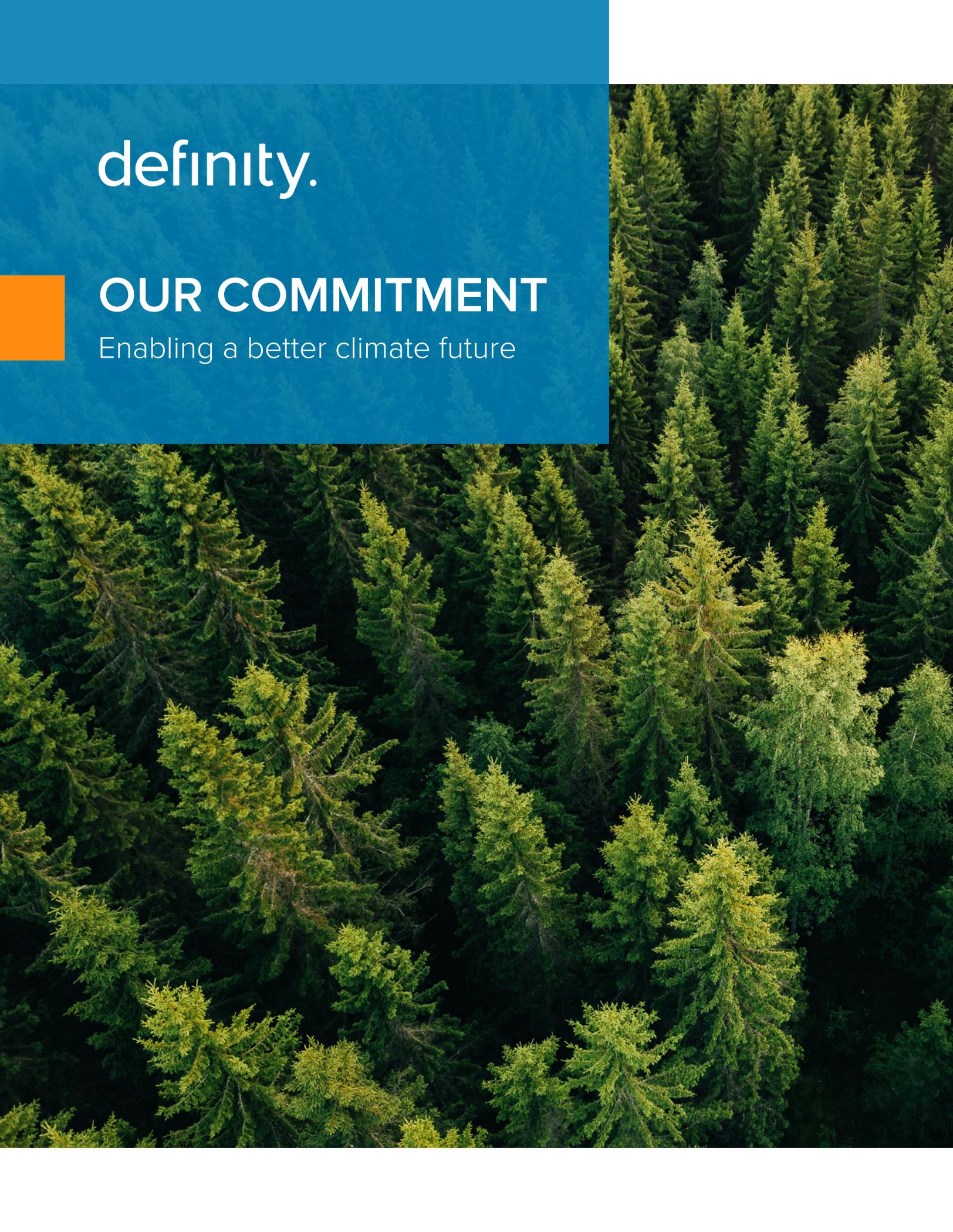


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OUR COMMITMENT

Enabling a better climate future





Climate change is a defining issue of our time and has profound implications across our society and economy. Definity recognizes the potential impacts to our clients and business, as well as the role that we can play in supporting the transition to a net-zero emissions future and building resilience and adaptation capabilities in society. **We have committed to achieve net-zero greenhouse gas emissions in our operations and investment portfolio by 2040 or sooner.**





Net-zero refers to reducing human-caused greenhouse gas emissions as close to zero as possible, with any remaining emissions to be matched with an equivalent amount of emissions removed from the atmosphere using technological or nature-based solutions.

