



Environmental, Social & Governance Report

2022

**GORE
MUTUAL**
INSURANCE THAT DOES GOOD.



About Gore Mutual

Built on a foundation of financial strength for more than 180 years, Gore Mutual Insurance Company is one of Canada's first property and casualty insurers. Headquartered in Cambridge, Ontario with offices in Toronto and Vancouver, Gore Mutual has over 600 employees, primarily based in Ontario and British Columbia. As a Canadian mutual company, we offer competitive insurance products through trusted broker partners. Every decision and investment made is anchored in the long-term benefits to customers, members and communities.

Insurance that does good – this is our Purpose. Grounded in our purpose and guided by our core values, at Gore Mutual, we believe that being good and doing good by our employees, customers and broker partners will benefit not only them, but also us—which in turn allows us to spread good in our communities and reward the good we see in others. This is what drives our work to become a purpose-driven, digitally led, national insurer.



Gore Mutual is a Canadian, federally regulated insurance company, governed by the Insurance Companies Act of Canada and supervised by the Office of the Superintendent of Financial Institutions. Gore Mutual is registered to do business in every province (except Quebec) and territory in Canada and its insurance operations are governed by the provincial and territorial insurance acts and superintendents. Gore Mutual offers the following products: Personal insurance (auto, home, condo, tenant, seasonal, water coverage, earthquake, high value home) and Business insurance (auto, property & casualty).

Mutual Company

Gore Mutual is a mutual insurance company. Mutual insurers are governed by and operated solely in the interests of their customers and members. There are no shareholders in a mutual insurance company.

The mutual business model focuses on using surpluses primarily for the benefit of customers, members and their communities; it is the original form of insurance and remains the true alternative to today's widespread shareholder, profit-driven model. Mutual companies are values-based entities with no shareholders and can therefore take a longer-term view when managing risks. They are in business to benefit their members and the communities they serve and to provide fit-for-purpose, fairly-priced products that are sold in the world's most competitive markets.



Our Values



Do it right.

We genuinely care about the wellbeing of everyone our business touches. We strive to always do right by our people, brokers, customers and communities we serve.



Make it better.

Continuous improvement is how we got to where we are today, and it remains our vision for an even better tomorrow – both for our collective growth and for the strength of our communities.



Keep it simple.

Simpler is better. It's our job as experts to make things as clear and easy as possible for our people, our brokers and our customers. We always aim for integrity and clarity in what we say and do.

About this Report

This is Gore Mutual's inaugural annual ESG Report and it describes our approach, performance and achievements in relation to our Purpose Framework and environmental, social and governance (ESG) priorities. While Purpose has always been part of the history of our organization, this report is the first one we have produced, with the intention to share our journey more broadly with our employees, customers, members, broker partners and the communities we serve.

Through this report, and those that follow on an annual basis, we will be transparent about the journey we are on, the commitments we aim to make and the challenges we may face as we look to tackle environmental and social issues faced by our industry. We will include both qualitative and quantitative measures to make a concerted effort to influence change – after all, *'what gets measured gets done'*.

The structure and content of this report are informed by the following leading sustainability frameworks:



Global Reporting Initiative (GRI)

GRI is a non-profit organization that provides a comprehensive sustainability reporting framework, which sets out the principles and indicators by which organizations measure and report their economic, environmental, and social performance.



Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD has developed a framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities through their existing reporting processes.



International Sustainability Standards Board (ISSB)

While not yet launched, we are guided by the development of ISSB, whose mandate it is to deliver a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities to help them make informed decisions. We will continue to monitor the developments of ISSB with the intention to align our disclosure in the future.

ESG disclosure frameworks are constantly evolving, and Gore Mutual is committed to producing an annual ESG Report and to continuously improving the transparency and accountability of our disclosures and to meet future regulatory requirements.



Boundaries

This report covers our activities during Gore Mutual's 2022 fiscal year. All facts and figures are as of December 31, 2022, unless stated otherwise. This report includes information from the operations of Gore Mutual Insurance Company. All dollar amounts are in Canadian currency.

Contents

About Gore Mutual	i
Mutual Company	ii
About this Report	iii
Message from Our CEO and Chair of the Board	v
2022 Purpose Highlights	vii
2022 Awards	viii


Our Purpose	1
Our Modern Mutual Model	2
ESG Governance	3
Purpose Framework & Sustainable Development Goals	4



4	Insurance that does good
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37	Identifying Our Social Impact Priorities
-----------	---

	Be Good	6
Governance		8
Employee Experience		13
Diversity, Equity and Inclusion		17
Operations – GHG Inventory		21

	Do Good	24
Responsible Procurement		26
Sustainable Investing		27
Climate Change – Financed Emissions		29
Underwriting and Catastrophic Loss		30
Claims Process		32
The Purpose Partnership		34

	Spread Good	35
Social Impact Strategy & Alignment with UN SDGs		37
Gore Mutual Foundation		40
Employee Community Support		41

TCFD Disclosure	43
Climate Change Governance	44
Climate Change Strategy	44
Climate Change Risk	45
Climate Change Metrics and Targets	46

Appendix	47
Caution Regarding Forward-looking Information	48
Governing Policies	50
GRI and TCFD Content Index	52
Third-party Verification Letter	57

46	Climate Change Metrics and Targets
-----------	---



Message from Our CEO and Chair of the Board



Neil Parkinson,
Chair of the Board
(left), and Andy Taylor,
Chief Executive Officer
(right)

The past three years have seen unprecedented growth and change at Gore Mutual. We are well on our journey to become a purpose-driven, digitally led, national insurer. We have invested extensively in talent and technology to better serve our customers and brokers. While we've always set ourselves apart as an insurer that does good, we're now proudly building on that legacy to transform our Company – and our industry – for the better.

Gore Mutual was created by people who came together in the mid-1800s to mutually look after one another in times of adversity. Today, as a modern mutual company, that sense of purpose lives on. Our primary objective continues to be helping people in their time of need.

In this inaugural ESG report, we describe the journey we've taken to provide *insurance that does good*. We outline our Purpose strategy and its supporting pillars – **be good, do good, spread good** – as well as our environmental, social and governance priorities. We also spotlight the opportunities and challenges that lie ahead for both our Company and our industry.

While we are in the early stages of our journey, the past year has been devoted to establishing a solid roadmap that will enable us to set meaningful ESG targets in the future and lead with Purpose.

In 2022, we made strong progress on advancing our **BE Good** pillar, which focuses on how we engage with our people and our suppliers, and how we align Gore Mutual's policies and initiatives to our Purpose of *insurance that does good*. Our employees lead much of this work, shaping how we integrate Purpose into every part of our business – our workplace culture, our products and services, and the communities we serve.

Our focus this past year has been on creating a baseline for our ESG work. This has included setting a baseline for our greenhouse gas emissions, for diversity equity and inclusion, and how ESG plays a role in selecting which suppliers we want to work with.

Message from Our CEO and Chair of the Board (continued)

Our **DO Good** pillar speaks to how we integrate Purpose into our business strategy, using ESG as a lens through which we make decisions related to our investment practices, claims processes, and our products and services.

In 2022, we strengthened our sustainable investing principles and due diligence processes through a new Sustainable Investment Policy to better manage our investment risks and create long-term value for our employees, members and communities. We identified the material ESG issues that impact our investment portfolio and developed an ESG Framework, aligned with the United Nations Sustainable Development Goals, to implement it.

One key ESG issue is the significant impact climate change has on our business model. Over the last five years, the number of catastrophic events – i.e., storms, floods, earthquakes and wildfires – has been four times greater than what our industry has experienced in the preceding 15 to 20 years. Clearly our industry has a role to play in changing the climate trajectory, both because it has a direct impact on our business through our claims processes, *and* because we have considerable influence as an investor to facilitate the transition to a net-zero future.

The industry remains challenged by high levels of uncertainty and the need to build resilience into the products and services offered to customers and members. Purpose for us has become much more than just about what we can do – we also focus on how we can inspire others across our industry to act as well. In 2022, we launched the Purpose Partnership, aimed at bringing together our broker partners to build our combined capacity in Sustainability and Purpose through research, thought leadership and sharing of best practices. We look forward to sharing the results of this collaboration later this year.

SPREAD Good is what we do for the community, through our employees and the Gore Mutual Foundation.

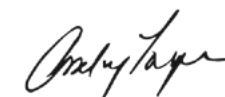
We have revitalized our Social Impact Strategy, aligning it with the UN Sustainable Development Goals to target initiatives that focus on the interconnectivity that exists between poverty, equity and climate change. Through the Gore Mutual Foundation, we partner with organizations across Canada that are working to create measurable impact in these three areas.

In 2022, the total value of our Community Investment was close to \$1.6 million, and our employees volunteered a total of 8,295 hours.

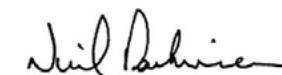
LOOKING Forward As we grow our business and accelerate our ambition, we will continue to use our resources, finances and operations to provide *insurance that does good*.

In 2023, our focus will be to enhance our Purpose strategy and roadmap to identify credible targets, drive improved performance and make a bigger impact for the benefit of our employees, brokers, customers, and communities. We are also celebrating the 25th anniversary of Gore Mutual Foundation with the launch of our Equity Acceleration Fund, which will focus on supporting organizations that are working on the interconnectivity between climate, poverty and equity.

On behalf of our Board and Executive team, we thank all Gore Mutual employees for helping us to fulfil our Purpose and transform our Company and industry for the better.



Andy Taylor
President and Chief Executive Officer



Neil Parkinson
Chair of the Board of Directors



2022 Purpose Highlights



\$1.6M

total value of our investment
in the Community



+ 8,000

employee volunteer hours



Launched
inaugural
Employee
DEI Council



Completed first
Greenhouse Gas
(GHG) Emissions
Inventory



Introduced a
Sustainable
Investment
Policy



Launched new
Social Impact
Strategy



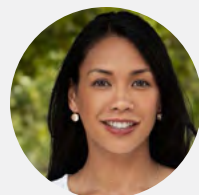
Launched
the Purpose
Partnership



44%

female representation
at VP+ level

2022 Awards



*Insurance Business Canada Magazine's
Business Development Manager
of the Year*

April Ravarra



*Insurance Business Canada Magazine's
Rising Star award winner*

Tiffany Stathopoulos



*Insurance Business Canada Magazine's
Elite Women in Insurance*

Lyndsay Monk



*Insurance Business Canada Magazine's
5-Star Underwriters for 2022*

Karina Cheng



*Insurance Business Canada Magazine's
CEO of the Year award winner*

Andy Taylor



*Insurance Business Canada Magazine's
5-Star Underwriters for 2022*

Amy Morrison



*Insurance Business Canada Magazine's
5-Star Carrier*

Gore Mutual Insurance



*Insurance Business Canada Magazine's
Underwriter of the Year*

Kevin Lai



Our purpose



IN THIS SECTION

Our Modern Mutual Model	2
ESG Governance	3
Purpose Framework & Sustainable Development Goals	4

Our Modern Mutual Model

Gore Mutual has a strong legacy of integrating business and purpose for the benefit of our employees, brokers, customers and communities. While the needs of today are not the same as the needs of the past, we have held fast to our Mutual roots, and are now driven by our Modern Mutual Model.

Our Modern Mutual Model revolves around a virtuous circle of good – a circle that enables us to add value and meet the needs of our customers, while reinvesting any surplus funds into enhancing our business operations and creating positive impact in our communities.

The Modern Mutual Model

(A virtuous circle of good)

Surplus funds are reinvested

Our profits are retained and surplus funds are reinvested into the Community or to support business growth with the aim of providing financial and claims sustainability to our policyholders.

Claims and costs are covered

Premiums are used to cover insurance claims and operational expenses, along with initiatives that add value to our customers in good times and bad.



Customers pay premiums

Premiums are paid by customers.

Responsible investment

Impact investing maximizes both the impact and growth of the funds.

ESG Governance

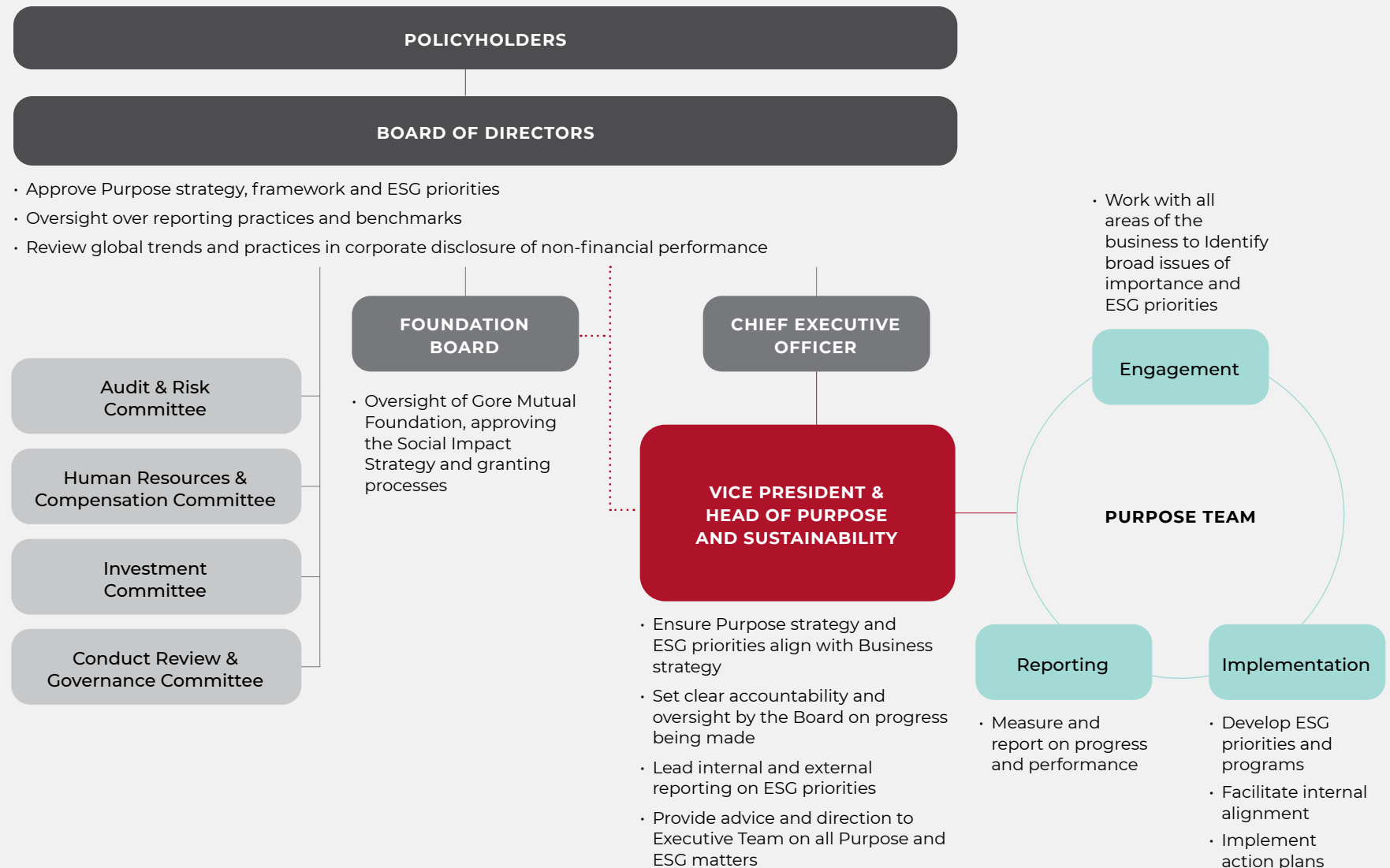
Gore Mutual's Purpose strategy is led by our Vice President & Head of Purpose and Sustainability, a role that was newly created in 2021. The Vice President reports directly to the CEO, with dotted line reporting to the Board of Directors, ensuring our Purpose strategy and ESG priorities align with Gore Mutual's Business strategy, and setting clear accountability and oversight by the Board on progress being made.

The Board has actively invested in its own education in the areas of Purpose and ESG, receiving external briefings on sustainable investing and climate change. Purpose was also a topic on the agenda of every Board meeting during 2022, with discussions centred around sustainable investing, climate change, ESG disclosure, diversity equity and inclusion, and social impact.

Topics covered by the Board and Committees in 2022:

- Sustainable investing (Investment Committee)
- Climate change (Full Board)
- Diversity equity and inclusion (HR and Compensation Committee and full Board)
- Social impact (Gore Mutual Foundation and full Board)
- ESG disclosure (Full Board)

ESG Governance Framework



Purpose Framework & Sustainable Development Goals

Our Purpose is – *Insurance that does good*. It is how we can use our resources, finances and operations for the good of society. It is thinking about what we can do today to prepare for tomorrow. But it is more than just what we can do – it is what we can do to inspire *others to do* as well. Our goal is to make Purpose a decision compass for how we do business and how we impact our employees, brokers, customers and communities.

Our Purpose Framework, which we launched in February 2022, consists of three pillars:

Be Good is focused on how we do business every day – how we engage with our people, our suppliers and how we align our policies and initiatives to Purpose.

Do Good is how we integrate Purpose into our Business strategy – how we integrate ESG as a lens to our investment practices, into our claims processes, and into building more resilience into our products and services.

Spread Good is what we do for the Community, through our Gore Mutual Foundation.

