



THE MUTUAL FIRE
INSURANCE COMPANY
OF BRITISH COLUMBIA



2025

SUSTAINABILITY REPORT

TO BUILD A SECURE AND RESILIENT FUTURE

www.mutualfirebc.com/esg

INTRODUCTION

The purpose of this report is to offer a clear and comprehensive overview of Mutual Fire Insurance's (MFI) commitment to sustainability and meaningful stakeholder engagement. Our goal is to keep stakeholders informed about the sustainable practices we have adopted, the progress we have made this year, and the direction we are taking as we continue to build a secure and resilient future.

This year our intention was simple. We wanted to be better. The disclosures within this report are shared humbly and voluntarily as we await the British Columbia Financial Services Authority's forthcoming Natural Catastrophe and Climate Risk guidelines. We are pushing the envelope because we believe it is the right thing to do, not because we were instructed to do so.

Sustainability remains a company wide commitment at Mutual Fire Insurance. It is strengthened by the involvement of our staff led Sustainability and Purpose Committees whose dedication and insight continue to shape our journey with authenticity and care.

We hope this report serves as an open and transparent reflection of where we are today. It demonstrates our responsible business practices, our dedication to social and environmental well being, and our commitment to strong and proactive governance. Most of all it reflects our belief that building a secure and resilient future is a shared effort.

We invite you to join us as we continue moving forward together.

CAUTIONARY STATEMENT

Please note that this report contains forward-looking statements regarding Mutual Fire Insurance's and Four Points Insurance's Sustainability initiatives. These statements are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such statements. Forward-looking statements are based on current expectations, estimates, and projections about MFI's industry, management's beliefs, and certain assumptions made by management. These statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, changes in government regulations or policies, changes in laws and regulations affecting the insurance industry, changes in general economic conditions, and other factors that may be beyond MFI's control. MFI does not undertake any obligation to update forward-looking statements, except as required by law.



CONTENTS

- A MESSAGE FROM THE PRESIDENT AND CEO 4
- 2025 SUSTAINABILITY COMMITTEE 5
- OUR REPORTING AND GOVERNANCE STRUCTURE 6
- RISK MANAGEMENT 8
- SCOPE 1 AND 2 DISCLOSURES 9
- SCOPE 3 OUTLOOK 10
- SCOPE 3 INSURANCE ASSOCIATED EMISSIONS 11
- ENGAGING OUR PEOPLE 14
- PURPOSE COMMITTEE 2025 15
- FIRE IN THE HOLE 17
- CONTINUING IN OUR COMMUNITY 18
- iSDG SCORE 20
- WHAT'S NEXT 22



A MESSAGE FROM THE PRESIDENT AND CEO

As President and CEO of The Mutual Fire Insurance Company of British Columbia, I am proud to share our ongoing journey in environmental, social, and governance (ESG) leadership and sustainability. Each year, the challenges posed by climate change and natural disasters intensify, testing the resilience of our members, staff, and communities. These are not distant threats—they are present realities that demand decisive, forward-thinking action.

At Mutual Fire Insurance, we choose to lead. Our responsibility extends beyond insuring property; we champion resilience by actively partnering with our communities. We do not simply observe risk—we anticipate it. Our commitment is clear: we prepare, adapt, and consistently support our policyholders when they need us most.

ESG principles are central to our identity. We integrate sustainable values across the organization, from frontline staff to executive leadership, understanding that long-term strength depends on ethical decision-making. By embedding these principles into our culture, we remain accountable, forward-thinking, and aligned with the values of our membership.

Our Sustainability Committee exemplifies this commitment. Composed of dedicated employees from across the organization, the committee shapes our environmental priorities and advances internal sustainability practices. Their work ensures our initiatives are strategic and actionable, encouraging staff engagement and promoting environmental responsibility. Every department is inspired to play an active role in reducing our overall footprint.

This year, we enhanced our climate-related scenario analysis to better understand how emerging risks may affect our members in the years ahead. We have begun developing our own approach to estimating underwritten emissions within our portfolio, building internal capabilities to assess exposure to climate-driven factors and strengthen our decision-making.

Our investment strategy reflects our philosophy of responsible stewardship. Through collaboration with investment advisors and an independent ESG-focused rating firm, we evaluate our equity portfolio using rigorous ESG criteria. Regular report cards provide transparency and allow us to identify holdings that fall short of our

“ESG is not simply part of our strategy; it reflects our values and our promise to future generations.”

standards. When that happens, we act. Our inclusion of green bonds further demonstrates our belief that strong financial performance and responsible stewardship must go hand in hand.

Looking ahead, our purpose remains unwavering. We are a company built on mutual strength—people supporting people. ESG is not simply part of our strategy; it reflects our values and our promise to future generations. Together, we will continue to lead with integrity, innovate with intention, and build a more resilient tomorrow for the communities we proudly serve.



