managers, Directors, and Assistant Vice Presidents			
Women ^{25, 27}	48%	45%	45%
Men ^{25, 27}	52%	55%	55%
Vice Presidents and above			
Women ^{25, 27}	27%	26%	24%
Men ^{25, 27}	73%	74%	76%
Individual from other equity-deserving groups ²⁶	29%	27%	25%
Board of Directors	2025	2024	2023
Women	31%	31%	31%
Men	69%	69%	69%
Individuals from other equity-deserving groups	23%	15%	8%

²⁴ Includes all full-time and part-time permanent (regular with no set termination date) employees and temporary employees. Includes Family Insurance.

²⁵ 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. These employee demographics figures are calculated based on average headcount in the year from 12 monthly reports, 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.

²⁶ Data as of December 31, 2025, based on voluntary self-disclosure with a response rate of 52%; includes Indigenous, Black, People of Colour, LGBTQ+, and/or persons with disabilities. 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.

²⁷ Figures include employees on leaves of absence (excluding Long-Term Disability).

²⁸ We've not reported the disaggregated percentages of Indigenous, Black, People of Colour, LGBTQ+, and Persons with disabilities due to the response rate on voluntary self-disclosure.

Greenhouse Gas Emissions

(For the year ended Dec 31, 2025)

Greenhouse Gas Emissions (t CO₂e)^{29, 30, 31, 32, 33}

Scope 1 emissions	2025	2024	2023
Stationary combustion ³²	363	405	436
Refrigerants ^{35, 36}	35	80	80
Fleet ^{37, 38}	810	780	760
Total Scope 1 emissions	1,208	1,266	1,277
Scope 2 emissions location-based ³⁹	2025	2024	2023
Electricity ⁴¹	309	316	305
Steam ^{42, 43}	181	157	177
Stationary combustion ^{34, 44}	362	365	335
Refrigerants ^{35, 36, 44}	82	81	80
Total Scope 2 location-based emissions	934	919	896
Scope 2 emissions market-based ^{39, 40}	2025	2024	2023
Electricity ⁴¹	309	316	305
Steam ^{42, 43}	181	157	177
Stationary combustion ^{34, 44}	362	365	335
Refrigerants ^{35, 36, 44}	82	81	80
GHG reductions from renewable energy certificates	(309)	(316)	(305)
Total Scope 2 market-based emissions	625	604	592
Total Scope 1 and 2 Emissions (location-based)	2,142	2,185	2,173
Total Scope 1 and 2 Emissions (market-based)⁴⁰	1,833	1,870	1,868

Energy Consumption

Total Energy Consumption (MWh)	2025	2024	2023
Stationary Combustion ⁴⁵	3,958	4,368	4,125
Electricity ⁴⁶	3,476	4,481	4,669
Steam ⁴⁷	800	691	781
Total Energy Consumption (MWh)⁴⁸	8,234	9,540	9,575
Total Energy Intensity (MWh/Sq.Ft)⁴⁹	0.02	0.02	0.02
Renewable Energy Sources (MWh)⁵⁰	5,325	–	–
Non-Renewable Energy Sources (MWh)	2,909	–	–

²⁹ 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.

³⁰ GHG emissions (Scope 1 and 2) reported for 2023 to 2025 include annual data from all Canadian-based operations within Definity's operational control. Reported GHG emissions data for 2021 to 2025 pertains to all leased and owned real estate facilities located within Canada, covering 100% of our global occupied floor space and leased vehicles.

³¹ 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. The 2019 scope 1 & 2 (market-based emissions) base year (2,879 CO₂e) was restated in Definity's 2023 ESG report due to a change in the calculation approach to fleet-related emissions which exceeded our significance threshold.

³² 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 2023 data) and multiplied by our office floor area.

³³ 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.

³⁴ 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.

³⁵ Emissions from intentional and unintentional gas releases for cooling within offices.

