

2023 Sustainability Report

Here for our members

Wawanesa





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As a mutual and purpose-led company, we are here to look after one another. Climate change and social issues are impacting us every day and are an increasing risk to the livelihoods and health of our members and communities. We are committed to helping them, using our expertise to act and inspire others to join us in building a safer, healthier, more sustainable future.

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The Wawanesa Mutual Insurance Company is headquartered in Treaty 1 territory, the traditional land of the Anishinaabe, Ininew, Anisininew, Dakota and Dene Nations as well as the homeland of the Red River Métis. Our organization was founded in the community that is now known as Wawanesa, Manitoba. We recognize the collective history our organization shares with the Nēhiyaw, Oceti Sakowin, Niitsitapi, Anishinaabe and Métis Peoples who served as stewards of this land since time immemorial. We are fortunate to live and work alongside First Nations, Métis, and Inuit colleagues and friends from coast to coast to coast. In the spirit of the Treaty, which provides a framework for living together and sharing this land, and in the spirit of Truth and Reconciliation, Wawanesa is committed to learning from the rich history of Indigenous Peoples and acknowledging the ongoing impacts of colonization. We recognize the mistakes of the past and their lasting legacies. Understanding our role in reconciliation, we pledge to work in partnership with Indigenous communities to advance this vital work for generations to come.



About this report

This is the inaugural Sustainability Report of The Wawanesa Mutual Insurance Company (“Wawanesa”). This report describes our management approach and performance related to key environmental, social and governance topics.

We prepared this report with reference to the [Global Reporting Initiative \(GRI\) Universal Standards](#) and the [Principles for Sustainable Insurance \(PSI\)](#). A GRI index can be accessed [here](#). Our contributions to the [UN Sustainable Development Goals \(SDGs\)](#) are presented [here](#).

In addition, we include in this report our first set of [Climate-related Financial Disclosures](#) outlining our climate risk management approach and performance in alignment with the recommendations of the outgoing Task Force on Climate-related Financial Disclosures (TCFD). We have initiated the process of aligning our future disclosures to the [Office of the Superintendent of Financial Institutions’ \(OSFI\) Climate Risk Management B-15 guidelines](#) and guidance from the [International Sustainability Standards Board \(ISSB\)](#).

Unless otherwise noted, the information presented in this report covers our Canadian operations only, including our 100%-owned subsidiary Wawanesa Life Insurance Company (“Wawanesa Life”), and does not include Western Financial Group, which is an indirect wholly owned subsidiary of Wawanesa. Information is as of December 31, 2023, and all dollar amounts are in Canadian dollars (CAD). Numbers are rounded to the nearest integer when reasonable.

We welcome your questions and feedback at sustainability@wawanesa.com. For more information about Wawanesa, please visit our website at www.wawanesa.com.

Related Resources

[2023 Annual Report](#)

[Sustainability website](#)





Message from Jeff Goy, President and CEO

As a mutual insurer, Wawanesa is guided by our purpose, vision and values that focus on being there for our members and communities in times of need.



Our company was founded in 1896 in the village of Wawanesa, Manitoba, when 20 farmers pooled an initial investment of \$20 each to fund a new mutual insurance company to look after their farm equipment in the event of fire. They would all share in the risk so no one would be left destitute if a farmer's thresher was destroyed. These farmers looked after one another and their livelihoods, and as a result, they also looked after their community.

As one of Canada's leading mutual insurers, we still carry this purpose with us today. At our core lies a deep commitment to supporting our members and the communities we serve. It's something I'm exceptionally proud of and, as someone who has spent their entire career with Wawanesa, something I feel a strong sense of responsibility to uphold.

Today, our members and communities are facing extraordinary challenges. Climate change in particular is intensifying and directly affecting more and more Canadian communities. Our member-centric focus means delivering insurance products and services that help our members protect what matters most to them, and ensuring we are there for them in times of need. In practical terms, that means striving to set the standard for how we support members following severe weather events exacerbated by climate change, offering coverage options that focus on resiliency and prevention, and expanding the products delivered by our Life company to address a growing need for comprehensive wellness support.

Growing commitment to sustainability

In recent years, we have become more intentional about tackling some of the bigger sustainability issues that are challenging our members and communities, and where we can use our resources and risk-mitigation expertise in an impactful way.

Recognizing climate change as an existential threat to our industry and communities, we have prioritized work aimed at strengthening climate resiliency. We want to do more to help our members and communities adapt to and prevent the impacts of climate change.

The Wawanesa Climate Champions program exemplifies our commitment in action. Launched in 2023, we are now investing \$2 million annually to support people and organizations working on the front lines to improve climate resiliency in communities across Canada. This includes, as just two examples, supporting farmers working to make their operations more sustainable and helping communities reduce their wildfire risk.

Internally, we are focused on embedding sustainability and climate resiliency into our insurance solutions, business operations and investment practices. Our team was very deliberate about incorporating sustainability into the design, construction and operation of our new national headquarters in Winnipeg—built to achieve LEED Gold certification—while paying tribute to Wawanesa's unique history. Celebrating the recent opening of our new headquarters was a proud moment for all of us, which we marked by committing to invest \$500,000 in downtown Winnipeg renewal over a three-year period.

As a leading employer, we take a holistic approach to sustainability, which includes not only our office spaces but also our people practices. Wawanesa has recently been named a Kincentric Best Employer, a Forbes Best Employer and a Forbes Best Employer for Diversity.

Looking ahead

While Wawanesa is a 128-year-old company, we consider ourselves to be relatively early in our sustainability journey. This inaugural report is an important step on our journey and I hope you enjoy reading it. It truly is a testament to the capabilities and dedication of our employees, to whom I offer my genuine thanks and appreciation. Wawanesa employees are on the front lines when natural catastrophes hit, when mental health issues arise and when our members are dealing with loss. Our employees thrive on being part of something bigger—a strong, purpose-driven mutual company—and have rallied around our growing suite of sustainability initiatives.

I also wish to thank our members for your trust in us. We are here for you today, and are committed to building a safer, healthier, more sustainable tomorrow.

Sincerely,

Jeff Goy
President & CEO



About Wawanesa

Wawanesa is a Canadian mutual company owned by our members. With assets of approximately \$10 billion and more than 1.8 million policies in force, we are one of the largest mutual insurers in Canada. We proudly provide a full range of insurance coverages for businesses, homes, farms, automobiles and life.

We offer our products through Wawanesa for property and casualty (P&C) insurance and Wawanesa Life for life and health insurance. The products are distributed by independent insurance brokers. With the sale of our U.S. business in 2024, we are focused on our home market in Canada, where we are working to strengthen the products and services we provide Canadian families and businesses and offer exceptional service to even more members across the country.

Being a mutual insurance company means we have no shareholders—only members. Every premium dollar we collect goes toward paying claims while keeping our insurance rates fair and running a service-oriented company to meet member needs—not paying shareholder dividends.

Why we adopted the term “member”

Most insurance companies refer to their customers as policyholders, a term that offers a clear promise in legal terms expressed through a contract. However, Wawanesa is a policyholder-owned company and being a member is a deeper, more personal relationship: our customers are members, they are owners, and they belong to a community where people have similar or shared interests, a community that is there for them when it matters the most. In a changing, more competitive insurance industry, we aim to build long-term relationships with our members, engaging with them as people and thinking about all of their risk needs across their lifetime.

100%
owned by our members

over
3,600
employees in Canada

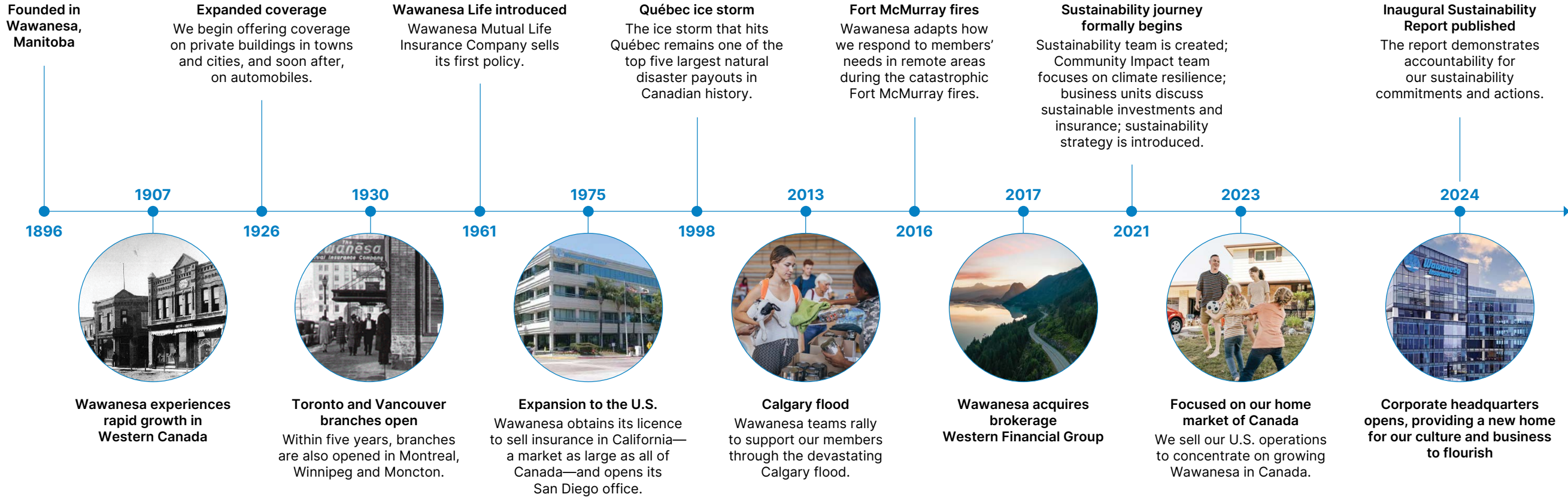
1.8 million
policies





Our history

Guided by the same values instilled in our company since 1896, we continue to grow and serve our members across Canada.



FINANCIAL GROWTH OVER THE DECADES

	1900	1910	1920	1930	1940	1950	1960	1970	1980	1990	2000	2010	2020
Premiums ¹	\$17,000	\$88,000	\$317,000	\$1,000,000	\$1,924,000	\$6,918,000	\$15,739,000	\$44,867,000	\$142,441,000	\$484,738,000	\$927,747,000	\$2,358,072,000	\$4,191,591,000

¹ Includes U.S. operations



Our purpose, vision and values

Our purpose, vision and values tell the story of who we are and what we believe in as an organization. They are at the heart of Wawanesa’s reputation for, and commitment to, providing friendly, caring service to our members and brokers.

Our purpose:

We are here to look after one another.

Our purpose in action in 2023:

1.8M

insurance policies in force, covering home, auto, commercial, farm, life and health

\$2B+

claims paid to members in Canada

77%

employee engagement score, ranking us in Canada’s top quartile

\$233M

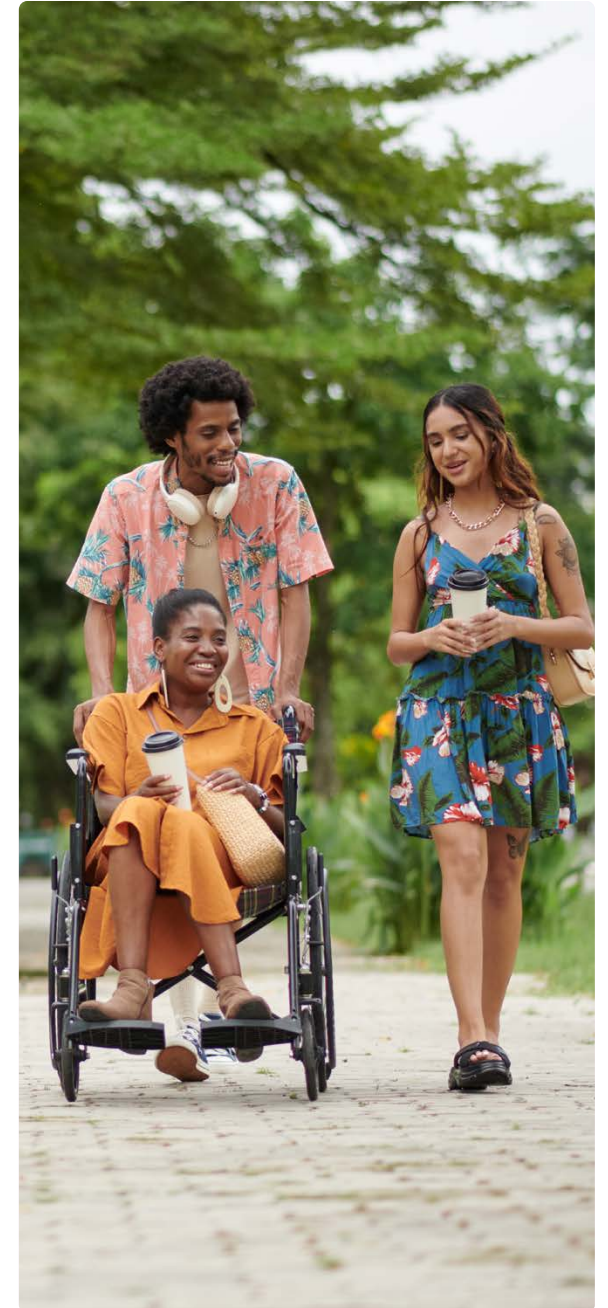
spent on employee wages and benefits

\$3.5M

in community contributions

\$3.6B+

in annual policy premiums





Our vision:

Together, we will build a safer, healthier, more sustainable future for our members and communities.

Our values:

Service

We strive for exceptional service delivered with empathy.

Openness

We build trust by being inclusive, supportive and straightforward.

Fairness

In good times and bad, we do right by people.

Collaboration

Working as one team, we respect what everyone brings to the table.

Community

Supporting our communities is the essence of who we are.



Honours and achievements

Wawanesa wins top employer awards

We were incredibly proud to have been selected as one of Manitoba's Top Employers (2024) for excellence in multiple areas. We were specifically recognized for the following:

- Our focus on employee mental health through a dedicated mental health practitioner benefit (up to \$2,500), and additional support through an Employee and Family Assistance Program, virtual mental health support, mental health first aid training, monthly well-being webinars and presentations, and other initiatives
- Generous new employee referral bonuses, ranging from \$1,000 to \$3,000, depending on the position
- Encouraging employees to continue their development with tuition subsidies for courses related to their current position, subsidies for professional accreditations, financial bonuses for certain course completions, and a variety of in-house and online training programs

We were also honoured to be included on *Forbes'* list of Canada's Best Employers for Diversity in 2023, in recognition of our commitment to building a workforce that reflects the diversity of the communities we serve, while creating an equitable and inclusive workplace for everyone.



Our efforts to meet the expanded requirements introduced under **Bill 96—An Act Respecting French, the Official and Common Language of Québec** earned Wawanesa two awards of merit from the Office québécois de la langue française, recognizing our commitment to supporting French language in the workplace and our Francisation Committee.





We salute our employees



(From left) **Derek Anderson**, National Account Executive, and **Ray Rowe**, Supervisor Underwriting – Commercial Lines, were named to *Insurance Business Canada*'s list of Rising Stars for 2022. Derek was also named Young Insurance Professional of the Year by Young Insurance Professionals of Toronto.



Moe Arbab-Hesari, Manager, Business Development, was named Salute B.C.'s 2023 Rising Star, for his professional contributions and dedication to excellence, which have already made him a leader and role model in the insurance industry.



James Bond, Senior Vice President and Chief Legal and Governance Officer, was recognized as part of the global list of Outstanding LGBT+ Executive Role Models in 2022, supported by Yahoo Finance, and again in 2023, supported by YouTube.



Athalia Larson, Underwriter – Commercial Lines, won four Chartered Insurance Professional awards for her outstanding academic performance, including two national prizes, upon completion of her Chartered Insurance Professional (CIP) designation from the Insurance Institute of Canada.



(From left) **Rohith Mascarenhas**, Director, Regional Underwriting Operations (Central Region); **Chris Fitzhenry**, Director, Strategic Sourcing; **Monica Heinrichs**, Director, Claims – Life and Health; and **Mohammed Subhan**, Manager, Business Development (not pictured) received the United Way Winnipeg Employee Campaign Chair Award, which is handed out annually to recognize campaign chairs who show creativity, enthusiasm, energy and commitment to make their workplace campaign successful and inspire growth in employee campaign participation.



Our sustainability approach

“Wawanesa has been a purpose-driven organization for 128 years, committed to looking after one another in times of need and using our profits in service of our members. With the impacts of climate change mounting, we need to ensure that insurance remains available and affordable for our members, helping to build individual and community resilience.”

Kimberly Palatnick

Vice President and Chief Strategy and Member Experience Officer





Q&A with Kimberly Palatnick, Vice President and Chief Strategy and Member Experience Officer



What drives Wawanesa's commitment to purpose and sustainability?

Wawanesa has been a purpose-driven organization for 128 years. As a mutual insurer, we are dedicated to supporting one another in times of need and reinvesting our profits to benefit our members—not shareholders. Insurance provides essential stability and resilience for society, fostering economic growth and offering financial protection and peace of mind for people and businesses. This enables them to buy homes, start businesses and pursue their goals, knowing we will be there for them if something happens.

We recognize our responsibility in fostering both individual and community resilience through adaptation and mitigation efforts, especially as climate change increasingly affects Canadians. By cutting our own emissions, assisting our members to reduce theirs and educating them on how to adapt to climate impacts, we strive to maintain accessible and affordable insurance for our members while fulfilling our purpose: *to look after one another.*

How has Wawanesa's approach to sustainability evolved in recent years?

Sustainability has become a core component of our enterprise strategy and vision, increasingly integrated into our products and services, business operations and investment practices. Previously, sustainability efforts were somewhat fragmented across the organization. In recent years, we have concentrated on establishing the fundamentals of a formalized sustainability program.

We set our sustainability priorities through active engagement with both internal and external stakeholders. Our Board of Directors and senior management team recognize that sustainability is crucial to achieving our vision and long-term goals and have supported these initiatives from the outset. Internal engagement provided us with an understanding of our current sustainability actions across Wawanesa departments and locations and helped us build a cross-functional awareness of sustainability-related risks and opportunities within our company. External engagement provided a picture of sustainability practices within the broader financial services sector.

Sustainability awareness and action continue to grow within Wawanesa with the establishment of a dedicated Sustainability team within our Strategy Office and embedded resources in other areas, such as Finance, Investments and People & Culture. We foster collaboration across our business through cross-functional teams like the Climate Council, Prevention Steering Committee and other working groups focused on emissions, materiality, data and target setting. We are also proud of the remarkable engagement and action from our diversity, equity, inclusion and belonging

(DEIB) employee and interest groups. Additionally, we have embedded a sustainability-related goal in our executive compensation program and reoriented our community impact approach around our greatest sustainability focus: climate resiliency.

Recognizing that sustainability is a global goal and one we cannot achieve on our own, we have increased our external commitments and partnerships with like-minded organizations that are championing and working toward these global goals. We are actively engaged with the Institute for Catastrophic Loss Reduction (ICLR), FireSmart Canada, and the International Cooperative and Mutual Insurance Federation (ICMIF). We are a founding member of Climate Proof Canada and have executives active on several boards and in industry groups focused on sustainability and climate issues (see [page 16](#) for more details). In addition, we recently committed to and participate in the United Nations Principles for Sustainable Insurance (PSI) and Principles for Responsible Investment (PRI), which provide us opportunities to learn from and collaborate with leaders from around the globe and where we have a seat at the table in groups such as the Forum for Insurance Transition to Net Zero (FIT), where the emission accounting rules for insurance are being developed.



What issues are expected to have the greatest impact on Wawanesa’s sustainability strategy going forward?

Climate change is one of our top priorities. This was clearly highlighted in our recent materiality and stakeholder engagement exercise, and it is evident in our enterprise risk assessments and the increasing number of natural catastrophes in Canada. 2023 was another record year for wildfires and we expect extreme weather events to increase in frequency and magnitude as climate change progresses. The physical effects of climate change are being felt by our members and communities, and we will keep this front of mind as we continue to build on our strategy.

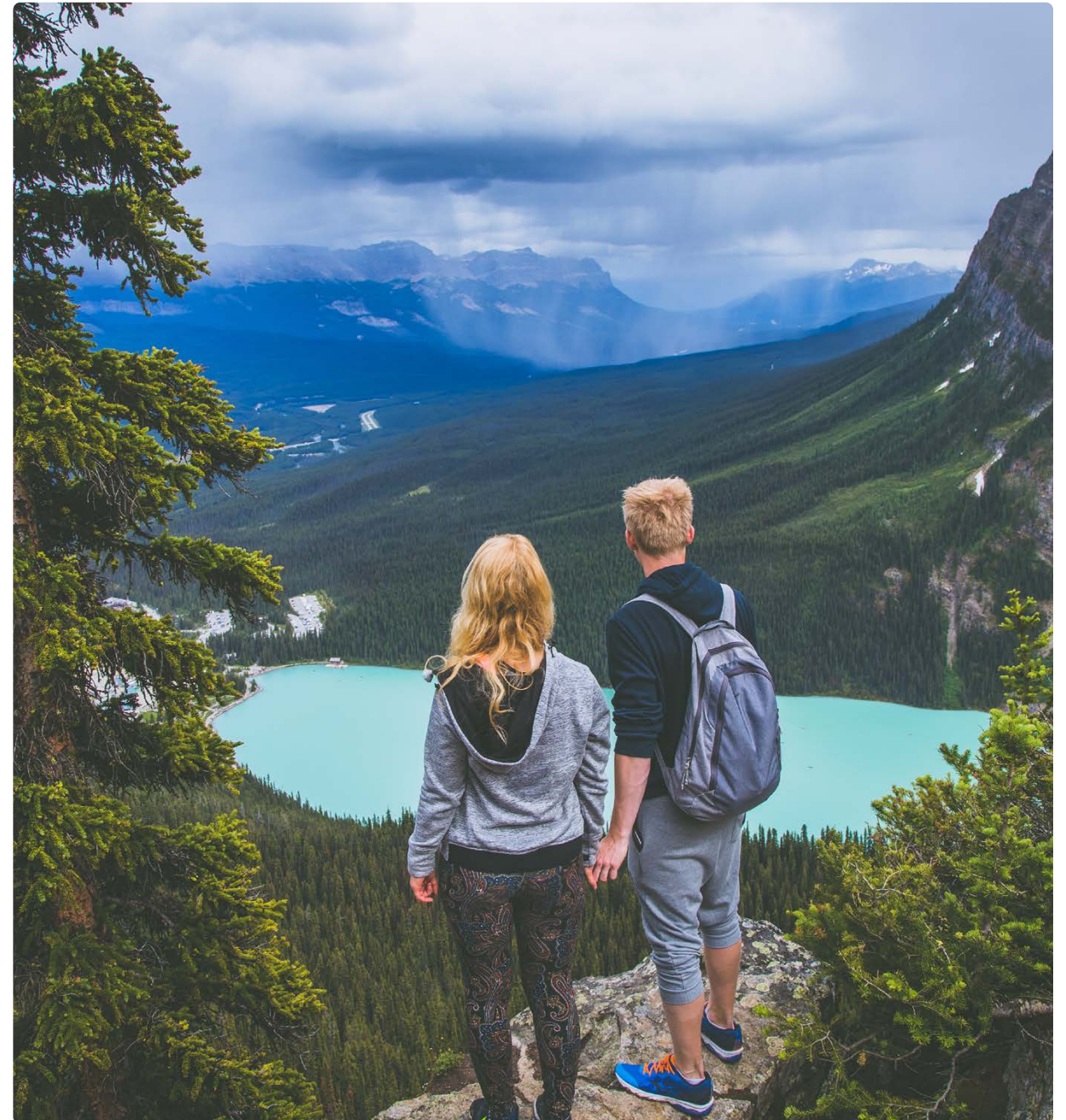
In addition to the physical risks associated with climate change, the transition to a net-zero economy will undoubtedly present businesses with new challenges and opportunities. Among the challenges, we expect stricter environmental regulations that businesses will have to adapt to, and which may require significant changes in operations, reporting and compliance. We are preparing for heightened regulation and reporting requirements related to managing climate-related risks. Prior to releasing our first Sustainability Report, we devoted considerable effort to implementing an efficient reporting and data management system with robust controls and tracking to ensure we can meet anticipated and increasingly complex reporting requirements as they come into force.