DARIN LORD NESSEL
President and CEO



2025 SUSTAINABILITY COMMITTEE



Aidan Battley (Chair)

Team Lead,
Marketing and
Communications



Ayla Loutit

Team Lead, Partner
Success



Brenda Parent

Team Lead,
Administration



Christine Young

Chief Marketing
Officer



Elena Andropova

Controller



Monica Niles

Human Resources
Director



Nirmal Binnag

Vice President,
Underwriting



Sarah Halima Besisira

Senior Data Scientist



Tevyn Rathwell

Business Analyst

INTEGRATED SUSTAINABILITY LEADERSHIP

In 2025, the Sustainability Committee continued to build on a strong foundation, strengthen its structure, and enhance alignment with MFI's strategic direction and mutual values. We have an updated Terms of Reference designed to enhance clarity, accountability, and consistency across our sustainability initiatives. The revised framework clearly defines roles and responsibilities, ensuring that initiatives are supported by executive sponsorship and have clear ownership. The Terms of Reference also formalize progress reporting through MFI's enterprise project management tools, providing regular updates to the Executive Team and Board of Directors. Together, these updates strengthen transparency and support disciplined progress tracking across all teams.

In the last year the committee expanded to nine members, bringing a diverse range of skills, experiences, and perspectives. Members represent areas such as underwriting, administration, human resources, marketing and communications, finance, data and analytics, and business development. This breadth of expertise ensures sustainability considerations are integrated into both strategic planning and day to day operations, reflecting the interconnected nature of environmental, social, and governance priorities within our mutual insurance organization. The committee's diverse skillsets directly support MFI's sustainability focus areas and working together, the committee takes a holistic and practical approach to sustainability.

Looking ahead, the Sustainability Committee will continue to deepen engagement with members, broker partners, and industry stakeholders, while transparently sharing progress through MFI's annual sustainability reporting. Through collaboration, accountability, and continuous improvement, the committee remains focused on supporting a resilient, innovative, and community focused future for MFI.

OUR REPORTING AND GOVERNANCE STRUCTURE

RESILIENT GOVERNANCE

We have maintained the same governance structure because it has proven effective in fully integrating climate-related governance into our broader business model. This consistent framework has supported the development of sustainable underwriting solutions set to launch in 2026, the creation of new operational guidelines to reduce our climate impact, and the implementation of enhanced climate-related KPIs to measure progress more accurately.

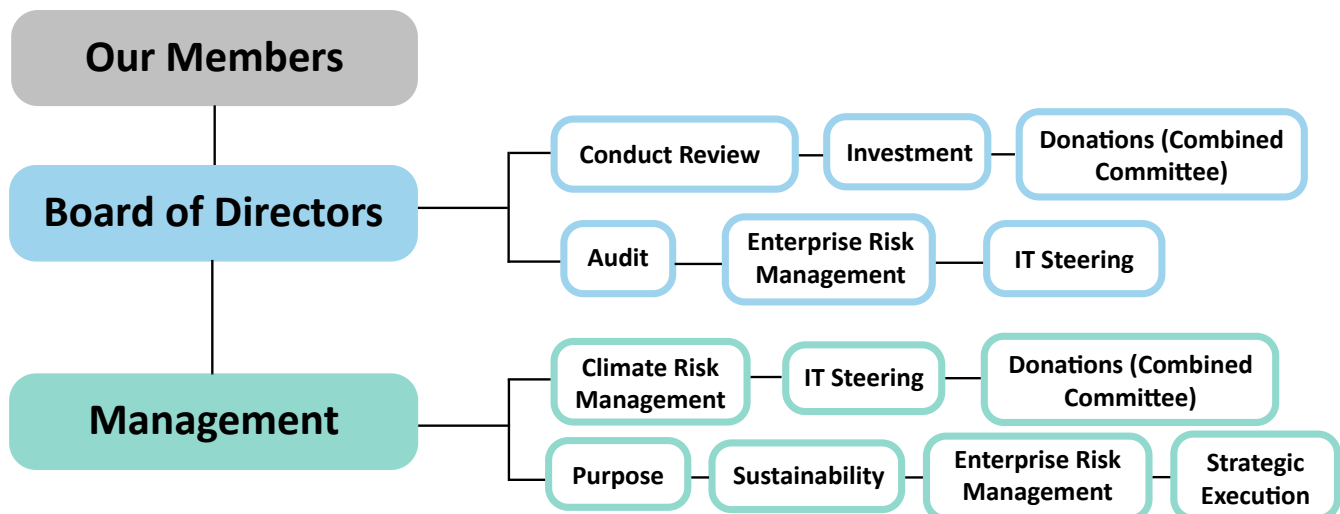
Our Board continues to oversee climate-related risks and opportunities and ensures they are embedded within the company’s long-term strategy. This includes shaping organizational priorities and expectations around climate resilience and sustainability. In addition to approving the company’s strategy and business objectives, the Board plays a critical role in safeguarding the interests of our policyholders by ensuring that climate considerations remain central to strategic decision-making.


THE MUTUAL MODEL

The Board understands the climate risks facing the business, including potential impacts on claims from extreme weather events and regulatory changes related to climate policy. As a mutual company, this understanding is grounded in the responsibility to protect the long-term interests of policyholders. The Board ensures that the risk management framework is strong enough to address these risks and maintain stability for members.