³⁶ Refrigerant gas emissions estimated using the Environmental Protection Agency's 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 consisting of 50 percent HFC-125 (R-125) and 50 percent HFC-32 (R-32) by weight where the actual gas type is not available.

³⁷ Direct emissions from the combustion of fuels in long-term leased vehicles, calculated using the emission factors sourced from the Environmental Protection Agency's Emission Factors for Greenhouse Gas Inventories, January 2025.

³⁸ 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.

³⁹ 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 2023, 2024 and 2025. In 2025, Definity purchased RECs that exceeded our Scope 2 emissions associated with purchased electricity, totaling -359.37 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.

⁴⁰ Market-based emissions are calculated using location-based emission factors, as there are no residual mix emission factors available in Canada. The 2019 baseline for Total Scope 1 and 2 emissions (market-based) was 2,879 tCO₂e.

⁴¹ 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.

⁴² Indirect emissions associated with purchased district steam use for heating, calculated using the emission factors sourced from the Environmental Protection Agency's Emission Factors for Greenhouse Gas Inventories, January 2025.

⁴³ Boiler fuel is natural gas and assumed to have a thermal efficiency of 80%.

⁴⁴ 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.

⁴⁵ 2019 Base year: 7,169.29

⁴⁶ 2019 Base year: 7,282.25

⁴⁷ 2019 Base year: 197.47

⁴⁸ 2019 Base year: 14,649.02

⁴⁹ 2019 Base year: 0.03

⁵⁰ Includes both self-generated and purchased/acquired energy, which is energy taken from sources that are inexhaustible, e.g. wind, water, solar, geothermal energy and sustainable biofuels (adapted from the GHG protocol, 2004). Total renewable energy purchased through renewable energy certificates during the year includes 3,476 MWh of green electricity certificates and 1,849 MWh of green natural gas certificates.

Greenhouse Gas Emissions

Greenhouse Gas Emissions (tCO₂e)

Scope 3 emissions (except Category 15)	2025	2024	2023
Purchased goods and services	32,671	18,795	25,064
Capital goods	9,992	1,574	2,163
Fuel and energy activities	193	193	211
Waste generated in operations	97	105	121
Business travel	964	1,247	1,310
Employee commuting	887	1,265	692
Scope 3 emissions without investments	44,804	23,178	29,560
Total Scope 1, 2 and 3 Emissions (location-based)	46,946	25,363	31,733
Total Scope 1, 2 and 3 Emissions (market-based)	46,637	25,048	31,428

Scope 3 Category 15 — Investments (Scope 1, 2 and 3) ^{51, 52}	2025	2024	2023
Scope 3 Category 15 – Investments (listed equity and corporate bonds) (Scope 1 and 2 of Investee Companies) ⁵⁵	62,769	90,539 ⁵⁶	82,738 ⁵⁷
Scope 3 Category 15 – Investments (listed equity and corporate bonds) (Scope 3 of Investee Companies) ⁵⁹	424,788	663,067 ^{54,56}	—
Scope 3 Category 15 – Investments (listed equity and corporate bonds) (Scope 1, 2 and 3 of Investee Companies) ⁵³	487,557	753,606 ^{54,56}	—
Emissions intensity of investments – listed equity and corporate bonds (tCO ₂ e per million dollars invested) (Scope 1 and 2 of Investee Companies) ⁵⁵	25	34 ⁵⁶	34
Emissions intensity of investments – listed equity and corporate bonds (tCO ₂ e per million dollars invested) (Scope 3 of Investee Companies) ⁵⁸	167	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) ⁵³	192	284	—
Scope 3 Category 15 – Investments (tCO ₂ e) (sovereign debt – including land use, land use change, and forestry) ⁵⁹	255,287	282,526 ⁶⁰	323,412 ⁶¹
Scope 3 Category 15 – Investments (tCO ₂ e) (sovereign debt – excluding land use, land use change, and forestry) ⁵⁹	262,050	290,011 ⁶⁰	—
Emissions intensity of investments – sovereign debt, including land use, land use change, and forestry (tCO ₂ e per million dollars invested)	168	178	217
Total Scope 3 Investment Emissions (tCO₂e)	742,844	1,036,132	406,150