While our initial sustainability strategy has focused on strengthening climate resilience, we are starting to look at resilience more broadly and

how we can improve resiliency, especially for the most vulnerable communities—which are often the hardest-hit and are suffering more negative impacts from the effects of climate change. These topics emerged in our materiality assessment, and determining how we can contribute to solutions related to these topics aligns closely with our business focus and our overarching vision and purpose.

Among the opportunities, we believe that Wawanesa has a role in supporting resilience and innovation through our investments. As an institutional investor, we can allocate our investment dollars to companies positioning themselves for the transition to a lower-carbon economy. A just and successful transition to net zero depends on maintaining the flow of capital to organizations engaged in decarbonizing activities and funding new technological initiatives, and we aim to do our part.

The greatest opportunity for building on Wawanesa’s sustainability strategy lies in engaging our employees in defining, developing and enhancing our sustainability commitments so that we can continue to attract and retain top talent, particularly among younger generations who prioritize environmental and social responsibility. Our focus on sustainable insurance solutions, sustainable operations, sustainable investing, stakeholder engagement and transparency and disclosure together foster a corporate culture of collaboration and community that supports our vision of a safer, healthier, more sustainable future for our members and communities.



Our sustainability strategy

Our journey to a more sustainable, climate-resilient future for our members and communities is centred around five strategic pillars.

Across our five pillars, we focus on three priorities in sustainability. These priorities align with several United Nations' Sustainable Development Goals (SDGs) (see [page 17](#)).

Five strategic pillars

SUSTAINABLE INSURANCE SOLUTIONS

We create solutions to encourage sustainable behaviours and help prevent or reduce future losses.

SUSTAINABLE OPERATIONS

We lead by example and embed sustainability into day-to-day activities.

SUSTAINABLE INVESTING

We use the power of investment assets to support sustainability and resilient infrastructure.

STAKEHOLDER ENGAGEMENT

We ensure active, collaborative dialogue that moves sustainability and climate issues forward.

TRANSPARENCY AND DISCLOSURE

We demonstrate accountability for our commitments and actions.

Our 2023 priorities



STRENGTHENING CLIMATE RESILIENCY

We will support, encourage and invest in strengthening the ability of our members and communities to adapt to and prevent the impacts of climate change through our insurance products and services, investment portfolio and partnerships.



ADVANCING ENVIRONMENTAL STEWARDSHIP

We will embed environmentally sustainable practices into our operations, and we intend to develop a pathway toward net-zero emissions.

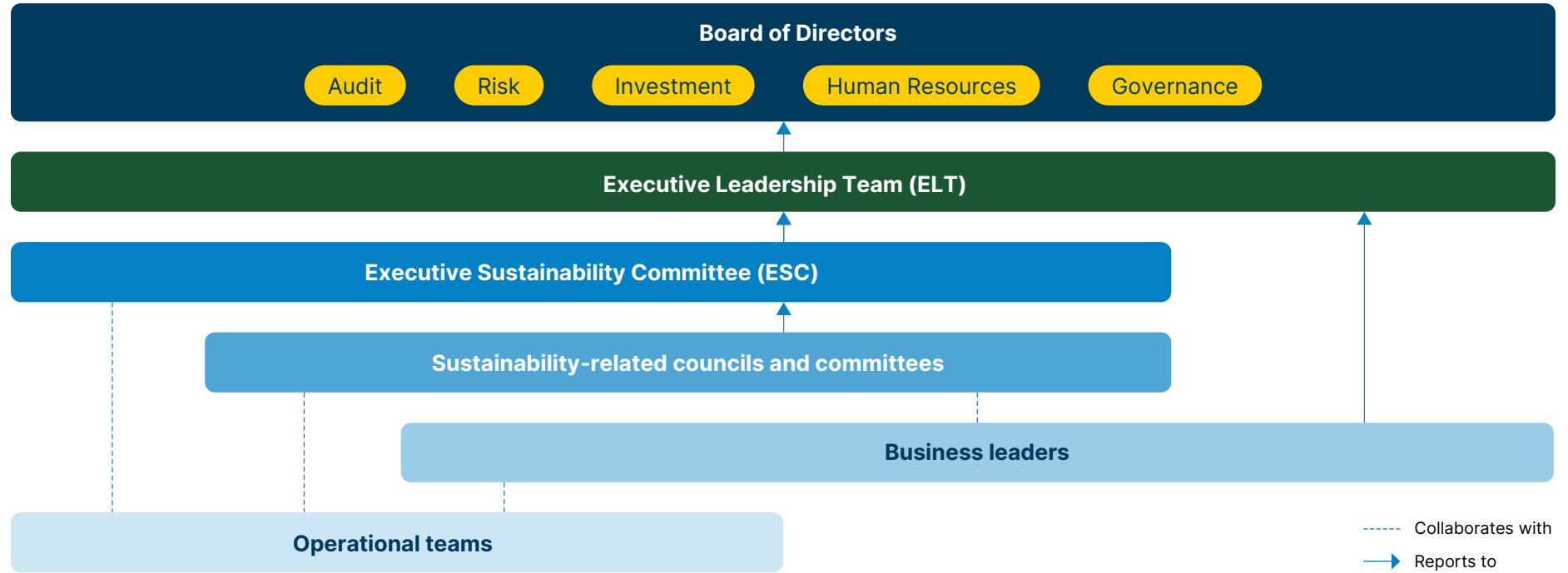


BUILDING DIVERSITY, EQUITY, INCLUSION AND BELONGING

We are committed to building a workforce that reflects the diversity of the communities we serve while promoting equitable and inclusive solutions and creating positive social impacts for our members, communities, employees and supply chains.

Sustainability governance

Integrating sustainability into our governance frameworks and operations leads to more transparent and accountable decision-making processes that support our sustainability commitments.



● **Board of Directors**—Elected by our members to provide invaluable guidance to Wawanesa’s operations (ensuring we adhere to our corporate commitments and policies) and to oversee sustainability at the highest level.

● **Board committees**—Oversight of sustainability matters is integrated into the responsibilities of the Board and each of our five Board committees.

● **ELT**—Made up of senior vice presidents and above who provide oversight for all strategic and operational aspects of our organization. They are accountable to our Board of Directors.

● **ESC**—Made up of executive leaders and representatives from each material priority area. Responsible for integrating sustainability into enterprise activities and ensuring actions are aligned with commitments.

● **Sustainability-related councils and committees**—Cross-functional groups consisting primarily of vice presidents and directors from across the company who oversee the enterprise’s DEIB-, community- and climate-related activities (including climate reporting requirements, climate risk management, our annual GHG inventory, GHG reduction commitments and targets, prevention and resilience).

● **Business leaders**—Responsible for integrating sustainability into their daily operations to advance commitments and manage relevant sustainability risks and opportunities within business units. In 2024, sustainability goals were incorporated into the long-term incentive plan for business leaders.

● **Operational teams (Sustainability; Community; Diversity, Equity, Inclusion and Belonging; Finance; Risk; Operations; Investment; and Insurance)**—Responsible for program management of strategy and establishing enterprise-wide programs and initiatives; liaises with ESC and collaborates with business units to create and execute sustainability governance, targets and action plans.

Key memberships, partnerships and commitments

Canadian Business for Social Responsibility (CBSR)

Canada's only membership association for companies co-creating a sustainable, equitable future.

Insurance Bureau of Canada (IBC)

The national industry association representing Canada's private home, auto and business insurers.

Canadian Life and Health Insurance Association (CLHIA)

Trade association representing the collective interests of its member life and health insurers.

Climate Proof Canada

Coalition of insurance industry representatives, municipal governments, Indigenous organizations, environmental non-governmental organizations and research organizations working to encourage the federal government to build a more disaster-resilient country.

FireSmart Canada

Leads the development of resources and programs to help Canadians increase resilience to wildfire.

Institute for Catastrophic Loss Reduction (ICLR)

A centre for multi-disciplinary disaster prevention research and communication established by Canada's property and casualty (P&C) insurance industry.

International Cooperative and Mutual Insurance Federation (ICMIF)

Global organization representing cooperative and mutual insurers from around the world and providing information and services to its members.

Ostrom Climate Solutions

One of North America's leading providers of carbon management solutions, specializing in carbon offset project development and climate solutions consulting.

Please see the [Supporting Community Resilience](#) section of this report for other partnerships.

Wawanesa signs the UN Principles for Sustainable Insurance and Responsible Investment

In November 2023, Wawanesa became a signatory of the [United Nations Principles for Sustainable Insurance \(UN PSI\)](#), a global framework for the insurance industry to address environmental, social and governance risks and opportunities. The PSI initiative is the largest collaborative effort between the UN and the insurance industry.

AS A SIGNATORY, WE COMMIT TO UPHOLDING THE FOLLOWING FOUR PRINCIPLES:

Principle 1—We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

Principle 2—We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Principle 3—We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Principle 4—We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Since signing on, we have advanced our participation with the UN PSI by joining working groups focused on health, climate resilience and nature, and activities in North America and Canada. We also recently joined the Forum for Insurance Transition to Net Zero (FIT), which you can read about on [page 52](#). Our year-one PSI reporting can be found on [page 90](#).

Wawanesa became a signatory of the UN Principles for Responsible Investment (UN PRI) on June 13, 2024. Becoming a signatory publicly reflects our dedication to incorporating the six Principles for Responsible Investment in the UN PRI framework, aligns with our sustainability strategy and complements our recent commitment to becoming a signatory of the UN PSI.



Signatory of:



UN Sustainable Development Goals

The UN Sustainable Development Goals are part of a global agreement called the 2030 Agenda, adopted at the United Nations in 2015 to address some of the world's biggest challenges.

The 17 Sustainable Development Goals (SDGs) provide a framework for a more sustainable world by 2030. While the goals are designed for national governments to address and the targets identify national-level actions, we believe that we contribute to the spirit and overall aims of the targets. Our three sustainability priorities support eight of the SDGs.

Strengthening climate resiliency

SDGs	Select 2023 contributions
9 Industry, innovation and infrastructure	Sustainable products and services (page 23)
10 Reduced inequalities	Wawanesa Climate Champions (pages 43–47)
11 Sustainable cities and communities	
13 Climate action	
17 Partnerships for the goals	

Advancing environmental stewardship

SDGs	Select 2023 contributions
12 Responsible consumption and production	Building our foundation for climate action (pages 49–50)
13 Climate action	Reducing our emissions (pages 51–53) Sustainable operations (pages 54–55) Sustainable procurement (pages 56–57)
17 Partnerships for the goals	

Building diversity, equity, inclusion and belonging

SDGs	Select 2023 contributions
3 Good health and well-being	Enhancing our group life and health coverage (page 25)
5 Gender equality	Talent attraction and retention (pages 27–29) Development and training (pages 30–32) Health, wellness and safety (pages 33–35)
10 Reduced inequalities	Diversity, equity, inclusion and belonging (pages 36–38)
17 Partnerships for the goals	Supporting French language in the workplace (page 62)



SDG ALIGNMENT



Serving our members

“We are dedicated to putting our members at the centre of everything we do. We use their feedback to drive our strategy and make decisions about the products and experiences we provide. We want members to feel heard, valued and cared for, and to have peace of mind that they’re in good hands.”

Rachel Cameron

Director, Member Experience and Insights





Member experience

As a mutual and purpose-led company, we are here to take care of one another, and that starts with taking care of our members.

Why it matters

Wawanesa was created by members for members—to be there at times of need for the community. As a member-owned organization, we consider how each decision connects to and provides value for our members throughout their lives, from their first auto or home purchase, to starting a business, to ensuring they and their families have the protection they need as they grow older. Over time, our goal is to build trust and loyalty, so we can continue to be there for our members for the next century and beyond.

Our approach

Everyone at Wawanesa, regardless of their role, is responsible for serving our members. We strive to be their most trusted insurer, nurturing meaningful relationships through products, services and experiences that put members squarely at the centre. Members can trust that we are always there to help them when and where they need us most. We also support them in building resilience and protecting themselves against future risks.

Experiencing a claim can be particularly stressful for members. More than 80% of calls are answered by our Claims Service team within 20 seconds. We communicate openly and transparently, setting expectations by helping members understand their coverage, the claims process and what to expect. We strive to contact members when we say we will, using their preferred method of communication.

Listening to members is critical to understanding what they need, their experience with us, and their pain points. We collect feedback at key touchpoints, including, for example, when members first make a claim and again when the claim is closed.

At times, we run ad hoc surveys or focus groups to obtain additional perspective. Our dedicated Member Insights team regularly reviews the feedback and monitors member metrics to drive continuous improvement and innovation in our service model.





Living our values

Doing the right thing for our members

We have empowered our employees to take the initiative to do the right thing for our members.

- Our **We Care program** enables employees to express their support or go the extra mile for a member who may be facing a serious health concern, a death in the family or another difficult situation. We also encourage our people to congratulate or send flowers or small gifts to members celebrating milestone life events, or, where appropriate, to plant a memory tree.
- The **Resolution with Flair initiative** is designed to improve a member’s overall experience by providing an established process for making restitution or simply apologizing for a service challenge.

When closing a theft claim, a member mentioned to one of our adjusters that she was grieving the recent loss of her husband of 51 years. The adjuster reached out to the We Care program and a memory tree was planted in honour of her husband. A tree certificate was also sent to the member along with our condolences. The member later reached out to the adjuster with a heartwarming message:

“You touched my heart. Tears of sugar and water (gratefulness) flowed. My husband was truly an outdoor enthusiast, thus, a tree planted in his memory is so very appropriate and meaningful.”

Anonymous

Quote from recipient of a We Care gift



CONCERNS AND COMPLAINTS

If members are not satisfied with our service, we want to hear from them and we commit to addressing and resolving their concerns in a fair, timely and empathetic manner. Complaints can be a valuable source of information, shining a light on areas that may require changes or improvements.

If a member has escalated their concerns and is not satisfied with a branch's proposed resolution, they are invited to contact the Office of the Ombudsman for an independent review. The Ombudsman's role is to review concerns carefully and objectively, with the goal of finding a suitable resolution.

The Ombudsman also leads our Member Review Council, which is made up of volunteer Wawanesa members. This council exemplifies our dedication to member engagement and continuous improvement in service standards. It was introduced to enhance our focus on member centricity. In 2023, four claims complaints were referred to the Member Review Council.

Living our values

Supporting members through catastrophe

2023 brought another season of catastrophic activity that significantly affected our communities. With a record-breaking number of wildfires across Canada, as well as flooding and severe storms, many Wawanesa members were forced to evacuate their homes or experienced substantial loss. We were there to help them in their time of need, through more than 7,500 catastrophe-related claims between April and August.

Member-focused claim handling strategies, processes and operational structures enabled our regional and national catastrophe teams to provide support in meaningful ways.

They included:

- Providing member care packages, which included tissue, hand sanitizer, toothpaste, toothbrush, recyclable face cloth, pen, power bank, notepad and a blanket made from recycled materials
- Using new and enhanced tools, including drones, to quickly assess damage and provide members with updates on their homes
- Bringing in independent adjusters to accelerate our response and give members peace of mind
- Deploying our National Catastrophe team to support regional teams in serving members affected by large loss events
- Making every possible effort to serve members quickly—we were the first insurance company to set up evacuation centres in British Columbia to support those affected by wildfires

- Clearing the way with our Preferred Provider Network vendors to ensure Wawanesa's members get exceptional service and advice from trusted partners if repairs or replacement parts are needed
- In some cases, deploying our claims teams before major events hit, such as when we put additional adjusters on the ground before Hurricane Lee in Halifax made landfall in September
- Enhancing internal training to improve readiness for future catastrophic events and ensure a consistent member experience

In early 2024, we added mobile response units, which are mobile Wawanesa offices that can be on-site anywhere in Canada within 24 hours to respond to catastrophes.

“Staffed with Wawanesa team members, our fully equipped mobile response units are a safe and welcoming place for members to meet with us, submit claims and receive a Wawanesa member care package.”

Natalia Corsetti
Manager, National Claims, Catastrophe





BROKER RELATIONSHIPS

We value the independent broker channel, and the knowledge and advice brokers provide to our members to ensure their insurance needs are covered. Our broker partners play a role in delivering exceptional experiences to our members, and our relationships with them are important to us.

We provide our broker partners, including Western Financial Group, with self-serve options such as on-demand training, insurer portals and member claims trackers, expanding the hours we are “open for business” to meet their needs. Options for integrating brokers’ IT systems with ours make it easy to quote or submit new business, handle claims and billing inquiries, and process payments—creating efficiencies and improving the broker and member experience.

Each year, we survey our broker partners to ensure we are enabling them to provide the best experience for our members. Results are shared broadly across our organization to drive discussion and action. Our 2023 survey saw improvements in key metrics—including overall satisfaction, net promoter score and likelihood to recommend—across all lines of business. We were especially pleased with the feedback received for overall value provided to brokerages, the relationships between our staff and theirs, the information provided to brokers, and our technology.

In response to their comments, we assembled a panel of frontline brokers for our Personal P&C lines to better understand their needs and how we can make it easier to do business with us. Through virtual meetings and workshops, focus groups, interviews, surveys and digital comment cards, we engaged with these brokers on a variety of topics. Their input has informed enhancements to our broker processes, and we intend to report back to the panel in 2024 as part of an ongoing dialogue. Given the success of the initiative, we are also planning to assemble a Commercial lines panel in the coming year.

Living our values Going the extra mile

In 2023, we celebrated brokers who provided exceptional service to their customers and communities by donating \$150,000 to charities selected by the winning brokers. Brokers were invited to submit stories of how they “go the extra mile” for the chance to win one of 10 awards of \$10,000 each for a charity of their choice. The remaining funds went to all other participants in the program, who each received a \$500 charitable gift card from Wawanesa to donate to a charity.



“Braving an approaching fire, educating clients on the ins and outs of insurance, and raising funds for underserved communities are just some of the extraordinary ways our award recipients have gone the extra mile.”

Trevor Rachkowski
Vice President, Sales and Distribution

A complete list of the selected brokerages can be found [here](#).



Sustainable products and services

As a signatory of the Principles for Sustainable Insurance, and as part of our sustainability strategy, we have committed to developing products and services that reduce risk, have a positive impact on environmental and social issues and build resilience.

Why it matters

By offering sustainable products and services, we empower our members to embrace sustainability, protect their properties against severe weather and other hazards, and build a more resilient future for themselves and their communities. We also position our company to prevent or reduce losses, and to do its part for people and the planet.

Our approach

In recent years, we have introduced products designed to help Canadians make their homes more resilient to the effects of climate change. They include:

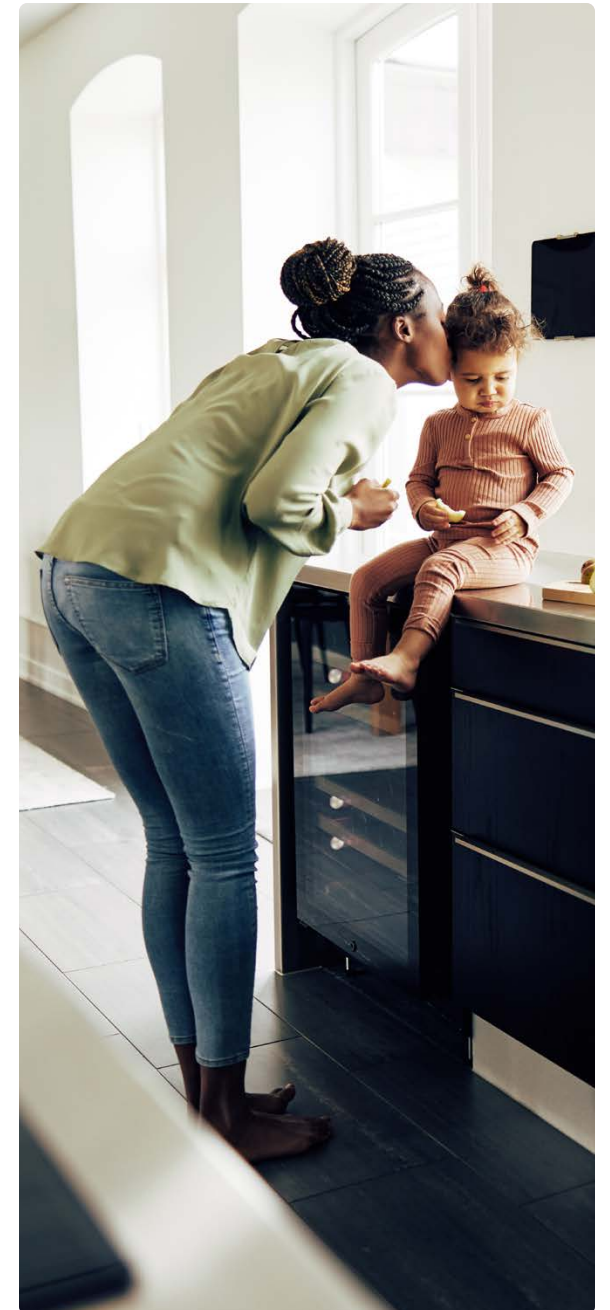
- **Stronger home coverage**—we pay the increased cost to repair or replace shingles or exterior siding with more resilient materials, and implement up to two mitigation measures, in the event of a covered loss caused by wildfire, hail, windstorm or overland water damage.
- **Eco-friendly coverage**—when a loss occurs, we pay the increased cost of repairing or replacing covered items with energy-efficient products (products that are Energy Star or Canada Green Building Council/LEED Canada rated or accredited) and eco-friendly materials. This coverage covers home appliances, paints and sealants; light fixtures and bulbs, faucets, plumbing fixtures and toilets; residential heating, ventilation and air conditioning systems; insulation; and roofs, doors and windows.

This enhanced coverage was an outcome of our work with the [Institute for Catastrophic Loss Reduction](#) and other insurance companies to ensure that homes perform better when confronted by severe weather as part of a program called Insurers Rebuild Stronger Homes.

Along with these coverages, we have introduced measures such as offering members who have experienced a sewer back-up loss up to \$1,000 toward the purchase of a water back-up valve. We also offer a water leak detection credit that applies when a centrally monitored or mobile monitoring water leak detection system has been installed in a home.

“By encouraging proactive measures to strengthen homes and reduce vulnerability, we empower our members to adapt to the changing climate and protect their most valuable assets.”

Tannis Wiebe
Vice President,
Property Products and Pricing





**ADDED VALUE THROUGH
PREVENTION SERVICES**

Over the years, our hazard, risk and loss prevention efforts have evolved from owning firefighting equipment to the present-day Prevention and Risk Services team. Outfitted with infrared cameras, laser measures, iPads and an industry-leading technology platform, the team helps reduce the possibility that a loss will occur or minimize the severity of those that do—to the benefit of both our company and/or member.

When a member signs up for or renews a policy, the Prevention and Risk Services team may, depending on the risk profile, assess possible hazards on the property to help prevent or minimize losses. They conduct surveys of the property, ask questions, and take measurements and photos. Their assessment considers a variety of factors—from building construction features to fire, liability and crime hazards—to highlight areas of excellence as well as conditions that may lead to a loss.

Following the survey, the team provides documentation to the broker and the underwriter, including a recommendation letter with photos indicating opportunities for improvement. They are also available afterwards for consultation and advice for future building renovations or expansion projects.

“We’re there to help both the member and the broker.... A loss prevented is always a mutual win, saving our members from experiencing downtime and inconvenience and from paying their deductible.”

Tyler Bjornson
Director, Prevention and Risk Services



TELEMATICS FOR SECURE TRAVEL

We are using telematics to power our new Drive Change app for members. Using GPS and other smartphone features, Drive Change can identify safe driving practices, track driving behaviour data and enable members to earn rewards for safer driving habits. In August 2023, we launched a test of the app in Ontario with select brokers before rolling it out across the province in October. We are currently monitoring the product and making adjustments based on users' feedback. We plan to make the Drive Change app available in other jurisdictions across Canada in late 2025 or early 2026.

“We design products that speak to the members of tomorrow, aligning with our vision of building a safer, healthier, more sustainable future for our members and communities.”

Vanessa Heichert

Vice President, Business Optimization
and Enablement



ENHANCING OUR GROUP LIFE AND HEALTH COVERAGE

We want to help organizations provide benefits that serve the diverse needs of modern workplaces. To this end, we added a range of gender affirmation benefits in 2023. We also expanded our coverage of mental health services to address the growing need for comprehensive wellness support, and improved drug benefits to include obesity medications.

Wawanesa Life's hybrid disability program is uniquely suited to employer groups and associations that might not otherwise have access to affordable disability coverage or be able to secure disability coverage due to the nature of their business/industry or historical claims experience. The program is a combination of our two-year long-term disability and our accident and serious illness disability plans.