The Board also oversees management’s ongoing work to identify and monitor critical and emerging risks affecting the Company, including:

- Transition Risk inclusive of Policy and Legal, Technology, Market and Reputation
- Physical Risk inclusive of Acute risk and Chronic risk
- Opportunities such as Resource Efficiency, Energy Source, Products/Services, Markets and Resilience



An aerial photograph of a large concrete dam with multiple spillways. The dam is situated in a valley with lush green trees on the left and right. A road with yellow markings is visible in the upper left corner. The water behind the dam is a deep blue-green color. The text "Planetary Impact" is overlaid in the center in a large, white, sans-serif font, enclosed in a white rounded rectangle.

Planetary Impact

CLIMATE-RELATED RISK MANAGEMENT

Mutual Fire Insurance continues to strengthen its approach to climate-related and natural catastrophe risks through an integrated, enterprise-wide framework. Climate risks, including floods, wildfires, wind, hail, and atmospheric rivers, remain embedded within our Enterprise Risk Management (ERM) system, which centralizes data, supports timely stakeholder engagement, and enhances organization-wide monitoring and reporting.

ADVANCEMENTS MADE THIS YEAR

ENHANCED SCENARIO ANALYSIS

This year, we expanded our scenario-analysis capabilities by adding a new flood-simulation tool. This technology supports more detailed modelling of physical flood risks and enhances our ability to assess climate-related outcomes under multiple scenarios.

STRONGER WILDFIRE RISK INTEGRATION

We advanced our wildfire-risk assessment approach by integrating FireSmart-related insights directly into our rating process. FireSmarted homes have been shown to reduce wildfire risk significantly, and this evidence-based insight now informs how we evaluate property-level resilience in wildfire-exposed regions.

COMMUNITY-BASED CLIMATE AWARENESS

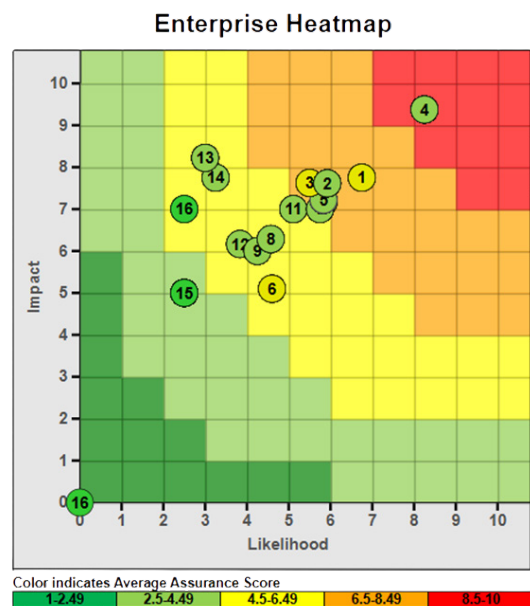
We continued building climate literacy through hands-on learning experiences delivered in partnership with local emergency services and community organizations. These sessions provided employees with practical knowledge of defensible-space practices and other FireSmart principles.

UPDATED PHYSICAL AND CLIMATE-RELATED RISK PROFILE

MFI maintains dedicated plans for physical risks, transition risks, and related opportunities. Climate-related hazards, particularly flood and wildfire, remain among our most significant risk categories and continue to be closely monitored through our ERM platform.

IMPROVED ASSURANCE LEVELS ACROSS NCCR RISKS

This year's Enterprise Heat Map shows improved assurance scores across all captured natural catastrophes and climate-related risks. The overall distribution reflects strengthened controls, better data integration, and the impact of new modelling capabilities.



Each circled number on the Enterprise Heatmap represents a specific risk peril that management closely reviews. These risks are evaluated based on their likelihood, potential impact, and the assurances currently in place. Together, these factors determine the overall score for each peril.

SCOPE 1 AND 2 DISCLOSURES

The following table summarizes Mutual Fire Insurance's and Four Points Insurance's GHG emissions in its current reporting scope that are associated within the organizations' building operations and sourcing. Non-operationally controlled subsidiaries have been omitted from the calculations.

2024				2025			
GHG Emissions	Unit	No. Unit	tCC02e 2024	GHG Emissions	Unit	No. Unit	tCC02e 2025
Scope 1				Scope 1			
Company Facility				Company Facility			
Natural Gas	GJ	321.8	17.05	Natural Gas	GJ	268.4	14.22
Commercial A/C including Heat Pumps	R-410A	21	220.34	Commercial A/C including Heat Pumps	R-410A	21	220.34
Diesel Generator	kWh	100	0.11	Diesel Generator	kWh	100	0.11
Fire Suppressors	kg	2	0	Fire Suppressors	kg	2	0
Operational Road Travel				Operational Road Travel			
Company Vehicles	\$	4730.45	2.03	Company Vehicles	\$	14074.97	2.39
Total Scope 1			239.53	Total Scope 1			237.06
Scope 2				Scope 2			
Purchased Electricity				Purchased Electricity			
Energy Usage	kWh	89998	1.35	Energy Usage	kWh	149104	2.24
Total Scope 2			1.35	Total Scope 2			2.24
Total Scope 1 & 2			240.88	Total Scope 1 & 2			239.3