We held eight virtual workshops with employees, as well as engaged some of our top brokers, to identify where they believed Gore Mutual could have the biggest impact on moving our industry forward and solicited their input on which United Nations Sustainable Development Goals (UN SDGs) should be our priority. These discussions helped us prioritize three SDGs that we are contributing to across our Purpose Framework – poverty, equity and climate change.

Insurance that does good

Purpose is how we can use our resources, finances and operations for the good of society. It is thinking about what we can do today to prepare for tomorrow. But it is more than just what we do – we are focused on what we can do to inspire others to do as well.

Be good



We are committed to doing business the right way, holding ourselves and our partners to a higher business standard. We foster a culture that supports our people, with flexible workplaces and welcoming diversity, equity and inclusion.

Relevant ESG topics

- Diversity, Equity and Inclusion
- Health & Wellbeing
- Operational Footprint
- ESG Risk
- Governance/Ethics



Do good



We strive to provide customers with more value and service – especially when they need it most. We nurture strong relationships with our broker partners, making doing business simple, sharing goals, and investing in a more resilient future, every day.

Relevant ESG topics

- Responsible Procurement
- Sustainable Investing
- Climate Change
- Build Resilience



Spread good



We believe there's more than enough good to go around. We continue to partner with organizations across Canada that create measurable impact and a better tomorrow.

Relevant ESG topics

- Social Impact Strategy (Foundation)
- Employee Engagement



Memberships and Associations

In launching our Purpose Framework, Gore Mutual selected three key memberships in 2022 to support us in delivering on our mandate and to align with our strategic priorities – allowing us to collaborate with like-minded companies, learn from experience and contribute to leading research, guidance and trends.



Be good

Canadian Centre for Diversity and Inclusion is a forward-looking social organization with research and learning tracing how people identify alongside demographic trends within the Canadian workplace. By promoting understanding and inclusivity, CCDI strives to create a more equitable and just society for all.



Do good

Responsible Investment Association is a leading group of asset owners and asset managers with the focus of promoting responsible investing, which incorporates ESG issues into the selection and management of investments.



Spread good

LBG Canada: LBG¹ has a mission to provide a platform for LBG companies to work with each other, and with their partners in the community, to improve measurement and make a greater difference. LBG focuses on measuring inputs, and delivering community output and impact. It provides third-party assurance on community investment reporting.



1. Formerly the London Benchmarking Group.



Be good

IN THIS SECTION

Governance	8
Employee Experience	13
Diversity, Equity and Inclusion	17
Operations – GHG Inventory	21



Be good

2022 Highlights

Provide employee wellness days and hybrid model

▶ Learn more on [page 13](#)

88%
Engagement survey response rate

▶ Learn more on [page 14](#)

77%
Overall score from the engagement survey

▶ Learn more on [page 14](#)

Learning and development: Guidewire, launch of Core Learning

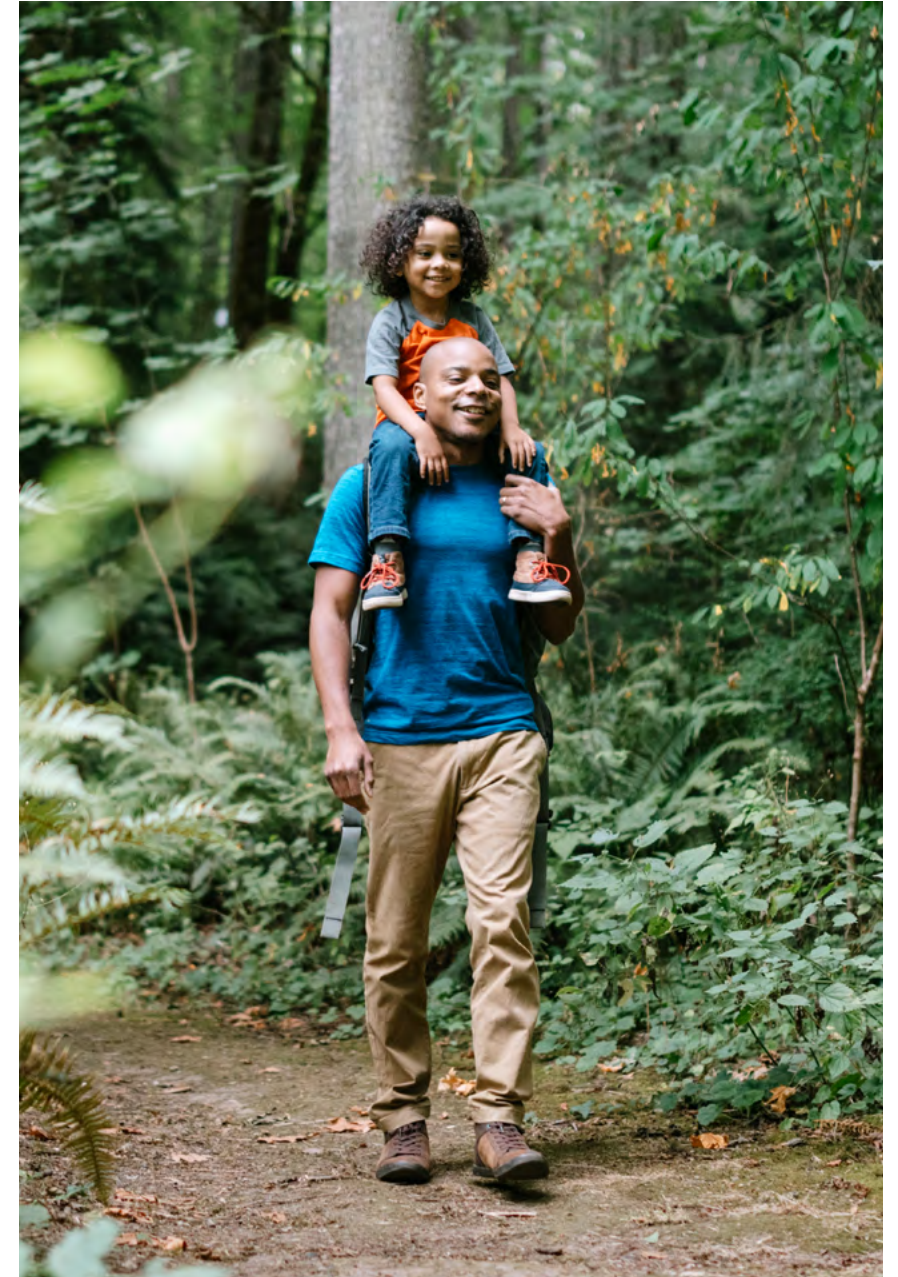
▶ Learn more on [page 15](#)

Launched our voluntary Self-Identification Campaign

▶ Learn more on [page 17](#)

Launched our inaugural Employee DEI Council

▶ Learn more on [page 19](#)



Be good



We are committed to doing business the right way, holding ourselves and our partners to a higher business standard. We foster a culture that supports our people, with flexible workplaces, and we promote diversity, equity and inclusion.

Governance

Strong governance practices are at the heart of how we manage our day-to-day business in the interest of all stakeholders. Gore Mutual's governance policies, codes, procedures and practices help us uphold our Purpose and ensure we conduct business in an ethically responsible manner.

Board of Directors

Our Board of Directors (the Board) recognizes the importance of corporate governance in the effective and responsible management of the Company.

The Board's principal responsibilities are:

- overseeing the development of Gore Mutual's strategy and business plan;
- overseeing the identification and ongoing reassessment of the Company's principal risks and opportunities;
- adopting a sound approach to corporate governance and overseeing its implementation; and
- appointing and overseeing Executive Leadership.

2. Calculated during their year of election.

In carrying out these responsibilities, the Board of Directors have a duty to act honestly and in good faith with a view to the Company's best interests; exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances; and act in accordance with its legal, regulatory and governing obligations.

Members elect the Board of Directors each year at the Annual Meeting of Members. The Gore Mutual Board currently consists of 10 Directors. Board Directors are elected and retire in rotation, with an initial term of one to three years. The maximum length of time a Board Director may serve is 15 years², while the maximum length of time a Board Director may serve as a Committee Chair is 6 years.

Board Committees

The Board, directly and through its Committees, provides direction to management to pursue the best interests of the Company. There are currently four committees of the Board:

1. Audit and Risk Committee
2. Conduct Review and Governance Committee
3. Human Resources and Compensation Committee
4. Investment Committee

Code of Conduct and Ethics

Gore Mutual's Code of Conduct and Ethics outlines the standards of ethical behavior we expect from our people and those working on our behalf. It applies to the Board and all employees, and commits each of them to conducting business in accordance with all applicable laws, rules and regulations and to high ethical standards.

Specifically, our Code of Conduct sets out guidelines and expectations related to:

- maintaining our ethical, inclusive and risk-aware culture and fair treatment of consumers conduct;
- identifying and handling conflicts of interest, including outside business interests, and gifts and entertainment;
- handling confidential, sensitive and personal information;
- using electronic communication tools and protecting intellectual property; and
- communicating outside of the Company.



All employees and the Board

are required to annually attest to their compliance with the Code and its underlying policies.

The Code of Conduct is reviewed annually and approved by the Conduct Review and Governance Committee and the Board.

All employees are required to annually attest to their compliance with the Code and its underlying policies, including: Conflict of Interest, Privacy Framework/Policy, Social Media Policy, Fair Treatment of Consumers Framework and Consumer Complaints Policy. All Board Directors are required to annually attest to their compliance with the Code and underlying Board policies, including: Conflict of Interest Policy (Directors and Officers), and Related Party Policy.

Privacy Policy & Management Program

Gore Mutual is committed to protecting the privacy and data rights of our employees, customers, business partners, and other individuals and stakeholders. We proactively safeguard their information through our Privacy Management Program and in compliance with privacy regulations and prudent industry practices.

The Board has appointed the Chief Compliance Officer (CCO) to act as the Chief Privacy Officer (CPO) and to assist the Board in overseeing the management of the Company's Privacy Management Program. The CPO is supported by the Privacy Manager in running Gore Mutual's Privacy Office.

The Board reviews, approves, and/or reaffirms our Privacy Policy at least annually. The CPO also reports at least annually to the Board and/or Conduct Review and Governance Committee on compliance with the Privacy Policy and on any material data protection risks and issues.

Gore Mutual's privacy process is part of our Regulatory Compliance Management program, under which each business unit has a set of dedicated controls regarding the collection, use, storage, disclosure, access and security of personal information. Business Unit Compliance Officers are required on an annual basis to review, risk assess and update the privacy-related controls, with the assistance of their departments, to ensure personal information risk is properly mitigated.

As part of our employee onboarding process, all new hires are required to complete privacy training and sign off on our Privacy Policy. On an annual basis, all employees are required to take mandatory privacy training.

For further information visit the [Privacy Section](#) of our website.



Risk Management

Effective risk management is essential to supporting the successful execution of our strategy, enabling Gore Mutual to fulfil our Purpose and to deliver upon the expectations of our stakeholders.

We manage risk using a ‘Three Lines of Defense’ model. The first line of defense is represented by management controls. The various risk control and oversight functions are the second line of defense and independent assurance forms the third.



Three Lines of Defense Model

1st Line of Defense



Business Line Management

- Functions that own and manage risks i.e., responsible for execution of Gore Mutual’s business strategy.
- Primary source for identifying, measuring, managing, monitoring, and reporting current and emerging risks associated with their activities and operations.
- Ensures adherence to Board-approved risk appetite and limits and escalates breaches to appropriate level.

2nd Line of Defense



Risk Management

- Provides independent oversight, challenges activities that identify, measure, monitor and report risk on enterprise-wide basis.
- Works with corporate control groups (e.g., Finance, Legal, Technology, Quality Control), and provides relevant tools and frameworks for managing risk.
- Maintains governance frameworks, policies, and standard; assesses first line on adherence to these, including key risk indicators, risk appetites and limits.
- Gore Mutual risk management is responsible for maintaining enterprise-wide view of current and emerging risks, escalating issues to the Board as required and driving the centralization and standardization of key risk processes, systems and tools.

3rd Line of Defense



Internal Audit

- Internal Audit acts as an independent assurance function.
- Responsible for employing a systemic and disciplined approach to evaluate and test the effectiveness of risk management, control and governance processes, and adherence to relevant regulatory guidelines.

Governance of Enterprise Risk Management (ERM)

The Board is responsible for providing stewardship, including direction-setting and general oversight of the management and operations of the Company. Accordingly, the Board approves Gore Mutual's Risk Appetite Framework annually in conjunction with Gore Mutual's business strategy, objectives, and significant strategic initiatives and transactions. On an annual basis, it also approves the appointment of Gore Mutual's Chief Risk Officer (CRO). The remaining enterprise risk management oversight activities are delegated to the Audit and Risk Committee of the Board as a primary responsibility.

The Audit and Risk Committee of the Board (ARC) oversees risk management on an enterprise-wide basis. The Committee is expected to have a sound understanding of the types of risk to which the Company may be exposed as well as the techniques and systems used to identify, assess, mitigate, communicate, monitor and report those risks. The ARC reviews Gore Mutual's Risk Appetite Framework and Risk and Control Inventory at least annually and recommends it to the Board for approval. The ARC also reviews and approves the ERM Framework on an annual basis. The Committee is also responsible for recommending the appointment of Gore Mutual's CRO to the Board and for annually approving the mandate and effectiveness of the position. These responsibilities are set out in the mandate of the ARC, which is reviewed and approved on an annual basis by the Board.

The Enterprise Risk Management Committee (ERMC) was established to assist the ARC with providing oversight of Gore Mutual's Enterprise Risk Management (ERM) activities. The Committee is comprised of the full executive team and some senior leaders, including the CEO and CRO, as well as those charged with 2nd/3rd Line of Defence oversight i.e., the CCO and Internal Auditor. The ERMC meets at least quarterly and is responsible for overseeing all risk management practices and documentation to ensure they remain relevant and effective in light of changing circumstances and risks. The ERMC's oversight responsibilities are outlined in the Committee's Mandate.

The Executive Leadership implements Board-approved Risk Appetite Statements across the organization. It understands, accepts, implements and actively participates in risk management processes and programs.

Each line of business and functional area is responsible for managing the inherent risks associated with its products and operations on an ongoing basis. Individuals who report into the Executive Leadership are expected to ensure that risk controls under their direction are implemented and maintained, and to advise Executive Leadership of any control deficiencies. Senior leaders are responsible for advising the ERMC of material changes in their department's risk profile and for ensuring the impacts of the change are communicated effectively to responsible staff, as well as to act as the primary source for risk identification and assessments.

Executive Leadership builds and promotes a risk-aware culture across Gore Mutual and establishes key risk indicators. Management establishes and follows risk management performance targets and ensures the implementation of risk action plans.



Cybersecurity

Gore Mutual is committed to ensuring the confidentiality, integrity and availability of our information technology (IT) security systems. We take a risk-based approach to cybersecurity through continuous monitoring and assessment of our risk profile against our established risk appetite.

We manage cybersecurity using the ‘Three Lines of Defense’ model, reflecting the same approach we take to effectively manage risk (see page 10). The first line of defense is represented by management controls. The various risk control and oversight functions are the second line of defense and independent assurance forms the third.

1st Line	Cybersecurity/IT/Lines of Business
2nd Line	Enterprise Risk Management, Compliance and Privacy
3rd Line	Audit

Gore Mutual has selected the [NIST Cybersecurity Framework \(CSF\)](#) as the overall governance framework for cybersecurity. This Framework consists of three main components: the Core, Implementation Tiers, and Profiles which incorporate 108 controls that revolve around the functions of *Identify, Protect, Detect, Respond and Recover*.

The Core guides organizations in managing and reducing their cybersecurity risks in a way that complements their existing cybersecurity and risk management processes. The Implementation Tiers guides organizations to consider the appropriate level of rigour for their cybersecurity program i.e., risk appetite, mission, priority and budget. The Profiles guide organizations in identifying and prioritizing opportunities for improving their cybersecurity.

Using the NIST CSF Implementation Tiers, Gore Mutual's Enterprise Security team performed an internal gap assessment in 2022 against the current state of cybersecurity within the organization. To accomplish this, we are building a roadmap and plan to conduct another assessment in 2023. This assessment scorecard will be reviewed annually to measure the effectiveness of our program.

To ensure our cybersecurity objectives are met, the team has been built around three core pillars: Security Architecture & Engineering; Security Governance, Risk, and Compliance; and Security Operations. It is also supported by policies, standards, risk measurement mechanisms, risk reporting channels, and process oversight and compliance.

As a credit card merchant, Gore Mutual follows the Payment Card Industry Data Security Standard (PCI-DSS) and conducts quarterly Accredited Security Validation scans. We also complete annual Self-Assessment Questionnaire-D (for merchants) and submit them to the industry governing body – the [PCI Security Standards Council](#). Additionally, as a Federally Regulated Financial Institution, Gore Mutual falls under the regulatory guidance of the OSFI.

Governance of Cybersecurity

Along with the Chief Information Security Officer (CISO) and Executive Leadership team, the Board establishes the organization's risk appetite and limits, which are then built into our cybersecurity strategy.

The Board receives regular updates from the CISO on the cybersecurity program operations and risks identified for Gore Mutual and our third-party partners. Our Security Operations team monitors cyber and technology risks and communicates to ERM through our Operational Risk Programs, which include key risk indicators (KRIs). These submissions are reviewed by Executive Leadership and shared with the Board.

Cybersecurity Training

All employees receive cybersecurity training to ensure they are aware of the role they play in securing the Company and to keep them abreast of new security requirements and threats. This training is conducted at the employee onboarding stage and periodically, each year, for current employees.