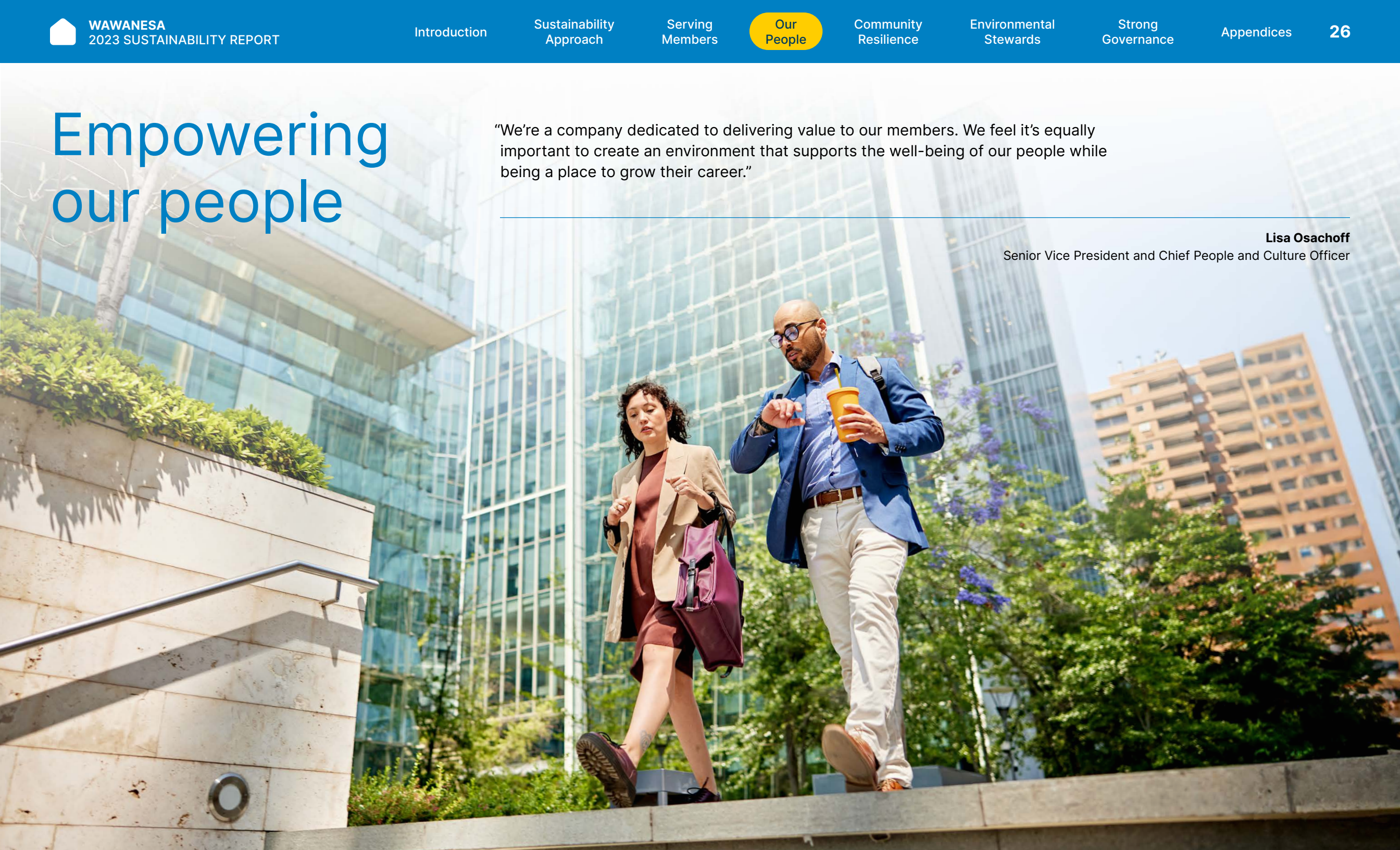


Empowering our people

“We’re a company dedicated to delivering value to our members. We feel it’s equally important to create an environment that supports the well-being of our people while being a place to grow their career.”

Lisa Osachoff

Senior Vice President and Chief People and Culture Officer





Talent attraction and retention

Our employees are the heart of who we are. We strive to hire the right people and ensure that they are happy, engaged and part of a culture that enables them to bring their best selves to work, and to grow and develop in their careers.

Why it matters

Our industry has unique needs and the market for talent is highly competitive. To succeed, we need to attract, engage and retain exceptional individuals who not only have the required skills and abilities, but are also committed to our goals and values and eager to support our members and each other.

Our approach

Our Talent Acquisition team plays a vital role in ensuring we have the right people in the right jobs at the right time. The team builds relationships with company leaders and job candidates to understand department needs, create and execute recruitment strategies, and provide for a great candidate experience. They also ensure that there are fair, consistent and equitable recruitment and selection processes in place to help leaders make the best decisions when it comes to hiring new employees.

Our Employee Value Proposition (EVP) guides our employee experience and covers many of the rewards of working for Wawanesa:

We provide a flexible hybrid work environment.

We respect our people as professionals who make responsible decisions, in partnership with their leaders, about when to work in the office and when to work from home.

We offer endless career opportunities.

Opportunities abound to build a fulfilling career with Wawanesa. We offer personalized and targeted career paths and, through Wawanesa University, invest in the support needed across all aspects of insurance and enabling services such as technology, finance and people and culture.

We recognize our people for their accomplishments.

We recognize and reward accomplishments, service milestones, and people who live our community-minded values through a combination of informal appreciation and tangible rewards.

We provide competitive compensation, benefits and time off.

We offer competitive pay and variable pay for performance. We also provide health and well-being benefits, generous time-off allowances, and personal, wellness and community days for volunteering.

We have a friendly, caring workplace culture of belonging.

We have built our inclusive workplace culture based on our values and strive to be helpful, friendly and caring. That is the attitude we bring every day to serve our members and work with one another.

While we have always had an EVP, we “put it on paper” in 2023 and continue to evolve it, displaying our commitment to providing a positive experience for employees that we are all part of and proud of.





A REIMAGINED ONBOARDING EXPERIENCE

In welcoming more than 50 new leaders and almost 800 individual contributors in 2023, we recognized the importance of ensuring they had the support and resources they needed to thrive from day one.

Feedback from a recent employee engagement survey prompted us to refresh our onboarding program in early 2024. Enhancements included:

- A consistent, centralized framework for all employees
- A new relationship-building component through a “buddy” system
- Regular, virtual orientation sessions for new leaders and employees
- Enhanced digital technology and resources, including a new employee handbook, a toolkit for leaders and buddies and an onboarding website to house the entire program in one location

The orientation sessions for new hires include an introduction to our strategy, including member experience and sustainability, to help put their work in context and give them a good understanding of our priorities, goals and aspirations.

RECOGNIZING PERFORMANCE

We have numerous programs to support individual goal setting and performance conversations and to recognize a job well done. They include the following:

- **BluPrint** provides a consistent framework for navigating our performance management process and helping leaders and employees align on work expectations, set stretch goals and focus on continuous growth. It emphasizes regular check-ins to ensure employees have meaningful performance and career conversations throughout the year.
- **Goal Achievement Plan (GAP)** is an annual, short-term incentive plan that rewards employees for helping Wawanesa meet goals that support our business mission, values and company objectives. In 2023, we met the required performance metrics, and a GAP payout was made to all eligible employees, representing approximately 99% of our workforce.
- **Ovation** is a company-wide, online recognition platform that encourages and simplifies leader-to-employee and peer-to-peer recognition. Employees earn points, which they can redeem for gifts and prizes.
- **Ovation Milestone awards** recognize service milestones through anniversary gifts and bonuses.



“Our department is huge on recognition, and we take every opportunity to thank our team members for doing a great job—whether it’s a major accomplishment or an everyday thank you. I love Ovation because it’s simple to use and makes it easy to celebrate the moments that matter to the people we work with.”

Zainab Nuristani
Supervisor, Underwriting – Commercial Lines



EMPLOYEE ENGAGEMENT

Our annual engagement survey reflects our commitment to keeping lines of communication open with our employees. The 2023 survey was an important opportunity for employees to use their voices, tell us how we are doing as a company, and share their personal experiences and comments.

Our participation rate was the highest it has been since starting our annual survey in 2015, and both the participation and engagement scores increased by 5% from 2022. Our engagement score earned us Best Employer in Canada recognition as part of our survey provider's global certification.

Areas where we need to improve included ensuring regular individual professional development conversations and offering more targeted leadership development programming for individual contributors.

2023 ENGAGEMENT SURVEY HIGHLIGHTS

96% participation rate (which means 3,306 people took the survey)

77% Canada-wide employee engagement (placing us in the top quartile of companies in Canada)

Leader effectiveness and diversity and inclusion were areas of strength, with scores of over 90% for several items in these two categories.



“There are many things that make Wawanesa a desirable employer, and one is how Wawanesa truly invests in its people and communities. The DEIB training curriculum and our wellness programming are superior. Wawanesa provides its employees with many opportunities to learn [and] maintain and improve their overall well-being.”

Anonymous

Quote from 2023 engagement survey

Living our values

Evolving our flexible work approach

We continue to evolve our flexible work approach as we learn what works best for our business and culture. While most of our employees worked remotely during the pandemic, in 2023, we shifted to a Distributed Work Experience (DWE), a framework that prioritizes hybrid work and flexibility.

We announced further changes in 2024, adopting a model that will see employees incorporate the office into their weekly routine at least two days a week. Ahead of this decision, we created a DWE Governance Committee of leaders from across the company to provide direction on the best approach and develop a thorough, thoughtful plan specific to Wawanesa.

Flexibility remains a priority. How employees choose to incorporate the office into their work week, and when, is up to them, in conversation with their leader. They can schedule their time in many ways to ensure they still have the flexibility and work-life balance they value.



Development and training

We recognize that to support our people in today’s dynamic, innovative and ever-changing industry, we need to find and create opportunities for them to build long-term careers.

Why it matters

In these times of rapid change, it is important for our knowledge to keep pace, so that we can continue to provide consistent, caring and top-level service to our members. We also know that developing leaders at all levels plays a key role in overall employee experience, engagement, attraction and retention.

Our approach

Our programs focus on maximizing the learning experience by adopting the 70-20-10 model, according to which 70% of learning comes from on-the-job experience, 20% from working with others, and 10% from training and courses. We offer blended learning (both in-person and virtual), experiential learning, coaching, mentoring and networking opportunities.

We encourage our employees to be the architects of their own success stories, empowered by access to programs, resources and tools crafted to nurture their talents and ambitions. Development exists in every interaction—from recruitment, to onboarding, to assessments and growth—and our training and development resources help our people develop professionally and personally at every stage of their careers with us.

Here are three new programs launched in 2023:

Wawanesa University is a new home for learning, career growth and talent development. We curated and organized our formal learning content in an easy-to-access way on our intranet. Through Wawanesa University, employees have access to resources that can help them build their careers with us.



“Wawanesa University is a strategic investment to cultivate a workforce that’s not just competent, but exceptional. It’s not just a place where we provide training—it’s a place where employees can learn, grow and thrive. We want every employee to discover their untapped potential, unlocking hidden talents and igniting passions they never knew existed.”

In total:

- We added over 650 learning assets
- 55% of employees visited Wawanesa University and returned approximately 13 times to access content
- Our technical (claims and underwriting) and DEIB libraries were the most popular resources, accessed a combination of 1,278 times

Stacey Mills
Director, Learning and Talent Development



Success Profiles were introduced to help employees understand what it takes to progress to other roles in the company and identify the development and experience required to make the journey. Success Profiles also help leaders have more robust career conversations with employees. We delivered the first Success Profile to our Actuarial team to test the concept and then applied their feedback to develop 30 new profiles across business lines.

Opportunity Hub is a tool that connects employees to new development and networking opportunities within the company. It offers a range of options, from short-term projects to volunteering. In 2023, the Hub provided 38 employees with new opportunities.

We plan to evolve Opportunity Hub into a Talent Marketplace in 2024. This will help employees discover non-traditional career paths, find opportunities that match their skills and support their career goals. It will also benefit our leaders, as they will have a new place to find talent for projects and roles.

SPECIALIZED TRAINING FOR SPECIALIZED ROLES

Several in-house programs and workshops support our people who work in areas that require specialized skills. Recently offered programs include the following:

- PIVOT (Providing Individuals with Valuable Opportunities to Thrive) provides actuarial talent with the opportunity to rotate assignments and work with different actuarial teams to broaden participants' knowledge and develop technical skills through on-the-job exposure to projects and tasks
- National Auto Physical Damage Adjusting Program was introduced in 2023



“We continue to invest in how we develop our people, and 2023 was a landmark year as we launched many new initiatives to nurture and develop talent across the company.”

Delana McKinsley
Vice President, Talent, Learning and DEIB

In 2023, we spent more than \$2.1 million to support employees' education through external partnerships approved through our Learning and Education Assistance Program. This included 100% reimbursement for insurance-related courses, professional association memberships, seminars and conferences, and more.



LEADERSHIP DEVELOPMENT

Leaders play a significant role in the overall employee experience and our ability to attract, develop and retain talent. In 2023, we refreshed our approach to leadership development training and programming. Highlights are presented below.

LEADER LISTENING SESSIONS

Conducted a leaders’ survey and organized 12 focus groups with 183 leaders from all levels, regions and business areas to provide input into our new programming.

CERTIFIED TO LEAD—LEADING THE WAWANESA WAY

This new program helps leaders become more connected to the skills and knowledge that set the foundation for Wawanesa’s leadership culture.

LEADERSHIP CONNECT SERIES

Held four Leadership Connect sessions open to all Wawanesa leaders. The series is a forum for engaging in important conversations about supporting employees, and includes tools, resources and learning. Topics included team effectiveness while navigating change, leading engaged teams, inclusive leadership, and leading in a distributed work environment.

ASPIRING LEADERS PROGRAM

This program targets high-performing individual contributors with leadership aspirations or potential. Our first cohort began the nine-month course in May, where they are learning directly from Wawanesa leaders about career progression, delegation, time management, conflict resolution, managing change, making the transition to leadership and more.

DEVELOPING MENTORS AND MENTEES

Our Alberta regional directors and managers launched a mentoring program in their province to develop mentors and mentees through coaching, discussions, studies and shared learning. The goals were to build leadership skills, develop career plans for mentees, retain high-performing, high-potential employees, and inspire others to model the performance capabilities and qualities of top performers.

“The Alberta Mentorship Program offered me an intimate learning opportunity that I would not have received elsewhere. I am motivated knowing we have an organization that encourages individuals to dream big and provides the support to turn our aspirations into reality.”

Ka Lok Tam
Senior Underwriter – Commercial Lines





Health, wellness and safety

As the nature of work evolves, so do the health and wellness benefits and programs we offer our employees. We ask for and listen to feedback about changes they would like to see and make amendments where we can.

Why it matters

To do their best work, employees need to be safe, feel well and be able to take care of themselves, their families and our members. As a provider of group benefits ourselves through Wawanesa Life, we believe it is extra important to offer our own employees comprehensive health and wellness benefits and programs.

Our approach

Whether employees work from home, the office, or a combination of both, we strive to offer a wide range of benefits and programming that can be accessed 24/7, in a way that works for them. We offer premium-free comprehensive employee benefits coverage, which we believe truly sets us apart from most other companies.

Not only does our plan cover benefits such as extended health, dental, life insurance, disability and critical illness coverage, it also includes a flexible spending account. This account can be allocated to a health care spending account or a new personal spending account, which employees can use to pay for a wide range of wellness expenses—such as running shoes—not covered by a traditional group plan or provincial health plan.

Benefit plan enhancements in 2023 included increasing the mental health services annual maximum to \$2,500 from \$1,500; updating out-of-country/province coverage; and adding 19 conditions for a total of 29 covered conditions in our critical illness insurance benefit.

All permanent employees are eligible for our pension plans. Those hired before 2019 have the choice of remaining in our defined benefit (DB) plan (excluding Québec)—and nearly 50% of active employees are in that plan—while those hired after January 1, 2019 are offered the defined contribution (DC) plan.

Our family-friendly policies include leave top-up programs that supplement government benefits, which only replace a small portion of an employee's regular pay for a specified amount of time. Through our programs, we minimize the impact a leave can have on household income so that employees can focus on their needs and the needs of their loved ones. Our programs apply to maternity, parental (including adoption), compassionate care, critically ill child and caregiver leaves.



EIGHT DIMENSIONS OF WELLNESS

Wellness can mean different things to different people, and wellness needs can change. With a dedicated wellness team and diverse programming around eight dimensions of wellness, we support our employees throughout their individual journeys.

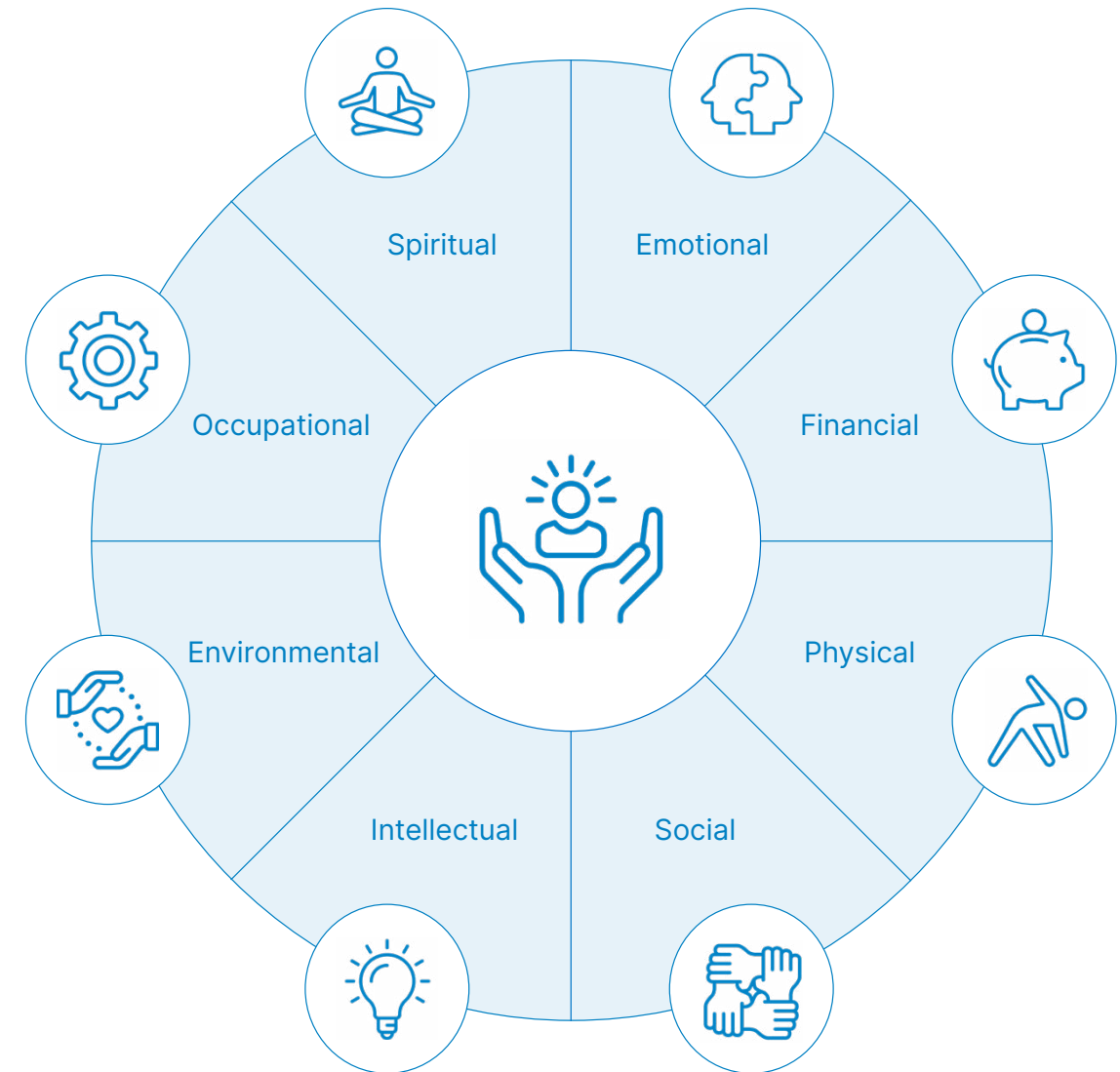
Programs are paid by the company and include the following:

- Family-based Employee and Family Assistance Program offering confidential guidance and referrals to experts
- Virtual mental health support
- Telemedicine services for 24/7 virtual access to Canadian-licensed family doctors and nurse practitioners
- Pulse, a wellness platform launched in 2023, gives people access to wellness resources and opportunities to participate in healthy activities in a way that fits their lifestyle. They can use Pulse as much as they would like, and can earn points toward entries in prize draws with each activity or challenge completed

In 2023, employees completed 1,200 telemedicine consultations. Feedback was glowing, with comments such as:

“This is a great addition! Especially for those of us who are from a small town and don’t have a doctor’s office/ walk-in nearby.”

“Telemedicine worked perfectly for us. The process was remarkably efficient. Within 30 minutes, we were able to connect with a doctor who provided excellent care.”



Angela Olaya Murillo

Product Specialist – Personal Insurance, Auto



RETIREE BENEFITS

Retirement is a significant milestone, and for employees enrolled in our DB pension plan, health benefits continue when they transition to this new phase of life. Retired plan members with at least 15 years of service are provided premium-free, employer-paid post-retirement health and dental benefits with no termination age for the employee and their spouse starting at age 55. All retirees also have access to discounts on Wawanesa Life insurance products, and from Wawanesa’s list of preferred vendors.

For our DC plan members nearing retirement, we partner with our recordkeeper Manulife to conduct webinars aimed at providing comprehensive information on retirement planning, investment options and financial wellness. Our DB plan members have access to Be Retirement Ready learning sessions and receive personalized packages detailing their retirement options.

For both DB and DC members, we provide access to financial wellness services through an advisor, who offers tailored advice and options to help employees navigate their retirement confidently. We also provide a decumulation plan designed to ensure a smooth transition from active employment to retirement by helping employees make the most of their retirement savings with a broad selection of investment options offered at preferred rates.

WORKPLACE HEALTH AND SAFETY

We view workplace health and safety as a shared responsibility, with every person expected to do what they can to prevent injuries or illnesses to themselves and others—such as follow rules and safe work procedures, identify and report hazards, and use safety equipment clothing and devices properly.

Regional joint management-employee health and safety committees meet monthly. Their responsibilities include building inspections, incident investigations, receiving hazard reports and making recommendations to management.

In 2023, we began to formalize many of our health and safety management policies and practices. This included, for example, developing a corporate health and safety policy, and starting to track recordable injuries, and standardize building inspections and pre-work hazard assessment checklists for field workers.

Diversity, equity, inclusion and belonging

We are committed to building a workforce that reflects the diversity of the communities we serve, while creating an inclusive and equitable workplace for everyone.

Why it matters

By advancing diversity, equity, inclusion and belonging (DEIB), we help unlock our employees' potential to succeed and relate better to the diverse needs of our members. We believe our focus on DEIB will also drive innovation and strengthen our problem-solving and decision-making capabilities by introducing different perspectives and generating new ideas.

Our approach

Our DEIB strategy will continue to strengthen the roots of our Wawanesa culture and workforce. We believe that having a workforce that reflects our members across Canada is important for both a sustainable work experience and to deliver the very best value to our members. The purpose of our DEIB strategy is to build an equitable, inclusive workplace that reflects the diverse employees, members and communities we serve. Our strategy focuses on four pillars as described below. Each year, we evolve our approach to make sure the right programming is in place to drive meaningful DEIB outcomes.

Four pillars of DEIB

1 **CREATE A CULTURE OF DEIB ACCOUNTABILITY**

2 **BUILD BELONGING INTO THE EMPLOYEE EXPERIENCE**

3 **DIVERSIFY OUR LEADERSHIP**

4 **DEVELOP MEANINGFUL COMMUNITY PARTNERSHIPS**

1 **CREATE A CULTURE OF DEIB ACCOUNTABILITY**

In 2023, we introduced a new core competency—value differences and collaboration—to our performance management process. We also evaluated our executives' ability to demonstrate this new competency through 360 assessments of our leaders.

We rolled out leader and employee training that strengthens our collective DEIB understanding, teaches us how to identify and confront harmful biases, and promotes inclusivity—all of which have an impact on our employee experience and how we work successfully together.