51 Includes approximately 77.7% of Definity's total investments. Includes all common stocks, preferred stocks, sovereign debt, and all types of corporate bonds (excluding ETFs). Scope 3 financed emissions associated with listed equity and corporate bonds were restated for the 2020 baseline year (79,559 t CO₂e; 37 t CO₂e/ million), as described in Definity's 2023 ESG report, due to methodology improvements. Data quality score for 2020, as per PCAF methodology: 2.13.

52 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 updated to latest available emissions data from Bloomberg. 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 on 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.

53 Includes all common stocks, preferred stocks and all types of corporate bonds (excluding ETFs). Emissions associated with listed equity and corporate bonds include the Scope 1, 2 and 3 emissions of portfolio companies. Excludes sovereign debt. Data quality for 2025, as per PCAF methodology: 1.71

54 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 the scope 3 emissions for all sectors be measured when calculating financed emissions from investees.

55 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 for 2025, as per PCAF methodology: 1.57

56 2024 figures include investments made by Family, which were not included in previous years, resulting in an immaterial impact, and thus not restated.

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

58 Includes all common stocks, preferred stocks and all types of corporate bonds (excluding ETFs). Only Scope 3 emissions associated with listed equity and corporate bonds of portfolio companies. Excludes sovereign debt. Data quality score for 2025, as per PCAF methodology: 1.73

59 Excluded from the Scope 3 – Investments emissions reduction target. Calculated using the Production-based approach, outlined by PCAF. Excludes sub-sovereign and municipal debts. 2025 emissions from sovereign debt is calculated using Gross Domestic Product (from the most recent 2024 Gross Domestic Product at the time of calculating the emissions from the World Bank) and emissions based on the most recent inventory year, which is 2021 (from the United Nations Framework Convention on Climate Change). Data quality score for 2025, as per PCAF methodology: 1.00.

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

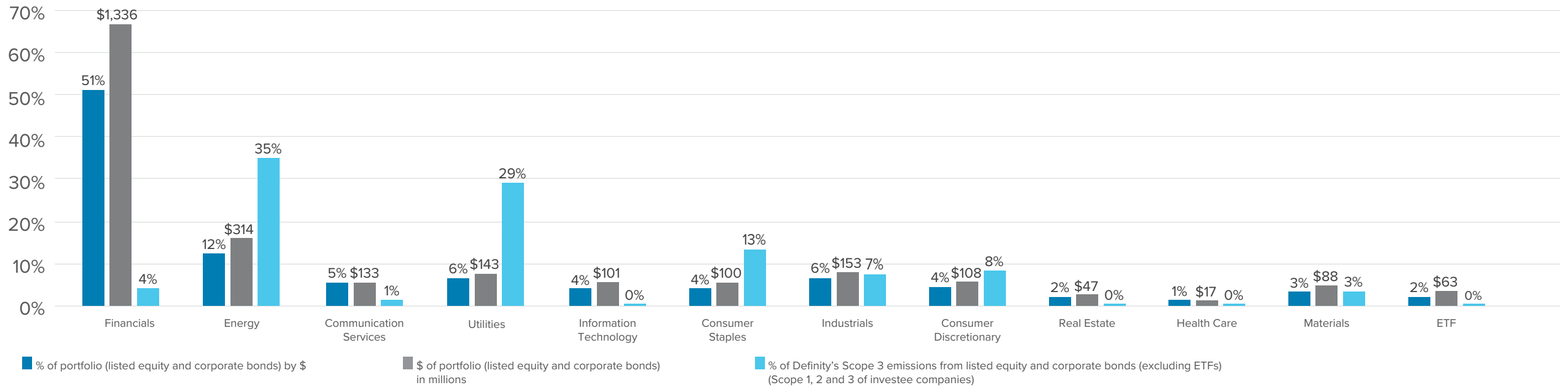
61 Data quality score for 2023, as per PCAF methodology: 1.00.