In addition, we routinely run simulated phishing exercises to test employees knowledge against detecting a phishing attack. They are conducted against all levels of the organization to assess overall risks attributed to phishing attacks and to gauge employees ability to recognize and respond to such attacks. Additionally, the Enterprise Security department conducts tabletop exercises with various levels of the organization to test our processes in response to certain attack scenarios including ransomware. In 2023 the Board of Directors and Executive Leadership Team will participate in a tabletop exercise focused on ransomware readiness and incident response.

Gore Mutual has had no cybersecurity breaches in the past two years.



Zero

Gore Mutual has had no cybersecurity breaches in the past two years.

Employee Experience

At Gore Mutual, we focus on creating an inclusive culture where everyone can thrive. This means having an environment that respects the differences of all individuals and leveraging our diversity to generate business solutions and actions that align to our Purpose of *Insurance that does Good*. We strive to always do right by our people – whether they are a job candidate, recent hire or well into their career with us. At whatever stage, we want the employee experience to be engaging, purposeful and rewarding.

Employee Attraction & Retention

Talent Attraction

We take a proactive and thoughtful approach to hiring employees from both internal and external talent pools in order to support our growth agenda.

Our team of dedicated Talent Acquisition Consultants review and source candidates for various organizational roles and work with hiring leaders to assess and on-board talent. We supplement our internal hiring process with external recruitment consultants that support staffing during peak periods or for temporary roles that may arise. In particular, we currently use executive search firms for Leadership and Executive Leadership roles. These consultants are vetted through our Procurement team and process.

We have both a referral program and a Co-Op program to help us attract new talent to the organization. We centralize our recruitment workflow in one tool – an Applicant Tracking System – to ensure a consistent and transparent process for both candidates and hiring managers.

Employee Benefits

Gore Mutual offers a flexible benefits plan with a suite of health, dental and ancillary benefits to meet the diverse needs of our employees. We offer a basic level of health benefits, fully funded by the Company, with the option for employees to select additional coverage levels on a cost-plus basis.

During the pandemic, we introduced Wellness and Recharge Days – periods of paid time off for employees to use, in addition to their paid vacation days, to rest, spend time with their family and friends and recharge. We have continued to provide employees with Wellness and Recharge Days, as we have seen them contribute to positive employee sentiment across the organization and in our employee engagement scores.

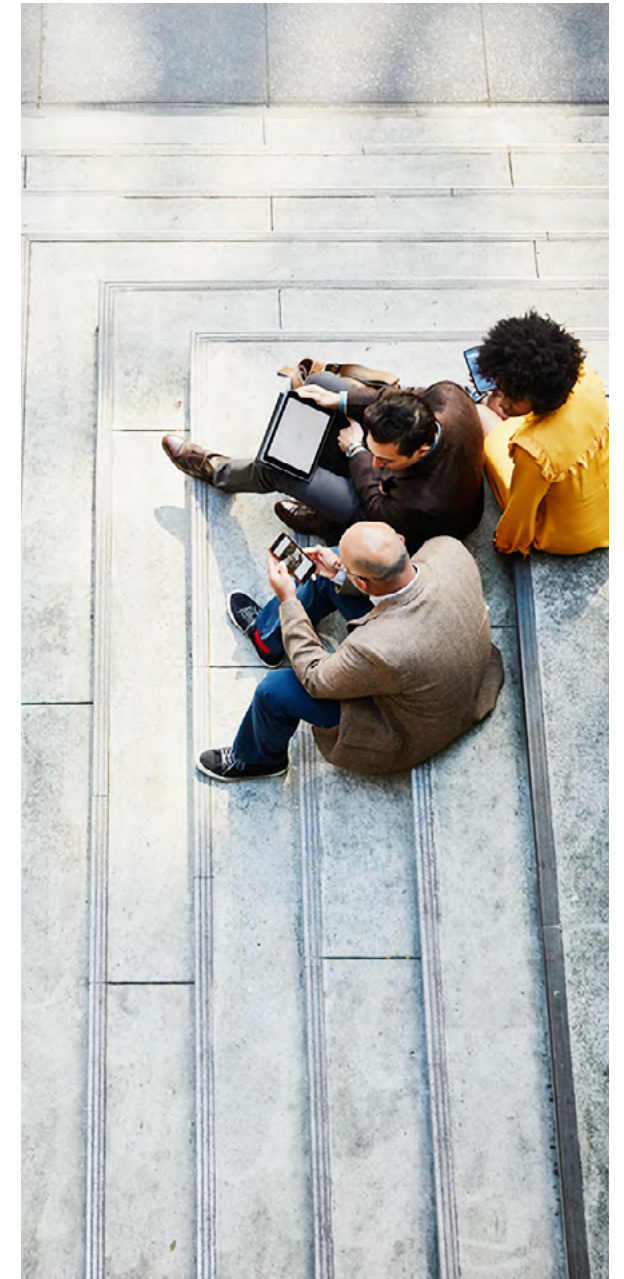
Following the pandemic, our Return to Office policies support a “hybrid first” working environment. On average, our employees work from the office 2.5 days per week. This has been very well received by employees as it balances their desire for flexibility with opportunities to collaborate and form connections with colleagues.

In 2023, we intend to roll out a re-design of our benefits plan with enhanced coverage around increased fertility benefits, enhanced maximums under psychology, and a higher level of short-term disability benefits. We have involved our Employee DEI Council in this re-design, soliciting its feedback and input on the proposed changes. We will continue to seek employee feedback and reaction to our benefits plan to identify areas of opportunity for improvement.



625

employees as of December 31, 2022





Employee Engagement

Our employees are the cornerstone of Gore Mutual’s success. Their wellbeing and perception of our workplace culture is important to us.

Beginning in 2020 and during the pandemic, we introduced a weekly pulse survey to gather employee sentiment asking, on a scale of 1 to 5, how they were feeling. In 2022, we added more rigour to the process and now conduct bi-annual employee experience surveys to measure engagement, wellbeing, expectations, inclusion and intent to stay. We share the results with all Gore Mutual managers to promote accountability through action planning. We also conduct Leadership action planning exercises following each bi-annual survey. Finally, our team implements full employee cycle listening mechanisms during important employee experiences, for example, during onboarding and exit surveys.

Our 2022 survey asked questions spanning different topics such as inclusion, respect, intent to stay and safety, and achieved a high response rate of 88%. The overall engagement score was 77%, which is three points above the Global 2020 average – a benchmark for Fortune 500 companies globally.

We shared the survey results with our leadership teams, starting with Gore Mutual’s Executive Leadership and then shared with all employees by their respective managers. Action planning followed to identify the best areas of opportunity for improvement. This planning stage includes identifying and tracking key action item metrics.

3 questions that received the highest scores were:

1. I feel safe while I am at work	(97%)
2. My manager treats me with respect	(95%)
3. My manager’s actions show a commitment to safety	(93%)

3 questions that received the lowest scores were:

1. I believe that positive change will happen as a result of this survey	(58%)
2. Senior leadership (VP and above) responds to feedback from employees	(68%)
3. There is open and honest communication at Gore Mutual	(72%)

Employee Voluntary Turnover Rate*

	2022	2021
	19.4%	13.5%

*Employee Voluntary Turnover Rate includes retirements.

Employee Learning and Development

We are committed to and encourage the continuous learning of all employees. Over the past 18 months, as part of our 10-year Next Horizon Journey, we have established a strong foundation to support the development and career growth of our employees.

We have implemented a Learning Management System, through which we provide meaningful blended learning, support, governance and gather learning metrics. This foundation enables us to deliver a consistent, best in-class learning experience for Gore Mutual employees.

We have redesigned our technical onboarding experiences for our Personal Lines, Commercial Lines and Claims areas of the business to support new product offerings, newly defined technical competencies, and the delivery of Guidewire technology³. Within our Underwriting and Claims teams, we launched competency models which we have embedded into our hiring, ongoing development and talent assessment practices.

In March, we provided sessions to our leaders and employees on Leading and Working in a Hybrid Model. In partnership with Lighthouse Nine, we have been upskilling our leaders to lead through change in support of our Next Horizon Journey and *Leading in a Hybrid Model*.

In May, we launched *Core Learning* – an introduction to our newly launched Purpose, Brand and Values. *Core Learning* helps our employees understand what it means to be a

purpose-driven organization, along with risk awareness, privacy management, and how to protect our business. There is a compliance requirement for 100% completion annually.

In September, we delivered a *Back to Brilliant* week, providing leadership learning opportunities to the entire organization focused on leadership development conversations, playing to your strengths and navigating change.

Overall, in 2022, we invested \$713,450 in training, a 58% increase from 2021.

Developing Our Leaders

Each January, we hold a Leadership Summit, providing development opportunities and an in-depth view of the strategy for the year ahead. Additionally, through the year-end performance cycle, our leaders receive training on performance conversations, the talent calibration process, goal setting and our Total Rewards Philosophy.

In 2023, our leadership development program will focus on developing the key competencies to *Build the Right Foundation* and *Take Others with You*, with training devoted to:

- People and team development (goal setting and development conversations);
- Courageous leadership (performance conversations); and
- Savvy communication (effective ones to ones).

Measuring the Return on Our Training Investments

Our Learning Management System enables us to track registered employees and those who complete both instructor-led and online learning. We also track the effectiveness of training for technical onboarding through role readiness and by gathering feedback directly from employees and leaders.

In 2023, we will work with our business teams to develop key capabilities for each of the relevant competency frameworks. In Underwriting, for example, we will use business metrics, such as file reviews, to assess improved performance and additional areas for upskilling. Throughout the performance cycle, leaders continuously assess talent and identify specific areas for development. We also collect data through leader and employee surveys and conversations, along with year-end calibration conversations with Leadership teams and People Experience Partners. Key business performance metrics, such as file review trends, are captured through reporting functionality within each business team.



\$713,450
invested in training in 2022.

3. Guidewire is a policy, billing and claims administration software that supports the entire insurance life cycle. It combines digital, core, analytics, and machine learning to deliver the platform as a cloud service.

Supporting Professional Accreditation and Development

Gore Mutual sponsors and supports employees who are interested in upgrading their skills and knowledge through continuing education, exposure and experience, which are all equally important and impactful forms of adult learning. We encourage employees and leaders to consider all forms of learning as it pertains to opportunity, relevance to current and future career growth, practical on-the-job application, access and return on investment.



\$1,000

one-time bonus given for each exam that is completed on the first attempt.



100%

reimbursement of course costs for employees who complete professional accreditation.



5%

salary increase to employees who attain their ACAS or FCAS designation.

We provide financial bonuses to employees who complete approved professional accreditation and development courses, reimbursing them for 100% of the course cost, including registration and textbooks, and offering them paid time off to study and write exams. For example:

- **Insurance Institute of Canada:** Courses offered through the Insurance Institute of Canada are available to all employees at no cost, regardless of their role within the organization. Employees can choose to participate through the Institute directly or via our in-house option. In addition to the standard continuing education reimbursement guidelines, employees are awarded bonuses for successfully completing each course and for earning their Certified Insurance Professional (CIP) and Fellow (FCIP) designations. Gore Mutual also provides a completion bonus to those employees who obtain the Advanced CIP designation.
- **Actuarial Policy:** In addition to the standard continuing education reimbursement guidelines, Gore Mutual's Actuarial development program provides employees with structured time off per exam, with up to 40 days off per calendar year. We also pay a one-time bonus of \$1,000 for each exam that is completed on the first attempt. For each successful exam completion, a salary increase of \$2,500 to \$5,000 is given, depending on the exam. Upon attaining their Associate Casualty Actuarial Society (ACAS) or Fellow Casualty Actuarial Society (FCAS) designation, employees are given a 5% salary increase.



Diversity, Equity and Inclusion

At Gore Mutual, we are early in our journey toward diversity, equity and inclusion (DEI). We are taking a broad approach to integrating DEI into every part of our business, as called for by UN SDG 10 on Equality:

- **Inclusive Culture:** We are striving to create a culture where everyone can thrive, ensuring that the diversity of our workforce reflects the makeup of our communities.
- **Inclusive Business Model:** We are aiming to incorporate DEI into the design of products and services and in how we work with our suppliers and broker partners.
- **Inclusive Society:** Through our Social Impact Strategy, we are working to support organizations that are focused on reducing the barriers of equity-deserving groups and creating more opportunities for them to thrive.

Gore Mutual's definition of diversity is deliberately broad, to ensure that as we proceed along our DEI journey, no individual, community or group is left behind. We define diversity as all the ways that individuals are unique including age, gender, sexual orientation, race, ethnicity and disabilities.

While this is a large mandate, our strategy is data-driven. In 2022, we introduced three specific goals to begin setting a baseline for our work – introducing a self-identification campaign, establishing an inclusion baseline, and launching our Employee DEI Council.

1. Self-Identification: We launched our voluntary Self-Identification campaign *Count Me In!* We asked our employees to self-identify under the categories of race/ethnicity, sexual orientation and disabilities. We know it takes time for employees to feel comfortable voluntarily self-identifying based on various personal characteristics. As of December 31, 2022 just four months after launching our self-identification campaign, our employee response rate was just under 40%, which indicates we have more work to do to encourage and have employees feel comfortable to self-identify.



Gender Percentages by Level – 2022

Level	Female	Male	Non-binary	Not Specified†
VP+	44.4%	55.6%	0%	0%
Director	43.2%	56.8%	0%	0%
Professional and individual contributors*	56.7%	40.0%	0.2%	3.0%
All Company*	55.5%	41.4%	0.2%	3.0%

*Note: Total percentage for gender data does not add up to 100% because the data of non-binary employees is sourced from our self identification campaign while male/female data is pulled from data collected at onboarding.

† Not Specified: New hires who have not yet provided data and long-tenured employee with missing gender in ADP.

Diversity Percentage (Excluding Gender) by Level – 2022

Individuals are identified as 'Diverse' if they self-identify as a person of colour, Indigenous, LGBTQ2S+ and Disabilities

Level	Diverse	Non Diverse*	I do not wish to disclose†	Non Disclosed‡
VP+	27.8%	22.2%	11.1%	38.9%
Director	21.7%	37.8%	5.4%	35.1%
Professional and individual contributors	11.9%	18.1%	3.2%	66.8%
All Company	13.0%	19.4%	3.5%	64.1%

Note: Due to the low self-identification rate and to ensure we respect employee privacy, for this year's reporting we are reporting aggregated diversity data (ethnicity, race, sexual orientation and disabilities) into one percentage. As we increase our self-identification rate and grow our employee base, we intend to revisit the best way to report this information.

*Non Diverse: Employees who have not identified as: a person of colour, Indigenous, LGBTQ2S+ or Disabilities.

† I do not wish to disclose: employees who participated in our self-identification campaign but answered 'I do not wish to disclose' under all categories.

‡ Not Enough Data: All other employees who have left the self-identification options blank, and/or said I do not wish to disclose for one to two of the diversity categories.

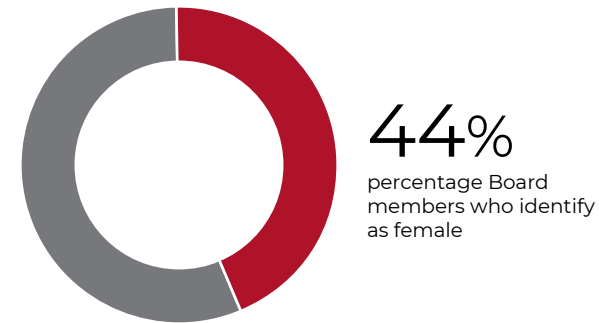




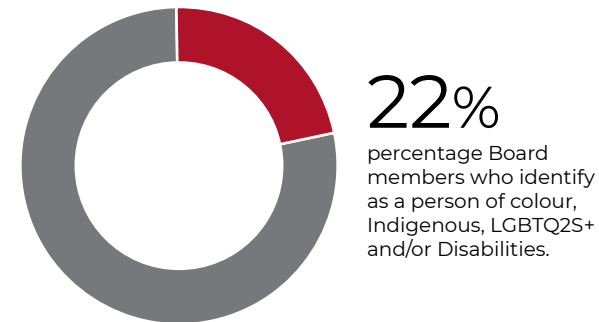
Board Diversity

To support our Self-Identification campaign and to reinforce their commitment to supporting DEI across all levels of the organization, our Board of Directors also participated in a self-identification process in 2022, with the following results:

Board Diversity: Gender



Board Diversity: Diversity Percentage



2. Inclusion Baseline: We conducted our first Employee Engagement Survey during the year. We asked “Inclusion” questions and invited employees to voluntarily self-identify to help us develop inclusion results based on gender, race/ethnicity and sexual orientation. Overall, our inclusion score was 88%. Through our analysis, we also found that our inclusion scores across gender, race/ethnicity and sexual orientation were on-par with the full Company results:

Inclusion Scores

88% All Company	86% Female
92% Indigenous or People of Colour ⁴	88% LGBTQ2S+ ⁵

The only group that had lower inclusion scores was those who responded ‘I do not wish to disclose’ to self-identify under the race/ethnicity categories, which is where we are now focusing our efforts.

4. There was no distinction among the various different race/ethnicity categories.
5. The self-identification rate was very low for this category, so we were not able to split the analysis by the various sexual orientation categories.

3. Employee DEI Council: We launched our inaugural Employee DEI Council, which is comprised of 12 employees, who represent their various areas of business. As part of the application process, a selection committee, made up of our People Experience and Purpose teams, along with our CEO, ensured we had representation from all elements of diversity, including tenure, age, business unit, gender, sexual orientation, race/ethnicity and geography. The Council is chaired by Gore Mutual's VP & Head of Purpose and Sustainability, with our CEO as executive sponsor.