Self-ID was introduced late in the year as a way for our workforce to voluntarily share their demographic data with us. Having accurate, timely data is important because it will tell us the composition of our workforce, guide our decisions about DEIB programming and resources, and help us identify challenges and opportunities, measure progress and hold ourselves accountable.

For several years, we have monitored our pay practices for signs of a gender pay gap. We then complete a gender pay report for review by the HR Committee of the Board. In 2023, our controlled wage gap—which takes specific jobs and levels into account—was closed. We still have some work to do when it comes to our uncontrolled wage gap, which represents the overall difference in pay between men and women regardless of job or level, but we continue to make progress in this area. Our uncontrolled wage gap is currently at \$0.86 to the dollar.

85%

of leaders

73%

of employees completed DEIB training in 2023



**2 BUILD BELONGING INTO THE
EMPLOYEE EXPERIENCE**

We are pleased to have nine Employee Groups (EGs), where our people can connect and find community, and a support group to help EG leaders. Nearly 10% of our workforce belongs to at least one EG. These groups are a safe, inclusive, welcoming place for anyone interested—whether they identify as a member of the community, are an ally or want to learn more. We have support from senior leadership at all levels and have structured each group to include an executive mentor, executive sponsor and co-leads.

Name	Represented group or community
Pride @ Wawanesa	2SLGBTQ+ employees
Abled and Disabled Allies Partnering Together (ADAPT)	Persons with disabilities
Women+ of Wawanesa	Employees who identify as female
Pan-Asian Community (PAC)	Asian employees
Indigenous at Wawanesa	Indigenous employees
Environmental and Climate Action (ECA)	Employees passionate about environmental conservation and stewardship
Familia	Latin and Hispanic employees
Parents Support Group	Employees with children and caregivers
Black Leaders and Allies Creating Change (BLACC)	Black employees



“When I first joined Wawanesa over 15 years ago, I felt isolated because I didn’t have extended family or a social support system. Wawanesa had no employee groups at that time, but colleagues and leaders over the years supported me and helped me grow. My contribution to the success of the company, using my unique perspective and skills, is one of the things that makes me feel valued and happy to be at Wawanesa.

I am proud to give back by being part of the Asian EG. I want to help other employees succeed and feel welcome and valued. I am also excited to help promote awareness and appreciation of our Asian cultures and heritage among all employees.”

Simran Mannan

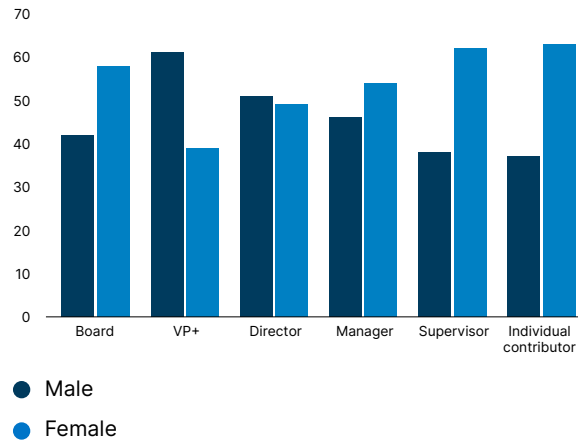
Systems Administrator II – IS Service Management, Co-lead, Pan-Asian Community (PAC) EG

3 DIVERSIFY OUR LEADERSHIP

Diversity leadership starts with ensuring our leadership teams reflect the diversity of our workforce. We have good gender representation within our Board, leadership and overall workforce, but we know that there is much more work to do.

Our new Talent Marketplace and Success Profiles (see [page 31](#)) will help us improve access to opportunities and reinforce career path opportunities that employees can use when designing their development plans with their leaders.

GENDER DIVERSITY ACROSS ORGANIZATIONAL LEVELS, 2023 (%)



“I recently completed the DEIB Leaders program training. It was valuable and a great reminder for me on how I can improve as a leader and how I can improve as a person through knowledge, awareness of my own biases and continued focus on the importance of all voices.”

Robert Lamoureux
Director, Data Management

4 DEVELOP MEANINGFUL COMMUNITY PARTNERSHIPS

In 2023, Wawanesa provided \$35,000 to community organizations that support Indigenous students pursuing post-secondary education, through scholarships and bursaries, Wawanesa employment opportunities (via AMIK), and funds to support the Manito Ahbee—an Indigenous cultural event.

We also supported Indspire, Ka Ni Kanichihk, Manitoba Indigenous Youth Achievement Awards, University of Manitoba’s Indigenous Business Education Partners and the Centre for Indigenous Environmental Resources, as well as the Indigenous Education Awards and Job Fair with the Business Council of Manitoba.

We have a Diversity Fund for providing support to organizations serving our EG areas, and we consult with our EGs before making donations.

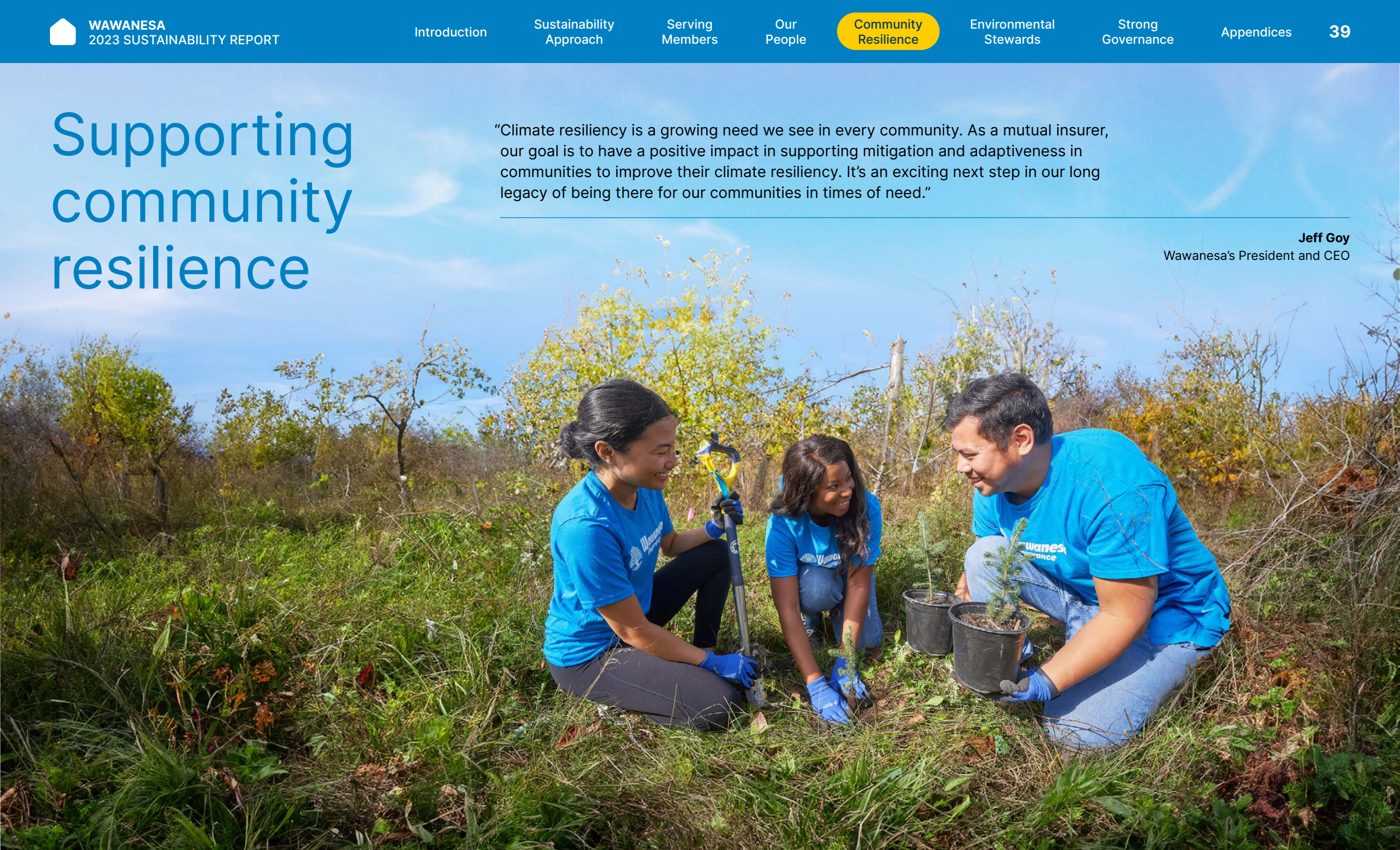


Supporting community resilience

“Climate resiliency is a growing need we see in every community. As a mutual insurer, our goal is to have a positive impact in supporting mitigation and adaptiveness in communities to improve their climate resiliency. It’s an exciting next step in our long legacy of being there for our communities in times of need.”

Jeff Goy

Wawanesa’s President and CEO



Community impact

Community is the essence of who we are. We take pride in being there for our members and communities. Our community impact programs invest \$3.5 million annually to support local and national partner organizations in Canada.

Why it matters

At a time when our communities are facing extraordinary challenges, it is in our DNA as a mutual insurer to help them. We see the growing need for strengthening climate resiliency, and for help tackling persistent community health issues, affordability problems, inequalities and more. Stepping up to address these needs is fundamentally aligned with, and ingrained in, our purpose, vision and values.

Our approach

We actively support organizations that strengthen communities where we operate and where our members, employees and broker partners live and work. We contribute to the resilience of communities across Canada in three main ways: through United Way campaigns, by donating our time and talents during employee volunteer days, and through our Wawanesa Climate Champions program and its wide range of impactful partnerships and granting programs.

UNITING WAWANESA FOR THE UNITED WAY

Each year, our employees rally around our annual United Way campaign. United Way provides a network of essential community organizations equipped to respond to immediate needs. Investing in these organizations is a way for us to provide a pool of support available when needed. Two Wawanesa leaders sit on the United Way Winnipeg Campaign Cabinet, a governing committee with representatives from across Winnipeg who meet monthly to plan effective fundraising strategies for the city-wide campaign.

We held our sixth annual United Way campaign in October 2023, a two-week event organized in offices from coast to coast with employees participating in fun and educational activities. The campaign brought in a company-record \$935,596, thanks to the generosity of employees, Board members and retirees. With the company's dollar-for-dollar match on employee contributions, we donated \$1.68 million to support United Way centres across Canada.





OUR 2023 SPONSORED EXECUTIVE

As part of our annual campaign, all Winnipeg employees are invited to apply to be our Sponsored Executive for the year. The selected executive spends 14 weeks managing United Way’s major corporations account, connecting with executives from all sectors of the business community to offer advice on how to run a successful giving campaign. The Sponsored Executive also participates in United Way’s leadership development program, a certificate program with the University of Manitoba where they receive training in project management, public speaking, leadership, fundraising, event planning, sales and strategic analysis skills, and attend workshops on topics such as Indigenous realities and social influence.

MY COMMUNITY DAY PROGRAM

The My Community Day program gives Wawanesa employees one paid day a year to volunteer for a charity, non-profit organization or community program important to them. In 2023, we added a new way to support community causes: Community Impact Gift Cards. When an employee uses their full 7.5 hours volunteering, they receive a virtual \$100 Community Impact Gift Card to donate to a charity or non-profit organization of their choice. Adding these gift cards to the volunteer day program encourages employees to volunteer and amplifies our impact in the community.

Community Impact Gift Card

\$100



“This was truly a life-changing experience. I learned a lot about my city and its neighbourhoods and how United Way Winnipeg’s generous donors are helping to meet our community’s needs. I’m grateful to be Wawanesa’s Sponsored Executive and for the opportunity to enhance my leadership and communication skills. I came back from this role fired up and open to new challenges and opportunities for the future.”

Natasha Jean

2023 Sponsored Executive and Underwriter II, Commercial Lines



2023 highlights:

More than
14,500 hours

spent volunteering in communities

1,063 employees

donated their Community Impact Gift Card, for a total donation of \$106,300 across communities from coast to coast

54% of employees

used their My Community Day time—the highest participation since we launched the program in 2017 and a 23% increase over 2022



“A&O: Support Services for Older Adults (formerly Age & Opportunity) empowered my retired mom when there weren’t many opportunities for women of a certain age. Now as a woman of a different generation who has had a lot of opportunities, it is important to me to donate. Every year, I take part in A&O’s holiday program, Be a Santa to a Senior. The addition of my \$100 Community Impact Gift Card will put gifts in the hands of four more seniors who otherwise might not have gotten one.”

Deb Krywenko
Senior Communications Specialist



Wawanesa Climate Champions

In 2023, we launched the Wawanesa Climate Champions program. Through this program, Wawanesa commits to investing \$2 million annually to support people and organizations working on the front lines to improve climate resiliency in communities across Canada. We produced a short [video](#) that captures the spirit and intent of our growing commitment to climate resiliency.

The program provides support across three strategic pillars to make an impact:



ENVIRONMENTAL GUARDIANS

Conservationists, farmers and Indigenous Peoples working on nature-based solutions for climate resiliency



COMMUNITY PROTECTORS

Disaster preventers, responders and rebuilders working to protect our members and communities from climate-related disasters, before and after they occur



YOUTH STEWARDS

The next generation of Wawanesa Climate Champions taking action to help our communities become more climate resilient

We supported 13 organizations and 23 partner organization projects and distributed 12 wildfire grants and climate resiliency grants in the program's first year.¹

These projects addressed the top extreme weather event types experienced in Canada and leveraged a variety of land types and mitigation and adaptation strategies.

Living our values

For a greener tomorrow

To celebrate the launch of our program, we invited employees to become Wawanesa Climate Champions for a day by participating in one of 13 tree-planting events held nationwide. Nearly 600 employees planted 4,000 trees. These trees will capture more than 900 tonnes of carbon over the next 25 years. We also supported Tree Canada's Operation ReLeaf program to help three PEI and Nova Scotia communities impacted by extreme weather events to build back better through strategic tree replanting, and our employee volunteers in the U.S. planted Torrey pines and Kurrajong trees in San Diego.

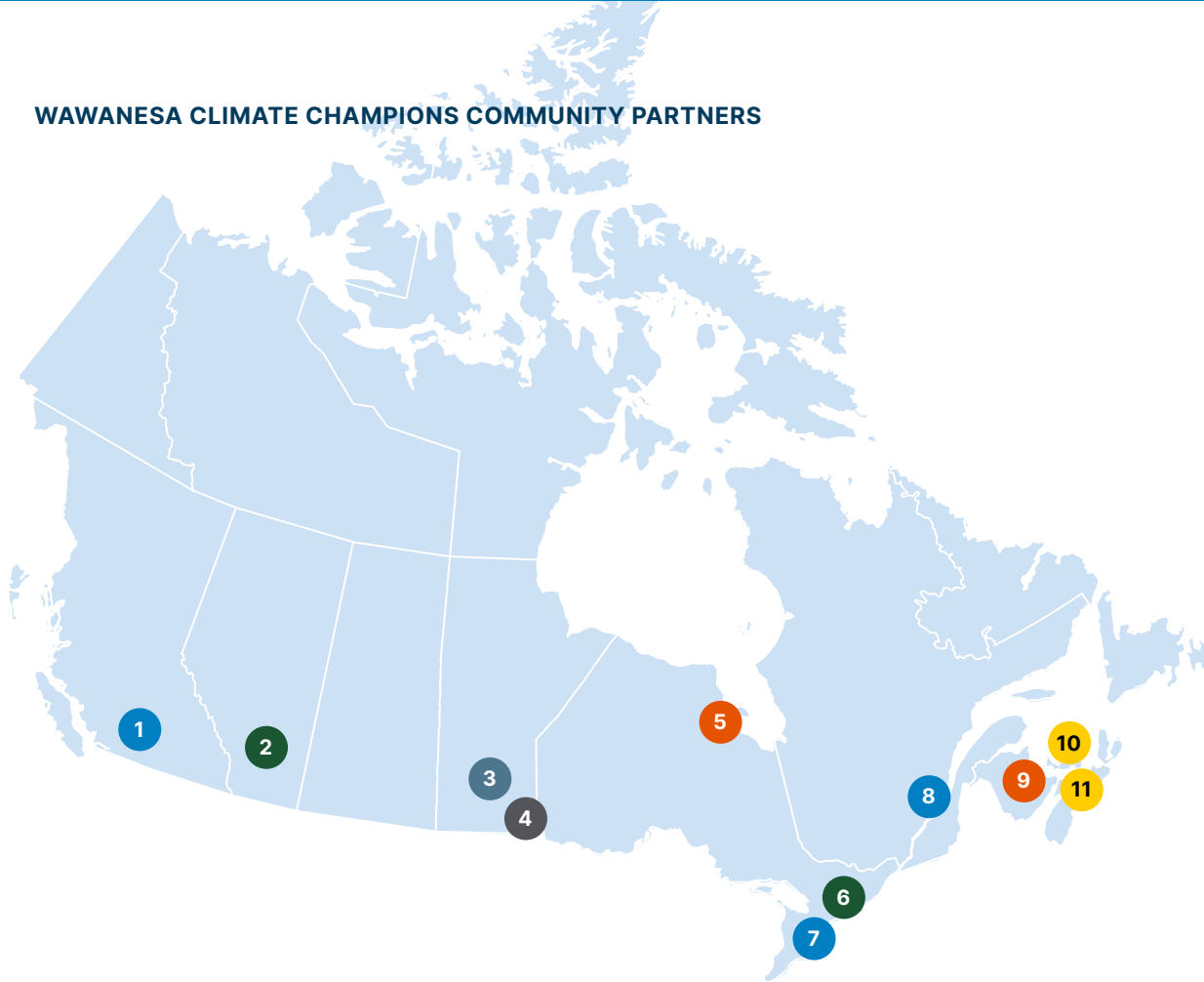


“Having to evacuate my own home with my family during the wildfires here in Nova Scotia, the opportunity to plant trees in an area ravaged by the fires meant so much. Seeing our team come together to begin the process of bringing back the beautiful forests in the area was a special experience and I’m grateful Wawanesa brought us together for this.”

Natalia Corsetti
Manager, National Catastrophe Response Team

¹ The Wawanesa Climate Champions program was launched on June 1, 2023. The first annual cycle for this program ended May 31, 2024.

WAWANESA CLIMATE CHAMPIONS COMMUNITY PARTNERS



- 1 **Nature Force:** Flood adaptation in the Fraser River Delta
- 7 **Nature Force:** Flood adaptation in Washington Creek
- 8 **Nature Force:** Flood adaptation in Rivière Lorette



- 2 **New Acre:** Flood and wind adaptation in Southern Alberta
- 6 **New Acre:** Flood and wind adaptation in Southern Ontario



- 3 **Centre for Indigenous Environmental Resources (CIER):** Climate resilience building in Sandy Bay Ojibway First Nation



- 4 **Nature Conservancy of Canada:** Grassland conservation and youth interns



- 5 **WWF:** Carbon measuring and monitoring in Hudson Bay and James Bay Lowlands
- 9 **WWF:** Flood adaptation in New Brunswick



- 10 11 **Tree Canada:** Operation ReLeaf planting in PEI and Nova Scotia

Nationwide



Farmers for Climate Solutions
Farm Resilience Mentorship Program



Canadian Red Cross
Disaster response



Youth Climate Lab
Climate action education



FireSmart Canada and Institute for Catastrophic Loss Reduction
Community Wildfire Prevention grants



Canadian Colleges for a Resilient Recovery
Wawanesa Climate Champions: Youth Innovation Grant



International Institute for Sustainable Development
Youth Sustainable Development Goals education



COMMUNITY PARTNER PROFILES

Institute for Catastrophic Loss Reduction

We entered into a new partnership with the [Institute for Catastrophic Loss Reduction](#) and supported the opening of its Climate Resilience Centre in Wawanesa's former executive office in downtown Winnipeg. The Centre will serve as a destination for insurers, reinsurers, brokers, home builders, building code officials, post-secondary institutions, municipalities and community members to come together and learn about best practices and practical strategies for property loss mitigation and preparations to become more climate resilient.

Farmers for Climate Solutions

[Farmers for Climate Solutions](#) is a farmer-led national coalition representing over 20,000 farmers and ranchers in Canada. A growing number of farmers and ranchers are turning to the organization for information about low-emissions, high-resilience farming practices, such as cover crops, nitrogen management and rotational grazing.

Wawanesa supports the organization's Farm Resilience Mentorship (FaRM) Program, which offers free peer mentoring, an online learning hub with resources and networking spaces, virtual and on-farm and ranch learning events, and discussion forums. By 2023, FaRM will have trained over 10,000 farmers and ranchers stewarding over 5.5 million acres across Canada.



“Farmers are very much exposed to the risks of climate change, which is why it’s imperative for farmers to become more resilient and adapt. We’re on the front lines when it comes to dealing with the impacts.... Research shows us that farmers learn best from other farmers; they are their most trusted source of information.... The FaRM program offers that community of support, so you know you’re not alone; you have other peers who are doing the same thing you’re doing.”

Brent Preston

A vegetable farmer northwest of Toronto and President of Farmers for Climate Solutions



NATURE CONSERVANCY OF CANADA

The Nature Conservancy of Canada (NCC) is on the front lines of protecting Canada's endangered prairie grasslands and connecting youth to this essential work.

Wawanesa is proud to partner with the NCC to support the next generation of climate champions working to conserve Canada's grasslands.

Grasslands are a vital ecosystem countering climate change—they absorb and store billions of tonnes of carbon, provide protection from flooding and drought, and help purify our water. Recognizing that more than 80% of Canada's prairie grasslands have already been lost, NCC hopes to protect 500,000 hectares by 2030.

In 2023, we provided funding for six interns in NCC's Next Generation of Conservation Leaders program, including two who worked on the ground throughout Manitoba, collecting critical data to inform land stewardship and restoration practices. [This article and video](#) tell the story.



Living our values

Climate Champions at work

Wawanesa employees have acted as Climate Champions by volunteering more than 3,000 hours of their time attending 27 employee climate education and volunteer events:

- **360+ employees** registered to attend one of four partner education sessions (with Farmers for Climate Solutions, Nature Conservancy of Canada, Youth Climate Lab, and New Acre by ALUS) about climate resiliency
- **200+ employees** cleaned up over 200 bags of garbage from 10 communities across Canada
- **100+ employees** joined our new Environmental and Climate Action Employee Interest Group, a group of employees who get together to learn and contribute to environmental stewardship at Wawanesa and in their own lives
- **110+ employees** attended an Earth Day education event



WAWANESA'S COMMUNITY WILDFIRE PREVENTION GRANTS

Through our partnership with FireSmart Canada and the Institute for Catastrophic Loss Reduction, we provide grants of up to \$15,000 each to help communities across Canada increase their resilience to wildfires through risk reduction or prevention activities.

In November 2023, we launched the second year of this \$150,000 grant program. More than 100 applications were submitted, illustrating the growing interest in the program since its inaugural year and the difference the grants make for communities in need. The 12 communities and projects selected are profiled on our [website](#).

Through this program, we supported communities like Anarchist Mountain, British Columbia, which set up a rapid deployment sprinkler system for two neighbourhoods without water sources, and Chateau Village, Nova Scotia, which demonstrated how to identify space requirements around a property to reduce fire risks. The funding provided to the Chateau Village Property Owners Association was used to transform a sugar shack lot into a model property showcasing the various measures residents can take to protect their homes from wildfires.





Operating as environmental stewards

“We are committed to embedding circular economy thinking into everyday sourcing, vendor and facilities management practices. It is a continuous focus on reducing waste, driving efficiencies and leveraging our supplier networks to help advance our sustainability and community goals.”

Bill Lagopoulos

Vice President, Strategic Sourcing and Vendor Management



Building our foundation for climate action

As an insurer, Wawanesa has a role in building and maintaining the climate resiliency of the communities we serve and supporting the global transition to a low-carbon economy.

Learn More

To read the full set of Wawanesa's inaugural Climate-related Financial Disclosures, please see [pages 76–85](#).

Why it matters

At Wawanesa, we recognize the global challenges of mitigating and adapting to climate change and acknowledge the crucial role the insurance industry plays in safeguarding communities and raising awareness about the causes and effects of catastrophic climate events like floods, hurricanes and wildfires. The recent rise in both the frequency and severity of these climate-related disasters, along with the swiftly evolving regulatory and technological landscapes, highlights the importance of enhancing resilience, reducing vulnerability and supporting adaptation actions in our communities.

Operating in property and casualty insurance means that we are on the front lines where these impacts are being felt, so it is crucial for us to proactively manage them while also identifying opportunities to offer innovative products and services that help our members protect what matters most to them.