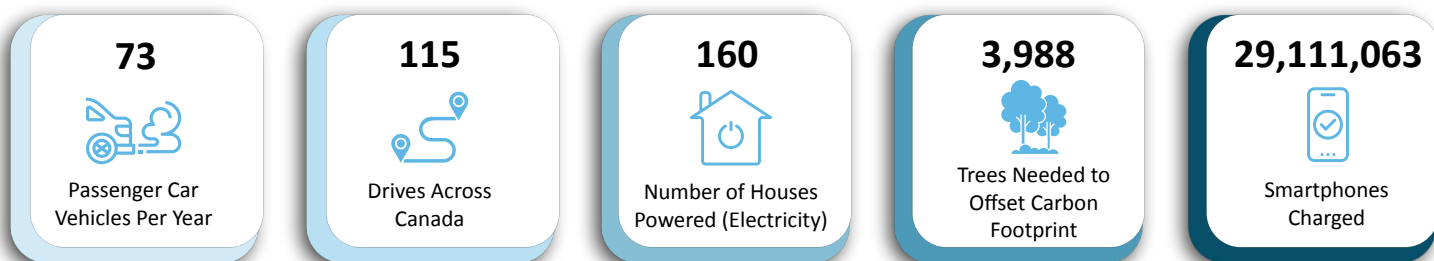
METHODOLOGY

The Business Development Bank of Canada(BDC) Simplified Greenhouse Gas Calculation Methodology is used to measure and track Scope 1 and Scope 2 emissions, providing a clear overview of our organizations direct climate impact. This methodology focuses on the practical starting point by measuring direct emissions, tracking progress toward emissions reductions, and complying with emerging supply chain disclosure requirements. For 2025, emission factors were updated to ensure relative impact is as accurate as possible. Additionally, it is important to note that these figures are not independently assured at this time. Once reporting becomes mandatory, these figures will be further verified.

TRENDS AND INSIGHT

We have observed year over year changes in the composition of our energy consumption, with certain energy sources showing increases. However, due to adjustments in emission factors and a continued reduction in natural gas usage, our overall greenhouse gas emissions measured in tonnes of carbon dioxide equivalent have decreased. This reflects both shifts in the underlying carbon intensity of the energy supplied to our facilities and the impact of our ongoing efforts to reduce reliance on higher emitting sources. Looking ahead, we see meaningful opportunities to strengthen our performance even further. Planned upgrades to our HVAC system, combined with more intentional and proactive energy management across our operations, are expected to contribute to additional reductions in emissions through 2026 and beyond. These improvements demonstrate our commitment to continuous operational efficiency and to meeting evolving expectations for responsible environmental stewardship.

EMISSION EQUIVALENCIES



SCOPE 3 OUTLOOK

We are taking a phased and pragmatic approach to reporting our Scope 3 emissions, beginning with the sources most material to our operations, such as employee commuting, business travel, and purchased goods and services. To ensure our measurements align with industry expectations, we are referencing methodologies used by other insurers as well as national benchmarks and regulatory guidance, including those provided by OSFI. As we advance this work, we will also look to collaborate with others within our mutual network and the broader industry to share insights, strengthen methodologies, and continually improve the quality and completeness of our data. Collaboration will be essential as this work progresses, and industry groups such as CAMIC and ICMIF continue to reinforce the importance of working together to advance shared learning, improve data practices, and build consistency across the mutual insurance community.

We recognize that reporting Scope 3 emissions involves meaningful limitations at this stage of our work. Many of the data points we rely on come from external partners, suppliers, or industry averages, and in several cases real data is not yet available. As a result, some early calculations depend on estimates, proxy values, or benchmarking tools that provide direction but not precision. These limitations are common across the insurance sector and reflect the evolving nature of Scope 3 reporting rather than a lack of commitment. At the same time, expectations from stakeholders are increasing. Policyholders, regulators, and industry partners are looking for greater visibility into how organizations understand and manage their climate impacts. By acknowledging where our data is still developing, and by being transparent about our methodology, we aim to meet these expectations in a responsible and credible way. As our processes mature and collaboration across our network grows, we anticipate a steady improvement in the quality, detail, and completeness of our Scope 3 disclosures.

ANTICIPATED TIMELINE

Initiative	2026	2027	2028
Air Travel	X		
Employee Commuting	X		
Investments		X	
Office Waste	X		
Non-Controlled Assets (Real Estate Holdings, Brokerage Investments, etc.)			X
Claims Impact			X

SCOPE 3 INSURANCE ASSOCIATED EMISSIONS

Coming soon in 2027

Insurance associated emissions (IAE) represent the greenhouse gas emissions that occur as a result of the real world activities and assets insured through MFI's underwriting segments. These emissions are classified as Scope 3 under the Greenhouse Gas Protocol, and reflect the indirect climate impact associated with providing insurance coverage, as opposed to emissions generated by MFI's own operations. Because insurers do not directly control or measure the emissions of insured customers, IAE is inherently an estimated metric that relies on standardized methodologies, economic attribution, and reasonable proxy assumptions aligned with recognized industry guidance, including the Partnership for Carbon Accounting Financials (PCAF).

OUR OBJECTIVE

The objective of modeling IAE is to establish a transparent, defensible, and repeatable portfolio level baseline that supports climate risk visibility, external disclosure, and ongoing governance oversight. While the results are not intended to represent precise emissions for individual insured entities, they provide meaningful insight into relative emissions exposure across underwriting segments, and will enable MFI to track directional change over time. This first iteration is positioned as a foundational step, prioritizing consistency and clarity while acknowledging current data limitations.

