

Sustainability REPORT



2025

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About This Report

The contents of this report are the culmination of feedback from our Sustainability survey. Our consolidated insurance companies¹ participated in this survey and actively engaged in the feedback and consultation process.

Throughout this report, we share our approach, progress, and key achievements across our operations globally. This report presents both established and more recent initiatives for the fiscal year ending December 31, 2025. For convenience, all currency-related items are in U.S. dollars unless otherwise noted.

This report and the information contained herein are provided only for informational purposes and not to promote, whether directly or indirectly, any business interest.

¹ For the purposes of this report we will only be reporting our consolidated insurance operating companies (50%+ ownership). These consolidated operating companies include Allied World, ARX, Brit, Bryte, Colonnade, Crum & Forster, Eurolife FFH, Fairfax Asia (AMAG, Fairfirst, Falcon Hong Kong, Falcon Thailand, Pacific, and Singapore Re), Fairfax Brasil, Fairfax Latam (La Meridional, Southbridge Chile, Southbridge Colombia, and Southbridge Uruguay), Gulf Insurance Group, Ki, Northbridge, Odyssey Group, Polish Re, RiverStone, Universalna, Wentworth, and Zenith.



At Fairfax, we have always operated with a long-term view, and with the idea that we are building a company designed to endure.



Not just for the next year or the next 10 years, but for the next 100 years and beyond. That is sustainability in a nutshell: acting responsibly, treating people fairly, and making decisions we can stand behind over time.

Our Guiding Principles guide our approach to sustainability.

They are the foundation of our values-based approach to running a business, one that's rooted in discipline, purpose, and respect for people and communities. Central to these principles is the Golden Rule, which asks us to treat others with the care, fairness, and respect we would want for ourselves.

We wholeheartedly believe that lasting success comes from consistently doing the right thing. But at the same time, we also recognize there is no one "right way" to do so. That's the beauty of our decentralized structure.

Each operating company brings our Guiding Principles to life in a way that reflects its people and its local context. With more than 25 insurance companies across 50+ countries, we have a wide range of sustainability initiatives. But while they may look different, they are united by a shared vision to operating responsibly.

Connection and collective effort.

This report reflects the connection and collective effort of our companies. It shows how we all work together to build a company that's designed to last, while making meaningful contributions along the way.

In our 2025 Sustainability Report, you'll see how Fairfax continues to build for the long term, guided by principles that have defined us for 40 years and will continue to guide us well into the future.

Thank you,

A handwritten signature in black ink that reads "V. P. Watsa". The signature is written in a cursive, flowing style.

V. Prem Watsa
Chief Executive Officer

Report Highlights

Incorporating Sustainability	Engaging Employees	Supporting Customers	Doing Good by Doing Well
<p>We have incorporated sustainability principles in our operations since 1985.</p>	<p>Our fair and friendly culture is our greatest competitive advantage.</p>	<p>Our companies engage with their customers to help them mitigate risk.</p>	<p>Giving back is part of Fairfax's DNA.</p>
<p>Implementing environmental initiatives</p> <p>Our companies have implemented a variety of environmental initiatives.</p>	<p>625,000+ training hours</p> <p>Every company offers meaningful employee learning and development opportunities. Fairfax employees have logged over 625,000 hours of training time.</p>	<p>Help for Ukraine</p> <p>Our companies in Ukraine offer assistance to people impacted by war, as well as insurance products to help mitigate loss due to conflict.</p>	<p>2% donated</p> <p>Fairfax and Fairfax companies contribute a combined target of 2% of pre-tax earnings to charitable causes.</p>
<p>B Corp certification</p> <p>Southbridge Chile was the first B Corp-certified insurance company in Latin America.</p>	<p>90+ DEI groups</p> <p>Fairfax has 90+ DEI affinity groups, diversity councils, and mentorship programs across our organization.</p>	<p>Keeping customers connected</p> <p>Zenith offers apps that provides 24/7 access to claims, communication, payments, and care.</p>	<p>1% company directed</p> <p>1% of company giving is directed by Fairfax, the other 1% by operating companies.</p>
<p>GHG reporting</p> <p>Our GHG accounting engine enables companies to report Scope 1 and 2 emissions and prepare for Scope 3 reporting.¹</p>	<p>100% access to benefits</p> <p>All our employees have access to health benefits.</p>	<p>Microinsurance</p> <p>Several Fairfax companies operating in emerging markets offer microinsurance to low-income populations and underrepresented groups.</p>	<p>\$90m donated in 2025</p> <p>In 2025, Fairfax donated a total of \$90m to charity or to the Fairfax Foundations.</p>
<p>Climate change research</p> <p>Allied World works closely with the National Wildlife Federation on scientific research around protecting the environment.</p>	<p>300+ working group participants</p> <p>Hundreds of employees from across our global operations take part in cross-company working groups that enable meaningful learning and collaboration.</p>	<p>Rewarding safe operation</p> <p>By recognizing carriers for risk management and operational excellence, the Northbridge Insurance Transportation Safety Award promotes safer roads and strengthens customer relationships.</p>	<p>\$570m donated since 1991</p> <p>Fairfax has donated \$570m since our donations program was launched in 1991.</p>

¹See page 49 for additional information.

FAIRFAX

Guiding Principles

Objectives

- We expect to compound our mark-to-market book value per share over the long-term by 15% annually by running Fairfax and its subsidiaries for the long-term benefit of customers, employees, shareholders, and the communities where we operate – at the expense of short-term profits if necessary.
- Our focus is long-term growth in book value per share and not quarterly earnings. We plan to grow through internal means as well as through friendly acquisitions.
- We always want to be soundly financed.
- We provide complete disclosure annually to our shareholders.

Structure

- Our companies are decentralized and run by the Presidents except for performance evaluation, succession planning, acquisitions, financing, and investments, which are done by or with Fairfax. Investing will always be conducted based on a long-term value-oriented philosophy. Cooperation among companies is encouraged to the benefit of Fairfax in total.
- Complete and open communication between Fairfax and subsidiaries is an essential requirement at Fairfax.
- Share ownership and large incentives are encouraged across the Group.
- Fairfax will always be a very small holding company and not an operating company.