Our approach

Climate risks and opportunities touch all aspects of our business. Wawanesa is committed to developing internal systems and processes that allow us to identify and manage the impacts of climate change, embed climate considerations in our risk and strategic decisions, monitor and reduce the carbon footprint of our operations, and measure and set targets to reduce carbon exposure in our investments portfolio. This approach is underpinned by our core value of transparency, and as we progress on this journey, we commit to reporting publicly to our members and other stakeholders on our performance and processes.

Reporting on our progress

Wawanesa's climate disclosures are based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). They are also informed by the Office of the Superintendent of Financial Institutions' (OSFI) Climate Risk Management B-15 guidelines, and leverage guidance from the International Sustainability Standards Board's (ISSB) IFRS S1 and S2 standards, which offer an investor-focused view into the disclosure of climate risks and opportunities related to the business. This multi-framework approach informed the development of this first set of climate disclosures and sets the expectation for our future regulatory and voluntary climate reporting.





Interns **Lauren James** (left) and **Megan Miller** (right) in the field with **Matt Gasner** from the Nature Conservancy of Canada's Next Generation of Conservation Leaders program.

Climate-related Financial Disclosures

This report contains Wawanesa's inaugural public Climate-related Financial Disclosures, outlining our climate actions across four pillars as recommended by the TCFD and aligned with the OSFI B-15 guidelines. These disclosures—provided in detail on [pages 76–85](#)—include climate disclosures for all entities for which Wawanesa has operational control. Highlights of our approach, commitments and actions are included here.

GOVERNANCE

The responsibility for managing for climate change is integrated from our operations to our executive leadership; the Board has oversight of overall climate-related initiatives for our business. Board committees (Risk and Audit), the Executive Sustainability Committee (ESC) and the Climate Council are jointly responsible for the management of climate risks and opportunities across business functions.

STRATEGY

Wawanesa's climate strategy focuses on managing climate risks and opportunities that impact material areas of our business such as our underwriting and investment portfolios. Our actions include climate scenario analysis and modelling that inform our development of sustainable products and services.

RISK MANAGEMENT

Our approach to climate risk is driven by our enterprise risk management (ERM) process. We use a framework in which business lines identify risks, develop action plans and embed the key outcomes into our business planning and strategy. This process is evaluated for compliance to our climate risk policy by the ERM and Internal audit teams.

METRICS AND TARGETS

We developed climate metrics that allow us to measure the impacts of climate on our business as well as report on our progress toward reducing our GHG emissions. We are also committed to our GHG reduction plan by setting targets to reduce the overall carbon footprint of our investments and operations.

Learn More

[Governance](#)

[Strategy](#)

[Risk management](#)

[Metrics and targets](#)



Reducing our emissions

We are committed to reporting annually on our progress toward our emissions reduction targets.

Why it matters

As global temperatures rise, catastrophic weather events are increasing in frequency and severity. We recognize the threats climate change poses to our business, members and communities, as well as the urgent need to do what we can to limit our GHG emissions.

Our approach

In May 2023, we formed a Climate Council, consisting primarily of vice presidents and directors from across the company. The Council oversees the enterprise's climate-related activities, including climate reporting requirements, climate risk management, our annual GHG inventory and GHG reduction commitments and targets.

The Climate Council's three working groups focus on specific areas as follows:

- **Climate Reporting Working Group**—this group ensures consistent application of reporting methodology and guidance, governance and controls across climate-related disclosures
- **Operational Emissions Working Group**—this cross-functional group of leaders is tasked with advancing the measurement and reduction of our operational GHG emissions, such as from our buildings, fleet, procurement and paper
- **Investment and Insured Emissions Working Group**—this group brings together internal stakeholders responsible for quantifying and reducing our financed emissions

We are committed to measuring and reducing our greenhouse gas emissions in line with climate-science and global best practices to limit global temperature increases below 1.5°C. To this end, we have made near-term climate commitments and have begun closing material data gaps.

OUR NEAR-TERM CLIMATE COMMITMENTS

Annual target

Achieve Carbon Neutral in Scope 1 and Scope 2 operations annually starting with 2022

Targeted for 2030

Operations:

Reduce Scope 1 and Scope 2 emissions 50% by 2030 from 2019 levels

Investments:

- 25% reduction from 2021 levels of Scope 1 and Scope 2 GHG emissions across corporate bonds, preferred shares and common equities in our P&C and Life investment portfolios by 2030 or earlier
- Allocate at least 10% of our combined P&C and Life investment assets to impact investments by 2030 or earlier

Living our values

Maintaining carbon neutrality with carbon offsets

We view carbon neutrality as an important commitment in our overall emissions reduction strategy. High-quality carbon offsets will play a crucial role in the net-zero transition of every company as they look for ways to manage residual emissions. We see this as a way to advance climate-change mitigation and carbon-reduction innovation and support high-quality project developers that prioritize benefits to local communities.

In 2023, we followed a rigorous process to select a carbon offset project. We looked for one that is credible, verifiable, aligns with our values and provides community benefits. We consulted stakeholders from across our business for criteria we should use in the selection process. We also evaluated vendors' project portfolios using a quantitative scorecard that considered criteria such as additionality, accurate quantification,

auditing, unique ownership, permanence, stakeholder consultation and more.

We selected the [Great Bear Forest Carbon Project](#) to help us offset residual Scope 1 and Scope 2 GHG emissions. The project is the only Improved Forest Management project of its scale that has equal involvement with the First Nations and the British Columbia government, strong legal and policy foundations, and robust data to support the quantification of ecosystem services. It is the first carbon project in North America on Traditional Territory with unextinguished Aboriginal Rights and Title. It is not simply a conservation project; it is a model for sustainable development in an economically valuable but ecologically and culturally vulnerable area. To date, we have offset 5,905 tonnes of CO₂e by leveraging carbon offsets from this project.



Operational emissions

Our data-based approach to managing GHG emissions dates back to 2021 when we started calculating our own operational emissions.

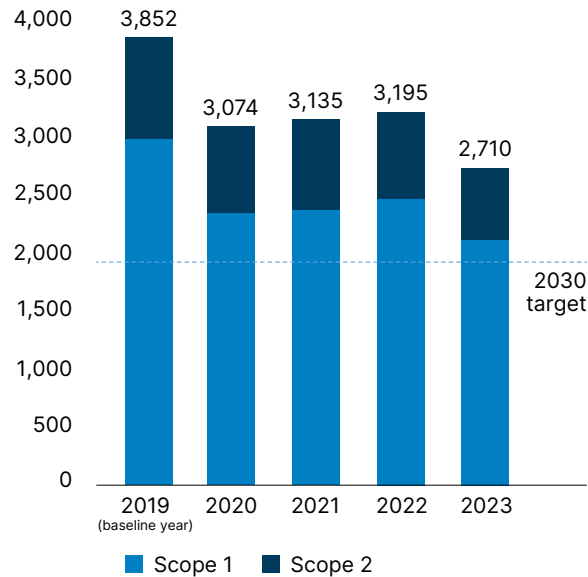
Scope 1 GHG emissions are all direct emissions, such as from our fleet vehicles and natural gas for heating. Scope 2 GHG emissions are indirect emissions from our consumption of purchased electricity, heat or steam, such as electricity used in our operations.

The following are highlights on our journey so far:

- Established our first baseline GHG inventory and set commitments to reduce Scope 1 and Scope 2 operational emissions by 2030
- Reduced absolute Scope 1 and Scope 2 operational GHG emissions by 29.6%, based on 2019 levels
- Introduced a fleet vehicle policy and vehicle replacement strategy that will improve fuel efficiency and reduce emissions
- Integrated sustainability into our leasing standards, operations, waste management, and construction and renovation projects. We also supported green building certifications such as Leadership in Energy and Environmental Design (LEED) and BOMA Building Environmental Standards (BEST), and landlords that implemented energy-reduction initiatives in the facilities we leased
- Joined the [Forum for Insurance Transition to Net Zero \(FIT\)](#).¹

OPERATIONAL EMISSIONS, 2019–2023

(tonnes of CO₂e)



Investment emissions

Emissions associated with our investments currently represent the largest proportion of Wawanesa's Scope 3 emissions. This highlights the importance of reducing the carbon exposure of our portfolio through responsible investment and improved quantification of our portfolio's carbon footprint.

As an institutional investor, we can drive change, both in carbon emission disclosures and in funding the transition to a lower-carbon environment. Successfully transitioning to net zero depends on keeping capital flowing to industries and companies engaged in decarbonizing activities and funding new technological initiatives—and we aim to do our part.

Informed by the UN Principles for Responsible Investment (UN PRI), our Sustainable Investment Policy sets out our approach, which is centred around incorporating material environmental, social and governance (ESG) criteria into the investment process. Fundamentally, we believe that meeting our return objectives and generating positive social and environmental impacts from our investments are not mutually exclusive.

We have set achievable near-term commitments related to GHG emissions reductions and impact investing, which guide our investment teams to carefully weigh the three objectives of return, risk and sustainability commitments. We define *impact investing* as investment opportunities that align with Wawanesa's sustainability priorities and principles and that support the transition to a sustainable, resilient, low-emissions society.

When selecting external managers to invest on our behalf, we evaluate their ability to integrate ESG principles into their firm and their investment process, and whether they report or are on a demonstrable pathway to reporting Scope 1 and Scope 2 GHG emissions. All external investment managers for publicly traded securities are required to be signatories of the UN PRI.

Learn More

For detailed information about our operational GHGs, please refer to the [2023 Climate-related Financial Disclosures](#) in the Appendices section of this report.

We are committed to leveraging our role as an investor to build community resiliency and mitigate global climate change risks by directing capital to sustainable assets.

¹ FIT is a structured dialogue and multi-stakeholder forum to support the acceleration and scaling up of voluntary climate action by the insurance industry and key stakeholders.

PROGRESS TOWARD OUR COMMITMENTS

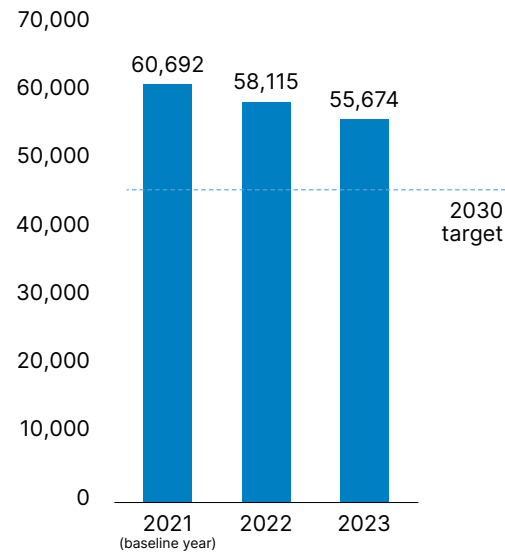
Commitment #1: 25% reduction in Scope 1 and Scope 2 GHG emissions across corporate bonds, preferred shares and common equities in our P&C and Life investment portfolios by 2030 or earlier, based on 2021 levels

Our approach to reducing GHG emissions across corporate bonds, preferred shares and common equities is to increase exposure to companies aligned with reducing carbon emissions—specifically, those with net-zero targets and actionable decarbonization paths.

By the end of 2023, we reduced Scope 1 and Scope 2 GHG emissions across Canadian P&C and Life Insurance investment portfolios, by 8.3% compared to 2021 levels, our baseline year.

TOTAL INVESTMENT EMISSIONS¹ – SCOPE 1 AND SCOPE 2²

(tonnes of CO₂e)



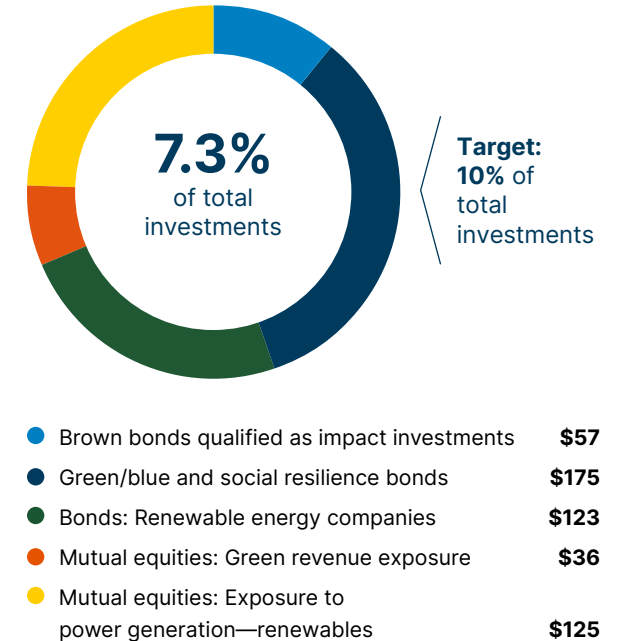
Commitment #2: Allocate at least 10% of our combined P&C and Life investment assets to impact investments by 2030 or earlier

Impact investments are expected to generate a market rate of financial return, avoid undue risk of loss, and have positive social and/or environmental impacts. Investment themes are aligned with Wawanesa's broader sustainability strategy and include climate resiliency and environmental stewardship; community development; diversity, equity and inclusion; and health and wellness. The range of investment vehicles we use includes green, socially responsible bonds, sustainability-linked bonds, bonds issued from renewable energy companies, and common equity holdings of companies with exposure to green energy and renewables.

By the end of 2023, Wawanesa had allocated 7.3% of the total Wawanesa P&C and Wawanesa Life insurance balance sheet investments to impact investments.

IMPACT INVESTMENTS AS A PROPORTION OF ALL INVESTMENTS

December 31, 2023, in \$ millions



“Our sustainable investments journey began three years ago when we first approached the Investment Committee of the Board. I am so proud of what we have achieved so far. In that short time, we have gone from drafting a formal sustainable investment policy to becoming a signatory of the UN Principles for Responsible Investment. And that’s just the beginning of our transformation!”

Angie Cantillon

Vice President, Investments and Corporate Treasury

¹ Scope 1 and Scope 2 GHG emissions are from our total enterprise investment portfolio (all securities across Canadian P&C and Life Insurance).

² Data source: MSCI ESG Manager

Learn More

For more details on methodology, data and assumptions related to our investments, please see our [2023 Climate-related Financial Disclosures](#) in this report.

Sustainable operations

We aim to lead by example and embed sustainability into our day-to-day activities.

Why it matters

To build credibility and momentum on our journey, we need to take accountability for our operational footprint and seamlessly incorporate sustainable practices into our day-to-day activities. Our efforts also improve member and employee experiences, and increase operational efficiency.

Our approach

Operational plans are focused on reducing GHG emissions from our buildings and fleet, and integrating sustainability into our waste management, paper, business travel and employee commuting practices. A strong emphasis on engaging our employees and using technology drives innovation and helps us embed new ways of working.

EMBEDDING SUSTAINABILITY INTO OUR CLAIMS PROCESS

Innovations in technology and outside-the-box thinking are enabling us to reduce the environmental impact of processing claims across our business lines:

- Through the use of tablet computers, special software and apps, and electronic funds transfer (EFT), we have significantly reduced the use of paper at just about every stage of the claims process. Members can sign documents electronically, submit and check on claims online and receive payment through EFT rather than cheques.
- Our property teams use tablets during field inspections and have apps to obtain virtual measurements of roofs and siding (which is also safer for them). There is a strong emphasis on reducing the amount of waste that goes to landfill using innovative technology to repair—rather than replace—items such as siding, vinyl

windows and wood floors when viable; donating to charity items that have little sale value but are still in good working condition; and recycling as much claims material as possible after a loss.

- We have introduced paintless dent repair as a more sustainable way of repairing hail damage to automobiles. This approach reduces waste by eliminating materials and energy used in the paint process, and it minimizes the need for replacement parts, thereby reducing landfill waste. We also have an automated system for working with repair shops, eliminating the need for paper records, which helps reduce our consumption of office materials.

GREENING OUR EXPENSE MANAGEMENT SYSTEM

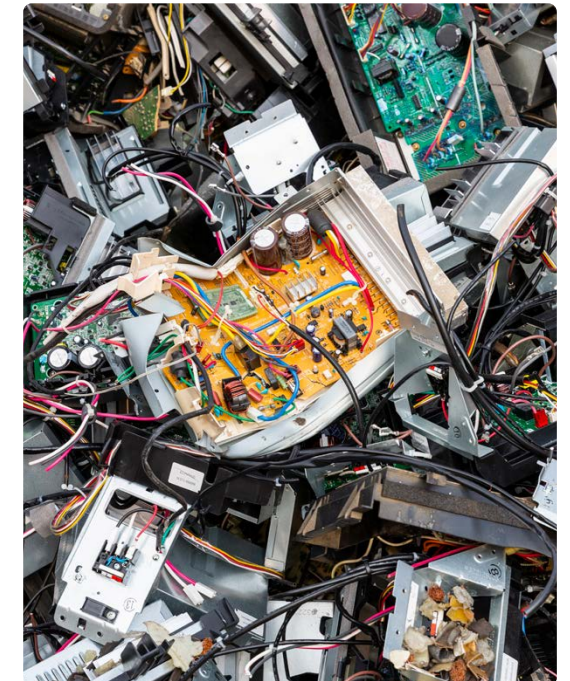
Climate change is on everyone's mind at Wawanesa. Transformative work was done within our Finance department to implement an integrated enterprise-wide expense management system and corporate credit card solution to move from a paper-based processing to a digital solution. These changes not only improve the employee experience but also reduce waste, and enabled Tree Canada to plant over 9,200 trees. With a donation of more than two million Visa card points to Tree Canada in 2023, 4,617 trees will be planted in 2024 as part of the National Greening Program. This number of trees will be doubled—to 9,234 trees—thanks to Tree Canada's partnership with Natural Resources Canada and the 2 Billion Tree Program, which matches donations. These trees will sequester 1,850 tCO₂e in their lifetime—an amount that would offset the complete annual carbon footprint of 132 Canadians.

Living our values

Zeroing in on e-waste

Our Insurance & Technology team is prolonging the life of IT equipment and reducing waste through vendor “sellback” programs, donations to local community organizations and an electronic waste recycling program. In 2023, we recycled more than 7,718 kg of end-of-life electronics through our recycling partners.

7,718 kg of end-of-life electronics recycled in 2023





Living our values

Walking the talk at our new headquarters in Winnipeg

In March 2024, we officially opened our new national headquarters in downtown Winnipeg. Purpose-built for Wawanesa at True North Square, the 21-storey, environmentally sustainable headquarters features 360,000 square feet of leading-edge workspace for our 1,300 local employees.

The new office was built to leading standards of environmental sustainability and employee well-being. It is on track to achieve LEED Gold certification, meaning it has been constructed to meet high standards of energy efficiency, water conservation and environmental quality. We expect it to be WELL certified at the Gold level by the end of 2024, reflecting the building's numerous health and wellness amenities and features.

Environmental characteristics of the new headquarters include:

- Use of occupancy sensors, energy-efficient lighting, and a centralized building management system to reduce energy usage and emissions
- An organics (compost) collection program to increase waste diversion
- Healthy and responsibly sourced food options in the self-serve market
- Ethically sourced coffee and compostable single-use coffee cups, lids and sleeves

- Eco-friendly cleaning and janitorial supplies
- Promotion of greener commute options through the installation of bike cages, showers and financial support for public transit
- Green spaces planted with native plants that require less water and maintenance
- Sustainable building materials and office furniture that improve indoor air quality

By the end of the project, 74% of the headquarters project construction waste was sent for recycling instead of going to landfill. This included approximately 3,020 tonnes of concrete, 240 tonnes of metals, 18 tonnes of wood and 67 tonnes of drywall. We also diverted 93% (138 tonnes) of surplus furniture and equipment from our former offices from landfill, through donations, reuse and recycling programs—avoiding 406 tonnes of GHGs that would have resulted from sending these items to landfill.





Sustainable procurement

We appreciate our suppliers and work to ensure that we are aligned in our expectations and standards of excellence.

Why it matters

Suppliers play a critical role in our operations and in supporting our members. We believe our members are best served when we focus on the delivery, value and performance of our suppliers. Holding suppliers to no less than the same standards that we expect of ourselves helps us mitigate risks, achieve our business objectives, and build on our purpose and vision.

Our approach

Our Procurement Policy guides our approach to managing supplier activities. It establishes principles and guidelines to ensure value and expected outcomes, increase effectiveness and efficiency, mitigate risks and protect the interests of Wawanesa and members.

Along with the Policy, we have a Supplier Code of Conduct (SCOC), which affirms our purpose of looking after one another and outlines the principles and standards of ethical behaviour expected of the companies we entrust to work with us and support our members. The SCOC forms part of all supplier contracts written on Wawanesa's standard terms and conditions. Published on our website, it includes provisions related to the following:

- Ethics and behaviours
- Human rights, equality and non-discrimination, and health and safety
- Environmental and social responsibility
- Responsible business practices, including risk management and protection of information and assets
- Implementation, compliance and continuous improvement

We are developing a sustainable procurement directive to further promote social, environmental and ethical considerations in our procurement processes. At the same time, many of our teams are already embedding sustainability into their processes.

For example, one of the strategic principles established by the Insurance & Technology team is that sustainability must be considered when selecting, operating and disposing of IT hardware and software. The team supports this principle by purchasing laptops and monitors with sustainable certifications and a lower carbon footprint, and by tracking GHG emissions associated with cloud services required for our operations.

The Facilities team has established minimum sustainability requirements when evaluating new leased space to support GHG emissions reporting and waste reduction. Our enterprise fleet vehicle policy has new eligibility standards and controls developed to support our sustainability targets and which are helping to reduce overall mileage, fuel consumption and emissions.

Our Sustainability and Community teams partnered to make our company store—which offers Wawanesa-branded apparel and accessories to employees—more sustainable. For example, the sustainability attributes of items of clothing are now listed, and some items with notable negative environmental impacts, such as fleece jackets, have been removed. Single-use and non-durable products are avoided.





Living our values

Reducing the environmental impacts of IT equipment and paper purchases

All corporate sustainability journeys include an accounting of the tangible. Wawanesa is no different. As part of our journey, we began tracking the environmental impacts associated with our IT purchases and paper usage. We also have several initiatives underway to reduce the impacts of these two activities and they have already provided results.

In 2021, we began sourcing laptops and monitors with lower carbon footprints and sustainability certifications (e.g., Energy Star). To further reduce purchasing impacts, we aim to prolong the life of IT equipment for as long as possible and select products that support durability and repairability. Moreover, we partner with suppliers that have established reuse and recycling programs. We support suppliers' efforts to donate surplus equipment to local communities where possible, and we will continue to engage with suppliers on sustainable product selection going forward.

Paper purchasing can have significant environmental and GHG impacts in our supply chain. The process of manufacturing paper releases nitrogen dioxide, sulfur dioxide and carbon dioxide to the atmosphere, contributing to pollution. This contributes to GHG emissions. Using less paper means we buy less paper, and purchasing less paper means we reduce our contribution to the GHGs that would otherwise be attributed to our operations. Knowing this, we have initiated several paper reduction projects over the last few years.

These reductions can largely be attributed to an intentional commitment from business units to prioritize digital first solutions across operations. In November of 2022, for example, we introduced a broker-owned digital distribution project. This replaced paper documents with digital claims documents available directly on our brokers' management systems. According to Jennifer Ramjohn, manager of Digital Transformation Broker Experience, "By providing only one electronic communication to our members, Broker Owned Digital Distribution provides a better experience, reduces postage and paper costs and improves our environmental footprint."

By the end of 2022, 9.3 million sheets of paper (equivalent to 1,100 pine trees) had not been consumed due to paper reduction projects.

In 2023, Wawanesa introduced a corporate scorecard metric to reduce paper usage by 7.0 million sheets of paper compared to 2022. During 2023, our Application Delivery, Digital Distribution and Commercial Auto Products teams completed the Fleet Forward Project, undertaken to condense the number of declaration pages for our fleet products.

We also reduced the amount of printed paper related to policies, billing and claims documentation. With these kinds of initiatives, we surpassed our 2023 target, achieving a 177% success rate and reducing consumption by 12.4 million sheets of paper. Across Wawanesa, employees are reducing waste, controlling costs and improving the sustainability outcomes of their projects.