MFI's IAE approach covers the farm, commercial lines, personal property, and auto underwriting segments. Given limited access to customer specific emissions data, the model relies on policy level underwriting details, sector appropriate proxy activity and energy intensity assumptions, and provincially relevant emissions factors sourced from reliable national institutions. Where applicable, emissions are attributed using PCAF aligned

economic attribution factors to reflect MFI's proportional relationship to insured activities.

METHODOLOGY

The model is structured by underwriting segment to reflect materially different emissions drivers. In the farm segment, for example, emissions are driven primarily by biological processes and fuel use. Estimates incorporate livestock related methane and nitrous oxide emissions alongside modeled on site energy use, with emissions attributed using a premium to gross revenue factor consistent with PCAF guidance. This approach recognizes the production driven nature of agricultural emissions and avoids reliance on building energy assumptions alone.

A similar approach is taken with the commercial and auto segments, where estimates consider economic activity and annual cost of ownership, respectively. In any case, the methodology reflects the dominant emissions sources associated with each segment. The model explicitly acknowledges limitations related to proxy use, data availability, attribution uncertainty, and precision, and emphasizes that results are directional and comparative rather than exact point estimates.

Commercial portfolio emissions are estimated primarily through building related energy consumption, using floor area, occupancy type, and sector specific energy intensity benchmarks to model electricity and heating fuel use. Emissions are attributed using a premium to gross revenue factor, ensuring proportional allocation based on economic activity. This methodology reflects the dominant emissions sources associated with insured commercial properties while maintaining consistency across diverse commercial risks.



SCOPE 3: INSURANCE ASSOCIATED EMISSIONS (CONTINUED)

Coming soon in 2027

Auto emissions are modeled using an activity based transportation framework, reflecting the direct relationship between vehicle use, fuel consumption, and emissions. Estimates are derived from annual distance traveled, fuel intensity assumptions, and fuel type differentiation, with emissions attributed using a premium to annual ownership cost factor in line with PCAF guidance.

Personal property emissions are modeled differently from commercial emissions, and are based on residential energy use, including electricity and space heating fuels. As this segment is not explicitly covered under current PCAF guidance for insurance associated emissions, results are reported as supplemental Scope 3 emissions without formal PCAF attribution. Including Personal Property ensures a more complete view of portfolio level emissions exposure while maintaining transparency regarding methodological boundaries.

CONCLUSION

Looking forward, MFI intends to refine its IAE methodology over time as data quality improves, regulatory expectations evolve, and industry standards mature. This phased approach supports methodological discipline while positioning the organization to enhance portfolio insight, support regulatory disclosure, and strengthen climate risk governance over time. MFI recognizes that insurance associated emissions modeling is an evolving discipline and that the current methodology remains under active development. Throughout 2026, MFI intends to use this baseline year to further refine assumptions, enhance data quality, and strengthen internal processes supporting IAE quantification. This development period will focus on improving underwriting data capture, validating proxy assumptions, and aligning methodologies with emerging regulatory guidance and industry best practices. The objective is to deliver MFI's first fully quantifiable and consistently reproducible IAE results in 2027, supported by improved methodological maturity and governance oversight.



Sustainable Culture

ENGAGING OUR PEOPLE

Every day, our staff demonstrate our values of honour, passion, community, and mutuality through their work performance, interactions with colleagues and brokers, and volunteer activities. Through Microsoft Teams, we maintain strong connections with regular check-ins that reinforce ongoing teamwork and foster personal connection.

Our recent employee engagement survey yielded a strong average score of 6.53 out of 7. While proud of this result, we remain committed to continuous improvement. Staff value the hybrid work environment, which benefits both employees and the company. Every team member plays an essential role in our success, as we collectively pursue our strategic goals.



By working together towards a common goal, we strengthen relationships and celebrate achievements. We strive to incorporate social components in meetings by marking milestones, hosting events both virtually and in person, and organizing team activities to learn together.

The company prioritizes staff wellbeing, offering a fitness centre, the Calm app subscription, two volunteer days to support the community, comprehensive benefits including multiple employee assistance programs, a bonus plan, and employee input on performance goals and weighting.

Mutual Fire Insurance was the beneficiary of the Insurance Business Canada P&C Insurer of the Year award in 2025. This is an honour for which many other mutual insurers throughout Canada would also be deserving. This achievement reflects the outstanding dedication and engagement consistently demonstrated by our staff.

We are not resting after receiving this year's P&C Insurer of the Year award; we will keep strengthening and improving our culture.



Our commitment to mutuality goes beyond just doing business; it is embedded in the very fabric of our daily interactions and decision-making processes. We believe that every voice matters, encouraging open dialogue and continuous feedback to ensure that all team members feel heard and empowered. This sense of ownership and belonging inspires everyone to contribute their best, fostering a truly collaborative and supportive workplace environment.

PURPOSE COMMITTEE 2025 COMMUNITY IMPACT SUMMARY

Strengthening wellbeing, connection, and shared responsibility across our communities

The Purpose Committee continued to strengthen our commitment to community wellbeing this year. Across all initiatives, staff participated with generosity, curiosity, and a sincere desire to create positive experiences for the people around us. These efforts reflect the values that guide Mutual Fire Insurance and the mutual responsibility we share toward our members and our communities.



