Purpose

Definity Financial Corporation is the parent company to some of Canada’s most long-standing and innovative property and casualty insurance brands and companies. To support the fulfilment of Definity’s purpose of “building a better world by helping our clients and communities adapt and thrive,” we will undertake a reasoned, sustainable investing approach to create positive change for our environment, people, and communities. This will include, but is not limited to, achieving net-zero emissions from investments, inclusive of emissions associated with listed equities and corporate bonds, by 2040 or sooner as outlined in our enterprise climate change commitment.

Commitments

To ensure we are delivering on our purpose, Definity will continue to:

- identify ESG issues that may have a material impact on investment performance and incorporate their considerations into investment analysis and decision-making
- ensure our investment portfolio is well diversified in respect to climate risks and opportunities across regions and industries, and liquid enough to enable rapid shifts, if necessary
- monitor the ESG ratings and practices of the entities in which we invest and exercise our voting rights
- pursue best-in-class investments with consideration of ESG factors, using a composite of ESG ratings in recognition of the different methodologies that they employ
- collaborate with stakeholders to promote and enhance sustainable investing practices, including active ownership practices where appropriate
- exclude direct investments in businesses for which 5% or more of revenue comes from manufacturing of tobacco products, manufacturing or distribution of controversial weapons (including, but not limited to chemical, biological, nuclear, and incendiary weapons, anti-personnel mines, and cluster munitions) or thermal coal mining and/or coal-fired power generation where no credible plan exists to decommission these assets by 2030
- continuously strengthen our approach to sustainable investing by further developing our objectives and decision-making processes to strive for positive social and environmental outcomes alongside strong risk-adjusted returns
- report on our investment activities to shareholders at least annually

Governance

Definity’s Chief Investment Officer is accountable for the execution of the corporation’s investment strategy including the aforementioned commitments. Additionally, the Executive Investment Committee oversees compliance with our Investment Policy Statement, which includes consideration of climate change and other environmental, social, and governance (ESG) risks and opportunities. The committee is also responsible for assessing the potential impacts of external, economic, capital markets, and regulatory environment influences on the company’s investment portfolios, strategies, and operations.

Last updated: 2023