The mandate of the Employee DEI Council is to provide input and guidance on how best to integrate DEI across Gore Mutual, to help foster a culture of inclusion across all teams and functions, and to champion our DEI initiatives throughout the year. The Council, as well as the executive sponsor, all sit for a two-year term.

Our Employee DEI Council is unique in two ways. First, in order to build an environment of trust, learning and reflection, Council meetings are not recorded and no minutes are taken. Any key take-aways are documented and shared after the meeting to hold the Council accountable – this approach allows for honest and open conversation and the ability to learn in an environment of trust.

The other unique element is that while our CEO is the executive sponsor, by design he does not attend all Council meetings. This is to ensure that the Council is independent and completely employee led. The CEO is updated on a monthly basis, post-meetings, to ensure he is able to support and champion the Council's work and is invited to specific meetings where the Employee DEI Council tables certain concepts, ideas and suggestions to leadership.



Employee DEI Council

EMPLOYEE DRIVEN

EMPLOYEE DEI COUNCIL

The Employee DEI Council is comprised of 12 employees, who represent their various areas of business. They are representative of various elements of diversity, including tenure, age, business unit, gender, sexual orientation, race/ethnicity and geography. Members have a two-year term.

EXECUTIVE ENGAGEMENT

ADVISOR CHIEF PEOPLE OFFICER

The Chief People Officer acts as Advisor to the DEI Council, by participating in meetings, when possible, and providing input to DEI priorities and actions.

EXECUTIVE SPONSOR CHIEF EXECUTIVE OFFICER

Executive Sponsor champions the work of the DEI Council and represents the views of the DEI Council at leadership meetings. This position has a two-year term to allow for others on our executive team to act as Executive Sponsors.

CHAIR HEAD OF PURPOSE

The Head of Purpose chairs the DEI Council. This includes setting the agenda for meetings, overseeing take-aways from meetings and progress of DEI plans.

DEI in our Recruiting Process: As we work to recruit new talent to our team, we have introduced a number of accommodations and innovations that respect the differences of all individuals.

Our website and job postings are compliant with the Accessibility for Ontarians with Disabilities Act (AODA), including:

- an accommodation clause included on every job posting;
- our Accessibility Policy posted both internally and externally on our website; and
- our Inclusion & Equal Opportunity Employment Policy posted both internally and externally on our website.

Our new Recruitment System, which we began implementing in late 2022, will include two new applicant features: it will prompt candidates to provide their personal pronouns and to audio record their name pronunciation prior to their interview. Additionally, we post Gore Mutual's Diversity, Equity & Inclusion Policy on the "Apply Here" page of our website. As we move forward, we will leverage the DEI tracking capacity of our new Applicant Tracking System to align with our DEI strategy.

DEI in our Remuneration Process:

We developed our Total Rewards Philosophy in 2021, with the support of our Human Resources and Compensation Board Committee Chair, our People Experience and Senior Executive leadership teams, and our compensation consultants. We have used our new philosophy – along with our job evaluation framework and market benchmarking – to form our new salary structure, which groups all roles across our organization into pay bands, based on similar worth and value to the organization.

Our consultants completed a pay equity review of this new structure and concluded it was pay equity compliant. We continue to review our salary structure against the market at least once per year, and to make any adjustments to keep it market aligned. To do this, we participate in surveys conducted by various compensation sources including The Conference Board of Canada, Mercer, Willis Towers Watson, and AON-Radford.

As part of our Talent Acquisition process, the Total Rewards team provides a recommended compensation range for each role that is based on the job grade, salary range and internal equity.

DEI in Our Supply Chain: In 2022, we included ESG questions in our RFP process, including questions related to DEI. The responses we receive are reviewed and taken into account when making procurement decisions. In 2023, we plan to engage our top suppliers to map out where they are in their ESG and DEI journeys. Our goal is to create a vendor code of conduct that will outline the expectations we will place on our vendors going forward. We will also look at creating a baseline for diversity-owned businesses within our supply chain, and at building capacity and identifying goals in that space. For more information, see our [Sustainable Procurement section](#).

DEI and Our Broker Partners: As part of our Purpose Partnership, we share research and best practices related to the value of DEI in the insurance industry with our broker partners. This work underscores why we are so invested in our DEI journey and how we can work together to support more diversity and inclusion throughout the insurance industry. In 2022, we conducted a workshop for our Purpose Partnership participants on the importance of Equity from both a human resources and business perspective. For more information, see our [Purpose Partnership section](#).



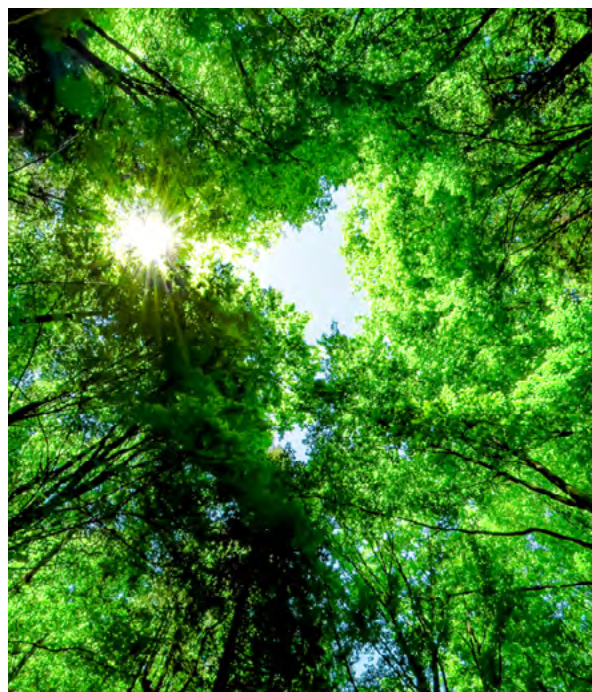
We are
Pay Equity Compliant.



Operations – GHG Inventory

(Scope 1, 2 and 3 – excluding Financed Emissions)

We acknowledge that critical action to combat climate change must happen, and everyone has a role to play to prevent more than a 1.5 degrees Celsius warming globally. In 2022, we invested considerable effort to begin baselining our GHG emissions data, which we will use to set targets.



Below are the calculations of our 2022 emissions calculations, which have been third-party verified across our operations:

Emissions Category	2022 Total Emissions (tCO ₂ e)
Scope 1 Emissions	
Stationary Combustion (Natural Gas)	178
Stationary Combustion (Fuel Oil / Diesel)	1.2
Refrigerants	24
Mobile Combustion (Vehicles)	89
Subtotal	292
Location-Based Scope 2 Emissions	
Electricity	29
Steam	n/a
Chilled Water	n/a
Subtotal	29
Market-Based Scope 2 Emissions	
Electricity	29
Steam	n/a
Chilled Water	n/a
Subtotal	29
Total Scope 1 and Location-Based Scope 2 Emissions	321
Total Scope 1 and Market-Based Scope 2 Emissions	321

Emissions Category	2022 Total Emissions (tCO ₂ e)
Scope 3 Emissions	
Purchased Goods and Services ¹	5,413
Capital Goods ¹	492
Fuel & Energy Activities	64
Waste in Operations	10
Business Travel	141
Employee Commuting ²	1,073
Subtotal	7,193
Grand Total (Location-Based Scope 2)	7,514
Grand Total (Market-Based Scope 2)	7,514

Term	Definition
Scope 1 Emissions	Scope 1 emissions refer to direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organization. This includes all land-use emissions from companies that own or control land to produce agricultural and forest-risk commodities.
Scope 2 Emissions	Scope 2 emissions refer to indirect GHG emissions associated with any purchases of electricity, steam, heat, or cooling.
Scope 3 Emissions	Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain. This includes both upstream and downstream emissions.
Location-Based	A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).
Market-Based	A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).
GHG Intensity (kgCO ₂ e/sqft)	A measure of building emission intensity expressed as kg of GHG emissions (CO ₂ e) per square foot.

1. Purchased Goods and Services & Capital Goods: Emissions calculations are based on total spend.
2. Employee Commuting – calculations done by estimates based on home postal codes, base-office location and assumption of 2.5 days per week in office.

Scope 1 and 2 Facility Emissions (by office)

2022

Location	Sq. Footage Occupied	Scope 1 (tCO ₂ e)		Scope 2 (tCO ₂ e)	Annual GHG Intensity (kgCO ₂ e/sqft)
		Stationary Combustion	Refrigerants	Electricity	
Cambridge Office	60,000	144	19	26	3.15
Toronto Office	10,097	22	3.13	2.47	2.73
Vancouver Office	7,135	12.9	2.2	0.73	2.22
Total	77,232	179	24	29	3.01

We are committed to transitioning our corporate fleet, which currently makes up close to 19% of our Scope 1 and 2 emissions, to 100% electric. Further details and progress on our commitment will be shared through our annual ESG report.



100%

We are committed to transitioning our corporate fleet to 100% electric.

Every action counts, and over the last few years we have also focused on making our facilities more environmentally friendly, improving our operational efficiency, and reducing our energy use and associated GHG emissions.

We have introduced a number of initiatives at our Cambridge, Toronto and Vancouver locations – all designed to reduce our environmental and carbon footprints:

	Cambridge	Toronto	Vancouver
Occupancy/motion sensors for lighting	●	●	●
LED lightbulbs in fixtures	●	●	●
Recycling (and donation) of electronic waste via ERA	●	●	●
Recycling of batteries	●	●	●
Sensors on washroom taps	●	●	●
Low-flush toilets	●	●	●
Hand air dryers	●		●
Smart about Salt-certified for winter snow removal operations	●		
Water filters/bottle filling stations	●	●	●
3-stream recycling	●	●	●
EV Charging stations (4 ports)	●		
Transitioning toward Hybrid, PHEV and BEV fleet		●	●
Installation of solar panels under consideration	●		
HVAC planning – Air Source Heat Pumps under consideration	●		
Living Walls – Reduce CO ₂ /increase oxygen	●		●
Indoor plants	●	●	

What's the buzz around Cambridge?

As part of our commitment to nature-based climate solutions, our Cambridge campus welcomed two beehives as residents to our rooftop in 2022. Partnering with Alveole, we are bringing awareness and protecting our environment's pollinators. Pollinators are essential to human survival, but they're increasingly under threat from urbanization, industrial agriculture and climate change. We work to protect them by creating new homes for them in our cities, helping to pollinate the natural habitat around us. Annually, our beehives will produce 200 jars of honey and we look forward to sharing updates when our harvest is ready in Fall 2023!



200

jars of honey will be produced annually from our beehives.

Cambridge

Since 2019, we have had a Level 2 EV Charging station at our Cambridge location, and recently expanded it from two ports to four. We currently have a limited number of Hybrid vehicles in our Company fleet, and we are planning to transition to plug-in hybrid electric vehicles and battery electric vehicles in the near future.



Toronto

A bicycle storage facility is located on the basement level of our building, fitted with change rooms and showers that can be accessed by a ramp and stairs from the main lobby. This, together with the building's direct connection with the PATH underground walkway to transit, encourages employees and visitors to use transit or bike to get to the office.



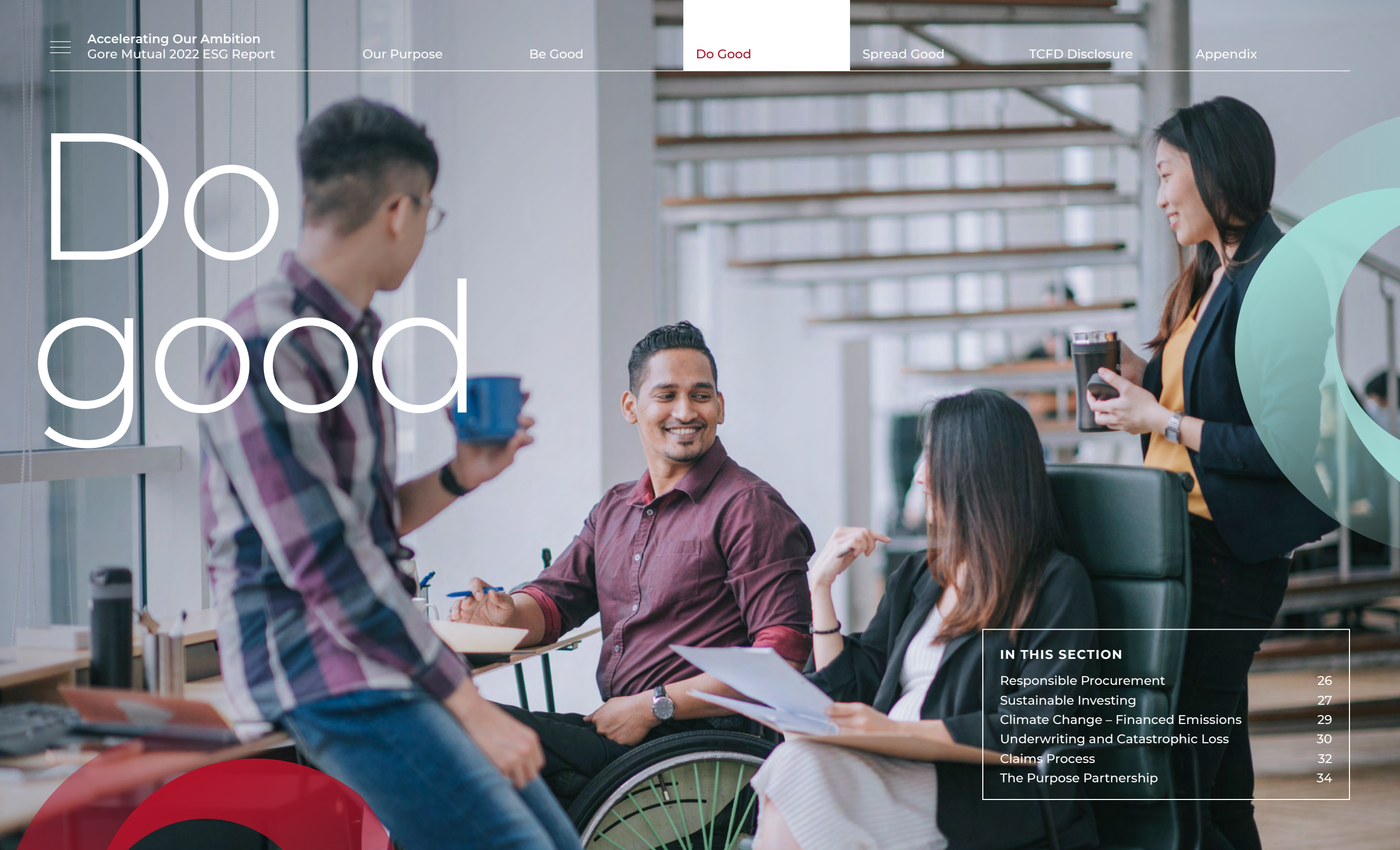
Vancouver

We installed a new living plant wall in June, helping to reduce CO₂ and provide cleaner air.





Do good



IN THIS SECTION

Responsible Procurement	26
Sustainable Investing	27
Climate Change – Financed Emissions	29
Underwriting and Catastrophic Loss	30
Claims Process	32
The Purpose Partnership	34

Do good

2022 Highlights

Began including ESG in Request for Proposals (RFPs)

▶ Learn more on [page 26](#)

Launched sustainable investment process of ESG due diligence with investment managers

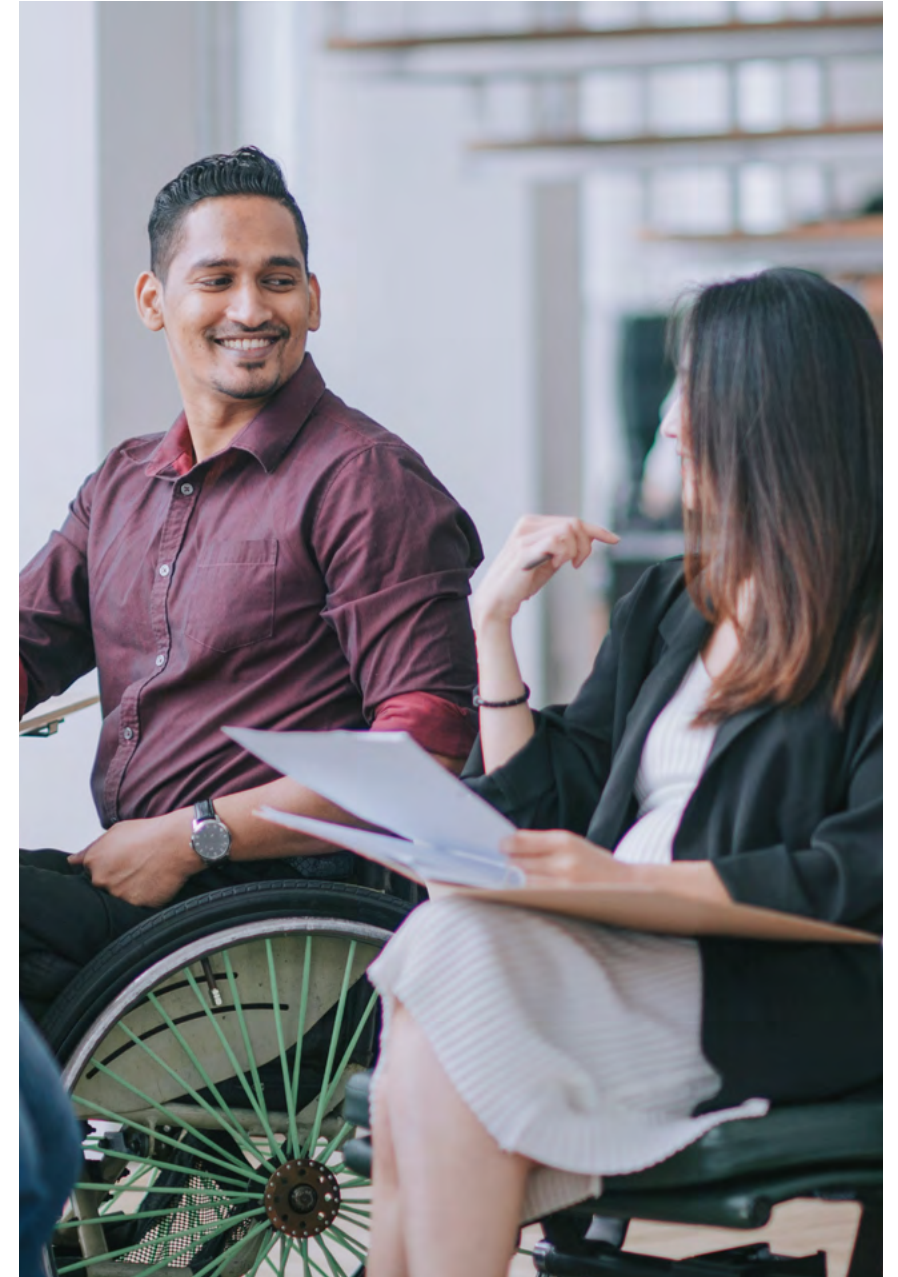
▶ Learn more on [page 28](#)

Participating in industry group for Nature Force

▶ Learn more on [page 31](#)

Launched Purpose Partnership

▶ Learn more on [page 34](#)





Do good



Through our Purpose Framework, we look to add an ESG lens to all we do. We strive to provide customers with more value and service – especially when they need it most. We aim to work with like-minded suppliers and provide support where possible. We nurture strong relationships with our broker partners by making it simpler to do business with us, sharing goals, and by investing in a more resilient future.