Values

- Honesty and integrity are essential in all our relationships and will never be compromised.
- We are results-oriented – not political.
- We are team players – no “egos”. A confrontational style is not appropriate. We value loyalty – to Fairfax and our colleagues.
- We follow the Golden Rule: we treat others as we would want to be treated.
- We are hardworking but not at the expense of our families.
- We always look at opportunities but emphasize downside protection and look for ways to minimize loss of capital.
- We are entrepreneurial. We encourage calculated risk-taking. It is all right to fail but we should learn from our mistakes.
- We will never bet the company on any project or acquisition.
- We believe in having fun – at work!

Taking the Long-Term View

Fairfax is a holding company which, through its subsidiaries, is primarily engaged in property and casualty (P&C) insurance and reinsurance and the associated investment management.

Our corporate objective is to achieve 15% growth in book value per share over the long term through disciplined underwriting and long-term, value-oriented total return investing – with the belief that this approach will provide above-average returns over the long term.

Founded in 1985 by current Chairman and CEO Prem Watsa, Fairfax – named for its focus on “fair and friendly acquisitions” – has grown into a leading global commercial lines insurance and reinsurance group, with cumulative premiums of \$324 billion since inception and over \$570 million in charitable donations.

Instead of being focused on short-term earnings, Fairfax has always taken a long-term view – an approach that has benefitted shareholders, compounding book value per share by 18.7% annually since 1985 through underwriting profitability and long-term return value investing.

Decentralized operations

Fairfax’s head office is led by Prem Watsa and a small team of 10 Officers who have been with Fairfax for an average of 20 years. Our structure is decentralized, and each of our operating companies is managed by its own President with minimal involvement from Fairfax, except in certain cases:

- Performance evaluation
- Succession planning
- Acquisitions
- Financing
- Investments
- Financial reporting
- Aggregating total risk across insurance operations
- Promoting corporate culture throughout our operating companies

Fairfax is decentralized by design and united by trust.

Key Metrics <i>in millions</i>	1985	2025
Gross premiums written	\$17	\$33,285
Investment portfolio	\$24	\$74,860
Common shareholders’ equity	\$8	\$26,283



Insurance Operations

Our operating companies wrote \$33.3 billion in gross premiums in 2025. They provide a full range of P&C products, maintaining a diversified portfolio of risks across all classes of business, geographic regions, and types of insureds.

We have attracted and retained an exceptionally strong and loyal team of company Presidents with an average tenure of 19 years. These exceptional leaders are responsible for running these companies in our decentralized structure, with the Guiding Principles of the Fairfax culture as their foundation.



Built over 40 years, Fairfax has over 25 insurance operating companies across more than 50 countries.

Companies are wholly owned except for Allied World (83%), Odyssey Group (90%), Pacific (85%), AMAG (81%), Eurolife FFH (80%), and Gulf Insurance Group (97%).

Fairfax Operating Companies

Allied World:

Provides property, casualty, and specialty insurance and reinsurance solutions, with principal locations in the U.S., Bermuda, England, Singapore, and Canada.

AMAG:

Writes all classes of general insurance in Indonesia.

Brit:

Market-leading global Lloyd’s of London specialty insurer and reinsurer.

Bryte:

Writes property and casualty insurance in South Africa and Botswana.

Colonnade:

Writes general insurance through its branches in the Czech Republic, Hungary, Slovakia, Bulgaria, Poland, and Romania and through its Ukrainian insurance company.

Crum & Forster (C&F):

National commercial property and casualty insurance company in the U.S., writing a broad range of commercial, principally specialty, coverages.

Eurolife FFH:

Writes general insurance in Greece and Romania.

Fairfax Brasil:

Writes general insurance in Brazil.

Fairfax Latam:

Writes property and casualty insurance through Southbridge Chile, Southbridge Colombia, La Meridional, and Southbridge Uruguay.

Fairfax Ukraine:

Comprised of ARX and Universalna, primarily writes property and casualty insurance in Ukraine.

Fairfirst:

Writes general insurance in Sri Lanka, specializing in automobile and personal accident lines of business.

Falcon Hong Kong:

Writes property and casualty insurance in niche markets in Hong Kong.

Falcon Thailand:

Writes property and casualty insurance in Bangkok.

Gulf Insurance Group (GIG):

Writes general risk insurance and life and medical insurance across the Middle East and North Africa region through its subsidiaries.

Ki Insurance:

Fully digital Lloyd’s of London syndicate that algorithmically underwrites property, casualty and specialty insurance and reinsurance.

Northbridge Financial (Northbridge):

Provides property and casualty insurance products in the Canadian market through its Northbridge and Federated brands.

Odyssey Group:

Underwrites treaty and facultative reinsurance and specialty insurance, with locations in the U.S., Toronto, London, Paris, Singapore, and Latin America.

Pacific:

Writes all classes of general and medical insurance in Malaysia.

Polish Re:

Writes reinsurance in the Central and Eastern European regions.

RiverStone:

Manages run-off businesses and handles third party claims administration, primarily in the U.S.

Singapore Re:

Underwrites general property and casualty reinsurance in the Asian region.

Zenith National (Zenith):

Primarily engaged in the workers’ compensation insurance business in the U.S.

Investment Operations

Hamblin Watsa’s investment practices have aligned with Fairfax’s Guiding Principles and culture since inception.

Our objective is to operate with a long-term perspective that benefits our customers, employees, shareholders, and communities. This same long-term mindset underpins our investment strategy.

As a regulated entity, a significant portion of our investment portfolio is invested in government and high-quality corporate bonds. For our other investments, primarily equities and real estate, we focus on the fundamentals of each investment, including the quality of underlying assets and the sustainability of their cash flows. In doing so, we evaluate a broad range of risks and opportunities, including material sustainability factors.

The Investment Committee reports directly to the Fairfax Board of Directors through our Chairman and CEO and officers of Hamblin Watsa. Board

discussion includes investment risks and opportunities, including those associated with sustainability.

Hamblin Watsa’s Chief Research Officer oversaw the implementation of our updated investment process, supported by senior management and the Investment Committee.