Definity aims to build a better world by helping clients and communities adapt and thrive. A key element of this purpose is acknowledging the company's responsibility and defining its role in addressing the climate crisis. Our net-zero targets are a crucial part of Definity's [enterprise climate change commitment](#) and strategy which sets out the following priorities:



Identifying and managing climate-related risks across the enterprise



Reducing the direct climate impacts of our operations



Managing climate-related risks and opportunities for our investments



Offering insurance products and services that help reduce the impacts of climate change on our clients and communities



Advocating for a just and resilient net-zero emissions future



Disclosing our progress in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

The urgency to move towards a net zero emissions future is undeniable. The latest climate science from the Intergovernmental Panel on Climate Change shows it is still possible to limit global temperature rise to 1.5°C, but we are dangerously close to that threshold. Mobilizing the private sector to take urgent climate action will be a critical part of attaining this objective.

UNDERWRITING WITH CLIMATE CONSIDERATIONS

We recognize that the global transition to a net-zero economy depends on other developments including policy and regulation, carbon pricing, technological advancements, shifting consumer demands, and more. The achievement of our objectives is dependent in part on many of these developments, and positioning our company with a proactive approach to managing climate-related risks and opportunities will enable Definity to better navigate transition risks and help our clients and communities adapt and thrive.

We encourage other organizations to develop ambitious strategies aligned to the goals of the Paris Agreement, to halve their emissions by 2030 and achieve net-zero emissions by 2050. Definity will continue to develop its underwriting strategy to support these objectives and will advocate and partner with counterparties – particularly in emissions intensive sectors – to achieve these shared goals.

We expect that as guidance for measuring and reporting insured emissions is developed and standardized, Definity will refine its climate change strategy and disclosure in order to further inform our stakeholders of the climate risks, opportunities, and impacts of our business activities.



INTERIM TARGETS

In an effort to provide our stakeholders with confidence about our path to a net-zero future, Definity has established interim targets that will measure our progress and has committed to the Science Based Targets initiative (SBTi). Accordingly, we will submit our targets to SBTi for validation.

NET-ZERO EMISSIONS FROM OPERATIONS BY 2040 OR SOONER

- Inclusive of all Scope 1 and Scope 2 emissions
- Definity will take an active approach to reducing the carbon intensity of our day-to-day business, including natural gas and electricity consumption in buildings, fleet vehicles and more
- **Interim targets:** -30% by 2025 and -50% by 2030 relative to a 2019 baseline

NET-ZERO EMISSIONS FROM INVESTMENTS BY 2040 OR SOONER

- Inclusive of emissions associated with listed equities and corporate bonds
- Future guidance for measuring and reporting financed emissions of these, and other relevant asset classes is intended to be adopted as appropriate
- Definity will take an investment approach to reduce the greenhouse gas intensity of the portfolio while seeking to maximize risk-adjusted returns
- **Interim targets:** -30% by 2025 and -65% by 2030 on an intensity basis, relative to 2020 baseline



“We know the real consequences of climate change for Canadians. In our business as a leading property and casualty insurer, we come face-to-face with its increasingly frequent and severe impacts. We have a responsibility to address our own contributions to climate change so that we can continue to serve Canadians with integrity and accountability.”