Responsible Procurement

We value our relationships with our vendors as they are critical to our success and allow us to meet our business objectives.

Our procurement processes follow industry best practices and support the requirements of our internal Third Party Risk Management (TPRM) framework. Where a new product or service is requested by the business, our Procurement team engages multiple vendors in a Request for Proposal (RFP) or Request for Quote (RFQ) process as appropriate. For purchases that are single sourced, we conduct negotiations and reviews with the single provider.

Types of assessments conducted include:

- Information/Data Security assessment
- IT reviews for integration compatibility, ongoing support requirements, implementation efforts etc.
- Legal reviews of contract terms

- Financial, business case analysis
- ERM review of engagement to validate the declared risk level is accurate, support for changes or exceptions as needed
- ERM reviews and validates the responses and requirements for Business Continuity Plan (BCP) information
- Compliance, privacy reviews if noted as required by legal
- ESG review of responses provided in RFPs

When an existing product or service comes up for renewal, Procurement works with the business owner to determine if the same or different criteria is required at renewal. The above assessments are then conducted again and adjustments are made as needed to contract documents and purchasing arrangements.



We are also working with our vendors to integrate ESG issues across our value chain in order to create positive change. As a starting point, in 2022, we included ESG questions in our RFP process. This allowed us to evaluate our vendors not only from a business and cost perspective but also from a Purpose perspective. All of our RFPs now, no matter what services we are looking to purchase, include an ESG questionnaire that is reviewed during selection process.

In 2023, our focus will turn to evaluating our current strategic vendors against ESG criteria, with the intention of introducing a vendor code of conduct in the near future. This will allow us to evaluate vendors who are currently unable to meet our criteria, and work with them to build their capacity to integrate environmental and social issues into their business strategies.

Sustainable Investing

At Gore Mutual, we strive to invest in a more resilient future and to turn our profits from today toward a better tomorrow.

Environmental and social trends are impacting society and posing new challenges and opportunities for investors. Strong Sustainable Investing principles and processes – including a thoughtful approach to ESG issues – not only helps us to better manage investment risks, but supports us in creating long-term value for our stakeholders and contributing to a more sustainable future.

In 2022, we brought this vision to life, introducing Gore Mutual's first Sustainable Investment Policy, which was approved by the Investment Committee of our Board of Directors. This policy is designed to ensure that material ESG factors – i.e., factors that could have a significant effect on the investment value of the securities held in the various accounts and portfolios of these entities – are considered when investment decisions are made on our behalf.

Our Approach

We take a principles-based approach to sustainable investing. Consistent with our vision, we look to identify ESG issues that have, or could have, a material impact on our investment portfolios. Gore Mutual's ESG Framework, which aligns with the UN SDGs, guides us in this work and we continue to expand our resources to support its implementation.

In general, we believe that active engagement is preferable to excluding certain companies, sectors or asset classes. However, there are instances where we may voluntarily refrain, or may be legally restricted, from investing in companies, sectors and asset classes presenting heightened ESG risks.

Governance of Sustainable Investing

The Board's Investment Committee oversees our Sustainable Investment Policy and management is responsible for implementing it across our operations, reporting on the adherence to it, and ensuring that Gore Mutual and our investment managers comply with it.

Gore Mutual's Executive Leadership provides updates to the Board's Investment Committee and in turn, the Investment Committee provides updates to the Board of Directors on relevant sustainable investment matters through regular ESG strategy and Framework reports.

Executive Leadership is also responsible for monitoring and evaluating the risks and opportunities related to our investments. This includes meeting any regulatory requirements related to ESG or Climate Change Risk disclosure, for example calculating and reporting on the GHG emissions associated with our investments (i.e., Financed Emissions).

The Gore Mutual Sustainable Investment Policy is reviewed annually by the Executive Leadership and if any changes are made, the updated Policy is reviewed by the Investment Committee.

Accountability and transparency are at the core of our approach to ESG issues. We intend to report on our progress against our operational ESG priorities, including our sustainable investment and stewardship activities, on an annual basis through Gore Mutual's ESG report.

Our Sustainable Investment Process

Gore Mutual's investments across specific investment mandates are internally and externally managed by various investment managers. We collaborate closely with these investment managers to ensure ESG factors are considered throughout the investment process and in the strategies managed on our behalf. Additionally, alongside our investment managers, we monitor, where sufficient data is available, the ESG practices and carbon footprint of the entities invested in, as well as oversee our managers' voting and engagement activities, through an annual reporting process.

The first step to ensuring ESG factors are integrated into our investment process is through the screening, selection and monitoring of the investment manager. We have developed an ESG due diligence questionnaire to support our selection of investment managers and we are incorporating ESG considerations as part of our annual operational due diligence review processes.

In 2022, we launched our first ESG questionnaire for our external investment managers, as a way to evaluate their ESG competencies and sustainable investment practices. We also monitor their ESG governance, resourcing, and commitment to continuous improvement. We conducted follow-up calls with each external investment manager to discuss our plans to further integrate sustainability and ESG practices into our investment management

process, and to get a better understanding of the evolution of their ESG and sustainability practices and commitments.

Our investment managers are responsible for exercising voting rights attached to Gore Mutual's investments. As part of our monitoring processes, we review the Proxy Voting policies of our investment managers to ensure alignment to our ESG philosophy. We also expect our investment managers to provide us with annual reporting related to proxy voting on Gore Mutual's investments.



Climate Change – Financed Emissions

Financed emissions are emissions generated in respect of our investments. For financial institutions, this category of Scope 3 emissions is often the largest portion of their overall emissions inventory. A key focus in 2022 – in terms of time and resources related to climate risk – was to gain a better understanding of our Scope 3 financed emissions. As a result, we worked on estimating our first GHG financed emission inventory.

To the right, we disclose components of our financed emissions for 2021, which were calculated in alignment with the Partnership for Carbon Accounting Financials (PCAF)⁶ framework. As anticipated, there was considerable estimation that needed to happen for certain asset classes. We have therefore selected to disclose the asset classes that currently hold the highest data quality scores.



The PCAF provides a data quality score ranging from 1 to 5, with 1 being highest data quality and 5 being the lowest. The data quality score takes into account both the granularity and the specificity of data inputs.

Based on our analysis of our first Financed Emissions inventory, we had two key findings:

- 17.8% of Gore Mutual's investments are in what the Bank of Canada categorizes as emission intensive sectors.
- Of those investments, approximately 82% are listed equities, and 18% are corporate bonds/business loans.

We are on a multi-year journey when it comes to our financed emissions, and our focus over the next two years will be to better understand the sources for our financed emissions, improve our data quality score for various asset classes, and to identify the areas where we can have some influence in terms of reductions of our direct investments.

For further information on our work related to financed emissions and transition risk, please see our [TCFD section](#).

Financed Emissions – Selected Asset Classes – 2021 Baseline

Asset Class	Percentage of Gore Mutual Investments	Financed Emissions (tCO ₂ e)	GHG Intensity (tCO ₂ e/\$M)	PCAF Data Quality Score (1-5)
Corporate Bonds	17%	4,487	30	37% – 1 3% – 2 9% – 4 51% – 5*
Listed Equity	27%	18,874	79	75% – 1 21% – 2 2% – 4 2% – 5*
Business Loans	4%	8,903	240	2% – 1 1% – 2 93% – 4 4% – 5*

*To ensure the data quality picture is complete, we've allocated a score of 5 (the lowest available data quality score) to investments where we applied a sector intensity approach. The sector intensity approach is based on Gore Mutual's calculated financed emissions intensity (tCO₂e/\$M invested) by sector and was used for gap filling where we lacked both financial and emissions data for investees to enable full coverage of investment within these asset classes. Since this approach is not directly aligned to PCAF methodologies, there is no corresponding data quality score. This workaround allows for a more representative quality baseline that we intend to improve upon over time.

The PCAF provides a data quality score ranging from 1 to 5, with 1 being highest data quality and 5 being the lowest. The data quality score takes into account both the granularity and the specificity of data inputs.



6. Partnership for Carbon Accounting Financials (PCAF) is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas (GHG) emissions associated with their loans and investments.

Underwriting and Catastrophic Loss

At the core of our business is Underwriting – and how we can better prepare ourselves and protect our customers for the unexpected. We have established underwriting processes for both our commercial and personal lines of business which include risks associated with climate change and catastrophic events.



Keeping Pace with Climate Science & Catastrophic Events

We are constantly evolving and refining our underwriting processes, including our response to floods, sewer back-ups and wildfires.

Commercial Lines of Business: We have leveraged modelling from Aon Impact Forecasting – which our Business Intelligence & Analytics team have refined – to identify six hazard zones used in both our personal property and commercial property lines of business. We have benefited from using these analytics, for example, in British Columbia where we have begun to see more custom commercial risk being written in low-risk flood zones and fewer in high-risk zones.

Wildfire is also a peril that is unfortunately becoming more prevalent. We plan to undertake work to better understand how we can adopt desk-level analysis, prior to offering terms, to ensure we manage our wildfire risk exposure.

Personal Lines of Business: We rely on information that has been vetted through our Product & Strategy team or Claims team i.e., monitoring of weather events and earthquakes, as well as our actuarial modelling. Our Data and Actuarial teams regularly monitor the concentration of risk, which is reported in our reinsurance report.

Building Resilience into Our Products and Services

Building resilience into our products and services is a critical component of our Purpose of *Insurance that does good*. As a P&C Insurer, we know that the impact of climate change and the ever increasing catastrophic weather events are creating greater hardship for our customers. We therefore have taken early steps to help create measures that support the mitigation of this impact on those most affected.

For example:

- **Mass Evacuation:** Weather related natural disasters are becoming more frequent and have greater force. In order for mass evacuation, as a direct result of a sudden or accidental event, we have increased the timeframe for living expenses incurred to 30 days from the date of the order of evacuation.
- **Guaranteed Replacement Cost:** There were a lot of learnings for the industry from the Fort McMurray fire in 2016. It highlighted the fact that sometimes, due to contamination or other issues, a policyholder may not be able to rebuild on the same site by order of a civil authority. In cases such as this, we will provide the Guaranteed Replacement Cost benefit at an alternative location, provided certain conditions are met.
- **Loss Prevention:** Available through VIP Endorsement, after a loss that is not otherwise excluded, we will pay up to \$2,500 for expenses incurred for the installation of an approved loss prevention device to protect the dwelling from the same loss occurring again. Approved loss prevention devices include sump pumps,

automatic water shut off devices, sewer back-flow valves, lightning suppression systems, back-up power systems and hail resistant roofing materials.

- **Green Products:** Available through VIP Endorsement, following a claim this gives policyholders the option to replace items like flooring with environmentally friendly products⁷. We will pay an additional amount up to 2% of the Homeowners Single Policy Limit when qualifying Green Products of the homeowner's choice have been used to repair or replace your lost or damaged Dwelling, Detached Private Structure as well as home appliances and home electronics.

With the impact of COVID-19, Gore Mutual took many measures to support our policyholders during that difficult time. This included:

- **Personal Auto Customers:** provided a premium reduction to our personal auto insurance customers with a one-time payment equivalent to 20% of three months premium.
- **Home Customers:** Home Office – with many of our customers unexpectedly working from home, we provided personal liability and business property coverage up to \$5,000.
- We suspended all cancellations for non-payment and NSF fees.

7. Any product meeting eco-labelling standards as defined by the International Organization for Standardization (ISO) and bearing a label from any certifying body whose certification mark complies with the ISO standard.

Improving Our Digital Access to Information

We continue to enhance our internal data and analytics practices to improve our access to information, which will ultimately lead to better risk management in both underwriting and claims.

The modelling tools we use for catastrophic risk management in our commercial lines of business include:

- Aon's *Impact On Demand* – an improved platform for monitoring portfolio locations and managing concentration risk relative to potential catastrophic loss activity. *Impact on Demand* enables proactive management of claims and the visualization of risk aggregations.
- Impact Forecasting's *Elements* software and updated Pluvial and Fluvial flood models, which enable the next refinement of overland water rating.

- Annual modelling of our Earthquake, Flood and Wildfire exposures, using the tools noted above as part of our reinsurance treaty process.
- Quarterly actuarial rate indications, which help ensure rate adequacy across all lines of commercial business written.
- Monthly file reviews, as well as more formal annual audits, which are conducted on new business and renewal business to ensure adherence to guidelines and to monitor the overall portfolio quality.

For our personal lines of business, we put manual processes in place when an event occurs such as a wildfire or flooding. This includes the manual collection of information from news agencies and government websites, as well as information gathered from systems like *Impact on Demand*, a risk management tool, to review concentration in affected areas. Other areas of our business that are involved during a catastrophic event include Business Development, Claims and Product/Strategy.

Partnership with Ducks Unlimited Canada

As climate change persists, researchers and stakeholders are working together to come up with nature-based solutions to mitigate the impact extreme weather is having on communities.

In 2022, Gore Mutual partnered with Ducks Unlimited Canada and other Insurance industry leaders, on Nature Force, an initiative aimed at identifying where wetlands protection and enhancement can play a role in flood-mitigation in the most flood-prone areas of Canada.

Our employees in British Columbia and Ontario also participated in a workshop held by Nature Force on learning about habitat conservation and its many benefits including biodiversity, flood attenuation and managing invasive species.

For more information, visit [The Nature Force website](#).



Claims Process

Gore Mutual's core business is to provide mutual protection from the hardship of misfortune.

We are guided by our corporate values which specifically point to our belief that mutual benefit should be the foundation of all of our relationships, genuine personal service is how we do business, and integrity guides all of our dealings with stakeholders.

Our claims mission is to *maximize the broker and customer experience while effectively managing costs and maintaining regulatory compliance in all our actions.*

We have designed our claims process to achieve the following results:

- **Service** – provide prompt, fair and courteous disposition of claims
- **Loss Costs** – effectively investigate and adjudicate losses, thereby containing severity
- **Expenses** – minimize the administrative and adjusting costs of processing claims settlements
- **Reserves** – recognize the ultimate cost of claims at an early stage of development and set the adequate case reserve estimates to reflect our ultimate probable cost
- **Regulatory Compliance** – adhere to regulatory requirements applicable to the adjudications of claims

Governance of Claims

Our claims business is divided along administrative and operational lines, which are overseen by the Directors of each claims line. These Directors report to the Vice President Claims, who is responsible for the effective functioning of all aspects of the Claims department and the development of Gore Mutual's claims policies, standards, protocols and practices.

Our Claims Handling Service, Processes & Procedures

Our dedicated Claims team helps us uphold high service standards and execute our robust claims procedures, enabling us to fulfil our claims mission, goals and corporate strategy.

We closely monitor customer service and satisfaction levels through preferred vendor questionnaires, customer service survey letters, and through phone calls and correspondence received from customers.

Reserving Principles and Practices

Gore Mutual has established a Claims Reserving Policy which outlines our commitment to: *maintain a consistent reserving practice, which establishes on an individual claim basis – as soon as possible after notification of a loss – a reserve amount that reflects the ultimate probable cost of the claim.*

Claim reserves⁸ are established when a loss or expense exposure exists or is reasonably known to exist. When an exposure no longer exists, the corresponding reserve is removed. All claims reserves are set to reflect the ultimate probable cost of the exposure or the minimum reserve as outlined in our Claims Reserving Policy.