The following summarizes our process as it pertains to sustainability considerations:

- In collaboration with Legal and Compliance teams, we identify potential red flags to ensure compliance with anti-money laundering, anti-terrorist financing regulations, and sanctions. We also confirm that investments are not on our exclusions list.
- We analyze the long-term cash flows of the underlying business or asset, incorporating material sustainability risks and opportunities.
- We maintain strict standards for governance and management

integrity. Investments with significant deficiencies or excessive sustainability risks are avoided or divested.

- For material investments, we communicate our assessment to the Investment Committee, which includes our Chairman and CEO. Board discussion includes investment risks and opportunities, including those associated with sustainability if material.
- All Fairfax insurance and reinsurance subsidiaries adhere to investment management policies requiring compliance with applicable regulatory standards, including sustainability factors. Additionally, Hamblin Watsa’s proxy voting policy ensures fiduciary obligations are met by voting delegated proxies in the best interests of our clients.

Hamblin Watsa remains committed to continuously enhancing its sustainability policies, processes, and training.

Hamblin Watsa Investment Counsel Ltd.

Hamblin Watsa is a wholly owned subsidiary of Fairfax, serving as the investment manager for Fairfax, the insurance and reinsurance operations, run-off, and Fairfax India Holdings Corporation. Hamblin Watsa operates as a separate investment management entity and is responsible for making investment decisions, subject to applicable regulatory guidelines and constraints.



Fairfax Investments: Sustainable Initiatives

The companies we invest in have their own notable sustainability initiatives. For more information, please visit their websites or read their individual sustainability reports.

AGT Food & Ingredients: One of the world's largest suppliers of plant-based products, with a focus on developing sustainable farming practices, distribution, and tackling food security issues. [agtfoods.com](https://www.agtfoods.com)

Kennedy Wilson: Integrates sustainability principles into its global real estate investment and management business with a view to create long-term value. [kennedywilson.com](https://www.kennedywilson.com)

Dexterra: Strong sustainability principles for facilities management and operations, food services, workforce accommodations, energy services, and forestry. [dexterra.com](https://www.dexterra.com)

Eurobank: Supporting long-term prosperity by financing that aims to support sustainable development, positive economic, social and environmental impacts and deliver value to their people, stakeholders, and communities. [eurobank.gr](https://www.eurobank.gr)

Fairfax India: Working with communities on initiatives to protect the environment, and maintaining the highest levels of governance. [fairfaxindia.ca](https://www.fairfaxindia.ca)

Foran Mining: A near-term critical minerals producer, with a vision to support a greener future and empowering communities while creating value for their stakeholders. [foranmining.com](https://www.foranmining.com)





Social

At Fairfax, people matter. We wouldn't be who we are without prioritizing our employees, our customers, and our communities.

Employees. Investing in people's growth and well-being is key to a satisfied, engaged, productive workforce.

Customers. By focusing on customer satisfaction and loyalty, our companies create value, build long-term relationships, and drive sustainable growth.

Community & Philanthropy. Serving others through volunteering and corporate and employee contributions brings the company's values to life.

Employees

As a people-first organization, Fairfax puts significant focus on retaining talent and helping our employees learn, stay engaged, grow their careers, and focus on wellness and balance.

Learning and development. Fostering professional growth is a priority across Fairfax companies, with a significant focus on training and education for everyone from executives to students and early career employees.

Employee engagement. Fairfax runs a number of global engagement initiatives, and every company tackles it in its own way, contributing to a culture where people feel valued, empowered, connected – and know they can make a difference in their role.

Employee wellness. From health webinars to fitness challenges to mental health support, Fairfax and our companies offer a wide variety of health-related resources and initiatives to help people stay physically and mentally healthy.

Diversity, equity & inclusion (DEI). Our companies have many initiatives in place to encourage diversity in our employee base and our thinking, with the goal of fostering a sense of belonging in every employee.

Employees worldwide ¹	21,200+
Women	52%
Women in management	44%
Women executives	27%
Average employee tenure	8 years
Average executive tenure	12 years
Voluntary turnover rate	9%
Overall turnover rate	12%
Employees hired	2,800
Average employee age	42

¹Reflects the full-time employees of Fairfax's consolidated insurance operating companies.



Learning & Development

Attracting, retaining, and developing employees is key to employee success and our success as a company.

We continuously implement recruitment, leadership, and learning and development programs that address employee needs from the moment they start with us to the day they retire.

Fairfax invests in its people, ensuring progression and long-term retention through meaningful development at every level of seniority.

Employees across Fairfax companies logged over 625,000+ training hours in 2025. We recognize employee requirements vary depending on subsidiary, department, and specialty, and therefore rely on individual companies to ensure flexible, local, personalized programs appropriate to their workforce.

We are satisfied with the substantial level of training and associated senior management support throughout our global companies.

At the Fairfax level, we continue to host our annual Leadership Workshop, facilitate the Fairfax Co-op Program and investigate other ways we can support our companies with the development of their employees.

Percentage of employees who have access to:

Employee training	100%
Talent & leadership development	98%
New employee or graduate programs	92%
Educational assistance	95%
Professional fee assistance	94%

Percentage of employees who have access to training programs in these areas:

Business skills	96%
Technical skills	100%
Management skills	98%
Soft skills	100%
Personal skills	99%
Legal or compliance	100%



Learning and collaborating at the annual Fairfax Leadership Workshop reunion.

Students & Interns

Students bring new ideas and fresh perspectives, challenging the status quo, driving creativity, and infusing our workplaces with energy and enthusiasm.

Co-ops, internships, and summer jobs help us build a hiring pipeline, ensuring a continuous influx of skilled professionals.

Bryte: Levelling the playing field

Bryte's Learnership Program selects youth from disadvantaged backgrounds for a work induction program that includes business etiquette, communication, and technical skills, with the goal of transitioning them into roles within Bryte.

Odyssey Group: Hands-on experience

Odyssey Group recognizes the importance of attracting talent to the industry and is committed to hiring interns into a robust internship program each year. Interns gain hands-on experience in their discipline, along with training that prepares them to enter the workforce.

Zenith: Thrive Scholars

Over the last decade, Zenith has been an engaged corporate partner to Thrive Scholars, whose mission is to provide high-achieving students of colour

from economically under-resourced communities the opportunities they need to thrive at top colleges and in their chosen careers.

Zenith has sponsored, mentored, and provided internships for dozens of Thrive Scholars, several of whom are now full-time Zenith employees.