Supporting Seniors Through Archway Community Services

Our partnership with Archway Community Services helped support Lunch with the Bunch, a weekly gathering that offers seniors an opportunity to enjoy a meal, take part in activities, and connect with others. Volunteers helped serve lunch, joined conversations, and contributed to the friendly atmosphere that makes this program meaningful.

MFI also provided financial support to help maintain this valued community offering. The experience fostered genuine connection between staff and participants and supported a program that many seniors appreciate as part of their weekly routine.

Celebrating Urban Biodiversity with Alvéole

Our Alvéole beehives continued to provide an engaging way for staff to learn about biodiversity and environmental stewardship. This year, the bees pollinated more than 500 million flowers and produced over 100 jars of honey. Two interactive workshops gave staff an up close look at hive activity and honey production. These sessions encouraged learning and curiosity while strengthening our appreciation for the environmental benefits of urban beekeeping.





Food Hampers for Mission School District

Food insecurity remains a significant challenge for many families in Mission. In response, MFI provided funding to deliver 173 food hampers to families across the Mission School District. Staff volunteers packed and delivered hampers to 12 elementary schools, supported by Mission Save-On-Foods. Teachers and students shared their gratitude during the deliveries, reinforcing the value of this annual initiative.

Christmas in July: Honouring Caregivers

This year's Christmas in July initiative focused on individuals who often face additional pressures during the summer when childcare costs increase. Volunteers prepared 110 gift boxes, surpassing the original goal of 100. More than 30 staff members contributed their time, donations, and energy, alongside support from external partners.

Delivery at Stepping Stone Community Services Society was filled with appreciation, connection, and a sense of shared community spirit.



Overall Impact

Each initiative demonstrated how much can be accomplished when people come together with intention and kindness. Whether supporting seniors, assisting families, learning about environmental stewardship, or recognizing caregivers, the collective efforts of the Purpose Committee strengthened our connection to the communities we serve and reaffirmed our commitment to meaningful, people focused impact.

FIRE IN THE HOLE

Building a Culture of Awareness

The Fire in the Hole event at the Green Tee Course in Coquitlam brought staff together for a full day of learning, connection, and hands-on experience rooted in our commitment to sustainability and wildfire preparedness. Designed to be inclusive and engaging for everyone, it offered opportunities for both golfers and non-golfers to learn in ways that felt meaningful and memorable.

While one group headed onto the course, the non golfers participated in a guided FireSmart activity that invited them to look closely at the golf course through the lens of wildfire readiness. Using a comprehensive checklist, they assessed the site's surroundings, vegetation, structures, and overall vulnerability to fire. This exercise helped them see how the smallest details, such as the placement of organic debris or the selection of landscaping materials, can play a significant role in preventing ignition and slowing the spread of wildfire. Their evaluations were scored for accuracy and insight, creating a friendly sense of competition that encouraged careful observation and thoughtful decision making.

FireSmart, at its heart, is a practical and community-centred approach to reducing wildfire risk by making informed choices about buildings, landscaping, and surrounding environments. By applying these principles at our facilities and event sites, we not only reduce the likelihood and impact of wildfire, we also strengthen the resilience of the ecosystems we depend on. As climate patterns shift and fire seasons grow longer and more intense, understanding and acting on these principles becomes not just valuable, but necessary.

The Fire in the Hole event ultimately showcased the power of combining learning, collaboration, and purpose-driven action. It reinforced that wildfire preparedness is not a once a year exercise, but an ongoing commitment that grows stronger when everyone participates. By bringing FireSmart principles to life in an engaging and accessible way, the event supported our broader sustainability and climate resilience goals while deepening our shared understanding of the role ecosystems play in effective fire management.



Team Mutual Fire Insurance



Our Staff FireSmart Champions



Winners of the Day

CONTINUING IN OUR COMMUNITY

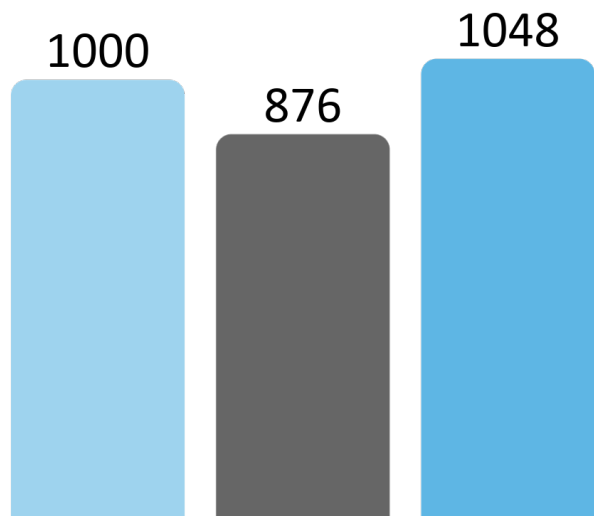
Strengthening Communities Through Action and Impact

Community is a core value at MFI, and in 2025 our people demonstrated this through more than 1,000 volunteer hours and support for over 45 charitable organizations across Canada. Our giving focused on food security, health and well-being, families, and environmental stewardship.