Large Loss Oversight

By virtue of their size, large losses (losses greater than \$250,000) pose a substantial risk to the financial health of an organization. As a result, Gore Mutual's Vice President and Claims' Directors provide substantial oversight and management of the claims adjudication process.

Our Claims Adjudication Committee sits once per month, for each claims line, and reviews all newly incurred large losses, as well as long-tailed large losses which have reached defined ages and require ongoing review. The Committee reviews all relevant details of the claim including the status of Reserve Adequacy and Recommendations for modifications to the reserves, the status of the investigation or confirmation of coverage for the various exposures identified within each claim, and an explanation of the disposition plan for continued handling of the claim. The Committee is comprised of a quorum of leaders for the line of claims being presented and provides final approval for any required reserve changes and disposition plans.

2022 Total Claims Intake and Net Incurred Per Claims Line

Claims Line	Claims Intake Total	Net Incurred (000's)
Auto	15,393	\$93,253
Property	6,477	\$153,208
AB	2,167	\$34,515
Casualty	1,322	\$48,116
Total	25,359	\$329,092

Claims Service Providers

To promote excellence of service and severity control, we maintain a list of "Gore Mutual recommended" service providers. All service providers are expected to provide fair, unbiased opinions and prompt, competitively priced, high quality repairs and service. In order for service providers to be approved as Gore Mutual recommended providers, they must meet established company criteria and agree to abide by contract requirements. On occasions where we require the expertise of non-Gore Mutual recommended providers, the situation and provider must be reviewed for approval.

All preferred service providers must meet minimum requirements set by Gore Mutual, as well as meet those specific to each service industry.

8. Automated reserves are established and set up wherever applicable for all types of losses.

Complaint Handling

We take all complaints very seriously and deal with them immediately, whether we receive them by phone or via written correspondence. Each complaint is investigated thoroughly to ensure the matter is resolved in a prompt and fair manner. Gore Mutual's full complaint collection and reporting requirements can be found on our website at www.goremutual.ca.

In 2022 we received a total of 466 customer escalations and 135 Complaints filed with the Ombuds Office for a total of 23.6 Complaints per 1000 Claims.



466

customer escalations in 2022.



135

complaints filed with the Ombuds Office in 2022.

Helping People in their Time of Need

We constantly evolve our claims process to respond to new and emerging risks. The impact of climate change has emerged as one of the most pressing issues for our business, with a seemingly ever-increasing number of catastrophic events impacting provinces from coast to coast – from the Fort McMurray wildfire impacting our Commercial lines of business in Alberta to the Pacific Northwest floods impacting our Personal lines of business in British Columbia.

In 2022, our Catastrophe (CAT) experience was punctuated by the May 21st Derecho storm, which resulted in one of the largest catastrophic events in Gore Mutual's history, with over 1,000 losses incurring approximately \$20 million in damage. While not the only catastrophic event of 2022, it was by far the most significant to affect us directly.



The Derecho event provided an excellent opportunity for Gore Mutual's Claims team to show their resilience and ingenuity in handling a 10x spike in claims volume. All claims lines were leveraged to complete first contact calls to our affected policyholders and a triage process was put in place to sort losses for immediate field attendance by our CAT Team. Our Team of CAT adjusters were on the ground and meeting with affected policyholders on Day 1 – May 21st – which enabled them to leverage preferred and local vendors from across Eastern Ontario and secure their services on a priority basis. With our early inspections, we were able to identify a critical need for engineering services due to the severity of this wind event. This enabled us to secure exclusive contracts with local engineering firms, allowing permit applications to be placed for repairs in less than two weeks from the event occurring. Our quick response in identifying the severity of these losses enabled Gore Mutual to achieve the highest industry file resolution time, ensure reserve accuracy for our reinsurer partners and – most importantly – help people in their time of need.



To learn more on how we helped during the May 2022 Derecho Windstorm, click [here](#).

The Purpose Partnership

When we launched our Purpose Framework, we knew we could make a bigger impact by working with other like-minded companies to integrate Purpose into our collective business strategies.

In May, during our annual retreat with Gore Mutual's strategic brokerage partners, we launched The Purpose Partnership, a program focused on Purpose and Sustainability capacity building. Each brokerage nominated one individual from their organization to represent them on this 12-month initiative, sponsored by Gore Mutual, which supports these top brokerages in doing a deep dive in three Purpose categories:



Learning & Thought Leadership

We provide our partners with access to world-class expertise in Purpose and Sustainability through Gore Mutual's affiliation with leading associations and academia, including [LBG-Simpart](#) and the [NYU Stern Center for Sustainable Business](#).



Research & Insights

As a group, we commissioned research on how to build more resilience for our customers and communities. We have provided our partners with access to insights and analytics that will help their business leverage Purpose for the benefit of their local communities, as well as add value to their businesses.



Funding

Gore Mutual is also seeding \$250,000 to be distributed equally among all the brokerage partners for select community projects and initiatives, based on a criteria created by the group. Each representative then presents the results of their selected community project or initiative to the rest of the group, giving us all an opportunity to learn from one another and to demonstrate the impact that this can have not just in our local communities, but to our businesses as well.

The Purpose Partnership will conclude in April 2023, and we look forward to sharing more of those results in our next ESG report.

The Purpose Partnership Participants





Spread good



IN THIS SECTION

Social Impact Strategy & Alignment with UN SDGs	37
Core Mutual Foundation	40
Employee Community Support	41

Spread Good 2022 Highlights

Launched new Granting Streams for the Gore Mutual Foundation: Brokers for Good and Circle of Good.

▶ Learn more on [page 38](#)

\$1.6M
in total value of investments in our Communities

▶ Learn more on [page 39](#)

+8,000 hours
total employee
volunteer hours

▶ Learn more on [page 39](#)

Launched new Social Impact Strategy

▶ Learn more on [page 40](#)





We believe there's more than enough good to go around. We continue to partner with organizations across Canada that create measurable impact and a better tomorrow.

Social Impact Strategy & Alignment with UN SDGs

Our Company exists to help people in their time of need. Since writing our first insurance policies in 1839, our story is about people coming together to overcome adversity by protecting each other and our communities.

That spirit of ingenuity and resilience is ingrained in our Social Impact Strategy, which has been administered by Gore Mutual Foundation since 1998. It is a key element of the Spread Good Pillar of our Purpose Strategy of *Insurance that does Good*, which defines how we use our resources, finances and operations for the good of society. But it is more than that – it helps us inspire others to create good in their local communities. We continue to partner with organizations across Canada that spread good and create measurable impact.

Identifying Our Social Impact Priorities

In early 2022, we engaged the diversity of thought, experience and background of our Board, employees and broker partners through dedicated workshops to gain their input and feedback on our evolving Social Impact Strategy.

Through their insights, we revitalized our strategy to target initiatives that focus on the interconnectivity that exists between poverty, equity and climate change. We also aligned our giving to three UN SDGs: No Poverty, Reducing Inequalities and Climate Action.





Evidence shows that vulnerable groups – those living in poverty and most often representative of equity-deserving groups – are disproportionately impacted by climate change. The most recent natural disasters are sadly proving this to be true. The impact of climate change is continuously reinforcing or worsening the barriers already faced by individuals working to escape poverty. We know we cannot tackle these issues independently, we must acknowledge the interconnectivity that exists between them.”

Gaby Polanco Sorto
VP & Head, Purpose and Sustainability

We focus on accelerating equity in Canada by working with organizations aiming to reduce poverty, increase representation in solutions-based approaches, and helping vulnerable groups mitigate the risks of climate change.

In addition to solidifying the focus of our Social Impact Strategy, we implemented an application and equitable review process for both our strategic charitable partnerships and Brokers for Good Matching Program. Focused on creating measurable outcomes for a better tomorrow, we use a five-point scale to assess an application’s funding impact, social impact, partnership alignment and financial viability.

Our employee’s voices are heard through an inclusive model for our community giving, through our purpose-driven Advisory Council, where our employees play an active role in reviewing our charitable partners applications with their recommendations brought forward for funding consideration.

Our Granting Streams

Gore Mutual Foundation has three granting streams to support organizations aligned with our Social Impact Strategy, as well as supporting our employees and broker partners in their commitment to our local communities:

- 1. Strategic Charitable Partnerships Program:**
For charities and non-profit organizations interested in partnering with us, an application process is administered semi-annually for programs, initiatives, and capacity building in our three priority areas.
- 2. Brokers for Good Matching Program⁹:**
We have a long-standing history of partnering with our brokers to protect and support those in need in our communities. The Brokers for Good Matching Program provides an opportunity for brokers to request a match of up to \$10,000 of their charitable giving through an application process that is administered semi-annually for programs, initiatives, and capacity building in our three priority areas. In 2022, broker matching consisted of 13.5% of charitable giving.

Impactful Partnerships – 2022

Gore Mutual Total Cash Giving	\$842,423
Gore Mutual Broker Matching	\$114,100

- 3. Circle of Good Employee Program:**
We support the charities and causes that matter most to our employees. Through the Circle of Good Employee program, Gore Mutual provides volunteer opportunities and financial support to registered Canadian charities that mean the most to our employees.

We know we cannot always plan for everything. In addition to the granting streams above, when disasters strike, we respond quickly in times of need. To mobilize our response, if funding is required from Gore Mutual Foundation, we will institute an urgent motion for Board approval, and in the case of the BC Floods, that’s exactly what happened. For Hurricane Fiona and the Ukrainian relief efforts, we made \$50,000 donations to each within hours of the Canadian Red Cross Appeals.



Gore Mutual’s generous support of the Canadian Red Cross has touched people in Canada from coast-to-coast and reached around the world. You were there for people in British Columbia after the atmospheric river weather event of late 2021 as well as those in the Atlantic region as they faced Hurricane Fiona – the most powerful storm to ever strike Canada. Gore Mutual’s compassion extended well beyond our borders to helping people impacted by the international armed conflict in Ukraine with vital humanitarian aid and healthcare. Thank you to Gore Mutual and its employees for standing with people in need in times of crisis and conflict.”

Tom Scinto
Director of Corporate Partnerships,
Canadian Red Cross

9. Our 2022 Brokers for Good Matching Recipients: HUB International Ontario Limited, Kennedy Insurance Brokers Inc., McDougall Insurance, Duliban Insurance Brokers, Janzen Insurance Brokers, Josslin Insurance, Guardsman Insurance Services Inc., Preferred Insurance Group, Ostic Insurance Brokers, Staebler Insurance, Arthur J Gallagher Canada Limited, Whitley Insurance and Financial Services, Waypoint Insurance Services Inc., Magenta Insurance Professionals by McFarlan Rowlands, EasyInsure, InsureBC, KASE Insurance and A.F. Sandy Forbes Insurance Broker.

Community Investment Value

In 2022, the total value of our Community Investment was \$1.58 million through Gore Mutual and our Gore Mutual Foundation, and our employees volunteered a total of 8,295 hours.

Purpose-Driven Employee Engagement During Working Hours

Volunteer Type	Number of Events	Number of Employees	Total Working Hours
DEI and social impact-related webinars and workshops	24	2,612	7,751
Community volunteer opportunities	22	221	544
Total	46	2,833	8,295



To capture our community investment value and impact, we work with London Benchmarking Group (LBG) Canada. The LBG model provides the global standard for reporting community investment, and this approach helps to measure the real value and impact of corporate community investment. LBG Canada has provided an independent audit on the values presented below:

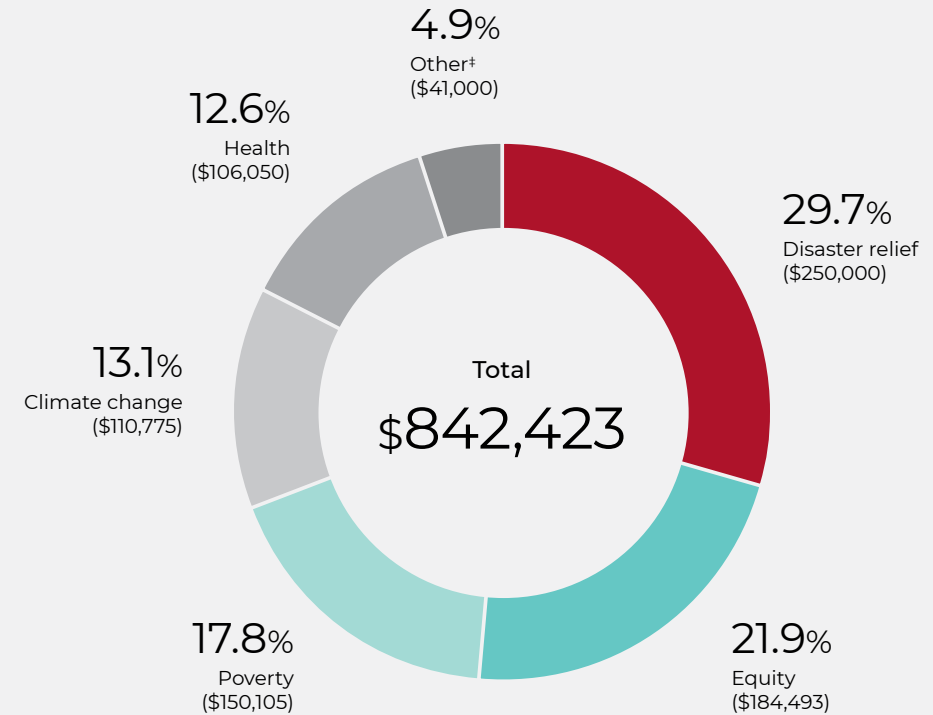
Total Community Investments

Summary of Community Investment	Total \$ Value	%
Cash investments	\$842,423	53.3%
Employee time during working hours*	\$389,842	24.7%
In-kind investments	\$2,027	0.0%
Program management costs†	\$347,073	22.0%
Total	\$1,581,365	100%

* The average hourly rate used was \$47/hour. Total volunteer hours includes employees voluntary participation in DEI and Community-related webinars and events during working hours.

† Program Management Costs includes costs associated with the salaries of employees delivering on our Social Impact Strategy and our Gore Mutual Foundation, and costs of associations and third-party verification of our Social Impact Strategy.

Community Investment by Focus Area – 2022



The past year was a transitional one for community investments, as we introduced three new areas of focus – poverty, equity and climate change. In 2023, we anticipate our results will be quite different, as we consolidate our efforts under these three priorities.

† Other includes: International aid (1.8% or \$15,000), animal welfare (1.2% or \$10,250), education (1.2% or \$10,250) and social services (0.7% or \$5,500).

Gore Mutual Foundation

Gore Mutual Foundation was incorporated in 1998 and since then, it has granted over \$10 million to more than 300 charities across Canada.

As a purpose-driven modern mutual, giving is in our DNA. Our commitment to be good, do good and spread good is supported by the efforts of our charitable partners, which is made possible through Gore Mutual Foundation.

Governance of Gore Mutual Foundation

The Foundation Board is made up of members of our Corporate Board and provides strategic direction to our Social Impact Strategy.

Management leads the day-to-day work of the Foundation under the leadership of our VP and Head of Purpose and Sustainability. The Foundation Board meets three times a year and holds its own Annual General Meeting.

In 2022, as part of our Social Impact Strategy, Gore Mutual Foundation introduced a new way for charities and broker partners to engage with us. We invited charities and brokers to submit their requests for support through our new on-line application process. Applications were assessed based on an equitable rubric evaluation and brought forward to Employee Councils for review. Harnessing diversity of thought, expertise, and backgrounds from a select group of employees ensures that our employees voices are heard and reflected in our community investments.

With so many deserving and well-aligned charities to choose from, six outstanding charitable partners stood out to us for their upstream approaches to creating grassroots solutions for systemic issues related to either poverty, equity or climate change:

- Canadian Roots Exchange
- Get REAL movement
- RADIUS, Simon Fraser University
- YMCA of Three Rivers
- Rumie Initiative
- Outward Bound Canada

In 2023, Gore Mutual Foundation will proudly celebrate its 25th anniversary. To mark this occasion, we are excited to announce the launch of The Equity Acceleration Fund. This \$1 million 2023 granting program will support initiatives that focus on the interconnectivity that exists between poverty, equity and climate change.

Spreading good

Gore Mutual and the Gore Mutual Foundation have granted over \$11.5 million to 600 charities across Canada since 1998.



To learn more on Gore Mutual Foundation's 25th Anniversary, click [here](#).

Employee Community Support

Our employees are caring, generous and engaged in our local communities offering their time, talents and personal donations. They are at the Heart of our Purpose and we strive to reflect their commitment to community by providing meaningful opportunities to give back at work. Through our Circle of Good Employee Program, we support our employees in creating and spreading good and rewarding the good we see in others. We support our employees' commitment to community in three ways.

Gore Mutual is grounded in our Purpose and guided by our core values. We believe that being good and doing good by our employees will benefit both our stakeholders and them – which in turn, allows us to spread good in Canadian communities and reward the good Gore Mutual sees in others.



1

We give where they give¹⁰

Through a shared-valued approach, Gore Mutual provides financial support to the causes our employees donate their time and talents to. Based on an employee's hours of service to their charity of choice, we will donate either \$250, \$500 or \$1,000 in their honour.



2

They have a say in our giving

In honour of Giving Tuesday¹¹, our Pledge it Forward campaign asks employees to nominate the charitable organizations they most wanted to support. We then award 15 \$5,000 grants to the pledges that got the most employee votes. In 2022, Gore Mutual granted \$75,000 to the organizations that mean the most to our employees.