Fairfax and Northbridge Co-op and summer students celebrate the end of a busy work term.

RiverStone: Feeding the talent pipeline

RiverStone offers scholarship opportunities to selected students at St. Anselm's College. Upon graduation, students take part in a graduate rotation program that gives them experience in various parts of the company.

To date, two scholarship recipients have completed the program and are both full-time RiverStone employees.

RiverStone's Summer Intern Program also offers opportunities to local residents attending university across the U.S. It was expanded in 2025 to include two local high school students from Boys & Girls Clubs.

Fairfax Co-op Program

The Fairfax Co-op Program, run in partnership with the University of Waterloo, was established in 2013 to enhance talent acquisition development across the Fairfax group.

Our quality, long-term partnership with the University is at the core of its success: their co-op offering is one of the most extensive and well-regarded in the world, attracting the highest-calibre students.

Since inception, over 1,000 students have been placed across Fairfax companies.



There's a lot of room for growth: they like it when you take initiative and want more responsibility.

— Fairfax Co-op student

How the Program works:

25,000+ students from over 120 well-regarded University of Waterloo programs participate each year, alternating between study and work terms. Each work term runs for 12-16 weeks, with many students coming back for multiple terms.

Students get to solve real-life problems, gain valuable work experience, start building a network in their chosen industry, and, if the fit is right, may even be hired full-time once they graduate. They can also explore other Co-op opportunities within Fairfax: several have worked at multiple Fairfax companies.

Partner Schools

Fairfax companies work closely with 100+ post-secondary institutions in 19 countries, giving us direct access to a reliable pipeline of well-prepared, early-career talent through structured internship and co-op programs that offer tremendous benefit to students and our businesses alike.



Fairfax Co-op students at the "Aspire & Inspire" networking event.

Early Career

By offering structured development opportunities, mentorship, and career growth pathways to employees starting off their careers, Fairfax cultivates a skilled and motivated workforce and fosters a culture of continuous learning. Here are a few examples:

AMAG: Developing potential

AMAG offers sponsorship for Actuarial, Insurance, and other professional certifications and for overseas training. Interest-free loans are also available to help with university admission and tuition fees.

AMAG also has a Management Trainee Program that targets new graduates from well-known universities who have the potential to be developed as future leaders, putting them through a rigorous selection process. The program builds a strong foundation through structured induction programs, rotational experiences, and mentorship

opportunities, and helps develop essential skills like emotional intelligence, sales enablement, and industry knowledge.

C&F: Welcoming new hires

C&F's "Welcome to C&F Onboarding Experience," held three times a year, is a two-day immersive event for recent hires.

New employees hear from senior leaders, participate in a showcase where company products are explained and Employee Resource Groups are spotlighted, and take part in a community service activity.

Participants also attend a networking event to connect with their division leader, team members, and fellow new hires.

Fairfirst: Developing valuable skills

The Fairfirst Academy offers programs in three certification stages, leveraging the knowledge of internal and external subject matter experts.

Employees can develop their technical insurance knowledge within claims, underwriting, sales and branch management, marketing, HR, finance, legal, risk, compliance, IT and customer service. The Academy also hosts sessions on wellness, health and safety, and soft skills.

Northbridge: New grad training

Northbridge offers an intensive program for recent university graduates interested in building a career in insurance, with opportunities in claims or underwriting.

Each year, Northbridge hires 12-14 permanent new graduates, prioritizing students from insurance management and related academic programs.

Participants complete two months of structured training before transitioning into roles within a business unit.





Odyssey Group: Rewards for designations

Odyssey Group's Actuarial Student Program supports employees pursuing actuarial designations by offering paid study time (typically 25-45% of expected study hours), bonuses for passing exams and salary increases tied to achieving specific credentials.

Odyssey Group also offers tuition reimbursement to full-time employees after one year of tenure, paying up to 90% for business-related degrees at accredited universities and 100% for books.

This program alleviates the pressure of the high cost of post-secondary education for employees seeking additional or advanced degrees.

Southbridge: Fostering young professionals

Southbridge Chile's Young Professionals Program is a strategic initiative to develop employees under 35. It includes tailored training sessions and exclusive invitations to industry seminars, fostering a culture of continuous learning and professional growth.

Bryte: Learning through the Bryte Academy

Bryte provides resources and opportunities to empower their employees to excel in their roles and build rewarding careers. The Bryte Academy is at the heart of their learning and development efforts, with a range of training programs designed to keep employees at the forefront of the insurance industry.

From e-learning to in-person workshops and certification programs, Bryte offers study assistance to ensure employees are equipped with the skills and knowledge they need to stay up to date with industry regulations, improve risk management, or develop leadership skills.

Northbridge: Career Days

Retaining top talent starts with creating opportunities for employees to explore and shape their own career paths. The annual Northbridge Career Days, held in their three largest Canadian offices, are designed to help employee learn about different roles and connect with colleagues across departments. It's a popular event that fosters curiosity, engagement, and a sense of belonging – and shows people that even if their current role isn't exactly the right fit, they can take a different path without having to leave the company.

By creating a safe space for career exploration, Northbridge strengthens its ability to retain talent and supports Fairfax's commitment to building workplaces where people feel valued and inspired to grow.

Management & Leadership

A strong, successful culture requires strong leaders. Our companies have a variety of programs to help leaders and executives grow, succeed, and effectively motivate those around them.

Brit: Enabling better conversations

Brit enables managers to develop their coaching skills, which empowers and engages their teams. They have moved from annual performance check-ins to quarterly ones, supporting managers to ensure conversations are meaningful and focused on continuous improvement.

Bryte: Leadership for the future

Bryte offers programs to develop managers' leadership skills in the insurance sector. In partnership with Henley Business School, managers tackle real business issues while applying new knowledge. These initiatives strengthen results, teamwork, and alignment with company strategy.

The Regarding My Life initiative supports leaders in aligning their values with their leadership style, while the Legitimate Leadership Program focuses on ethical leadership and building trust.

NextCo is a succession program that connects high-performing non-executive employees with senior leaders and the Board, encouraging fresh perspectives and future leadership development.