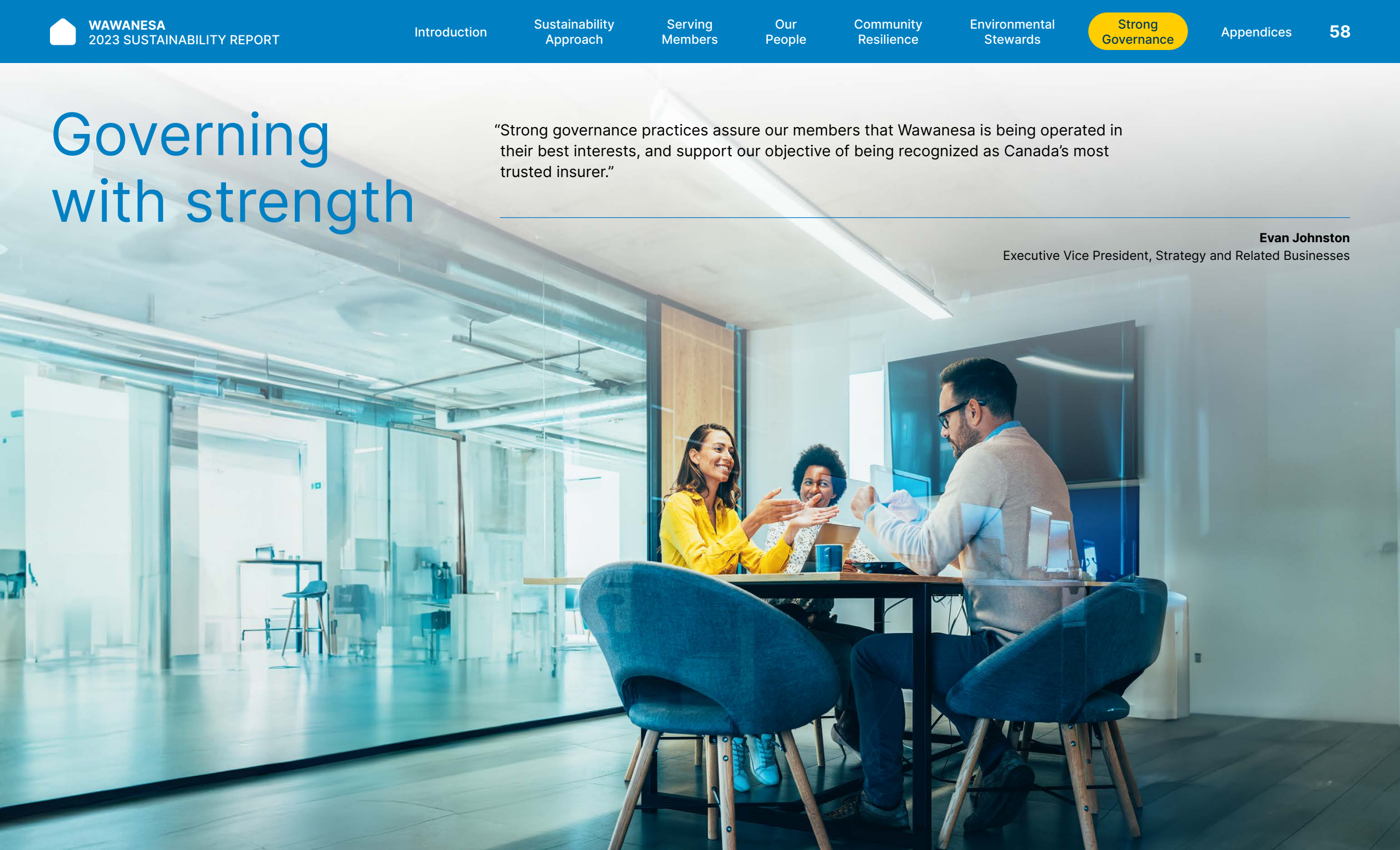


Governing with strength

“Strong governance practices assure our members that Wawanesa is being operated in their best interests, and support our objective of being recognized as Canada’s most trusted insurer.”

Evan Johnston

Executive Vice President, Strategy and Related Businesses



Governance, compliance and ethics

High standards of governance, compliance and ethical conduct are foundational to our way of doing business, and fundamental to achieving our vision.

Why it matters

Our business is built on the trust that our members place in us—and we cannot take it lightly. Upholding high standards of governance, compliance and ethical conduct creates an environment that supports our work to earn and maintain that trust every day.

Our approach

Our Board of Directors sets the tone at the top, working within a corporate governance framework that promotes a culture of compliance, ethical conduct, accountability and good decision-making.

The Board is elected by Wawanesa members each year at our annual meeting. It currently consists of our CEO and 12 other members. The other members serve for terms of up to three years and are independent from management.

The Board’s responsibilities include the following:

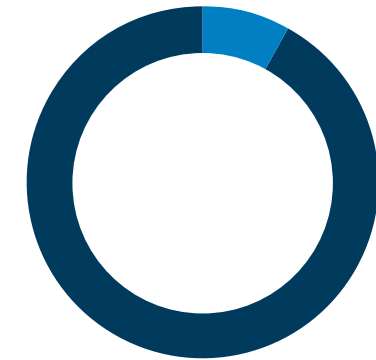
- Setting the ethical tone for Wawanesa and fostering a culture of integrity
- Defining the corporate governance structure
- Overseeing development of the company’s strategic plan
- Approving the risk appetite framework and related policies
- Appointing and overseeing the Chief Executive Officer
- Approving the financial statements and monitoring internal controls

To help fulfill its responsibilities, the Board has five standing committees—Governance, Human Resources, Investment, Risk and Audit. Each committee has its own mandate and terms of reference to guide its work.

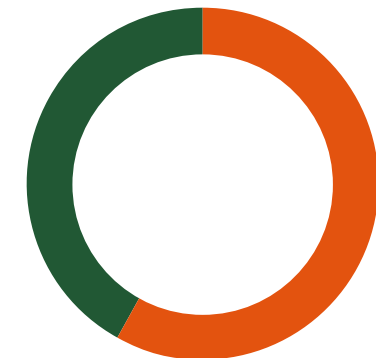


Board composition

In keeping with its Board Diversity Guideline, the Board seeks to include talented and dedicated directors with the diverse mix of experience, skills and backgrounds needed to oversee the business.



- Board members between 30 and 50 years old **8.3%**
- Board members over 50 years old **91.7%**



- Board members—female **58.3%**
- Board members—male **41.7%**



CODE OF CONDUCT

Anchored in our values, our Code of Conduct is the starting point for all other policies and procedures. More than a set of rules, the Code guides our individual and collective behaviours so that we always act ethically, fairly and with integrity. Responsibilities outlined in the Code include the following:

- Comply with applicable laws, regulations and company policies
- Act in a manner that is honest, fair and trustworthy
- Treat others with respect
- Hold one another accountable
- Avoid conflicts

The Code applies to our employees, senior executives and the Board, all of whom are required to complete annual training and confirm their understanding of and compliance with this key policy.

As part of the Code, we expect employees to challenge behaviours that do not align with our values. We have adopted a Speaking Up Policy and established various channels (including an independent service for those wishing to remain anonymous) for reporting any concerns. Here are some of the other policies that guide our conduct:

- Anti-Money Laundering and Anti-Terrorist Financing Policy
- Fair Treatment of Customers Policy
- Gifts and Entertainment (Business Accommodations) Policy
- Regulatory Compliance Management Policy
- Respectful Workplace Policy
- Human Rights Policy

“Our Code of Conduct is inspired by and reflects our values. It serves as a guide for our individual and collective behaviours so that we always operate ethically and with integrity, enable effective decision-making, and support positive relations between ourselves, our members and all our stakeholders.”

James Bond

Senior Vice President and Chief Legal and Governance Officer





FAIR TREATMENT OF MEMBERS

Fair treatment of our members is an integral part of our business practices and culture. We consider their interests whenever decisions are made involving our product or service design, pricing, sales, underwriting, claims and complaints handling procedures.

Our Fair Treatment of Customers Policy¹ establishes a consistent approach for treatment of our members across the organization. Detailed provisions within the policy are designed to uphold the following principles:

- We will put our members at the centre of everything we do, including strategic decisions and our daily conduct and activities.
- We will establish and implement policies and procedures, and we will assess and monitor them to ensure that members are treated fairly as an integral part of our business culture.
- We will act with due skill, care and diligence when dealing with members, intermediaries and regulatory authorities.
- We will comply with applicable laws, regulations and guidelines.
- We will develop products in a way that puts members' interests first.
- We will provide our members with accurate, clear, sufficient and not misleading information to allow them to make informed decisions and be aware of their rights and obligations.
- We will work with brokers who uphold our fair treatment of members' principles, and we will have contractual arrangements with them to ensure they have policies and procedures in place to achieve fair treatment of member outcomes.

- We will share our strategies, policies and procedures related to the fair treatment of members with regulatory authorities and report major operational incidents that may jeopardize the interests or rights of members or our reputation.
- We will work toward achieving the expectations for fair treatment of members of the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO).

In keeping with our Fair Treatment of Customers Policy, we post relevant information to our website, such as:

- The [Code of Consumer Rights and Responsibilities](#) to which we adhere
- Our [Personal Information Protection Policy](#)
- Access to [policy wordings](#)
- [Claim information](#) and guides
- How to file [concerns and complaints](#)

REGULATORY COMPLIANCE

The insurance industry saw a significant increase in regulatory consultations and changes in 2023, as OSFI—the entity that regulates and supervises all federally registered financial institutions in Canada—introduced initiatives to enhance the resilience of the Canadian financial system. The focus was on culture and financial risks and included a new guideline outlining OSFI's expectations for managing climate-related risks.

Our Compliance team helps ensure that we comply with all laws and regulations that apply to us. The team's responsibilities include:

- Engaging with regulators on our behalf
- Developing policies, frameworks and controls to address compliance risks and monitoring adherence with them

- Providing compliance-related education and advice to the Board and senior management, and training all employees on compliance obligations and best practices
- Ensuring that compliance requirements are part of all major strategic and operational business decisions
- Ensuring that significant, new or emerging compliance risks are brought to the attention of the Board's Risk Committee and senior management

Each year, the Compliance team hosts a compliance week for employees, highlighting key compliance topics of interest and kicking off the annual compliance training program. Annual topics include the Code of Conduct and our Fair Treatment of Customers, Privacy, and Anti-Money Laundering and Anti-Terrorist Financing policies.

¹ The Fair Treatment of Customers Policy uses the terms "customer" and "consumer" rather than "member" in order to maintain consistency with the definitions set out in the CCIR and CISRO's "Guidance Conduct of Insurance Business and Fair Treatment of Customers."



Living our values

Supporting French language in the workplace

Keeping language requirements top of mind aligns with our values and supports our friendly, caring workplace culture of belonging.

When the Québec government introduced **Bill 96—An Act Respecting French, the Official and Common Language of Québec**, our Compliance team formed a Bill 96 Working Group to identify potential gaps at Wawanesa and build action plans to address them.

Everyone interacting with employees, members or brokers in Québec is responsible for ensuring they meet the French language requirements outlined in the [Charter of the French Language](#).

We have a clear direction: translation must be part of the planning process if the information or training materials in question affect the employee experience and relate to what a person needs to do their job or follow our policies.

Thanks to our efforts to meet the expanded requirements introduced under the amendments to the Act, Wawanesa received two awards of merit from the Office québécois de la langue française, recognizing our commitment to supporting French language in the workplace and our Francisation Committee.

“Bill 96 strengthens the regulatory requirements to follow the language laws in Québec. Our efforts go beyond following these laws—they’re about doing right by our employees, brokers and members in Québec and aligning with our values of openness and fairness.”

Baldwin Diaz Acosta
Vice-président, région du Québec



(From left) **Baldwin Diaz Acosta**, Vice-président, région du Québec, and **Fayçal Daouzli**, Représentant, développement des affaires, receive the award of merit from the Office québécois de la langue française from **Jean-François Roberge**, Ministre de la langue française et de l’immigration.



Risk management

An integrated and disciplined approach to risk management helps us anticipate and manage the risks related to our business.

Why it matters

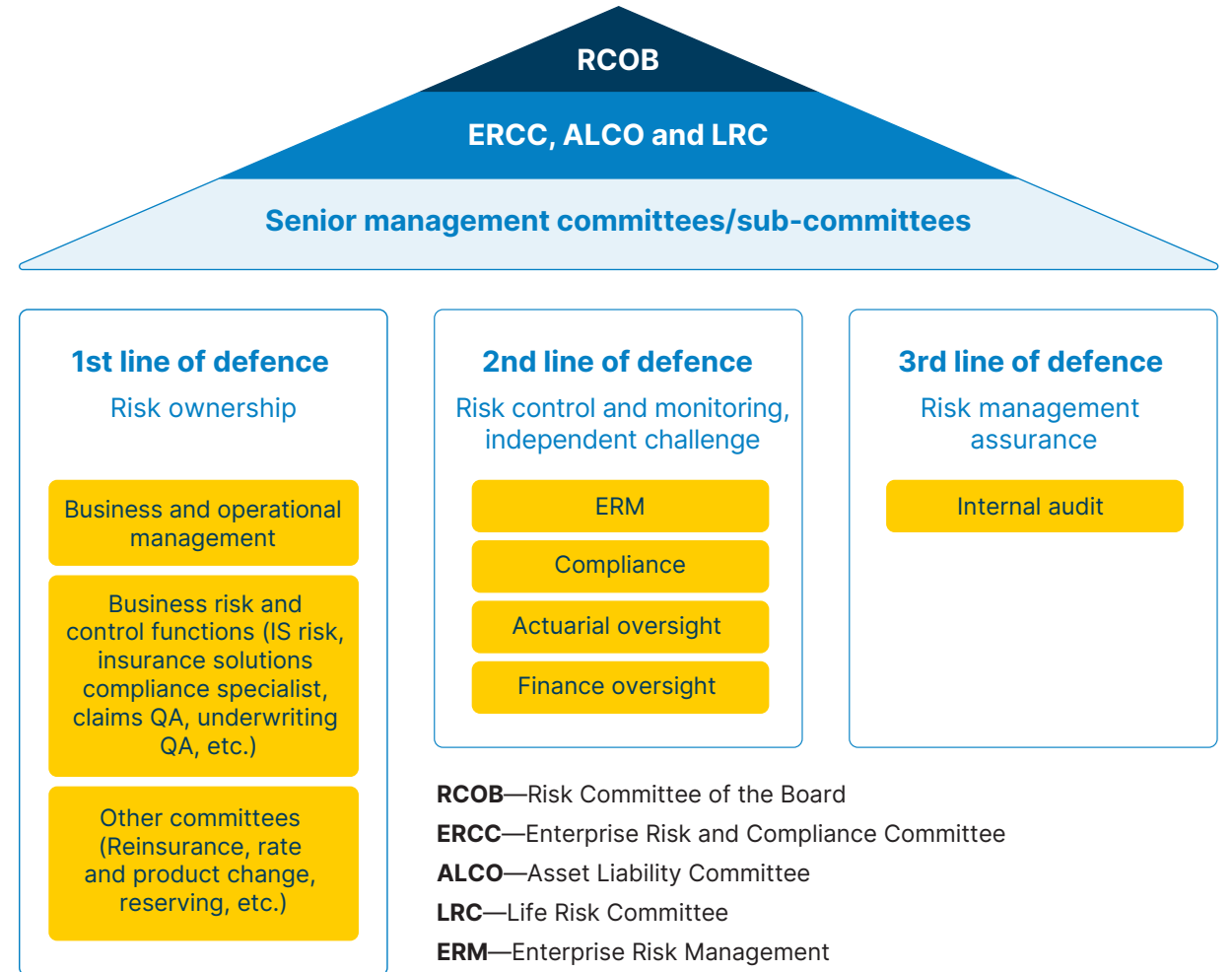
We are in the business of risk mitigation and know that effective management of financial, insurance, operational, strategic, sustainability and compliance risks is essential for executing our strategy and achieving our vision. Responsible risk-taking involves striking the right balance between taking risk where it is necessary and safeguarding our business and members' best interests.

Our approach

We manage risk using a "three lines of defence" model, in which business lines own and manage risks, risk and oversight functions challenge the way in which risks are managed, and internal audit verifies the effectiveness of the overall system. Sustainability risks, including risks associated with climate change, are managed in an integrated manner consistent with other risks.

In our model, business functions own the risks they take and are responsible for identifying, assessing, measuring, controlling, monitoring and escalating issues to the functional or regional business leader. Employees support our risk culture by sharing information on current and emerging risks, identifying, assessing and managing risk at all levels of the organization, and promoting ethical business practices.

Our Enterprise Risk Management (ERM) team is responsible for developing risk management policies and frameworks, promoting a strong risk culture, and guiding the establishment of Wawanesa's risk appetite (the amount and types of risk we are willing to accept in pursuing our business objectives). The team also provides reports to management and Board committees and monitors the risk landscape to identify top and emerging risks that may affect Wawanesa's risk profile.



The effects of climate change are among Wawanesa's top risks, from both a physical and a transition risk perspective. To learn about our approach to managing climate risk, please see our [2023 Climate-related Financial Disclosures](#).

Privacy and data security

We have robust policies and programs to protect our members' personal information, prevent fraud and ensure cybersecurity.

Why it matters

Technology is transforming the way people live, work and play. Along with all its benefits, technology has given rise to increasingly sophisticated cyberattacks, with criminals targeting data, systems and personal information. Our members rightly expect us to protect their information—and our business and reputation will be affected by how well we live up to those expectations.

Our approach

Strict privacy policies and procedures govern the collection, use and disclosure of personal information, and are published on our [website](#) to promote transparency and accountability. Standards and procedures are also in place to guide the proper handling of personal information in our business operations.

We use a range of safeguards to protect personal information, including physical and technological controls, employee training, and agreements and controls with third-party service providers requiring them to safeguard any personal information we provide and use that information only for the requested service.

Our data policy, supported by our data stewardship program, guides all employees with principles to apply as they interact with data in their respective roles.

Our information security program is benchmarked to industry-leading practices, and we continually update our technology and processes to ensure their ongoing effectiveness. Security measures include access controls, integrity controls to maintain data accuracy, and continuous monitoring to promptly detect and respond to unusual activity.

The employee security awareness and training program adds another layer of protection. All employees are required to complete annual security awareness training, and role-specific training is provided to those working in critical or at-risk areas. We regularly run information campaigns and simulated exercises to create a culture of cyber awareness that aligns with our cybersecurity strategy.

Both our Chief Privacy Officer and our Chief Information Security Officer provide regular updates to the Board on our programs and the adequacy of the controls in place.

Our website offers [online security tips](#) to educate members and the general public on how they can protect their money and identity.





Appendices

Assessing our material topics and priorities

At Wawanesa, we understand the importance of identifying and prioritizing the sustainability topics that are most material to our business and our stakeholders as we strive to integrate sustainability into our company strategy and goals. Our approach to materiality is an ongoing process, designed to regularly monitor environmental, social and governance (ESG) issues to assess their potential negative impacts on our business operations and to identify opportunities to positively impact society.

We consider inputs from a variety of sources including ongoing research related to emerging trends in our industry, reporting standards and frameworks, the evolving regulatory landscape, and issues raised in public discussions. We prioritize material topics raised in engagements

through a variety of channels with internal and external stakeholders. These priority topics are approved by our Executive Sustainability Committee, the highest body with responsibility for ESG issues, which reports directly to the Board of Directors. See the section on [Engaging our stakeholders](#) in this report for more information.

In 2021, we began to formalize our sustainability priorities. As this was early in our sustainability journey, the process focused on industry research and internal engagement with leadership. An example of an exercise we undertook was to ask leaders how they would allocate \$10 between climate adaptation and mitigation efforts. In the end, we focused on climate resiliency, environmental stewardship and diversity, equity, inclusion and belonging.

For the first two years, we focused on building a team and program to execute on these priorities. We initiated a more formalized materiality assessment in late 2023 to help us better understand evolving stakeholder expectations and to explore “double materiality.” We continue to refine our disclosure topics and to evaluate our sustainability priorities, especially as we work to align to our upcoming 2026–2030 corporate strategy. For example, ecological stewardship, and Indigenous relations in particular, are areas we are actively exploring.

Our sustainability journey



2021

Research/external environment analysis

Internal engagement and socialization

Prioritization: ESG foundation and climate resiliency

2022

Execution

GUIDING PRINCIPLES

Member centric

Data based

Collaborative

Transparent

Progress over perfection



2023 MATERIALITY ASSESSMENT PROCESS

1. CONFIRM STAKEHOLDERS AND APPROACH

Included a comprehensive review of a wide range of sustainability standards, frameworks, memberships, awards and certifications to determine which best align to Wawanesa today.

2. EXTERNAL SCAN

General and industry scan, including review of peer reporting, relevant legislation, standards and frameworks such as the GRI, TCFD, SDGs and Sustainability Accounting Standards Board (SASB) (as determined in Step 1).

3. TARGETED STAKEHOLDER ENGAGEMENT

Included surveying our Board, executives, employees, peers, reinsurers, industry associations, broker partners, suppliers and community organizations; and hosting executive workshops to gain insights into prioritization of material sustainability issues.

4. REPORTING TOPICS AND EMERGING TOPICS

Completed topics using feedback from the stakeholder engagement activity and our sustainability knowledge. For our first report, we have started to identify and collect data to report on how we manage these issues.

5. REVISED PRIORITIES ALIGNED WITH CORPORATE STRATEGY (IN PROGRESS)

Aggregate and analyze the data and findings and revise our sustainability priorities in line with overall corporate strategy planning.

INITIAL INSIGHTS

While our assessment process is not fully completed, key takeaways from the materiality analysis thus far have highlighted the following:

- **Community impact** is central to our purpose, vision and values, and a unifying pillar for Wawanesa.
- **Health and wellness** is a topic that intersects with other priority areas, and is increasingly important for our business as we expand the focus on our life and health insurance business.
- Many stakeholders believe that **climate adaptation/loss prevention** is the top priority and will grow in importance over the next three to five years.
- Several governance topics are considered foundational, essential for our success and non-negotiable. They include **compliance, ethics and governance; sustainability oversight; customer service; privacy and data security; and risk and crisis management.**
- Sustainable finance topics such as **sustainable product offerings** and **sustainable investments** should be explored further to understand how they can be used to advance impacts in other areas.
- Emerging topics requiring further analysis and discussion include **Indigenous relations, accessible and inclusive products and services** and **ecological stewardship.**

Our material topics

We will continue to evolve our process with the advancement of financial materiality in accordance with OSFI and ISSB requirements. This ensures that we focus on the areas that matter most to both our stakeholders and our business, driving us toward a more sustainable and resilient future. The outcome of our materiality process to date is a list of topics that inform our sustainability strategy and reporting. Our material topics are categorized by the sections in which they are discussed in this report.

SERVING OUR MEMBERS

- Member experience ([page 19](#))
- Sustainable products and services ([page 23](#))

EMPOWERING OUR PEOPLE

- Diversity, equity, inclusion and belonging ([page 36](#))
- Talent attraction and retention ([page 27](#))
- Development and training ([page 30](#))
- Health and wellness ([page 33](#))

SUPPORTING COMMUNITY RESILIENCE

- Climate adaptation/loss prevention ([page 43](#))
- Community impact ([page 40](#))

OPERATING AS ENVIRONMENTAL STEWARDS

- Financed GHG emissions ([page 51](#))
- Operational GHG emissions ([page 51](#))
- Sustainable investments ([page 51](#))
- Waste reduction ([page 54](#))

GOVERNING WITH STRENGTH

- Governance, compliance and ethics ([page 59](#))
- Privacy and data security ([page 64](#))
- Responsible sales and marketing ([page 59](#))
- Risk management ([page 63](#))
- Supply chain ethics ([page 56](#))



Engaging our stakeholders

Our stakeholders are groups of people who are directly affected by our business and can influence our success. The following table provides some examples of the stakeholders that we engaged with, some sustainability topics that were raised, and some channels through which we engaged over the course of the year in 2023. These kinds of interactions helped to inform our list of material topics, which guided the writing of this report.

Stakeholder group	Examples of channels	Topics and where you can read about what we are doing
Members	Voice of the Member program, ongoing surveys, interactions with ombudsman	Claims experience and serving our members (page 21)
Board of Directors	Regular board and committee meetings	Governance (page 59); risk management (page 63)
Employees	Town halls, all-employee calls, surveys, cross-functional working groups, EGs	Employment benefits (page 27); diversity, equity, inclusion and belonging (page 36)
Brokers	Regular meetings, Voice of the Broker program (panels, surveys, discussions), industry panels	Member experience and broker relationships (page 22)
Reinsurers	Regular meetings, market updates, industry panels	Resilience and community partner profiles (page 45)
Suppliers	Contracting process	Waste and sustainable procurement (page 57)
Community	Regular partnership meetings, community outreach events	Resilience and Wawanesa Climate Champions community partners (page 44)



Definitions

Climate adaptation/loss prevention: Help Wawanesa members and communities be resilient to the increasing physical impacts of climate change (e.g., floods, droughts, fires, tornadoes, hurricanes).