3

We give time during working hours for our employees to volunteer¹²

Gore Mutual provides, at minimum, two volunteer opportunities per quarter for our employees to participate in. In 2022, our employees gave their time during working hours to support causes aligned to our Social Impact Strategy, as well as to causes that matter most to them. During the year, we provided 17 purpose-led volunteer events and initiatives to employees.



10. Employees complete a short form which uploads a document from their charity stating the volunteer hours they served during the year; based on this letter, we provide financial support in their honour.

11. Employees have a two-week period to complete and submit a nomination form; following a three-day voting period and based on the number of votes received, in 2022 we awarded six grants to Cambridge-based organizations, five grants to Toronto-based organizations, and four grants to Western region-based organizations.

12. Volunteer initiatives are offered to employees and targeted to each office on a rolling basis to ensure each office is provided with meaningful opportunities to engage. We share volunteer opportunities through our SharePoint Site and through our Purpose@goremutual.ca

Spreading Good in Waterloo Region

We supported the YMCA of Three River’s (Midwestern Ontario) Homework Help Program in 2022, providing 100 Cambridge youth each month with homework support, free access to their gyms, transportation to and from the YMCA, as well as nutritious snacks – support and resources they might not otherwise have.



When we learned that Waterloo Region’s high school graduation rates fall further behind the provincial average, it was an immediate call to action for us to step in. By supporting first-step approaches like this YMCA program, we can ensure that marginalized youth have a safe space to belong after school to complete their school projects and grow as individuals.”

Andy Taylor
Chief Executive Officer, Gore Mutual Insurance

Spreading Good in the Greater Toronto Area (GTA) & Waterloo Region

We supported the Get REAL Movement, whose mission it is to combat 2SLGBTQ+ discrimination, racism, and bullying in schools, summer camps, and workplaces across Canada. Gore Mutual’s support will provide 6,000 students in Waterloo Region and the GTA with inclusivity and anti-racism workshops.



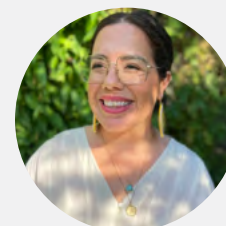
The funding that we received from Gore Mutual has been crucial in allowing us to meet the demand for our Inclusivity and Anti-Racism Workshops for 15x middle schools and high schools across the GTA and Waterloo regions, providing crucial education on ways students (and teachers) can combat discrimination and support marginalized students, delivered by Black and 2SLGBTQ+ role models.”

Chris Studer & Marley Bowen
Executive Directors, The Get REAL Movement



Spreading Good across Canada

We supported the Canadian Roots Exchange (CRE) in 2022, a national Indigenous youth-led organization dedicated to amplifying and strengthening the voices of Indigenous youth. We helped fund its CREation Community Grants program, empowering 250 Indigenous youth in achieving positive change in their communities by funding projects that respond to systematic service gaps and barriers that impact Indigenous communities.



Through the CREation Community Grants Program, CRE partners with Indigenous youth and grassroots collectives to create programming that is reflective of their wishes for the future, and the change they hope to see in their communities. This investment will allow CRE to continue to support and uplift their good work.”

Hillory Tenute
Executive Director,
Canadian Roots Exchange



RADIUS is excited to have Gore Mutual as a partner with a common desire to build long-lasting and meaningful relationships and a shared vision to support community-driven social enterprises and initiatives led by equity-deserving individuals and groups.”

Spreading Good in Vancouver

We supported RADIUS, a social innovation hub and initiative of Simon Fraser University, which is working toward a just, sustainable, dynamic and resilient economy built by community-led solutions and the redistribution of leadership, centring those historically and persistently marginalized. Our 2022 capacity-building grant helped co-create an equity-centred regional incubation and acceleration program for a minimum of 35 unique Black, Racialized, Indigenous-led social enterprises in Metro Vancouver.



Task Force on Climate-Related Financial Disclosures (TCFD) Disclosure

IN THIS SECTION

Climate Change Governance	44
Climate Change Strategy	44
Climate Change Risk	45
Climate Change Metrics and Targets	46



Gore Mutual is supportive of the **Task Force on Climate-related Financial Disclosures (TCFD)**.

As we are early in our journey, we want to share how we are working to begin integrating the TCFD framework.

Climate change is having a significant impact on our industry. We have a role to play in changing the climate trajectory, both because of the knowledge of climate impacts that we gain through our Claims processes and because of the opportunities available to us through our investments, which we can leverage to support a transition to a greener economy.

Climate Change Governance

In December 2021, Gore Mutual created the role of VP & Head of Purpose and Sustainability to lead our Purpose work, including climate change. This role reports directly to the CEO with dotted line reporting to Gore Mutual's Board of Directors. This ensures alignment of the Purpose strategy with the Business strategy and sets clear accountability and oversight by the Board on progress being made.

This position also works closely with our Chief Risk Officer (CRO) to integrate climate change risk into our Enterprise Risk Management (ERM) Framework. The CRO is responsible for overseeing the organization's risk management activities, promoting the timely identification, assessment, and response to the entire risk taxonomy, which includes climate-related matters.

Climate-related risks and opportunities are also considered by the Board's Audit and Risk Committee, through its oversight of Gore Mutual's risk frameworks and the ongoing review of significant risks to the organization. These include emerging risks and changing regulation.

Climate Change Strategy

As a Property & Casualty (P&C) insurer, the impacts of climate change, in particular on enhanced and more frequent catastrophic events, are incredibly relevant for our business. Changes in the physical environment, policy and regulation, as well as the support required to move into a lower-carbon economy would affect how we underwrite and price our products and manage our investments. Increased catastrophic events also have implications on our ability to secure reinsurance which may lead to increased volatility in our returns and additional pressures and uncertainty in our required capital position.

Transition risks result from the economic and societal shifts associated with transitioning to a low-carbon economy. In the near term, transition risk will likely have the most significant impact on asset values. Changes in regulations, climate policies, energy technology and markets can lead to economic disruptions and sudden repricing of financial assets. The Canadian economy, more so than the US, is particularly exposed to transition risks given its large resource base and significant oil and gas sector. Stranded assets are a key transition risk and occur when a carbon-intensive asset experiences a premature write-down, devaluation or conversion to liability.

In response to this, in 2022 we began three work-streams related to better understanding our position and developing a strategy to manage the risks and opportunities of climate change:

- 1) We quantified our Scope 3 financed emissions for 2021, which we will use as a baseline going forward.
- 2) We performed a series of climate simulations to better understand the impact of climate-related risks on our investment portfolios, using the framework from the Bank of Canada and Office of the Superintendent of Financial Institutions (OSFI) pilot project on climate scenario analysis.
- 3) We began work to map out the process to conduct climate risk scenario analysis for our underwriting and pricing processes.



Climate Change Risk

Our definition of climate-related risk is aligned with the TCFD definition and is the risk of loss and/or reputational damage resulting from the inability to adequately plan for the impacts of climate change or the transition to a lower-carbon economy through mechanisms, such as industry regulations, government interventions and shifts in consumer preferences.

The organization's risk taxonomy recognizes climate-related risks, including physical risk, transition risk, and liability risk. In addition, we understand that climate-related risks can interact with and heighten risk severity in other parts of the taxonomy.

In 2022, the Purpose and Risk teams initiated the review of key policies and processes to better understand the integration of climate-related risks into the ERM Framework to ensure they are managed in a manner consistent with our common approach to risk management.

As part of this review, we initiated a GAP analysis against the proposed OSFI Guidelines B-15 Climate Risk Management, which will continue into 2023. We also undertook a few key steps in 2022 to better understand both climate-related transition and physical risk for Gore Mutual.

Transition Risk

Quantification: We began by gaining a better understanding of our financed emissions. In 2022, we were able to baseline our financed emissions for 2021 and obtain a data quality score for each asset class. As expected, there was considerable estimation that needed to take place across various asset classes. Our focus in 2023 will be to increase the data quality score

for various asset classes as we look to run our 2022 financed emissions inventory in the third quarter of 2023.

Market Risk Analysis: Using the framework from the Bank of Canada and the OSFI pilot project on climate scenario analysis, we performed a series of climate simulations to better understand the impact of climate-related risks on our investment portfolios, based on our 2021 baseline. For listed equities, market risk could only be quantified for US and Canadian equities.

Key findings were:

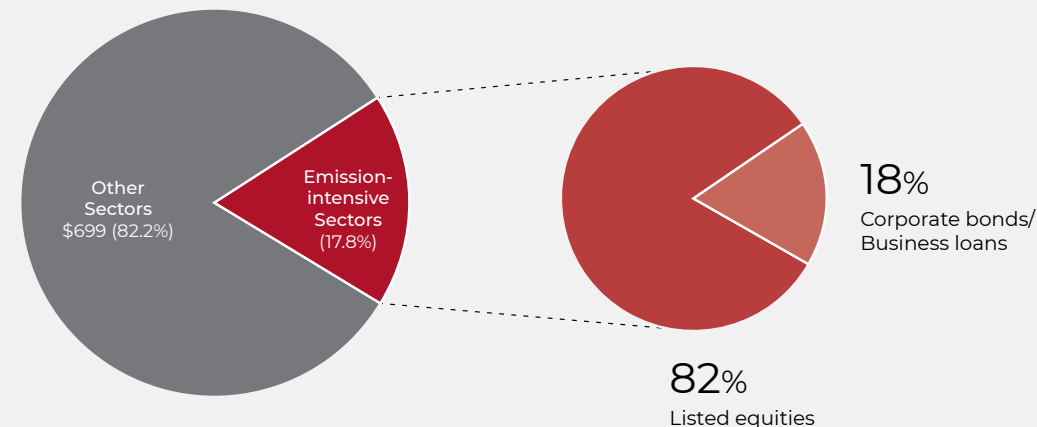
- 17.8% of Gore Mutual's investments are in what the Bank of Canada categorizes as emission intensive sectors.
- Of those investments, approximately 82% are listed equities, and 18% are corporate bonds/business loans.

Credit Risk Analysis: As opposed to climate transition-related market risk, climate transition-related credit risk could not be directly quantified. However, a change in the probability of default for companies in emission-intensive sectors was provided by the Bank of Canada pilot.

Based on our analysis, overall Gore Mutual's investments have low climate transition-related credit risk. Only 8.6% of corporate bonds have material exposure to emission-intensive sectors (oil & gas and refined oil bonds).

Other emission-intensive sector corporate bonds/business loans held by Gore Mutual are in the electricity/transport sector (which have no or a very limited increase in the probability of default), are short-term bonds, or have a total value of less than \$1 million.

2021 Gore Mutual Investments in Emission-Intensive Sectors (\$mm)



Physical Risk

Physical risks are related to the physical impacts of climate change and can be classified as either acute or chronic.

- **Acute physical risks** are short-term events associated with increased extreme weather, such as wildfires, floods and storm surges.
- **Chronic physical risks** refer to changes in longer-term climatic trends that include increases in mean temperature and precipitation and may result in rising sea levels and sustained heat waves.

For P&C, the most direct impacts will affect property, motor and specialty lines due to the exposure to increased extreme weather events. Natural disasters (which over 85% are weather-related) will increase in severity in a warming climate, create a high level of volatility, and may lead to a significant increase in capital requirements. However, the P&C annual renewal cycle will allow for continual adaptation of products and pricing to adjust to changing conditions.

As we are at the beginning stages of analyzing climate-related physical risk, we are looking at flood and wildfire risks for Ontario and British Columbia, and learning how we can incorporate better data into our future-looking underwriting and pricing strategies.

Climate Change Metrics and Targets

A key investment in 2022 – in terms of time and resources related to climate risk – was to gain a better understanding of our Scope 3 financed emissions. As a result, in 2022 we worked on creating our first GHG financed emission inventory using 2021 as a baseline.

In Gore Mutual's inaugural ESG report, we have disclosed our Scope 1, 2 and 3 emissions for 2022 in alignment with the GHG Protocol. A third-party has been engaged to conduct an annual limited assurance procedure of our emissions calculation.

We also disclosed components of our Scope 3 financed emissions for 2021, which were calculated in alignment with the Partnership for Carbon Accounting Financials (PCAF) framework.

Our focus for 2023 is to better understand the sources for our financed emissions, improve our data quality score for various asset classes, and to identify the areas where we can have some influence in terms of reductions.

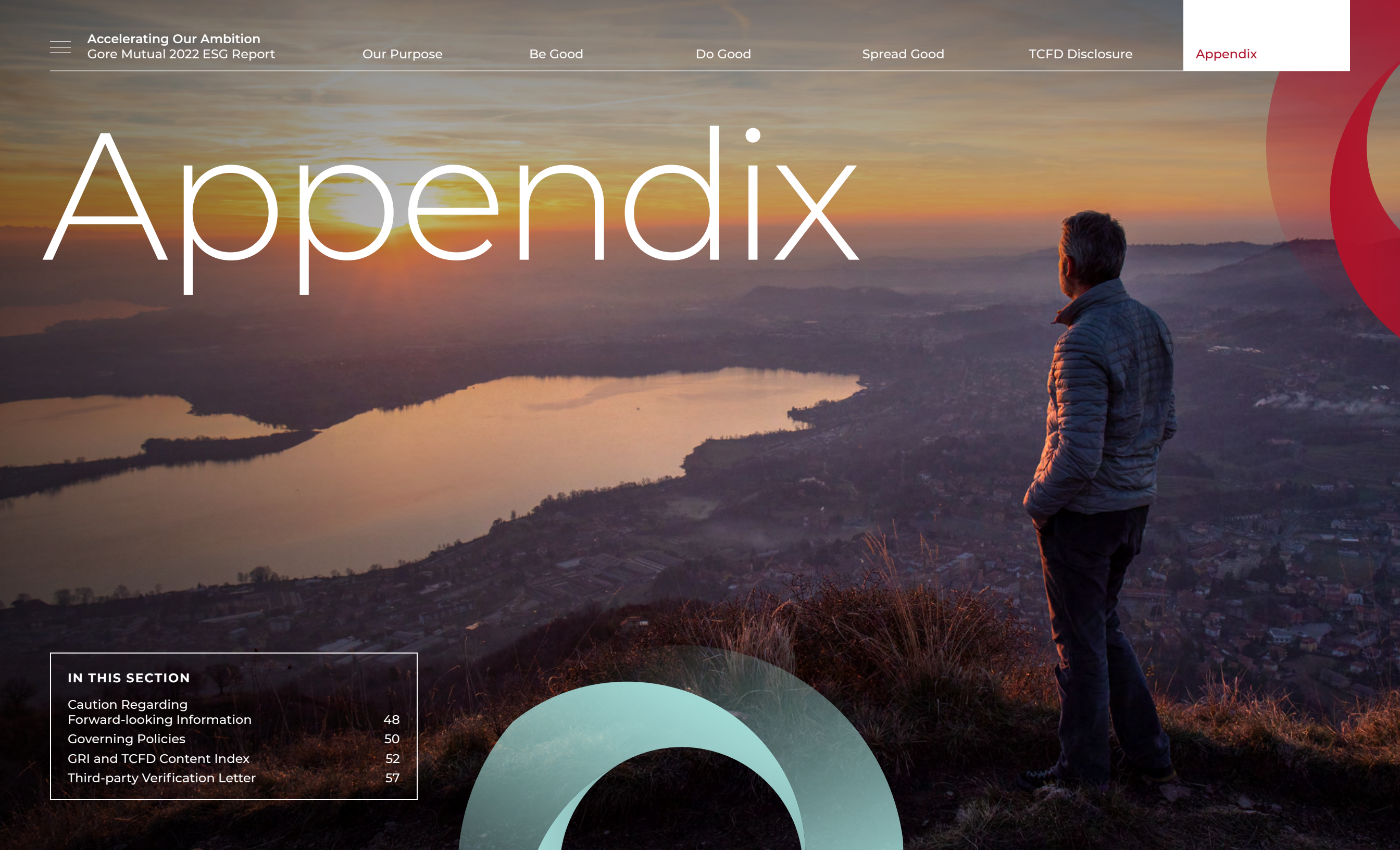




Appendix

IN THIS SECTION

Caution Regarding Forward-looking Information	48
Governing Policies	50
GRI and TCFD Content Index	52
Third-party Verification Letter	57



Caution Regarding Forward-looking Information

Certain information included in this report about our current, future or potential strategic, operational, financial, investment, product, service, philanthropic, and capital strategies, plans, structure, models, focus, commitments, events, expectations, intentions, results, undertakings, levels of activity or impact, performance, targets, goals, achievements, or any other future-oriented events, developments, information or statements constitute forward-looking information. Forward-looking statements include, but are not limited to, statements made in this report regarding our beliefs or intentions, vision, strategic goals, and priorities, including our plans, targets, commitments, and actions related to our corporate and purpose strategies, sustainable investment strategy, governing and operational structures and business plans, including our environmental, social and governance strategy and related plans and impacts. They also include statements regarding our expectations and objectives related to climate change, GHG emissions, financed emissions, underwriting process and product and service adaptation related to climate risk, digital technology, undertakings and impacts relating to poverty, equity, diversity, inclusion, broker partnerships related to purpose, and philanthropy (directly and through the Gore Mutual Foundation). In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “goals”, “commitments”, “promises”, “expects”, “estimates”, “strategy”, “intends”, “anticipates”, “believes”, or variations of such words, and phrases or statements that certain actions, events or results “may”, “could”, “would”, or “will”.