Eurolife FFH: Skills for leaders

Eurolife FFH extended coaching sessions for N-2 and N-3 level managers and supervisors from several divisions. They offered leadership programs to employees promoted into key managerial roles, supporting their growth and leadership journey.

Eurolife FFH also conducted a two-day crisis management workshop for supervisory-level employees in Eurolife's contact centre and operations divisions, providing them with crucial tools to navigate their demanding daily responsibilities.

GIG Kuwait: Tailored leadership programs

GIG Kuwait offers leaders a Design Thinking Bootcamp that includes sessions on customer journey mapping, and how to build an effective business case. They also deliver a twice-yearly, seven-course program to 40 emerging leaders.

GIG Bahrain: Leadership essentials training

Team leaders undergo a program that's focused on key leadership skills such as emotional intelligence, decision-making, and effective delegation. Participants engage in interactive workshops that encourage sharing experiences and

learning collaboratively. By investing in leadership development, GIG Bahrain is strengthening its culture of growth and accountability, preparing leaders to take on greater responsibilities and contribute to long-term organizational success.

Succession planning

While we operate on a decentralized basis and allow our Presidents to manage their operations independently, Fairfax manages and holds ultimate responsibility for succession planning.

All our entities engage in talent programs with a focus on competency and career progression. We review this progression annually and collect data on key successors for each entity, having associated conversations with the Presidents on suitability and readiness.

This approach ensures adequate bench strength across the group in the event of the unforeseen loss (permanent or temporary) of any of our leaders.



Bryte NextCo program participants.

Global Learning & Development

While each of our companies has its own programs to help employees develop and grow, there are several key initiatives that happen on a global Fairfax level.

Fairfax Leadership Workshop

Since 2012, Fairfax has been hosting an annual Leadership Workshop where high-potential leaders from across Fairfax companies come together for a week of leadership interventions and training.

They gain a deeper understanding of Fairfax's history and culture, connect with senior leaders, explore leadership styles, build relationships, and gain an appreciation of how our Guiding Principles support and sustain strong business into the future.

This intensive five-day program takes participants through topics centred around the Guiding Principles, touching on themes including leadership, culture, entrepreneurialism, being results-oriented, collaboration, and "Doing good by doing well."

Top executives from Fairfax and our operating companies run sessions that give participants a taste of differing leadership styles, encouraging self-reflection and highlighting the value of embracing their own authentic, unique approach to leadership.

Participants are typically VP level and above and are selected by the President of their respective company.

Over 300 senior leaders have attended the Workshop, with past participants meeting annually for a one-day Leadership Reunion to network, refresh their knowledge, and continue learning.

INSPIRE Global Mentorship Program

Fairfax, in partnership with Crum & Forster, recently launched INSPIRE, a 12-month mentorship program designed to support the growth and leadership development of professionals across Fairfax companies.

Each mentee is paired with a senior mentor from Crum & Forster, fostering cross-border relationships and knowledge exchange. The pilot program, which focused on women leaders, included 11 mentor/mentee pairs, with participants from Hungary, Greece, UAE, Hong Kong, Egypt, Jordan, Turkey, Argentina, Colombia, Chile, Ireland, and the U.S.

This initiative reflects Fairfax's commitment to developing talent, creating a stronger leadership pipeline, and enhancing employee engagement.

The success of the pilot program has sparked plans for broader rollout across other Fairfax companies in the coming years, reinforcing our vision of empowering our people and driving organizational growth through diversity, opportunity, and the full inclusion of talent.



2025 Fairfax Leadership Workshop participants with Fairfax leaders.



Employee Engagement

Our goal is to have employees who feel they are a valued part of Fairfax, their employer company, and their immediate team. Continuous engagement with our workforce is an ongoing priority for Fairfax and our companies, with several key initiatives highlighted here.

AMAG: Staying connected

AMAG regularly organizes activities around community efforts, sports, art, music, and photography, with the goal of encouraging participation and engagement, strengthening team spirit, and fostering core Fairfax values.

Bryte: Peer-to-peer learning

Bryte hosts webinars on key business topics and provides peer-to-peer learning opportunities like a development forum run by the actuarial team.

Employee roadshows enable leaders to connect with teams and share updates directly, and mentorship programs and recognition events keep people engaged, motivated, and supported.

C&F: Working together, better

To keep its decentralized workforce connected, C&F introduced BERTI, a modern intranet platform designed around five core themes: Business Information, Employee Connections, Rewards and Recognition, Tools and Apps, and Idea Exchange.

BERTI emulates familiar social experiences to foster community, seamlessly integrates essential business resources, promotes a culture of peer recognition, and enhances collaboration through common interest groups. This forward-thinking solution not only boosts productivity but also maintains a cohesive culture amidst the changing workplace landscape.

Northbridge: Culture and connection

Northbridge fosters a vibrant workplace culture with foosball competitions, golf tournaments, ice-cream socials, Halloween costume contests, kids' holiday parties, bingo, and other events.

To keep employees connected and informed, Northbridge sends weekly newsletters and maintains an intranet with essential job-related information.

They conduct an anonymous Pulse Survey twice a year to gauge employee satisfaction, and the President hosts annual all-employee town halls across the country, sharing results and future direction.

Pacific: Engaging communications

Pacific communicates with employees through a monthly e-newsletter called The Monthly Buzz. They also host formal onboarding sessions for new joiners, as well as employee town halls, which give leaders the chance to connect directly on company performance and prospects.

Employee engagement events often coincide with major festivities like Eid, Chinese New Year, and International Women's Day, and include lunches, office decoration competitions, and other friendly contests with interesting prizes.

Percentage of employees who have access to the following:

CEO Town Halls	100%
Fairfax News	100%
Employee engagement surveys	90%
Anonymous feedback	92%

Fairfax Asia:

Awards and recognition

The Fairfax Asia Ambassador Awards recognize employees in our Asia operations who truly embody Fairfax Guiding Principles and consistently go above and beyond in their work.

It's a prestigious recognition program that is about showcasing some of our most dedicated people – and inspiring all of us to embrace the best parts of our culture.



This is such a great honour for me because it shows that my hard work, effort, dedication, and determination are truly valued.

— Ambassador Award recipient



2025 Fairfax Asia Ambassador Award recipients with Fairfax leaders.

Global Engagement

Fairfax has a number of initiatives in place to reinforce company values and foster connection across its decentralized structure.