To address hunger, we supported Food Banks throughout British Columbia and contributed to Harvest Manitoba's province-wide food assistance network. We advanced mental health initiatives through the Canadian Mental Health Association in Toronto and UBC's HeadsUpGuys program, which promotes men's mental wellness to reduce suicide risk.

Families and children remained a priority. Contributions to City Dream Centre, Mission School District, and Baby Go Round helped ensure access to food, school hampers, and essential baby equipment for families experiencing financial strain. We also supported the Manitoba Eco-Network to strengthen environmental protection efforts across the province.

Employee Volunteer Hours



2023 2024 2025

Volunteering and Charitable Giving Highlights

- 91 Volunteers
- 275 Activities
- 1,048 Hours Contributed
- 5 Provinces reached
- Most common SDG focus: Goal 2: Zero Hunger

Our employees continued to volunteer widely, especially in food programs. Teams assisted with meal preparation and distribution in Surrey and Abbotsford, including work with Storehouse Society and Fraser Valley Gleaners. Others supported schools and youth programs by helping with student events and seasonal activities. Volunteers also contributed to senior support programs, including Meals on Wheels in Calgary, and participated in environmental initiatives such as trail cleanups and habitat restoration in Langley and Coquitlam.

Additionally, in lieu of swag and less environmentally friendly promotional items, our Mutual Fire Partner Success team opted to donate to local charities what we would've spent on promo at the conferences. From this initiative alone, we were able to donate over \$30,000 to local conference communities.

In total, our charitable contributions exceeded \$196,000, with the largest share directed toward health, hunger relief, and climate-related initiatives. The impact of this work is reflected not only in dollars and hours but in the meaningful support provided to individuals, families, and communities across the country.

A large, mature tree with a thick trunk and a dense canopy of green leaves stands in a field of tall grass. The tree's roots are exposed and spread out across the ground, extending into the soil. The background is a clear, bright blue sky. The entire scene is framed by a white rounded rectangle.

The Mutual Difference

2024 iSDG UPDATE

In 2021, Mutual Fire Insurance (MFI) joined the International Cooperative and Mutual Insurance Federation (ICMIF). MFI's aim was to further integrate sustainability principles and responsible business practices into a comprehensive strategy, enabling us to prioritize purpose-driven decisions that benefit our members and the broader community.

ICMIF formed a collaborative working group to enhance a Sustainable Development Goal (SDG) tool specifically for mutual insurers and invited MFI to participate. This group's mission was to examine insurance-related indicators across all 17 United Nations SDGs, bringing together 27 mutual insurers worldwide. The process involved evaluating regulatory compliance, measuring environmental impacts, and establishing methodologies and metrics for each indicator.

Findings from the ICMIF's calibrated Insurance SDG (iSDG) calculator revealed that even minor product changes could significantly improve sustainability outcomes. For MFI, participating in this global initiative resulted in an annual iSDG score based on our data aligned to these indicators. Our scores out of a possible 10 are as follows:

2022	2023	2024
4.64	5.06	5.90

We are proud that our 2024 score reflects an increase of nearly 30% compared to last year. For a company of our scale, these results show we are advancing sustainable practices throughout our organization and country. We remain committed to further enhancing our sustainability efforts and positively impacting the communities we serve, while staying true to our vision: 'To build a secure and resilient future.'



UPDATED iSDG SCORE

2024 RESULTS

Score A*	10.0	6.7	0	2.9	6.9	2.9	NA	7.7	10	10	5.3	3.4	4.3	6.7	0.4	7.5	10	5.9

iSDG OPTIMIZATION

High Performance	Low Performance	Opportunities
Providing protection for farms, property, and infrastructure construction	Carbon footprint of farm and commercial books (including infrastructure construction)	Promote and support sustainable farming and explore opportunities to offset farm emissions.
Supporting SMEs. Strategies supporting peace and the SDGs. Circular economy.	Foster a resilient society with natural catastrophe insurance	Develop new positive environmental impact products, nature-based solutions, ecosystem recovery, etc.
Achieving workplace salary and gender equality	Operational environmental footprint (energy, waste recycling)	More accurate operational data (e.g. % of RE, annual carbon emissions) and improve % of recycled materials

Mutual Fire Insurance is proud to support the iSDG Calculator and the work of Sim2Sustain as we continue championing sustainability in our communities. As a mutual company, we believe in collective responsibility and shared benefit, and this partnership helps us better understand the long-term impacts of our decisions so we can serve our members with purpose and clarity.



WHAT'S NEXT?