Statements containing forward-looking information are not historical facts or promises of future performance but instead represent managements’ expectations, estimates and projections regarding possible future events or circumstances. Certain statements made in this report use a greater number and level of assumptions and estimates, and are over longer time frames, and these assumptions and estimates are highly likely to change over time. Forward-looking information is, by its very nature, information that carries with it a level of uncertainty, and despite our careful preparation and review of the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions, which are the basis of such information, will prove to be correct.

Forward-looking statements are based on opinions, estimates, and assumptions that we considered appropriate and reasonable as at the date such statements are made, and are subject to many factors, individually or in the aggregate, that could cause our actual results, performance or achievements, or other future events or developments, to differ materially from those expressed or implied by the forward-looking statements, including without limitation, climate change dynamics; availability of comprehensive and high-quality GHG emissions data; varying decarbonization efforts across economies; balancing interim emission reduction targets with an orderly and just transition; economic and investment market conditions; need for active and ongoing engagement with stakeholders, including businesses and governmental and non-governmental organizations; development and deployment of new technologies; industry-specific solutions; evolutions in customer, community and other stakeholders’ expectations; labour market demographics and competition; ability to recruit, retain and develop employees; legislative and regulatory developments; ability to successfully implement various initiatives within expected time frames, impact of economic and political volatility and uncertainty, and other factors. These factors are not intended to represent a complete list and there may be other factors that could also cause actual results or future events to differ materially from those expressed or implied in such forward-looking statements.

There can be no assurance that such forward-looking information will prove to be accurate; actual results and events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which represent managements’ view only as at the date made and is subject to change after such date; we disclaim any intention, obligation or undertaking to update or revise any forward-looking information or statements, whether written or oral, that may be made from time to time by or on behalf of Gore Mutual, except as required by law.

Caution Regarding Forward-looking Information (continued)

Caution Regarding Sustainability and GHG Targets

In this report, we have made certain commitments and set certain goals and targets, including for achieving net-zero greenhouse gas emissions, and in respect of sustainable investment and other ESG-related metrics (collectively, “**Targets**”). In establishing our Targets, we relied on various laws, guidelines, taxonomies, methodologies, frameworks, market practices and other standards (collectively, “**Standards**”). Given the complex and evolving nature of the global response to climate change and other ESG-related issues, these Standards may change over time. For example, there may be changes in the Standards used to set greenhouse gas emission reduction targets, to measure, report and verify progress toward those targets, or to determine the sustainability of investments. If any Standards change significantly, we may need to update our Targets or our progress toward these Targets.

We also made good faith assumptions and estimates in establishing our Targets. Although we believe these assumptions and estimates are reasonable, they may prove incorrect or inaccurate for reasons we cannot foresee or predict. These assumptions and estimates relate to, among other things, the growth, outlook, and strategy of our business, the ability of our investment portfolio companies to make changes, the feasibility of third-party decarbonization and energy transition scenarios, the development and availability of low-carbon technologies, economic and political trends, stakeholder participation, the availability and accuracy of data from our investments and other third-party sources, and the evolution of legal regimes and policies to address climate change and other ESG-related issues. If any of these assumptions prove incorrect or inaccurate, we may be unable to achieve our Targets and we may need to revisit them.

Gore Governing Policies*

Our policies reflect Gore Mutual's commitment to prudent corporate governance practices. At least once a year, the Board and its Committees review the Company's governance policies in response to changing governance expectations, regulations and prudent practices, and makes recommendations for change on an ongoing basis.

Policy/Standard	Topics Covered
Code of Conduct and Ethics (Officers and Employees)	<ul style="list-style-type: none"> • Workplace conduct and culture • Conflicts of interest • Handling of confidential, sensitive and personal information • Use of electronic communications • External communications and media • Education and training • Compliance and reporting
Assessment of Responsible Persons	<ul style="list-style-type: none"> • Addresses requirements of Office of the Superintendent of Financial Institutions (OSFI) Guideline E-17 on background checks on Directors and Senior Management • Reporting requirements to the Conduct Review and Governance Committee and the Board
Conflict of Interest (Employees)	<ul style="list-style-type: none"> • Disclosure requirements for employees • Identifying and avoiding conflict of interest between personal business affairs and duties and responsibilities to the Company
Conflict of Interest (Directors & Officers)	<ul style="list-style-type: none"> • Disclosure requirements under sections 211 to 215 of the Insurance Companies Act (ICA) • Situations where there is actual or perceived personal and/or business interest conflicts with one's corporate duties
Related Party Transactions Policy	<ul style="list-style-type: none"> • Identifying and reporting all transactions with "related parties" • Process for satisfying the requirements of subsection 204(3) of the ICA
Regulatory Compliance Management ("RCM") Program	<ul style="list-style-type: none"> • Management and mitigation of regulatory compliance risk • Reporting and operating structure • Chief Compliance Officer role and responsibilities • Business Unit role and responsibilities • Compliance risk assessment procedure • Compliance assurance standards
Whistleblower Policy	<ul style="list-style-type: none"> • Actions and omissions considered to be wrongdoing • Process for bringing forward information concerning wrongdoing
Privacy Program	<ul style="list-style-type: none"> • Standards, management and guidelines for the Privacy Program
Fair Treatment of Customers ("FTC") Complaints Handling	<ul style="list-style-type: none"> • Handling expression(s) of dissatisfaction from customers • Types of complaints • Ombudsman • Complaints procedures • Reporting requirements • Process for satisfying the requirements under section 486 of the ICA

*Each policy was reviewed individually. As at December 31, 2022.

Gore Governing Policies* (continued)

Policy/Standard	Topics Covered
Statement on Investment Policies, Procedures and Guidelines	<ul style="list-style-type: none"> • Policies and procedures for Gore Mutual's investment portfolio • Governance, roles and responsibilities • Investment objectives and parameters • Risk management • Investment guidelines
Outsourcing Policy	<ul style="list-style-type: none"> • Addresses requirements of OSFI's Guideline B-10 on outsourcing arrangements • Gore Mutual's risk philosophy • Risk management and assessment • Oversight, due diligence, roles and responsibilities • Requirements regarding approval authority • Defining materiality and thresholds
Third Party Risk Management Framework	<ul style="list-style-type: none"> • Planning and assessment of third-party engagement • Monitoring third-party performance and reporting • Exceptions and issues escalation • Roles and responsibilities of internal parties
Operational Risk Management Policy	<ul style="list-style-type: none"> • Management of operational risks • Risk appetite and strategy • Risk register • Governance, roles and responsibilities
Enterprise Risk Management Framework	<ul style="list-style-type: none"> • Framework for independent oversight of the management of risks inherent in the business activities • Risk appetite and management • Governance, roles and responsibilities • Own Risk & Solvency Assessment • Risk culture
Reinsurance and Earthquake Policy	<ul style="list-style-type: none"> • Framework for managing placement of reinsurance and related risks • Risk appetite and management • Key principles in developing prudent approaches to managing earthquake risk
Capital Management Policy	<ul style="list-style-type: none"> • Determining and maintaining quantity and quality of capital appropriate to support operations • Regulatory capital • Internal capital target
ESG Sustainable Investment Policy	<ul style="list-style-type: none"> • Outlines responsible investing approach • Reporting requirements to the Board and Board Investment Committee

*Each policy was reviewed individually. As at December 31, 2022.

GRI and TCFD Content Index

LEGEND AR: Annual Report SR: ESG Report

GRI Standards	Indicator	Page numbers and comments
100s		
GRI-101	FTE, global workforce	About Gore Mutual (pg i) ; AR: About Gore Mutual
GRI-102-1	Name of the organization	About Gore Mutual (pg i)
GRI-102-2	Activities, brands, products and services	About Gore Mutual (pg i)
GRI-102-3	Location of headquarters	About Gore Mutual (pg i)
GRI-102-4	Location of operations	About Gore Mutual (pg i)
GRI-102-5	Ownership and legal form	Mutual Company (pg ii)
GRI-102-6	Markets served	About Gore Mutual (pg i)
GRI-102-7	Scale of the organization	AR: Financial Statements
GRI-102-8	Information on employees and other workers	About Gore Mutual (pg i)
GRI-102-9	Supply chain	Responsible Procurement (pgs 26-27)
GRI-102-11	Precautionary principle or approach	Caution Regarding Forward-looking Information (pgs 48-49)
GRI-102-12	External initiatives	The Purpose Partnership (pg 34)
GRI-102-13	Membership of associations	Memberships and Associations (pg 5)
Strategy		
GRI-102-14	Statement from senior decision-maker	Message from Our CEO and Chair of the Board (pg v)
Ethics and Integrity		
GRI-102-16	Values, principles, standards, and norms of behavior	Our Values (pg ii) ; Gore Governing Policies (pg 50)
GRI-102-17	Mechanisms for advice and concerns about ethics	Code of Conduct and Ethics (pg 9)

GRI and TCFD Content Index (continued)

GRI Standards	Indicator	Page numbers and comments
Governance		
GRI-102-18	Governance structure	Governance (pg 8)
GRI-102-19	Delegating authority	ESG Governance (pg 3)
GRI-102-20	Executive-level responsibility for economic, environmental, and social topics	ESG Governance (pg 3)
GRI-102-21	Consulting stakeholders on economic, environmental, and social topics	Purpose Partnership (pg 34)
GRI-102-22	Composition of the highest governance body and its committees	Governance (pg 8)
GRI-102-27	Collective knowledge of highest governance body	ESG Governance (pg 3)
GRI-102-33	Communicating critical concerns	Complaint Handling (pg 33)
GRI-102-35	Remuneration policies	DEI in our Remuneration Process (pg 20)
GRI-102-36	Process for determining remuneration	DEI in our Remuneration Process (pg 20)
Stakeholder Engagement		
GRI-102-18	Approach to stakeholder engagement	Purpose Framework & Sustainable Development Goals (pg 4) ; Identifying Our Social Impact Priorities (pg 37)
Reporting Practice		
GRI-102-45	Entities included in the consolidated financial statements	AR: Financial Statements
GRI-102-46	Defining report content and topic Boundaries	About this Report (pg iii)
GRI-102-47	List of material topics	Insurance that does good (pg 4)
GRI-102-49	Changes in reporting	About this Report (pg iii)
GRI-102-50	Reporting period	About this Report (pg iii)
GRI-102-51	Date of most recent report	About this Report (pg iii)
GRI-102-52	Reporting cycle	About this Report (pg iii)
GRI-102-53	Contact point for questions regarding the report	Back cover page (pg 58)

GRI and TCFD Content Index (continued)

GRI Standards	Indicator	Page numbers and comments
Reporting Practice (continued)		
GRI-102-54	Claims of reporting in accordance with the GRI Standards	About this Report (pg iii)
GRI-102-55	GRI content index	GRI and TCFD Chart (pg 52)
GRI-102-56	External assurance	Third-Party Verification Letter (pg 57)
200s		
GRI-201-1	Direct economic value generated and distributed	Our Modern Mutual Model (pg 2)
GRI-201-2	Financial implications and other risks and opportunities due to climate change	TCFD Disclosure (pgs 43-46)
GRI-201-3	Defined benefit plan obligations and other retirement plans	AR: Employee benefit plans
GRI-205	About Code of Business Conduct and Ethics and/or Anti-Corruption policy	Code of Conduct and Ethics (pg 9)
300s		
GRI 302-1	Energy consumption within the organization	Operations – GHG Inventory (pgs 21-22)
GRI 302-3	Energy intensity	Operations – GHG Inventory (pgs 21-22)
GRI 302-4	Reduction of energy consumption	Initiatives in our offices (pg 22)
GRI 305-1	Direct (Scope 1) GHG emissions	Operations – GHG Inventory (pgs 21-22)
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Operations – GHG Inventory (pgs 21-22)
GRI 305-3	Energy indirect (Scope 3) GHG emissions	Operations – GHG Inventory (pgs 21-22); Climate Change – Financed Emissions (pg 29)
GRI 305-4	GHG emissions intensity	Operations – GHG Inventory (pgs 21-22)
GRI 305-5	Reduction of GHG emissions	Operations – GHG Inventory (pgs 21-22); TCFD: Climate Change Metrics and Targets (pg 46)

GRI and TCFD Content Index (continued)

GRI Standards	Indicator	Page numbers and comments
400s		
GRI-401	Employment	About Gore Mutual (pg i)
GRI-401-1	New employee hires and employee turnover	Employee Turnover Rate (pg 14)
GRI-403-6	Health Promotion/Well being/Wellness	Employee Benefits (pg 13)
GRI-404	Training & Education	Employee Learning and Development (pg 15)
GRI-404-2	Programs for upgrading employee skills and transition assistance programs	Supporting Professional Accreditation and Development (pg 16)
GRI-405	Diversity & Inclusion	Diversity and Inclusion (pgs 17-20)
GRI 405-1	Diversity of governance bodies and employees	Diversity and Inclusion (pgs 17-18)
GRI-406	Non-discrimination	Diversity and Inclusion (pgs 17-20)
GRI-418/SASB	Customer privacy	Privacy Policy & Management Program (pg 9)
GRI-418-1/SASB	About Customer/Data Privacy policy	Privacy Policy & Management Program (pg 9)
GRI FS		
GRI FS1	Policies with specific environmental and social components applied to business lines.	Underwriting and Catastrophic Loss (pg 30)
GRI FS2/TCFD	Procedures for assessing and screening environmental and social risks in business lines.	Underwriting and Catastrophic Loss (pg 30) ; TCFD (pgs 43-46)
GRI-FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Underwriting and Catastrophic Loss (pg 30)
GRI-FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Do Good (pgs 25-34)
G4-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Our Sustainable Investment Process (pg 28)

GRI and TCFD Content Index (continued)

GRI Standards	Indicator	Page numbers and comments
SASB		
SASB FN-IN-410a.1	Total invested assets, by industry and asset class	Climate Change – Financed Emissions (pg 29); AR: Financial Statements
SASB FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	Sustainable Investing (pg 27)
SASB FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	Underwriting and Catastrophic Loss (pg 30)
SASB FN-IN-270a.3	Complaints-to-claims ratio (The entity shall calculate the ratio as the number of complaints the entity received across all insurance segments and regions during the reporting period per 1,000 claims that have been filed across all segments and regions during the same reporting period.)	Complaint Handling (pg 33)
TCFD		
TCFD	Governance	Climate Change Governance (pg 44)
TCFD	Risk Management	Climate Change Risk (pg 45)
TCFD	Strategy	Climate Change Strategy (pg 44)
TCFD	Metrics	Climate Change Metrics and Targets (pg 46)

Third-Party Verification Letter



LRQA Independent Assurance Statement

Relating to Gore Mutual's GHG Inventory for the Calendar Year 2022

This Assurance Statement has been prepared for Gore Mutual Insurance Company, in accordance with our contract.

Terms of Engagement

LRQA was commissioned by Gore Mutual Insurance Company (Gore Mutual) to provide independent assurance of their greenhouse gas (GHG) emissions inventory for the calendar year 2022 (CY22) against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas emissions. LRQA's verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Gore Mutual's operations and activities under its operational control and specifically the following requirements:

- Verifying conformance with:
 - Gore Mutual's reporting methodologies for the selected datasets; and
 - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data¹.
- Reviewing whether the Report has taken account of:
 - WRI Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- Evaluating the accuracy and reliability of data and information for the selected indicators listed below:
 - Direct (Scope 1) and Energy Indirect (Scope 2) GHG emissions;
 - Scope 3 GHG emissions verified by LRQA were Category 1: Purchased Goods & Services, Category 2: Capital Goods; Category 5: Waste Generated in Operations; and Category 6: Business Travel.

LRQA's responsibility is only to Gore Mutual. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Gore Mutual's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Inventory and for maintaining effective internal controls over the systems from which the Inventory is derived. Ultimately, the Inventory has been approved by, and remains the responsibility of Gore Mutual.

LRQA's Opinion

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that Gore Mutual has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance² and at the materiality of the professional judgement of the verifier.

¹ <http://www.ghgprotocol.org/>

² The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Table 1. Summary of Gore Mutual's GHG Emissions for CY 2022:

Scope of GHG Emissions	Category	Quantity	Unit
Scope 1	Direct	292	MT CO ₂ e
Scope 2 ¹	Location-Based	29	MT CO ₂ e
	Market-Based	29	MT CO ₂ e
Scope 3 ²	Category 1: Purchased Goods and Services	5,413	MT CO ₂ e
	Category 2: Capital Goods	492	MT CO ₂ e
	Category 5: Waste Generated in Operations	10	MT CO ₂ e
	Category 6: Business Travel	141	MT CO ₂ e

Note 1: Scope 2, Location-based and Scope 2 Market-based are defined in the WRI/WBCSD GHG Protocol, 2015

Note 2: Scope 3 emissions are based on spend data and calculated with US EEOI emission factors which include other GHGs

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- interviewing relevant employees responsible for managing GHG emissions data and records;
- assessing data management systems to confirm they are designed to prevent significant errors, omissions or mis-statements in the Inventory;
- verifying historical GHG emissions data and records at an aggregated level for CY 2022; and
- reviewing estimation methodologies and recalculating emissions.

LRQA's Standards, Competence, and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed

Dated: 08 June 2023

Kate Pagan

Kate Pagan
LRQA Lead Verifier
On behalf of LRQA, Inc., 1330 Enclave Parkway, Suite 200 Houston, TX 77077
LRQA reference: CQA00000117/5964526

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Gore Mutual Insurance Company
252 Dundas St N, P.O. Box 70
Cambridge, ON N1R 5T3

1-844-974-GORE (4673)
purpose@goremutual.ca
goremutual.ca