Financed Emissions by Industry

Below is a comparison of the share of financed 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 Sector⁶² (As of Dec 31, 2025)

(Listed equity and corporate bonds only)



62 Exposure to fossil fuels aligned with CDP's definition: \$326,000,000.

Climate-related Risks and Opportunities

Category	Risks and Opportunities	Sources of Vulnerability	Primary Potential Business Impact(s)	Time Horizon
Physical Risks				
Acute Risk	Extreme precipitation events	<p>Climate change is likely to drive more extreme precipitation events, resulting in increased pluvial flood risk.</p> <p>Changes in rain, snow, and temperature patterns may increase fluvial flood risk; the Canada-wide pattern is uncertain and heterogeneous.</p> <p>Changes in flood risk may result in more frequent catastrophe loss events, potentially increasing claims for all insurance lines.</p> <p>Floods may pose an operational risk to our office locations and financial risk to investment returns.</p>	Financial, operational (Personal Insurance, Commercial Insurance, Operations)	1 – 5 years
Acute Risk	Wildfires	<p>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.</p> <p>Wildfires are a source of catastrophe losses, potentially triggering P&C claims across all insurance lines.</p> <p>Wildfires could affect operations and significant wildfires could pose a financial risk to investment returns.</p>	Financial, Operational (Personal Insurance, Commercial Insurance, Operations)	1 – 5 years
Acute Risk	Extreme wind events	<p>Warming ocean temperatures and other factors may increase the intensity but decrease the overall number of tropical storms.</p> <p>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.</p> <p>More extreme wind speeds are likely to cause more damage to homes, businesses, and automobiles.</p> <p>High wind events may impact utility infrastructure and cause business interruption.</p>	Financial, operational (Personal Insurance, Commercial Insurance, Operations)	1 – 5 years
Chronic Risk	Global sea level rise and Great Lakes water level	<p>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 faces land subsidence and is more at risk from coastal flooding due to sea level rise than Pacific coastal areas.</p> <p>Higher sea levels will raise the risk of high-tide flooding and drastically increase coastal flood risk during storms.</p> <p>The range of water levels in the Great Lakes may become more extreme, resulting in extreme low and high values not yet observed.</p> <p>Commercial clients and investments in industries that operate in coastal areas and depend on ports and coastal transport infrastructure will be negatively affected.</p>	Financial, operational, strategic (Personal Insurance, Commercial Insurance, Investments)	10 years and longer

Climate-related Risks and Opportunities

Category	Risks and Opportunities	Sources of Vulnerability	Primary Potential Business Impact(s)	Time Horizon
Chronic Risk	Extreme temperatures	<p>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.</p> <p>Heat waves have been linked to behaviours and impacts that cause increased P&C insurance claims, including:</p> <ul style="list-style-type: none"> • increased theft and violent crime • increased ticks and tick-borne diseases impacting pet health • property damage to exterior façades and roofs • excess demand on the electricity grid which may increase casualty claims due to interruptions in air conditioning and/or refrigeration systems. <p>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 chronic impacts on the economy may affect investment portfolio returns in sectors such as agriculture, manufacturing, and construction.</p>	Financial, operational (Personal Insurance, Commercial Insurance, Investments, Operations)	10 years and longer
Chronic Risk	Water stress/drought	<p>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.</p> <p>Long-term water stress or drought in the Canadian Prairies may affect the Canadian economy and investment returns.</p>	Financial, strategic (Personal Insurance, Commercial Insurance, Investments)	10 years and longer
Acute Risk	Ice storms and freeze-thaw cycles	<p>Freezing rain occurrence in Eastern Canada may shift northward. A shift away from key population centres may reduce overall ice storm risk.</p> <p>Freeze-thaw cycles may lead to more slips and falls, auto accidents, 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.</p>	Financial, operational (Personal Insurance, Commercial Insurance, Operations)	1 – 5 years
Transition Risk				
Policy and Legal Risk	Regulatory intervention	Climate risks and impacts may lead regulators to impose requirements relating to coverage, pricing, capital, operations, disclosures, or otherwise.	Financial, operational, strategic (Personal Insurance, Commercial Insurance)	1 – 5 years
Reputational Risk	Stakeholder action	<p>Definity may face stakeholder pressure or protest related to its business activities (clients, investments).</p> <p>Definity may face negative impacts if we are perceived to not be executing against an adequate climate strategy.</p>	Strategic (Personal Insurance, Commercial Insurance, Investments, Operations)	1 – 5 years