– ROWAN SAUNDERS, President and CEO of Definity



Our Board of Directors maintains oversight of our ESG strategy. Our Executive Leadership Team ensures that the appropriate ESG factors are embedded into Definity's corporate strategy, and that key risks and opportunities are managed effectively. A dedicated ESG function within our Corporate Strategy group provides day-to-day oversight and support to our business lines and corporate functions. A cross-functional ESG Working Group provides further support for the implementation of Definity's ESG priorities.

GOVERNANCE & MANAGEMENT APPROACH

BOARD OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Given that climate change has widespread implications for Definity's business operations, the risks and opportunities are the purview of our Board of Directors and its committees. The Board of Directors has reviewed and endorsed Definity's climate change strategy and targets and will review progress against key objectives on an ongoing basis.

MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

Definity's Executive Leadership Team (ELT) is supported by a cross-functional executive-level ESG Steering Committee chaired by the Senior Vice President, Legal & Strategy that oversees the company's ESG strategies and execution, of which climate change is an integral component.

The Chief Risk and Actuarial Officer maintains day-to-day oversight of all key and emerging risks and, supported by other members of senior management, has been assigned responsibility for overseeing our climate change strategy.

The Management Risk Committee (MRC) is a cross-functional executive committee which oversees the enterprise risk and control activities with a view to understanding the impact on the Company's risk profile. The MRC is responsible for ensuring that the magnitude of core and emerging risks remain within the established Board-approved risk appetite and that adequate mitigation strategies are undertaken.

The Executive Investment Committee is a cross-functional executive committee which oversees compliance with our Investment Policy Statement which includes climate change considerations including the aforementioned targets and the performance of the investment portfolio and assesses the impact of external, economic, capital markets and regulatory environment influences on the Company's investment portfolios, strategies and operations.

A cross-functional Climate Change Working Group co-chaired by the Enterprise Risk and ESG functions has supported the development of the enterprise climate change strategy and is responsible for the ongoing execution of prioritized initiatives.

WHAT WE STAND FOR

Definity is driven by our purpose, our ambition, and our promise.

We strive to do the right thing for our customers, investors, business partners, and employees. It's the reason our people feel empowered to make decisions that can make a real difference to those who count on us.

OUR PURPOSE

Definity is building a better world by helping our clients and communities adapt and thrive.

OUR AMBITION

Our ambition is to be one of Canada's leading and most innovative P&C insurers.

OUR PROMISE

Our promise is to make insurance better.

OUR VALUES

Our values guide us and help us achieve our purpose, our ambition, and our promise.

WE ARE ALL OWNERS



We're excited to be part of the company at a pivotal time in its proud, Canadian history, and we want to be part of this success story. As difference-makers, we confidently set our sights on achieving growth and becoming a leader in the marketplace. We feel accountable for these results, seeking to take smart, measured risks that are inspired by innovation and guided by sound judgment.

WE INSPIRE CUSTOMER CONFIDENCE



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

WE WORK TOGETHER TO WIN TOGETHER



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

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FORWARD-LOOKING STATEMENTS

This document contains "forward-looking information" within the meaning of applicable securities laws in Canada, which reflects Definity's current expectations regarding future events, including statements concerning the approaches to be taken by Definity in relation to operations and investments with a view to achieving net-zero emissions; priorities to be pursued further to its enterprise climate change strategy; its intention to adopt future guidance for measuring and reporting financed emissions, as appropriate; submitting its climate targets to SBTi; and its anticipated path for progression towards achieving its commitment to achieve net-zero emissions for its operations and investments, as described in this document. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Definity's control. Such risks and uncertainties include: Definity's actual fulfilment of its commitment to achieve net-zero emissions for both its operations and investments by 2040 or sooner, as well as Definity meeting its related interim targets; Definity's ability to successfully implement the approaches to be taken in relation to operations and investments with a view to achieving net-zero emissions; Definity's ability to pursue the priorities of its enterprise climate change strategy, as well as its ability to achieve the objectives of that strategy; the suitability for Definity and its business of future guidance for measuring and reporting financed emissions; and other risks and uncertainties impacting Definity's business. Actual results could differ materially from those projected herein. Definity does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required under applicable securities laws.