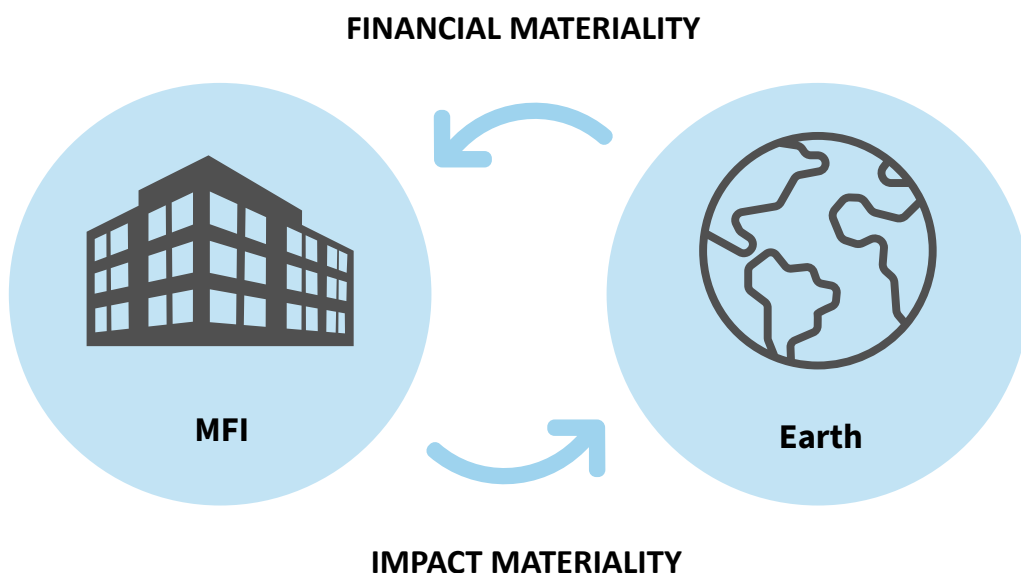
Over the past few years, our sustainability framework has served as a strong internal starting point, helping us build structure, clarity, and momentum around key environmental, social, and governance priorities. We will work to refine our approach and ensure our sustainability efforts remain relevant, impactful, and closely aligned with what matters most to our stakeholders.

The Sustainability Committee plans to engage directly with the Executive Team to initiate a formal materiality assessment to identify an initial list of potential material issues for consideration. This discussion will provide strategic direction and framing for the next phase of our sustainability journey. Later in the year we will seek input from both external and internal stakeholders, and these insights will help prioritize areas where MFI can have the greatest impact.

Together, these engagement efforts will provide a consolidated list of key material topics, identify areas of action, and the outcomes of this process will help define the scope and focus of our sustainability efforts moving forward.

WHAT IS DOUBLE MATERIALITY?

Double materiality is a sustainability reporting concept that requires organizations to assess material issues from two perspectives: financial materiality, which evaluates how sustainability matters may influence a company's financial performance, and impact materiality, which examines how the company's activities affect people and the environment. It originated within the European Union's Corporate Sustainability Reporting Directive, where the European Commission formally introduced the term in 2019 to ensure companies disclose both outward impacts and financially relevant sustainability information. This approach expanded traditional materiality beyond investor focused considerations, reflecting a broader understanding that corporate sustainability performance has significant societal and environmental implications.





APPENDIX

Conversion

Once GHGs are quantified and converted to CO₂e (carbon dioxide equivalent), the values can be aggregated to calculate total emissions for a specific activity or service. This can be done by applying the appropriate Global Warming Potential (GWP) for various GHGs or using emission factors that correspond to the specific activities or sources of emissions.

Emission Factors

An emission factor is a multiplier used to estimate GHG emissions based on a unit of activity data, such as kilometers driven or liters of fuel consumed. These factors help quantify the emissions associated with specific activities. Two primary methods are used to calculate emissions:

1. Location-Based Method: This method applies average emission factors for the electricity grids serving the reporting company, particularly relevant for Scope 2 emissions.
2. Market-Based Method: This method uses emission factors based on electricity purchased by the company, which may come from specific sources, such as renewable energy.

The accuracy of these calculations depends on using reliable emission factors. In Canada, emission factors can vary significantly between provinces, reflecting the differences in energy sources used for electricity generation.

Reliable sources for emission factors include:

- Environment and Climate Change Canada: Emission Factors and Reference Values (Canada.ca)
- National Inventory Report: [Canada's Greenhouse Gas Emissions Inventory](#)

Best Practices for Emission Factors and Reporting

It is considered best practice to review and update emission factors annually to ensure that the most current data and methodologies are being applied. For SMEs, the BDC Simplified Calculator automatically integrates location-based emission factors for natural gas and Scope 2 electricity, selecting the appropriate factor based on the province of the business location.

To reduce the burden of selecting and updating emission factors, the BDC calculator incorporates a pre-configured emission factors database that is regularly updated, allowing SMEs to calculate emissions efficiently without having to manually adjust emission factors.

Annual Reporting and Base Year Selection

The first year of reporting serves as the base year, which is the benchmark for comparing future emissions reductions or increases. For the purposes of this methodology, the year 2022 was selected as the reporting base year. This approach ensures that the reported emissions reflect a typical year of operations, excluding any unusual factors such as the impact of the COVID-19 pandemic.

Defining Organizational Boundaries

Before calculating their carbon footprint, a business must first define the boundaries of their GHG report—determining which activities and emissions will be included or excluded. The Greenhouse Gas Protocol provides two organizational boundary approaches to choose from:

- Equity Share Approach: This approach accounts for emissions proportional to the company's economic interest in an entity (e.g., joint ventures).
- Control Approach: This method includes emissions over which the company has control, either through financial or operational control.

For a simplified approach, the Calculator adopts the operational control approach, meaning it includes emissions from operations where the company has full control, whether it be financial or operational.