Climate-related Risks and Opportunities

Category	Risks and Opportunities	Sources of Vulnerability	Primary Potential Business Impact(s)	Time Horizon
Policy and Legal Risk	Carbon pricing	<p>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.</p> <p>Carbon-intensive businesses and industries may see decreased demand if certain sectors contract in a low-carbon scenario.</p> <p>Uncertainty related to carbon pricing policies may shift investment away from climate smart investments causing economic challenges for this industry.</p> <p>Investment returns may be affected through write-downs of stranded climate assets and due to new capital expenditures required for the transition.</p>	Financial, strategic (Personal Insurance, Commercial Insurance, Investments, Operations)	1 – 10 years
Market Risk	Market contraction	<p>Demand for emissions-intensive fuel sources and products may decline and therefore reduce market size in certain segments.</p> <p>Lower demand for emissions-intensive fuels and products may cause a reduction in investment returns.</p>	Financial, strategic (Commercial Insurance, Investments)	5 years and longer
Policy and Legal Risk	Liability	Climate litigation may affect customers in emission-intensive industries, as well as investment returns from those industries.	Financial, strategic (Commercial Insurance, Investments)	5 – 10 years
Opportunities	Operational efficiency	We can invest in buildings, fleet, remote working, and virtual meeting capabilities that reduce greenhouse gas emissions and deliver cost savings and/or better future cost certainty.	Financial, operational (Operations)	1 – 5 years
	Renewable energy	<p>Development of the renewable energy industry may present an insurance market opportunity for residential and commercial installations.</p> <p>Renewable energy development may provide an investment growth opportunity.</p> <p>Renewable energy may help to lower emissions and enhance resilience of our direct operations.</p>	Strategic (Personal Insurance, Commercial Insurance, Investments, Operations)	1 – 5 years
	Building retrofits	<p>The drive to increase the energy efficiency of buildings through retrofits will likely increase their climate resilience, while also likely increasing property value.</p> <p>Increasing climate resilience at the property level can drive down claims, which in turn can help to contain or reduce premiums.</p> <p>Increased retrofits may also help drive increased construction insurance.</p> <p>Retrofits to Definity locations may enhance resilience and lower recovery or operational costs.</p>	Financial, operational, strategic (Personal Insurance, Commercial Insurance, Operations)	1 – 5 years
	Electric vehicles	Growth of the electric vehicle segment presents an opportunity for market evolution and/or growth in coverage for vehicles and related infrastructure.	Strategic (Personal Insurance, Commercial Insurance)	1 – 5 years
	Other products and services	We have an opportunity to develop innovative product and service solutions that enable our customers 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 customers' climate adaptation and resilience.	Strategic (Personal Insurance, Commercial Insurance)	1 – 5 years

Climate-related Risks and Opportunities

Category	Risks and Opportunities	Sources of Vulnerability	Primary Potential Business Impact(s)	Time Horizon
Opportunities (continued)	Climate-smart investment	We can incorporate climate transition as a factor in the investment process to identify growth and valuation opportunities for 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.	Strategic, financial (Investments)	1 – 5 years
	Community investment for climate resilience	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.	Strategic (Communities)	1 – 5 years
	Advocacy for climate solutions	We can participate in collaborative efforts in support of public policy to advance climate change mitigation and adaptation policies, infrastructure investments and funding.	Strategic (Personal Insurance, Commercial Insurance, Investments, Operations)	1 – 5 years
	Property revaluation	As climate risk becomes a part of property valuations, rates of change in personal and commercial property values could differ for areas with lower and higher climate risk. This is an opportunity for insurers to inform customers of their changing risk 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.	Financial, strategic (Personal Insurance, Commercial Insurance)	5 – 10 years