Through regular leadership dialogue, enterprise-wide communications, and opportunities for employee ownership, Fairfax keeps employees informed and engaged.

CEO Town Halls

Fairfax values regular check-ins with employees, with Prem Watsa and President and COO Peter Clarke hosting in-person and virtual town halls with our operating companies.

Always energetic, open, and inspiring, they talk about Fairfax, share personal stories, remind employees of our long-term vision, and answer questions.

Fairfax Newsfeed

The Fairfax Newsfeed is an internal communication hub that keeps the employees in all our decentralized companies connected, informed, and engaged with company values. Content is focused on key themes including company initiatives, collaboration, innovation, charitable giving, and wellness.

From articles detailing acquisitions to infographics that show the ways we give back to our communities, the Newsfeed explores and celebrates the people and operations that make up Fairfax.

The Newsfeed also serves as a content repository for recordings, resources and news, making it an ideal onboarding resource for new hires.

Fairfax sends all employees a bi-weekly email with links to the latest Newsfeed stories, press releases, reminders to register for Cleveland Clinic wellness webinars and Knowledge Sharing sessions, and more.

Collaborative working groups

While all of our companies operate independently, they share many common issues. To address challenges and enable greater connectivity, cooperation, and idea sharing, Fairfax has intercompany working groups focused on HR, IT, claims, legal, cybersecurity, communications, and more, with new groups formed as needs arise.

There are currently over 300 employees participating in these working groups.

Subject matter experts from across Fairfax operations meet regularly to connect with each other in practical ways. They discuss areas of common interest, share knowledge and experiences, build peer support networks, and leverage scale for procurement cost savings.

Each working group has unique goals, with collaboration and information sharing at the heart of all their activities.

CEO meetings

The Presidents of our operating companies gather regularly with the Fairfax executive team to connect, collaborate, and share leadership insights. Virtual calls occur monthly, with twice-yearly in-person meetings.

Knowledge Sharing webinars

There is a tremendous amount of knowledge within each of Fairfax's global operating companies, and Fairfax Knowledge Sharing sessions tap into that rich resource. Each webinar is an opportunity to learn what other companies are doing, gain insights into industry-related issues, and connect with colleagues around the globe.

Knowledge Sharing sessions are recorded and shared on the Newsfeed to make them accessible to interested employees in different time zones.

Employee Share Ownership Plan

We encourage all employees to be owners of our company through our Employee Share Ownership Plan (ESOP).

Employees are able to purchase Fairfax shares by way of payroll deduction and are supplemented by contributions from their employer company.

The ESOP is open to all employees of our consolidated operating companies.



Collaboration

Our companies are decentralized and run locally by their respective Presidents with the exception of performance evaluation, succession planning, acquisitions, financing, and investments, which are done by or with Fairfax.

This structure is critical to who we are as a company – and to our success. It empowers our leaders to run their businesses, allows us to attract top talent looking for ownership and accountability, and allows Presidents to respond quickly to market dynamics without having to navigate layers of bureaucracy.

But decentralized doesn't mean disconnected: we value collaboration, sharing knowledge, harnessing resources across companies, and taking advantage of economies of scale.

Common tools

The Fairfax Portal enables global collaboration with tools that include:

- GHG accounting engine
- Groupwide surveys for regulatory reporting
- Hub for Ukraine support

Engagement

Chairman & CEO Prem Watsa and President & COO Peter Clarke host in-person and virtual town halls to keep employees informed and engaged.

Learning

The Fairfax Co-op program brings top students into Fairfax companies and feeds our talent pipeline.

Health

Our partnership with the Cleveland Clinic gives our employees access to wellness resources, a global cardiac care initiative, and more.

Shared ideas

Global working groups foster connectivity and cooperation:

- Actuarial
- Claims
- Communications
- Cyber
- Digital
- Human Resources
- Internal Audit
- IT
- Legal
- Reinsurance
- Risk Services
- Sustainability

Knowledge

Monthly Knowledge Sharing webinars enable subject matter experts to present on a wide variety of high-value topics.

Information

The Fairfax Newsfeed is an info hub that keeps our decentralized operations connected with regular, timely communications.

Inspiration

The Fairfax Innovation Award highlights initiatives with a positive and transformative impact.

Collaboration in action: CAT Cloud

In 2025, the International Reinsurance Working Group brought together teams across geographies to create a shared catastrophe reinsurance solution.

Taking advantage of economies of scale, the group secured more CAT coverage at a significant cost savings over buying it individually, all while preserving Fairfax's decentralized model. The initiative strengthened financial resilience, improved risk management for smaller operating companies, and demonstrated how working together can create measurable benefits.



Employee Wellness

Fairfax and our operating companies run a variety of mental, physical, and financial well-being initiatives, including medical insurance, subsidized healthy meals, fitness facilities, healthy living resources, and more.

Brit: Focus on mental health

Brit focuses on fostering mental well-being through education, connection, and support. They hosted an evening social encouraging reflection on personal mental health habits and a Mental Health Fair featuring their wellness benefit providers. All managers complete “Managing Mental Health” training to support their teams, and Brit’s Mental Health Group and Mental Health First Aiders continue to share personal insights and practical tips.

Brit also promotes access to wellness activities across Brit, Lloyd’s, and the Leadenhall Building, including Pilates, mindfulness, and spiritual yoga.

C&F: Award-winning wellness

C&F has received awards that span all aspects of employee well-being, including:

- Aetna’s Workplace Well-Being Platinum
- Dave Thomas Foundation 100 Best Adoption Friendly Workplaces
- American Heart Association’s Platinum Well-being Works Better
- Fortune Best Workplaces for Women
- Fortune Best Workplaces for Parents
- Fortune Best Workplaces for Millennials

Eurolife FFH: Fostering wellness and safety

Eurolife has three wellness and safety pillars:

- TEAM Fit: Onsite fitness and wellness events and sessions, plus tips and healthy recipes on a dedicated internal channel.
- TEAM Parent: Parental counselling and group therapy by a child psychologist to help employees balance work and family life.
- TEAM Care: Fire safety training, with more initiatives to follow.

GIG: Health Awareness Day

To promote wellness, healthy living, and preventative care, GIG hosted an employee event where employees could access health screenings and professional advice.