Community impact: Make positive contributions to local economies and communities through philanthropy, employee volunteerism, community partnerships, local supply chain support and more.

Development and training: Provide career development opportunities for employees to enhance their skills, knowledge and competencies, and foster continuous learning and growth.

Diversity, equity, inclusion and belonging (DEIB): Foster and build an inclusive workplace that embraces diversity and promotes collaboration to leverage the richness of diverse ideas, backgrounds and perspectives.

Financed GHG emissions: Managed risks and opportunities associated with GHG emissions from Wawanesa’s investments, insurance products and activities.

Governance, compliance and ethics: Ensure regulatory compliance and ethical corporate practices.

Health and wellness: Protect and promote the mental, emotional and physical health of employees, members and communities.

Member experience: Maintain operations that drive member-focused practices to ensure member satisfaction and success.

Operational greenhouse gas (GHG) emissions: Reduce GHG emissions generated by Wawanesa’s operations (e.g., office heating and cooling, vehicles, business travel, paper).

Privacy and data security: Actively prevent and address cybercrime and data theft and comply with increasingly stringent privacy regulations.

Responsible sales and marketing: Inform members about products clearly and transparently and direct them toward the products best suited to their needs.

Risk management: Manage and disclose material risks, including climate-related business risks.

Supply chain ethics: Ensure the fundamental rights of workers, communities and stakeholders involved in the supply chain.

Sustainability oversight: Ensure the appropriate level of oversight for sustainability governance, including Board and executive participation.

Sustainable investments: Consider and promote environmental, social and governance factors when making investment decisions and managing assets (e.g., choose investment managers who focus on sustainable investing, increase focus on impact investing).

Sustainable products and services: Design policies and products that incentivize safe, healthy, inclusive and/or environmentally responsible behaviours (e.g., products that promote healthy living, renewable energy, adaptation to extreme weather).

Talent attraction and retention: Adopt policies and initiatives to be an employer of choice, retain talented employees and minimize turnover.

Waste reduction: Minimize waste going to landfill in Wawanesa’s operations and events, including in its offices and insurance claims, through sustainable procurement initiatives, recycling, reuse, paper reduction and more.



ESG performance data

Pillar	Metric description	FY 2023
Members	Number of members (in millions)	1.6
	Number of policies (in millions)	1.8
	Net promoter score (NPS; number between -100 and +100)	
	Brokers (relationship NPS)	
	Personal auto/home	41
	Commercial lines	41
	Farm	27
	Individual life	45
	Members (transactional NPS)	
	First notice of loss	43
	End of claim	37
Employees ¹	Workforce composition	
	Number of employees	3,628
	Male	1,375
	Female	2,253
	Permanent	3,594
	Male	1,362
	Female	2,232
	Temporary	34
	Male	13
	Female	21

¹ Wawanesa introduced self-identifying fields within our employee self-service HR system (as of September 2023). This enables employees to identify as a non-binary gender. This new capability is voluntary for employees to complete, which means data captured for non-binary gender options could be incomplete or non-representative. With this, Wawanesa is dedicated to ensuring employees feel psychologically safe to provide such sensitive information. In the future, we expect to have representative data relating to employee gender.



Pillar	Metric description	FY 2023
Employees ¹ (continued)	Full-time	3,568
	Male	1,359
	Female	2,209
	Part-time	58
	Male	17
	Female	41
	VP+	51
	Male	31
	Female	20
	Under 30 years	0
	Between 30 and 50 years	23
	Over 50 years	28
	Director	94
	Male	48
	Female	46
	Under 30 years	1
	Between 30 and 50 years	55
	Over 50 years	38
	Manager	214
	Male	98
	Female	116
	Under 30 years	5
	Between 30 and 50 years	145
	Over 50 years	64

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Pillar	Metric description	FY 2023	
Employees ¹ (continued)	Supervisor	257	
	Male	98	
	Female	159	
	Under 30 years	7	
	Between 30 and 50 years	180	
	Over 50 years	70	
	Individual contributor	3,010	
	Male	1,101	
	Female	1,909	
	Under 30 years	394	
	Between 30 and 50 years	1,940	
	Over 50 years	678	
	Workers who are not employees ²	90	
	% of employees in Employee Groups	10	
	Employees covered by collective agreements	0	
	Parental leave		
	Employees entitled to parental leave	3,574	
	% of total workforce	99	
	Male	1,363	
	% of permanent male employees	38	
	Female	2,211	
	% of permanent female employees	62	

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² Analysts, technicians, developers, testers and project managers



Pillar	Metric description	FY 2023
Employees ¹ (continued)	Employee turnover	
	Total employee turnover	530
	Under 30 years	164
	Between 30 and 50 years	239
	Over 50 years	127
	Male	229
	% of all permanent male employees	17
	% of total workforce	6
	% of total employee turnover	43
	Female	301
	% of all permanent female employees	13
	% of total workforce	8
	% of total employee turnover	57
	Retention rate of employees who took parental leave	58
	New employee hires	
	Total new employees hired	731
	Under 30 years	265
	Between 30 and 50 years	393
	Over 50 years	73
	Male	304
	% of total new hires	42
	Female	427
	% of total new hires	58
	% of total permanent employees	20

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Pillar	Metric description	FY 2023
Employees ¹ (continued)	Training and development	
	Average hours of training per employee	17
	Employees with performance and career development reviews	3,592
	Expenditures on employee training and education (in million \$)	5.1
	Employee engagement (%)	77
	Employee engagement survey participation rate (%)	96
	Health and safety	
	Work-related fatalities	0
	Total recordable injury frequency rate (number of long-term injuries x 200,000/total hours worked)	0.04
	Compensation and benefits	
	Ratio of basic salary of women to men	0.86:1
	Gender median pay gap (%)	14
	Defined benefit plan obligations and other retirement plans (in million \$)	37
	Estimated value of the plan's liabilities (in million \$)	742
	Fair value of defined benefits pension plan assets (in million \$)	955
	Community	Charitable donations and sponsorships (in million \$)
Total employee volunteer hours		14,502
Environment	Electronic waste diverted from landfill (in kg)	7,718
	GHG emissions	See 2023 Climate-related Financial Disclosures

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Pillar	Metric description	FY 2023
Governance	Board gender diversity	
	Male	5
	% of male directors	41.7
	Female	7
	% of female directors	58.3
	Board age diversity	
	Under 30 years	0
	Between 30 and 50 years	1
	Over 50 years	11
	% under 30 years	0
	% between 30 and 50 years	8.3
	% over 50 years	91.7
	Board tenure and independence	
	Average Director tenure (in years)	6
	Independent directors	11
	Data security and privacy	
Substantiated complaints concerning breaches of customer privacy	0	
Total number of identified leaks, thefts or losses of customer data	0	
Economic	Policy premiums (in billion \$)	3.6
	Assets (in billion \$)	10
	Sustainable investments	See 2023 Climate-related Financial Disclosures



2023 Climate-related Financial Disclosures

At Wawanesa, we recognize climate change as a significant threat to our business, our members, the communities that we serve, governments across Canada and the Canadian economy in general. In support of our purpose—to *look after one another*, and our vision—to *build a safer, healthier, more sustainable future for our members and communities*, we commit to helping our members protect what matters most to them and to strengthening the climate resiliency of the insurance industry, the economy, and the members and communities we serve. As part of this commitment, we present below Wawanesa’s first set of public annual climate-related financial disclosures.

This set of disclosures is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)¹ and the supplemental guidance for the financial sector. It is also informed by the [Office of the Superintendent of Financial Institutions’ \(OSFI\) Climate Risk Management B-15 guidelines](#), and leverages guidance from the [International Sustainability Standards Board’s \(ISSB\) IFRS S1 and IFRS S2 standards](#), which offer an investor-focused view into the disclosure of climate risks and opportunities related to the business.

Governance

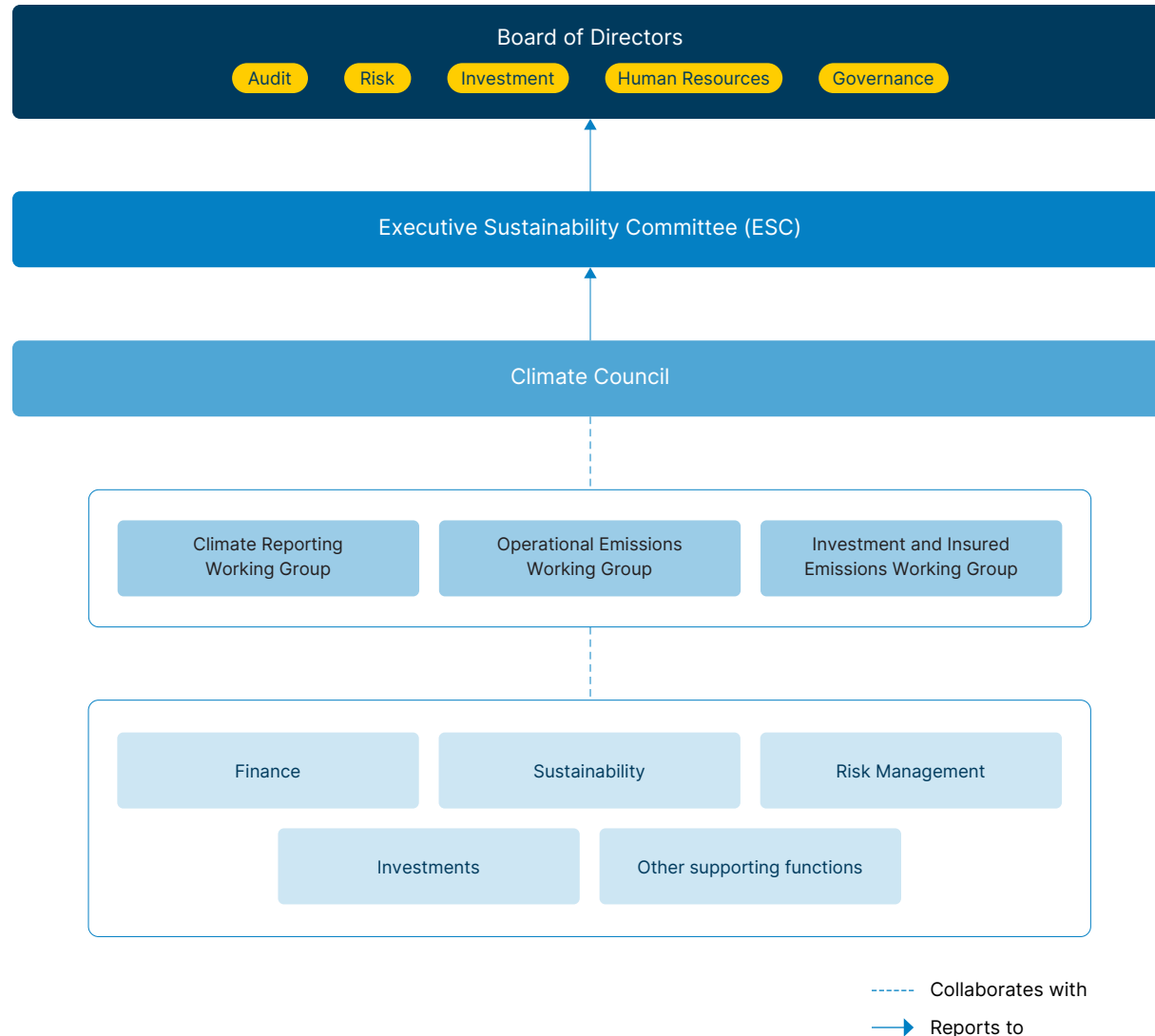
Responsibility for Wawanesa’s overall performance ultimately rises to our Board of Directors. As such, our Board oversees sustainability at the highest level of the company and is responsible for ensuring adherence to Wawanesa’s corporate commitments and related policies, including those pertaining to climate change. The Board’s Risk Committee has specific responsibility for overseeing the management of climate-related risks.

At the enterprise level, several senior management committees—including the Executive Risk and Compliance Committee, the Reinsurance Committee and the Executive Sustainability Committee—are primarily responsible for overseeing climate-related policies, processes and risks. They are supported by a dedicated Sustainability team and various internal functions that consider the impacts of climate risk in our approach to products, pricing, reinsurance and concentration limits.

In addition, in 2023, we created the Climate Council, a cross-functional group acting as the centre of expertise for managing climate risk and opportunity throughout our business. This council consists primarily of vice presidents and directors from across the company who oversee the enterprise’s climate-related activities, including climate reporting requirements, climate risk management, our annual GHG inventory and GHG reduction commitments and targets.

¹ In 2024, ISSB took over the monitoring of uptake and reporting of companies based on climate-related disclosure as recommended by the TCFD.

CLIMATE-RELATED GOVERNANCE STRUCTURE



- **Board of Directors**—Oversees sustainability governance, strategy and risk, which includes climate-related matters. Its Risk Committee oversees management of climate-related risks, and its Audit Committee discusses climate-related matters at least quarterly.
- **Board committees**—Oversight of sustainability matters is integrated into the responsibilities of the Board and each of our five Board committees.
- **ESC**—Provides oversight of climate reporting and approves final public reporting and positioning for climate disclosures.
- **Climate Council**—Cross-functional group responsible for internal implementation of climate-linked initiatives.
- **Climate Reporting Working Group**—Responsible for preparation of Wawanesa’s regulatory and voluntary climate disclosures, including those pertaining to OSFI B-15, OSFI climate risk returns and IFRS S1 and S2.
- **Operational Emissions Working Group**—Responsible for quantifying Wawanesa’s Scope 1, Scope 2 and Scope 3 operational emissions (material categories).
- **Investment and Insured Emissions Working Group**—Responsible for quantifying the emissions from Wawanesa’s investment portfolio as well as insurance emissions from products in line with the PCAF¹ methodology.
- **Finance**—Overall lead on climate reporting and development/evaluation of data controls and processes for climate-related data.
- **Sustainability**—Lead on implementing sustainability initiatives and providing data for climate strategy, transition plans and emissions reporting.
- **Risk Management**—Lead on performing climate risk assessment and embedding climate risk into enterprise risk management, supported by functions to perform climate scenario analysis as required by regulation.
- **Investments**—Lead on providing Wawanesa’s portfolio assessment and approach to integrating climate considerations.
- **Other supporting functions**—Disclosure development is supplemented by the Legal, Underwriting, Facilities and Reinsurance functions.

1 Partnership for Carbon Accounting Financials



Strategy

As a property and casualty insurer, we are on the front lines of the effects of climate change, which we recognize as a major source of systemic risk. Strengthening climate resiliency for our company and our members is a cornerstone of our business strategy. We have set climate commitments aimed at reducing our greenhouse gas (GHG) emissions and leveraging our investment assets to support the transition to a sustainable, resilient and low-emissions society. We aim to fulfill these commitments by focusing on five key action areas:

- **Sustainable insurance:** Offer products and services that encourage sustainable behaviours and empower our members to protect their properties against severe weather and other hazards and build a more resilient future for themselves and their communities.
- **Sustainable operations:** Embed sustainability into day-to-day activities, with a focus on reducing GHG emissions in our building operations and fleet, and implementing sustainable practices for IT equipment, paper use, waste management and travel.
- **Sustainable investing:** Use our capital and influence to drive change through carbon emission disclosures and by funding the transition to a lower-carbon environment.
- **Stakeholder engagement:** Build knowledge and collaborate with external stakeholders to move sustainability and climate issues forward. This includes strengthening climate resilience in our communities through annual wildfire prevention grants and the flagship Wawanesa Climate Champions program, which supports people and organizations working on the front lines to improve climate resiliency across Canada.
- **Transparency and disclosure:** Demonstrate accountability for our commitments and actions.

MANAGING CLIMATE RISK IN OUR BUSINESS

We conceive of climate risk as having two components: the risk of financial losses or strategic disadvantage due to the transition to a lower-carbon economy; and the physical impacts of climate change. Transition risk includes policy, legal, technology, reputation and market changes. Physical impacts include event-driven (acute) losses or losses caused by longer-term (chronic) shifts in climate patterns.

In 2024, our Corporate Strategy and Sustainability teams and representatives from the Risk function updated their assessment of the physical and transitional risks that climate change presents for our company over the next one-to-three years. The findings were used to inform strategy development, prioritize execution of key deliverables, and ensure that we are taking the best actions possible to protect our business and serve our members, employees and society.

The table at right provides an overview of the physical and transition risks and potential impacts for our business, within the timeframes set out in our enterprise risk management framework.

Risk area	Risk factors/potential impacts	Timeframe ¹
Physical risk		Short, medium and long term
Extreme weather events	Increase in the severity and frequency of extreme weather events in North America impacting assets of policyholders and our investments	
Transition risks		
Reinsurance	Risk that: <ul style="list-style-type: none"> • Reinsurance becomes more expensive, less available or unavailable • Reinsurers' risk modelling proves to be inaccurate, resulting in a sudden and substantial shift or disruption in the reinsurance market 	
Catastrophe pricing	Risk that pricing becomes ineffective because: <ul style="list-style-type: none"> • Catastrophes or near-catastrophes absorbed by Wawanesa, rather than by reinsurance, become more frequent or increase in size until they are effectively non-insurable or only borderline insurable events • Loss costs increase in an unexpected or nonlinear way, not captured in our models, due to increased catastrophes and limited third-party repair and restore capacity • Pricing changes cannot be made quickly enough, or the rapid rate of pricing changes causes member confusion or complaints 	
Product pricing	Risk that: <ul style="list-style-type: none"> • Pricing lags loss cost increases or is not sufficiently segmented by risk exposure • Vehicle repair costs increase due to higher-tech electric vehicles and/or increased reliance on original equipment manufacturer-specific repair shops • Building costs increase due to higher building standards connected to low-carbon and net-zero building standards 	
Others	<ul style="list-style-type: none"> • Imminent mandatory climate-related reporting and organization-wide resources needed to build climate and ESG (Environmental, Social and Governance) reporting • Market uncertainty during a transition to a low-carbon economy may lead to shifting customer preferences for sustainable products and potential changes in investment portfolio performance and allocations • Reputational risk associated with increasing stakeholder expectations for climate action and strength of sustainability commitments, or resistance from climate change deniers amidst stakeholder groups • Underwriting profitability challenges due to the regulatory and timing challenges of raising rates to match rising reinsurance premiums and potential increasing claim costs • Increasing operational costs due to rising energy prices and purchasing low-carbon technologies (e.g., LED lightbulbs, EV charging stations) that may be required to reduce Wawanesa's own emissions 	

¹ Short term: 1–3 years; medium term: 4–10 years; long term: 11–30 years



SCENARIO ANALYSIS AND CLIMATE RESILIENCE STRATEGY

We leverage multiple scenario-based tools and processes to assess the impact of adverse events, including climate change, on our strategic business plan. The two critical ones are the Canadian regulatory Financial Condition Testing (FCT) and the Own Risk and Solvency Assessment (ORSA). Both involve projecting forward Wawanesa’s strategic business plan, and then “shocking” the plan with adverse events to better understand the financial impact, capital resiliency and possible management actions in response to the events.

The most recent ORSA presented to the Risk Committee of our Board included adverse scenarios involving economic uncertainty, adverse underwriting losses, earthquake and a climate-related increase in catastrophic events. The results demonstrated that capital levels were resilient. Climate risk will continue be considered as part of future ORSA and FCT work. OSFI has also prescribed federally regulated financial institutions to complete a standardized climate scenario exercise (SCSE). Work is underway to complete the SCSE, which aims to increase understanding of potential exposures to climate-related risks and also aims to build capacity to conduct longer term climate scenario analysis.

EXPLORING CLIMATE-RELATED OPPORTUNITIES FOR OUR BUSINESS

Along with climate risks, we have identified business opportunities in the transition to a low-carbon economy. While still in the early stages of defining our approach, we are exploring areas such as:

- Integrating climate considerations into our communications and product offerings to provide value to our members, especially around loss prevention, and improve our market reputation and reach
- Identifying new sources of data to help identify and manage concentration risks
- Repricing property and casualty products annually
- Creating new investment opportunities in the transition from fossil fuels to clean energy, including, for example, investments in renewables and green tech
- Lowering costs and enhancing our reputation through operational energy and emissions reductions in areas such as facilities, fleet, travel and paper consumption

MANAGING CLIMATE RISKS AND OPPORTUNITIES IN OUR INVESTMENT PORTFOLIO

Investment emissions currently represent the largest proportion of Wawanesa’s Scope 3 emissions, highlighting the importance of decarbonizing our portfolio through responsible investment and improved quantification of our portfolio’s carbon footprint. Our approach to reducing GHG emissions across corporate bonds, preferred shares and common equities is to increase exposure to companies aligned with reducing carbon emissions—specifically,

those with net-zero targets and actionable decarbonization paths.

Impact investments are expected to generate a market rate of financial return, avoid undue risk of loss, and have positive social and/or environmental impacts. Investment themes are aligned with Wawanesa’s broader sustainability strategy and include climate resiliency and environmental stewardship; community development; diversity, equity and inclusion; and health and wellness. The range of investment vehicles we use includes green, socially responsible and sustainability-linked bonds, bonds issued from renewable energy companies, and common equity holdings of companies with exposure to green energy and renewables.

When we allocate to asset classes and geographies across our investment portfolio, we take into consideration our liabilities, risk and return objectives, and the opportunity to invest in mandates that align with Wawanesa’s broader sustainability strategy.

We consider climate transition risk when deciding between active and passive investment management strategies. In active investment management strategies, managers consider the impacts of climate risks when assessing companies as well as the unique opportunities for those companies that stand to benefit from the transition to a lower-carbon environment. For assets managed internally, the Wawanesa Fixed Income team actively incorporates ESG factors into the security selection process. External data on ESG factors are assessed as part of the credit evaluation process and formally documented in credit reviews. The Fixed Income team uses a variety of ESG scores/ratings available through Bloomberg and/or their rating agency subscription (e.g., Bloomberg ESG Score, MSCI ESG Rating,

Sustainalytics Rating, S&P Global ESG Score, Moody’s ESG Credit Impact Score, etc.) to help assess how the firm is performing from an ESG perspective overall versus peers. When evaluating issuers from higher-carbon emitting sectors, the Fixed Income team focuses on the firm’s capability to adapt to and/or mitigate environmental and regulatory risks.

When searching for a new external investment manager, we go through a lengthy process of evaluating qualitative and quantitative investment criteria. The extent of sustainability integration into the investment process is one of the criteria we use to evaluate external investment managers during our search and selection process.

MANAGING CLIMATE RISKS THROUGH SOUND UNDERWRITING AND REINSURANCE

Climate risk exposure is managed through conservative underwriting practices, accuracy in valuation of properties to ensure adequate limits of coverage, proper pricing of our insurance products and appropriate limits of reinsurance.

We are enhancing our enterprise-wide concentration risk management process to better identify areas with significant catastrophe risk and establish risk management limits and thresholds. This will help limit Wawanesa’s exposure to aggregation of risk in areas with significant current and future potential catastrophic losses.



Risk management

Wawanesa's general enterprise-wide risk management process uses a "three lines of defence" model, in which i) business lines own and manage risks, ii) risk and oversight functions challenge the way in which risks are managed, and iii) internal audit verifies the effectiveness of the overall system. Sustainability risks, including risks associated with climate change, are managed in an integrated manner consistent with other risks. In our model, business functions own the risks they take and are responsible for identifying, assessing, measuring, controlling, monitoring and escalating issues to the functional or regional business leader. Employees support our risk culture by sharing information on current and emerging risks, identifying, assessing, and managing risk at all levels of the organization, and promoting ethical business practices.

Our Enterprise Risk Management (ERM) team is responsible for developing risk management policies and frameworks, promoting a strong risk culture and guiding the establishment of Wawanesa's risk appetite. The team reports to management and Board committees and monitors the risk landscape to assure that risks are managed professionally, and that the enterprise is operating within its risk appetite. The ERM team also identifies top and emerging risks that may affect our risk profile, through consultation with business leaders across the enterprise and a review of risks identified in industry thought leadership. The significance of risks is determined based on risk assessments that consider potential financial, insurance, operational, legal/regulatory and strategic impacts.

Climate change is a transverse risk factor that drives a range of risks across the organization. These risks are identified in the Climate Risk Management Policy and managed in an integrated manner (e.g., through oversight practices, including the ERM team's involvement, that apply to the impacted function or area). This process includes extensive consultation with business units.