OSFI Guideline B-15 Index

This index directs the reader to content in this report that addresses the disclosure requirements outlined in OSFI Guideline B-15: Climate Risk Management at the time of publication.

Governance		
Disclosure Element	Disclosure Expectation	Page Reference
a)	Describe the governance body(ies) (e.g., board of directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed including the frequency of meetings, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration.	Pages 13–15.
b)	Describe management’s role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee.	Pages 13–15.
Strategy		
Disclosure Element	Disclosure Expectation	Page Reference
a)	Describe the climate-related risks and opportunities the FRFI has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital including: <ul style="list-style-type: none"> • The classification of each climate-related risk as either physical or transition risk; • The expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term); • The FRFI’s definitions of ‘short term,’ ‘medium term,’ and ‘long term’ in relation to strategic decision-making planning horizons. 	Pages 80–83.
b) i	Business model and value chain Describe: <ul style="list-style-type: none"> • the current and anticipated effects of climate-related risks and opportunities on the FRFI’s business model and value chain; • where in the FRFI’s business model and value chain the climate-related risks and opportunities are concentrated. Strategy and Decision making Disclose information about current and anticipated: <ul style="list-style-type: none"> • changes to the FRFI’s business model, including its resource allocation, to address climate-related risks and opportunities; • direct mitigation and adaptation efforts; • indirect mitigation and adaptation efforts. Financial position, financial performance, and cash flows Describe: <ul style="list-style-type: none"> • how climate-related risks and opportunities have affected the FRFI’s financial position, financial performance, and cash flows for the reporting period; • how the FRFI expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities. 	Pages 19–21.

OSFI Guideline B-15 Index

Risk Management		
Disclosure element	Disclosure expectation	Page reference
a)	Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks. In meeting this disclosure expectation, the FRFI should explain how it has applied Principle 3 in Chapter 1 of the Guideline B-15.	Pages 19–21.
b)	Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Pages 19–21.
c)	Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process	Pages 19–21.
Metrics and Targets		
Disclosure Element	Disclosure Expectation	Page Reference
a)	Disclose metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 18–21.
b) i	Disclose separately the FRFI's Scope 1 and location-based Scope 2 absolute gross GHG emissions for the period. Disclose the measurement approach, inputs, and assumptions the FRFI uses to measure its Scope 1 and Scope 2 GHG emissions, and the underlying reasons for these decisions. Disclose the reporting standard used by the FRFI to calculate and disclose GHG emissions. If the reporting standard used by the FRFI is not the GHG Protocol Corporate Standard, disclose how the reporting standard used by the FRFI is comparable.	Page 77.
c)	<ul style="list-style-type: none"> • Disclose any quantitative and qualitative climate-related targets the FRFI has set to monitor progress towards achieving its strategic goals, including: <ul style="list-style-type: none"> – The objective of the target; – The period over which the target applies; – The base period from which progress is measured; – Any revisions to the target and an explanation of those revisions; • Disclose information about the FRFI's approach to setting and reviewing each target and how it monitors progress against each target; • Disclose information about the FRFI's performance against each climate-related target and an analysis of trends or changes in the FRFI's performance. <p>For any GHG emissions target disclosed (and the corresponding metrics, if applicable), disclose it both gross of, and net of, carbon offsets, if applicable, and explain the type of offset (for example, carbon credit, nature-based, other).</p>	Pages 30, 33, 77, and 78.