Nurses from a local healthcare centre offered screenings for heart rate, blood pressure, blood sugar, and blood oxygen saturation. They also did brief health history reviews and provided insights to support individual well-being.

All employees were encouraged to attend, showcasing GIG’s ongoing commitment to fostering a workplace that prioritizes health, engagement, and overall well-being.

Universalna: Resources to cope with war

To support employee well-being and help individuals navigate the challenges brought on by the war in Ukraine, Universalna offers employee sessions around monitoring mental health, Post-Traumatic Stress Disorder, parenting during wartime, restoring healthy sleep patterns, adapting to new environments, and finding inner resilience.



Checking blood pressure at GIG’s Health Awareness Day.

Great Places To Work

The Great Place To Work Institute (GPTW) is widely considered the global authority on benchmarking workplace culture. For more than 30 years, GPTW has been in the business of reviewing organizational programs, practices, and communications to identify what makes a great workplace.

Based on rigorous criteria around employee feedback and workplace practices, Great Place To Work® certification recognizes companies that excel in creating an environment where employees feel valued, trusted, and empowered.

Several of our operating companies have achieved this certification, including:

- Crum & Forster
- GIG Kuwait
- RiverStone
- Southbridge Chile
- Southbridge Uruguay

A culture that sets the standard

Crum & Forster has been named one of Fortune's 100 Best Companies to Work For, standing out as one of just four insurance companies to earn a spot on the list.

The recognition reflects a workplace culture built on trust, opportunity, and long-term career growth, as rated directly by employees.



Global Employee Wellness

With enterprise-wide partnerships, preventative health initiatives, and competitive benefits, Fairfax encourages employees to stay healthy, supported, and engaged at every stage of their lives.

Cleveland Clinic partnership

Fairfax partners with Cleveland Clinic Canada to develop and disseminate employee health and wellness solutions. They provide executive physicals, assess current programs, and offer virtual care and professional second opinions. They also host monthly wellness webinars, available to all Fairfax employees, on topics ranging from heart health to menopause.

Heart health: A global prevention initiative

After a personal loss that highlighted the preventable nature of many heart conditions, Prem Watsa began to urge all Fairfax companies to cover the cost of Coronary Artery Calcium (CAC) testing for employees aged 50+ and those with a family history of heart disease.

This simple, non-invasive test can detect calcified plaque in arteries, helping identify risks before symptoms appear and enabling life-saving interventions.

Companies across our global network have embraced this initiative, integrating CAC testing into health benefits and awareness programs.

In some regions, hundreds of employees have already been offered the test, and real stories show its impact: a number of individuals who had no symptoms discovered severe blockages requiring urgent treatment, while others made critical lifestyle changes after early detection.

These examples underscore why Fairfax encourages every company to make this benefit available and every eligible employee to take advantage of it. By investing in preventative care, we are protecting our people and fostering a culture of health and resilience.



Thank you! I appreciate that Fairfax has a such a strong focus on cardiac health.

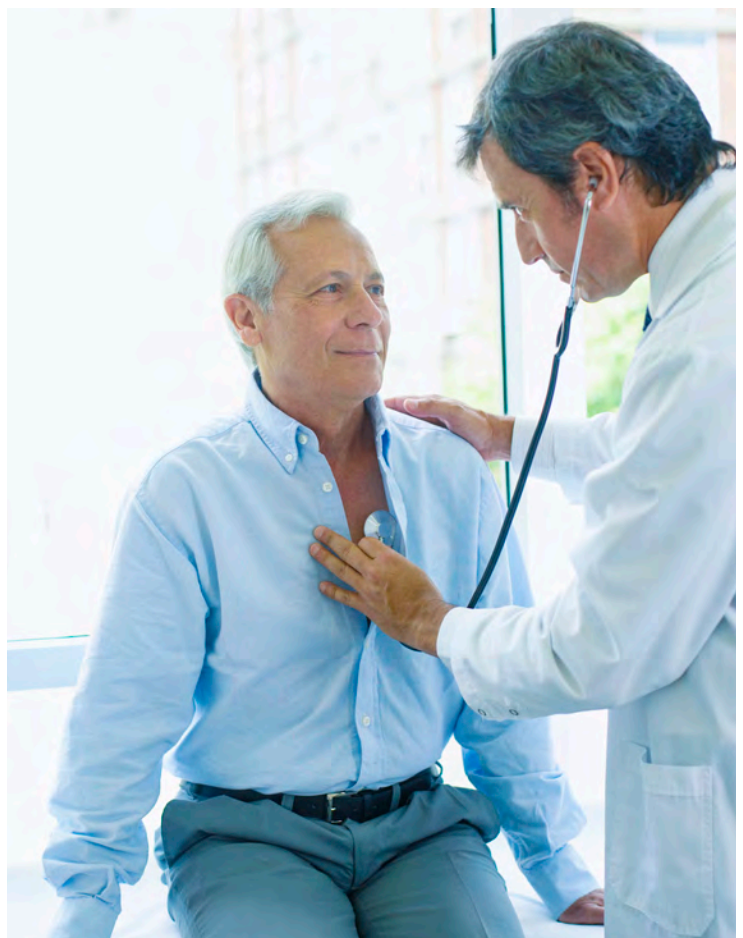
— Employee, Hudson Insurance Group

Employee benefits

We recognize and reward our people in line with performance, adopting a total compensation model across all our operations. Salaries are benchmarked with the market, benefits are strong and competitive, and our discretionary bonus scheme is simple, non-bureaucratic and based on company and individual performance.

External benchmarking is used on an entity basis to ensure fair, competitive, results-focused compensation.

Percentage of employees who have access to:	
Healthcare benefits	100%
Flexible hours	100%
Employee assistance programs	97%
Onsite gym or membership subsidy	78%
Work from home arrangements	96%



Diversity, Equity & Inclusion

Fairfax and our companies have implemented many diversity, equity and inclusion (DEI) initiatives that encompass national origin, language, race, colour, disability, ethnicity, gender, age, religion, sexual orientation, gender identity, socioeconomic status, veteran status, and family structure.