Metrics and targets

Wawanesa's climate-related metrics and targets are designed to support Wawanesa's sustainability strategy, which includes monitoring and reducing our GHG emissions. We are continuously refining and improving the definitions of these metrics and targets as the accessibility, accuracy and reliability of the data associated with them evolves.

Most of our targets currently focus on reducing emissions in our operations and material sources of emissions, such as investments, while we work to improve data quality and our understanding of the impacts of emissions across our value chain, including insurance-associated emissions. We commit to measuring and reducing our emissions in line with climate science and global best practices designed to limit global temperature increases to below 1.5°C.

Climate-related metrics and targets are managed and monitored periodically throughout the year, with sustainability metrics included in Wawanesa's corporate scorecard and executive compensation. We commit to reviewing and updating these metrics and targets on an annual basis to incorporate newly available data and emerging best practices and to ensure alignment with our sustainability strategy, materiality assessments and our members' needs.

WAWANESA'S NEAR-TERM CLIMATE-RELATED METRICS AND TARGETS AND PERFORMANCE IN 2023

Metric type	Targets	Target year	Metric	Progress in 2023
Operational emissions	Reduce Scope 1 and Scope 2 emissions 50% by 2030 from 2019 levels	2030	% reduction in absolute Scope 1 and Scope 2 GHG emissions	29.6% reduction in absolute Scope 1 and Scope 2 GHG emissions, from 2019 levels
	Achieve Carbon Neutral in Scope 1 and Scope 2 operations annually starting with 2022	2022	Reporting year total Scope 1 and Scope 2 emissions in tonnes of CO ₂ e matches offsets purchased in tonnes of CO ₂ e	Achieved target
	Reduce paper consumption by 7.0 million sheets of paper ¹	2023	YoY variance in sheets of paper consumed annually	Achieved 177% of target. In 2023, Wawanesa reduced consumption by 12.4 million sheets of paper compared to 2022
Investment emissions	25% reduction in Scope 1 and Scope 2 GHG emissions across corporate bonds, preferred shares and common equities in our P&C and Life investment portfolios by 2030 or earlier, based on 2021 levels	2030	% reduction in absolute Scope 1 and Scope 2 GHG emissions	8.3% reduction in absolute Scope 1 and Scope 2 GHG emissions, from 2021 levels
	Allocate at least 10% of our combined P&C and Life investment assets to impact investments by 2030 or earlier	2030	% of impact investments in our investment portfolio	7.3% of enterprise investments are allocated to impact investments

1 8.5 × 11 inch sheets of paper



OPERATIONAL EMISSIONS

Wawanesa's GHG Inventory follows the overarching principles for corporate GHG inventory reporting as defined by the World Resources Institute and World Business Council for Sustainable Development in the GHG Protocol Corporate Accounting and Reporting Standard (2004).

Wawanesa's organizational boundary for the inventory includes 20 active and 41 former (61 total) facilities across Canada. At time of inventory creation, Wawanesa's organizational boundary does not include the subsidiary Western Financial Group. In 2024, Wawanesa began collaborating on Western's first GHG data collection effort to quantify Western's GHG emissions from source activities.

Wawanesa's inventory followed the operational control approach and includes all material¹ direct and indirect sources of emissions classified in Scope 1 and Scope 2 under the GHG Protocol. Under categories Scope 1 and Scope 2, the following sources of GHG emissions are included in Wawanesa's inventory operational boundary:

WAWANESA GHG INVENTORY RESULTS – SCOPE 1 AND SCOPE 2 OPERATIONAL EMISSIONS, 2019-2023, IN ABSOLUTE TONNES OF CO₂E²

	2023	2022	2021	2020	2019 (baseline year)
Scope 1³					
Mobile combustion	775.2	750.4	794	709.2	1,187.6
Fugitive emissions	49.8	9.9	6.6	0	19.7
Stationary combustion	1,263.9	1,695.1	1,564.1	1,628.4	1,765.6
Total Scope 1	2,088.8	2,455.3	2,364.6	2,337.5	2,972.9
Scope 2					
Purchased electricity	621.3	740.1	770.2	736.3	878.6
Total Scope 2	621.3	740.1	770.2	736.3	878.6
Total Scope 1 and Scope 2	2,710.2	3,195.4	3,134.8	3,073.8	3,851.5

1 Material sources of emissions in this inventory boundary are defined as those that represent greater than 5% of Wawanesa's total Scope 1 and Scope 2 emissions.

2 These emissions have not been verified by a third party.

3 Scope 1 includes emissions from mobile combustion (emissions from fleet vehicles), fugitive emissions (emissions from refrigerants) and stationary combustion (emissions from natural gas heating).



SCOPE 1 AND SCOPE 2 ABSOLUTE EMISSIONS REDUCTIONS

In 2024, Wawanesa set a target to reduce Scope 1 and Scope 2 emissions by 50% by 2030 from 2019 levels. To date, we have reduced absolute Scope 1 and Scope 2 emissions by 29.6%. We selected 2019 as the baseline year for the inventory and near-term reduction target to include a comparison to a pre-pandemic year, as the emissions during the period of 2020-2022 were significantly impacted by reduced operations during the global pandemic.

The distribution of emissions and reductions across sources has remained relatively constant since 2019, with Scope 1 emissions being reduced by 29.7% and Scope 2 emissions by 29.3%. Most of Wawanesa’s Scope 1 and Scope 2 emissions are from facility heating and use of company fleet vehicles. For Scope 1, we saw an increase in fugitive emissions since 2019; however, this is largely due to improved data quality as we work to increase availability of data for this source of emissions across our leased facilities.

Wawanesa’s approach to real estate and facilities management has evolved since 2019, with the introduction of hybrid work and a concerted effort to right-size our real estate portfolio. This has resulted in the closure and consolidation of facilities and an overall reduction in emissions from electricity and natural gas usage. Energy audits were conducted at two of our facilities with the highest emissions generation and consumption from natural gas and electricity usage, one located in Edmonton, Alta., and one in Winnipeg, Man.

Since 2019, we have introduced policies to optimize the use of fleet vehicles, including personal use limits, and a new vehicle refresh cycle. We also switched to a fleet management company that provides improved annual reporting. These optimizations have allowed us to reduce our overall fleet by 54 vehicles, with a 33% reduction in total kilometres driven since 2019.

To achieve further emissions reductions, we plan to introduce hybrid vehicles to our fleet starting in early 2025 and have a 100% hybrid fleet by the end of 2026. We intend to reduce emissions in our facilities by reducing our use of natural gas and electricity and improving energy efficiency. As we incorporate Western Financial Group into our emissions inventory in the coming years, we expect our emissions to increase. We will be reforecasting our emissions reduction strategy to accommodate this expected increase and we will adjust our action plans accordingly.

CARBON NEUTRALITY

The current mix of energy supplying the Canadian economy means that companies will have residual emissions after all carbon reduction initiatives are implemented. Therefore, the increasing availability of high-quality carbon offsets will play a crucial role in the transition to a net-zero economy, and why we view carbon neutrality as a vital component of our overall emissions reduction strategy. In, 2022, Wawanesa committed to maintaining carbon neutrality for Scope 1 and Scope 2 emissions from sources in our operations on an annual basis.

To date, Wawanesa has offset 5,905 tonnes of CO₂e by leveraging carbon offsets from the Great Bear Forest Carbon Project. This project is a landmark Improved Forest Management project that balances human well-being and ecological integrity through carbon finance. It is the first carbon project in North America on Traditional Territory with unextinguished Aboriginal Rights and Title with equal involvement with the First Nations and the British Columbia government. The project has strong legal and policy foundations, protects old growth trees and maximizes co-benefits by ensuring revenue from the sale of offsets directly flows into First Nations communities for stewardship and community development.

REDUCING PAPER CONSUMPTION

We believe that we can improve data availability and work toward emissions reduction targets in our value chain. Knowing that paper consumption contributes to GHG emissions, in 2023, Wawanesa introduced an enterprise corporate scorecard metric aiming to reduce paper consumption by 7 million sheets of paper compared to 2022. By the end of 2023, Wawanesa surpassed this target, reducing consumption by 12.4 million sheets of paper in just one year. This was achieved through a commitment to digital first delivery across the business and projects that focused on condensing document wording yielding reductions in paper consumption.

We are actively working to improve the quality of our data and quantify emissions in our value chain—including insurance-associated emissions. We will continue to prioritize this work and update our reduction targets in support of the global transition to net zero.



INVESTMENT EMISSIONS

We currently use a third-party software from [MSCI ESG Research](#) for collecting greenhouse gas emissions data for our investments. MSCI ESG Research collects carbon emissions data for companies through corporate sources, such as annual reports and sustainability reports, or through [CDP](#) or government databases when reported data is not available through direct corporate disclosure. When companies do not disclose data, MSCI ESG Research uses proprietary methodologies to estimate Scope 1, Scope 2 and Scope 3 emissions. Carbon emissions are classified per the GHG Protocol. If a company's reporting does not align with the GHG Protocol framework, MSCI estimates emissions by applying their proprietary models to ensure consistency.

A company's most recent Scope 1 and Scope 2 total financed carbon emissions are calculated using the company's most recent reported or estimated Scope 1 and Scope 2 carbon emissions normalized by the most recently available enterprise value including cash (EVIC), taken at the end of the fiscal year. MSCI apportions emissions based on the market value of the portfolio's positions in a company's debt or equity as a proportion of its EVIC.

$$\sum_{\pi} \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)$$

Our commitment to reduce Scope 1 and Scope 2 GHG emissions by at least 25% compared to our baseline level by 2030 or earlier is limited to corporate-issued securities (corporate bonds, preferred shares and common equities) in our P&C and Life investment portfolios. This decision was driven by the lack of Scope 1 and Scope 2 GHG emissions data on government-issued securities and securitized credit securities in 2021. Data availability has improved since we made this commitment, as reflected in the higher coverage ratio of securities as of December 31, 2023. The ratio of securities covered across the three investment portfolios has increased from 49.5% on December 31, 2021, to 67.4% on December 31, 2023. An increasing number of companies are setting climate targets as decarbonization targets are a key component of the TCFD recommendations.

By the end of 2023, we reduced Scope 1 and Scope 2 GHG emissions across Canadian P&C and our Life insurance portfolios by 8.3% compared to 2021 levels, our baseline year. Since The Wawanesa Mutual Insurance Company divested the U.S. P&C company effective March 31, 2024, we have excluded the U.S. P&C portfolio, which represents only 8.5% of total investments.

Total Investment Emissions ¹ 2021-2023 (tonnes of CO ₂ e)	2023	2022	2021 (baseline year)
Scope 1 and Scope 2 ²	55,674	58,115	60,692
Reduction since 2021	8.30%	-	-

As of December 31, 2023, Wawanesa has allocated 7.3% of the total Wawanesa P&C and Wawanesa Life insurance balance sheet investments to impact investments.

Impact Investments (December 31, 2023, in \$ millions)³

Brown bonds qualified as impact investments	\$57.0
Green/blue and social resilience bonds	\$175.0
Bonds: renewable energy companies	\$123.2
Mutual equities: green revenue exposure	\$36.3
Mutual equities: exposure to power generation—renewables	\$125.2
Total (fixed income and mutual equities)	\$516.7
Proportion of total enterprise investments	7.3%

1 Scope 1 and Scope 2 GHG emissions are from our total enterprise investment portfolio (all securities across Canadian P&C and Life Insurance).

2 Data source: MSCI ESG Manager

3 Data for common equities comes from MSCI ESG Manager; data for bonds comes from Wawanesa's Fixed Income team.



CLIMATE METRICS

We are in the process of building our climate risk metrics, which are intended to be developed with the relevant business functions. The following climate-related metrics are in use or under review:

Metric type	Description	Examples of climate risk metrics
Broad risk appetite metrics	These metrics are used to monitor performance and risk and will reflect any adverse climate-related impacts on Wawanesa's business.	<ul style="list-style-type: none"> • Underwriting concentration risk measure • Catastrophe exposure
Investment-related metrics	Several climate-related metrics are available through our third-party investment software. Use of these metrics will be developed as advancement of scenario analysis and targets are undertaken.	<ul style="list-style-type: none"> • Portfolio temperature rating • The percentage of the portfolio with companies aligned with decarbonization and net-zero targets • The percentage of revenue a company has derived from renewable energy • The stressed market value of portfolio under a specific scenario • Exposure to green revenue and renewable energy
Sustainability-related metrics	Metrics to assess climate-related risks and opportunities in line with Wawanesa's sustainability strategy are in development.	<ul style="list-style-type: none"> • Measures related to industry resiliency benchmarks • Number of sustainable insurance products • Investments in community organizations or partnerships • Engagement, participation and sentiment from employees and policyholders regarding climate resiliency • Absolute Scope 1, Scope 2 and Scope 3 GHG emissions

COMMITMENT TO CONTINUOUS IMPROVEMENT

We prioritize the quality of the climate data we disclose and utilize in our internal modelling. To this end, our Finance, Sustainability, Internal Audit and other relevant functions have developed controls and process documentation for climate-reporting metrics that are in line with our financial reporting control framework. We periodically engage our Internal Audit function to review controls to mitigate greenwashing risks relating to our overall ESG disclosures. This process will better prepare us for eventual third-party assurance and provide a roadmap for further improvements.



TCFD and OSFI B-15 index

TCFD/B-15 disclosure category	OSFI B-15 description	Disclosure location	Page number
Governance	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, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress toward those targets, and a description of whether and how climate-related considerations are factored into their remuneration	Governance	76–77
	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	Governance	76–77
Strategy	Describe the climate-related risks and opportunities the federally regulated financial institution (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 	Managing climate risk in our business	78
	• Describe the resilience of the FRFI’s strategy, taking into consideration different climate-related scenarios, including a scenario that limits warming to the level aligned with the latest international agreement on climate change	Scenario analysis and climate resilience strategy	79
Risk management	Disclose information about the FRFI’s processes and related policies for identifying, assessing, prioritizing and monitoring climate-related risks	Risk management	80
	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	Exploring climate-related opportunities for our business	79
	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	Risk management	80
Metrics and targets	Disclose the metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process	Climate metrics	84
	Disclose separately the FRFI’s Scope 1 and location-based Scope 2 greenhouse gas (GHG) emissions (absolute basis) for the period	Operational emissions	81
	Disclose the reporting standard used by the FRFI to calculate and disclose the GHG emissions		
	Disclose the FRFI’s Scope 3 greenhouse gas (GHG) emissions for the period (absolute basis), and the related risks	Operational emissions Investment emissions	81 83



Global Reporting Initiative (GRI) index

Statement of use: The Wawanesa Mutual Insurance Company has reported with reference to the GRI Standards for the period January 1, 2023, to December 31, 2023.

GRI 1 used: GRI 1: Foundation 2021

GRI Standard	Disclosure	Location/Comments
GRI 2: General Disclosures 2021		
2-1	Organizational details	2023 Audited Consolidated Financial Statements , Nature of Operations, page 8 2023 Sustainability Report , About Wawanesa, page 5
2-2	Entities included in the organization’s sustainability reporting	2023 Sustainability Report , About this report, page 3
2-3	Reporting period, frequency and contact point	2023 Sustainability Report , About this report, page 3 ; starting with the report for 2025, the reporting frequency will be annual
2-4	Restatements of information	There are no restatements of information for this reporting period.
2-5	External assurance	Wawanesa has not sought external assurance for this reporting period.
2-6	Activities, value chain and other business relationships	2023 Sustainability Report , About Wawanesa, page 5
2-7	Employees	2023 Sustainability Report , ESG performance data, pages 70–75
2-8	Workers who are not employees	2023 Sustainability Report , ESG performance data, page 72
2-9	Governance structure and composition	2023 Annual Report , Board of Directors, page 31 2023 Sustainability Report , Sustainability governance, page 15 2023 Sustainability Report , Governance, compliance and ethics, page 59 2023 Sustainability Report , Climate-related governance structure, page 77 2023 Sustainability Report , ESG performance data, page 75
2-11	Chair of the highest governance body	2023 Annual Report , Board of Directors, page 31
2-12	Role of the highest governance body in overseeing the management of impacts	2023 Sustainability Report , Sustainability governance, page 15 2023 Sustainability Report , Governance, compliance and ethics, page 59 2023 Sustainability Report , Climate-related governance structure, page 77



GRI Standard	Disclosure	Location/Comments
2-13	Delegation of responsibility for managing impacts	2023 Sustainability Report, Sustainability governance, page 15 2023 Sustainability Report, Governance, compliance and ethics, page 59 2023 Sustainability Report, Climate-related governance structure, page 77
2-14	Role of the highest governance body in sustainability reporting	2023 Sustainability Report, Assessing our material topics and priorities, page 66
2-15	Conflicts of interest	Code of Conduct
2-16	Communication of critical concerns	Wawanesa's Speaking Up Policy is designed to guide employees on how to raise concerns or ask questions using the company website or through other means. Questions or concerns may involve Wawanesa employees, directors, senior management, other third parties or the company itself.
2-22	Statement on sustainable development strategy	2023 Sustainability Report, Our sustainability strategy, page 14
2-23	Policy commitments	Code of Conduct
2-24	Embedding policy commitments	Code of Conduct
2-26	Mechanisms for seeking advice and raising concerns	Code of Conduct
2-28	Membership associations	2023 Sustainability Report, Key memberships, partnerships and commitments, page 16
2-29	Approach to stakeholder engagement	2023 Sustainability Report, Engaging our stakeholders, page 68
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	2023 Sustainability Report, Assessing our material topics and priorities, page 66
3-2	List of material topics	2023 Sustainability Report, Our material topics, page 67
GRI 201: Economic Performance 2016		
3-3	Management of material topics	2023 Sustainability Report, Talent attraction and retention, page 27 2023 Sustainability Report, Building our foundation for climate action, page 49 2023 Sustainability Report, Risk management, page 63
201-1	Direct economic value generated and distributed	2023 Audited Consolidated Financial Statements , pages 2-7
201-2	Financial implications and other risks and opportunities due to climate change	2023 Sustainability Report, Climate-related Financial Disclosures, page 76
201-3	Defined benefit plan obligations and other retirement plans	2023 Sustainability Report, ESG performance data, page 74



GRI Standard	Disclosure	Location/Comments
GRI 305: Emissions 2016		
3-3	Management of material topics	2023 Sustainability Report, Reducing our emissions, page 51 2023 Sustainability Report, Sustainable operations, page 54 2023 Sustainability Report, Sustainable procurement, page 56
305-1	Direct (Scope 1) GHG emissions	2023 Sustainability Report, Operational emissions, pages 52, 81–82
305-2	Energy indirect (Scope 2) GHG emissions	2023 Sustainability Report, Operational emissions, pages 52, 81–82
305-3	Other indirect (Scope 3) GHG emissions	2023 Sustainability Report, Investment emissions, pages 52–53, 83
305-5	Reduction of GHG emissions	2023 Sustainability Report, Reducing our emissions, pages 51–53
GRI 306: Waste 2020		
3-3	Management of material topics	2023 Sustainability Report, Sustainable operations, page 54 2023 Sustainability Report, Sustainable procurement, page 56
306-4	Waste diverted from disposal	2023 Sustainability Report, Zeroing in on e-waste, page 54
GRI 401: Employment 2016		
3-3	Management of material topics	2023 Sustainability Report, Talent attraction and retention, page 27
401-1	New employee hires and employee turnover	2023 Sustainability Report, ESG performance data, page 73
401-3	Parental leave	2023 Sustainability Report, ESG performance data, page 72
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	2023 Sustainability Report, Health, wellness and safety, page 33
403-4	Worker participation, consultation and communication on occupational health and safety	2023 Sustainability Report, Workplace health and safety, page 35
403-6	Promotion of worker health	2023 Sustainability Report, Health, wellness and safety, pages 33–34
403-9	Work-related injuries	2023 Sustainability Report, ESG performance data, page 74
GRI 404: Training and Education 2016		
3-3	Management of material topics	2023 Sustainability Report, Development and training, page 30
404-1	Average hours of training per year per employee	2023 Sustainability Report, ESG performance data, page 74
404-2	Programs for upgrading employee skills and transition assistance programs	2023 Sustainability Report, Development and training, pages 30–32
404-3	Percentage of employees receiving regular performance and career development reviews	2023 Sustainability Report, ESG performance data, page 74



GRI Standard	Disclosure	Location/Comments
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	2023 Sustainability Report, Diversity, equity, inclusion and belonging, page 36
405-1	Diversity of governance bodies and employees	2023 Sustainability Report, ESG performance data, pages 71-72
405-2	Ratio of basic salary and remuneration of women to men	2023 Sustainability Report, ESG performance data, page 74
GRI 413: Local Communities 2016		
3-3	Management of material topics	2023 Sustainability Report, Community impact, page 40 2023 Sustainability Report, Wawanesa Climate Champions, page 43
413-1	Operations with local community engagement, impact assessments and development programs	2023 Sustainability Report, Wawanesa Climate Champions, pages 43-47
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	2023 Sustainability Report, Privacy and data security, page 64
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2023 Sustainability Report, ESG performance data, page 75



UNEP FI Principles for Sustainable Insurance (PSI): Annual disclosure of progress

The [Principles for Sustainable Insurance \(PSI\)](#), developed by the United Nations Environment Programme Finance Initiative (UNEP FI), provide a global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities. These Principles aim to guide the insurance industry in contributing to sustainable development by integrating ESG considerations into its core business strategies and operations.

As a signatory of the Principles, Wawanesa is committed to advancing them within our business and advocating for the Principles within the insurance industry. Since signing on, we have advanced our participation with the PSI by joining working groups focused on health, climate resilience and nature, and activities in Canada. We also recently joined the Forum for Insurance Transition to Net Zero (FIT).

Our progress in advancing the Principles in this framework is discussed throughout our inaugural 2023 Sustainability Report and website and is identified by hyperlinks and page numbers, below, for your reference.

We commit to continue to report and expand on these disclosures as we advance, demonstrating our ongoing dedication to sustainability and transparency.

Principles	References
<p>Principle 1: We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.</p>	<p>Message from Jeff Goy, President and CEO, page 4 Q&A with Kimberly Palatnick, Vice President and Chief Strategy and Member Experience Officer, pages 12–13 Our sustainability strategy, page 14 Sustainability governance, page 15 Assessing our material topics and priorities, pages 66–67 Engaging our stakeholders, page 68</p>
<p>Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.</p>	<p>Key memberships, partnerships and commitments, page 16 Member experience, pages 19–22 Supporting community resilience, pages 39–47 Investment emissions, page 52 Fair treatment of members, page 61 Sustainable procurement, pages 56–57 Engaging our stakeholders, page 68</p>
<p>Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.</p>	<p>Key memberships, partnerships and commitments, page 16 Investment emissions, page 52 Regulatory compliance, page 61 Engaging our stakeholders, page 68</p>
<p>Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.</p>	<p>Wawanesa’s annual Sustainability Report demonstrates our accountability and transparency in publicly disclosing our progress toward implementing the Principles. Wawanesa also presents public disclosures on our company website. As a signatory of the UN PSI, our 2023 Sustainability Report can also be found on the UNEP FI website.</p>



Moving to integrated reporting

Due to a complex and shifting risk landscape, organizations in Canada and globally are moving toward integrated thinking and reporting. This approach helps companies plan, manage and report holistically. Starting in 2026, we plan to issue our first Integrated Report, combining Wawanesa’s financial and sustainability reporting.

Using the framework from the IFRS Foundation and the International Sustainability Standards Board, we plan to adopt a multi-capital lens that values different types of organizational impact. We believe integrated thinking and reporting will guide us toward our vision and enhance our sustainability efforts, including helping our members and communities become more resilient to climate change.

With this change, we will not be producing a standalone Sustainability Report in 2025 and will focus on transitioning our reporting to an Integrated Report for 2026.

Forward-looking information

Certain information in this Sustainability Report may constitute forward-looking information within the meaning of applicable securities legislation. Generally, forward-looking information can be identified by use of words such as “may”, “will”, “expect”, “believe”, “plan”, “would”, “could”, “remain” and other similar terminology. All of the forward-looking information in this report is qualified by this cautionary statement. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Given these risks, uncertainties and other factors, investors should not place undue reliance on forward-looking information as a prediction of actual results.

The forward-looking information reflects management’s current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking information contained herein is current as of the date of this Sustainability Report and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances.

“As a leading Canadian mutual insurance company, bringing together financial, environmental, social and governance information in an integrated report is a natural evolution, reflecting how we operate.”

Gord Dowhan
Senior Vice President and
Chief Financial Officer