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 and 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 2025, the complaints-to-claims ratio was 4.36 complaints per 1000 claims received.
	Description of approach to informing clients about products	Discussion and Analysis	FN-IN-270a.4	Please refer to page 50.
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 pages 32 and 33.
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 page 50.
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 73–75 of our 2025 Annual Report.
Systemic Risk Management	Exposure to derivative instruments by category: • Total potential exposure to non-centrally cleared derivatives, • Total fair value of acceptable collateral posted with the Central Clearinghouse • Total potential exposure to centrally cleared derivatives	Quantitative	FN-IN-550a.1	Please refer to “Derivative financial instruments” on page 124 of our 2025 Annual Report.
	Total fair value of securities lending collateral assets	Quantitative	FN-IN-550a.2	Please refer to “Off-Balance Sheet Liabilities and Contingencies” on page 66 of our 2025 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 70–86 of our 2025 Annual Report.
Activity Metric	Number of policies in force, by segment: • Property and casualty • Life • Assumed reinsurance	Quantitative	FN-IN-000.A	The total number of personal policies in force for 2025 is 1,646,331.

UN Women's Empowerment Principles Index

The Principles	Page reference
 Principle 1 Establish high-level corporate leadership for gender equality	IDEA approach, page 42. Embedding IDEA into Talent Practices, page 43. Advancing Women in Leadership, page 43. Inclusion, Belonging and Employee Voice, page 44. Progress Toward Our Diversity Goals, page 44.
 Principle 2 Treat all women and men fairly at work — respect and support human rights and non-discrimination	Providing a Rewarding Employee Experience, page 36–41. Human Rights Risk Assessment, page 63.
 Principle 3 Ensure the health, safety and well-being of all women and men workers	Total Rewards, Recognition, and Financial Well-being, page 39. Well-being, Benefits, and a Safe Workplace, page 39.
 Principle 4 Promote education, training and professional development for women	Talent Acquisition, Mobility, and Retention, page 37. Early-Career Talent and Community Partnerships, page 39. Embedding IDEA into Talent Practices, page 43.
 Principle 5 Implement enterprise development, supply chain and marketing practices that empower women	Embedding IDEA into Talent Practices, page 43. Advancing Women in Leadership, page 43. Inclusion, Belonging and Employee Voice, page 44.
 Principle 6 Promote equality through community initiatives and advocacy	Partnership Spotlight, page 43. Advancing Economic Equity and Reconciliation, page 73. Investing in Education and Future Talent, page 73.
 Principle 7 Measure and publicly report on progress to achieve gender equality	Advancing Women in Leadership, page 43. Progress Toward Our Diversity Goals, page 44.



Shape the future
with confidence

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, 2025 and contained in Definity’s 2025 Sustainability Report and 2025 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* and CSAE 3410, *Assurance Engagements on Greenhouse Gas Statements*. 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, comparing data to underlying source information on a limited sample basis, and reperforming select calculations; and
- ▶ 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, 2025, is not prepared, in all material respects, in accordance with the Criteria.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

May 6, 2026
Toronto, Canada

Schedule

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2025:

Subject Matter	Criteria	Unit	Reported Value	2025 Sustainability Report Page
Total Scope 1 and Scope 2 GHG emissions (location-based)	The GHG Protocol ¹	tCO ₂ e	2,142	77
Total Scope 1 and Scope 2 GHG emissions (market-based)	The GHG Protocol ¹	tCO ₂ e	1,833	77
Scope 3 Category 15 GHG emissions - Investments (listed equity and corporate bonds) (Scope 1 and 2 of Investee Companies)	PCAF ¹	tCO ₂ e	62,769	78
Scope 3 Category 15 GHG emissions - Investments (listed equity and corporate bonds) (Scope 3 of Investee Companies)	PCAF ¹	tCO ₂ e	424,788	78
Scope 3 Category 15 GHG emissions - Investments (listed equity and corporate bonds) (Scope 1, 2 and 3 of Investee Companies)	PCAF ¹	tCO ₂ e	487,557	78
Scope 3 Category 15 GHG emissions – Investments (sovereign debt - including land-use, land-use-change, and forestry)	PCAF ¹	tCO ₂ e	255,287	78
Scope 3 Category 15 GHG emissions – Investments (sovereign debt -excluding land-use, land-use-change, and forestry)	PCAF ¹	tCO ₂ e	262,050	78
Emissions intensity of investments - listed equity and corporate bonds (Scope 1 and 2 of Investee Companies)	PCAF ¹	tCO ₂ e/\$ million	25	78
Emissions intensity of investments - listed equity and corporate bonds (Scope 3 of Investee Companies)	PCAF ¹	tCO ₂ e/\$ million	167	78
Emissions intensity of investments - listed equity and corporate bonds (Scope 1, 2 and 3 of Investee Companies)	PCAF ¹	tCO ₂ e/\$ million	192	78
Emissions intensity of investments - sovereign debt including land-use, land-use-change, and forestry	PCAF ¹	tCO ₂ e/\$ million	168	78

¹ Significant contextual information necessary to understand how the data has been compiled has been disclosed in the Report. Refer to the 2025 Sustainability Report Page referenced.

Schedule (continued)

Subject Matter	Criteria ²	Unit	Reported Value	2025 Sustainability Report Page(s)
Total Charitable Contributions	Internally developed ³	\$ million	5.3	5, 65, 71, 72
Total Company - Women	Internally developed ^{4, 5, 6}	%	57	44, 76
Total Company - Men	Internally developed ^{4, 5, 6}	%	42	76
Total Company - Individual from an equity-deserving group	Internally developed ^{4, 7}	%	52	44, 76
Managers, Directors, and Assistant Vice Presidents - Women	Internally developed ^{4, 5, 6}	%	48	44, 76
Managers, Directors, and Assistant Vice Presidents - Men	Internally developed ^{4, 5, 6}	%	52	76
Vice Presidents and above - Women	Internally developed ^{4, 5, 6}	%	27	44, 76
Vice Presidents and above - Men	Internally developed ^{4, 5, 6}	%	73	76
Vice Presidents and above - Individual from an equity-deserving group	Internally developed ^{4, 7}	%	29	44, 76
Voluntary turnover rate	Internally developed ⁸	%	9	35, 38
Employee engagement score	Internally developed ⁹	%	81	35, 37
Inclusion and belonging index	Internally developed ¹⁰	%	88	35, 37

² Applicable reporting boundaries used to measure the Subject Matter has been disclosed and explained on page 6 of the 2025 Sustainability Report.

³ As disclosed in the Report, includes 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 As disclosed in the Report, Family Insurance is excluded from this metric due to data limitations related to system incompatibility. Headcount includes permanent, active employees and excludes students, contractors and individual employee through third part staffing agencies.

⁵ As disclosed in the Report, employee demographic figures are calculated using average headcount from twelve monthly reports and are based on internally collected self-identification data.

⁶ Figures include employees on leaves of absence (excluding Long-Term Disability).

⁷ As disclosed in the Report, the data is as of December 31, 2025, based on voluntary self-disclosure with a response rate of 52%; includes Black, Indigenous, People of Colour, LGBTQ+, and/or persons with disabilities.

⁸ As disclosed in the Report, represents voluntary separations as a percentage of active permanent employee headcount; excludes students, contractors, and retirees.

⁹ As disclosed in the Report, the employee engagement index is calculated as the percentage of favourable (“agree” or “strongly agree”) responses across five benchmark questions; index represents the average of the question scores. Further detail on the questions can be found in Definity’s 2025 ESG Data Sheet.

¹⁰ As disclosed in the Report, inclusion and belonging index is calculated as the percentage of favourable (“agree” or “strongly agree”) responses across four questions on a five-point Likert scale; index represents the average of the question scores. Further detail on the questions can be found in Definity’s 2025 ESG Data Sheet.

definity.