Brit: Equity & accessibility

Brit is certified as a Disability Confident Committed Employer. This means the company commits to an inclusive, accessible recruitment process, which includes:

- Communicating and promoting vacancies
- Anticipating and providing reasonable adjustments as required
- Supporting any existing employee who acquires a disability or long-term health condition, enabling them to stay at work

Colonnade: Leader training

Colonnade continued their sensitization initiative, which includes trainings and presentations with leadership of their visually and hearing-impaired colleagues.

The initiative is resulting in engaging discussions and contributes to Colonnade's evolution into an even more caring and inclusive organization.

C&F: Supporting diverse talent

C&F is part of the Insurance Industry Charitable Foundation's new Mentoring Alliance program, which pairs industry mentors with emerging insurance leaders from underrepresented communities.

The Alliance is an industry-wide program aimed at inspiring, preparing, and empowering diverse talent and pairing rising professionals with role models and allies.

BlackNorth Initiative

Founded in 2020 by Dr. Wes Hall, the BlackNorth Initiative was born out of a critical need to address and dismantle the systemic barriers faced by Black Canadians. Their pledge is to foster a Canada where systemic anti-Black racism does not exist, and to create opportunities for Black Canadians to thrive.

Fairfax recognizes the important work being done by the BlackNorth Initiative and is pleased to support their efforts. We are proud to be a part of the conversation – and an active driver of change.

Northbridge was honoured in 2025 with BlackNorth's Corporate DEI Leadership Award, celebrating meaningful organizational progress and sustained leadership in this space.



98% of employees have access to one or more of these diversity initiatives:

- Managerial or board responsibility for diversity
- Training and guidance around DEI topics
- Equitable path for all employees to qualify for advancement
- Diversity councils
- Mentorship programs
- Employee resource, affinity, or networking groups
- Diversity monitoring or audits

Odyssey Group: Bringing diversity to (re)insurance

Odyssey Group has two programs aimed at introducing the (re)insurance industry to members of underrepresented groups.

Odyssey Group’s U.S. Insurance Division, Hudson Insurance Group, runs the Hudson Education Leadership Program (HELP), a work-study program that annually supports 13 first-generation college students from disadvantaged communities.

The OdysseyRe Corporate Associate Internship program provides students from underrepresented backgrounds with broad exposure to multiple disciplines leading to full-time hires in 2022, and 2024.

RiverStone: Fair, competitive compensation

RiverStone has embarked on a salary transparency journey that included a compensation study with a market-leading consultant and the formalization and communication of RiverStone’s compensation philosophy.

Each associate’s compensation was benchmarked to market data and placed within the market range based on experience, skill level and development opportunities.

Market compensation was shared with each associate for their specific role, and RiverStone continues to evaluate pay equity on multiple diversity dimensions.

Zenith: Business Resource Groups

Zenith has two Business Resource Groups (BRGs) – one for emerging talent and one for experienced professionals.

Together, the two groups:

- Leverage the talent and skills of employees from various cultures
- Support Zenith’s business initiatives
- Enhance the company’s brand
- Encourage innovation and multicultural marketing insights
- Improve collaboration and information sharing
- Offer employees a sense of community, belonging, and familiarity with Zenith’s culture
- Increase employee satisfaction and retention

DEI Groups

Growth of affinity groups, diversity councils and mentorship programs across Fairfax operations:

2023: 57

2024: 84

2025: 92



The Fairfax Black Initiatives Action Committee.

Gender Equity

Advancing inclusion and opportunity helps us build strong, future-ready organizations. Our companies support women by strengthening representation, creating supportive communities, and fostering initiatives where talent can grow.

Southbridge Colombia: Female leadership

Southbridge has embedded female leadership at every level of the organization as part of its commitment to strong governance, inclusive culture, and sustainable growth. This reflects the broader transformation underway in Colombia's insurance sector, with women holding half of managerial roles and leading key strategic functions across the company.

Today, three of their eight VPs are women, who are leading strategic areas including Culture & Brand, Commercial, and Corporate Governance. Their leadership directly shapes the company's identity, growth, and integrity.

Half of the company's managers are women, reflecting balanced representation and a clear commitment to female talent in decision-making roles.

Southbridge Chile: EmpowerHer initiative

In 2023, EmpowerHer was launched to support women's development and strengthen female leaders at Southbridge. The popular program brings in inspiring guest speakers who talk about everything from personal branding to using AI to elevate performance and leadership impact.

Hands-on workshops give participants the practical tools they need to succeed as leaders and drivers of a healthy, inclusive company culture.



I feel more confident in my ability to grow along with my team and colleagues.

— EmpowerHer participant

Brit & Ki: Enabling tech careers

Brit, Ki, and *ffh* Management Services partner with Code First Girls (CFG) to help more women get into technology careers. Through the program, Brit, Ki, and *ffh* support candidates through their CFG degrees, provide opportunities to take part in industry-leading insurance projects, and enable aspiring data analysts and software engineers to find exciting, successful careers.

La Meridional: Focus on growth

To mark International Women's Day, Meridional hosted Mujeres 10, a leadership panel focused on advancing gender equity in insurance. The event brought together senior leaders from across the industry to share perspectives on female leadership, representation in decision-making roles, and the challenges and opportunities shaping the future of work. The session emphasized the importance of dialogue, professional networks, and environments that support women's growth and career progression.



EmpowerHer 2025 cohort.

Northbridge: Women in Technology

This 150-member grassroots community builds confidence, skills, and connection for those working in technology-related roles at Northbridge. It's open to all genders and experience levels and emphasizes inclusive programming, allyship, and leadership support in a traditionally male dominated field.

The group has a diverse membership across functions and experience levels, ranging from early career employees to seasoned leaders, and it brings together people who are connected by their interest in technology and their commitment to building a more inclusive environment.

RiverStone: Women-focused ERG

Women at RiverStone strengthens culture and connection across a widely distributed workforce by creating inclusive spaces for women and allies to connect, learn, and share experiences.



We help connect people and support women through the different stages of their careers.

— RiverStone employee

Through a mix of facilitated conversations, speaker events, book clubs, and interactive activities, the group supports women at different stages of their careers while fostering allyship and open dialogue across the organization.



Customers

Our customers are at the centre of everything we do. By understanding their needs and helping them manage risk, we build trust, long-term relationships, and shared success.

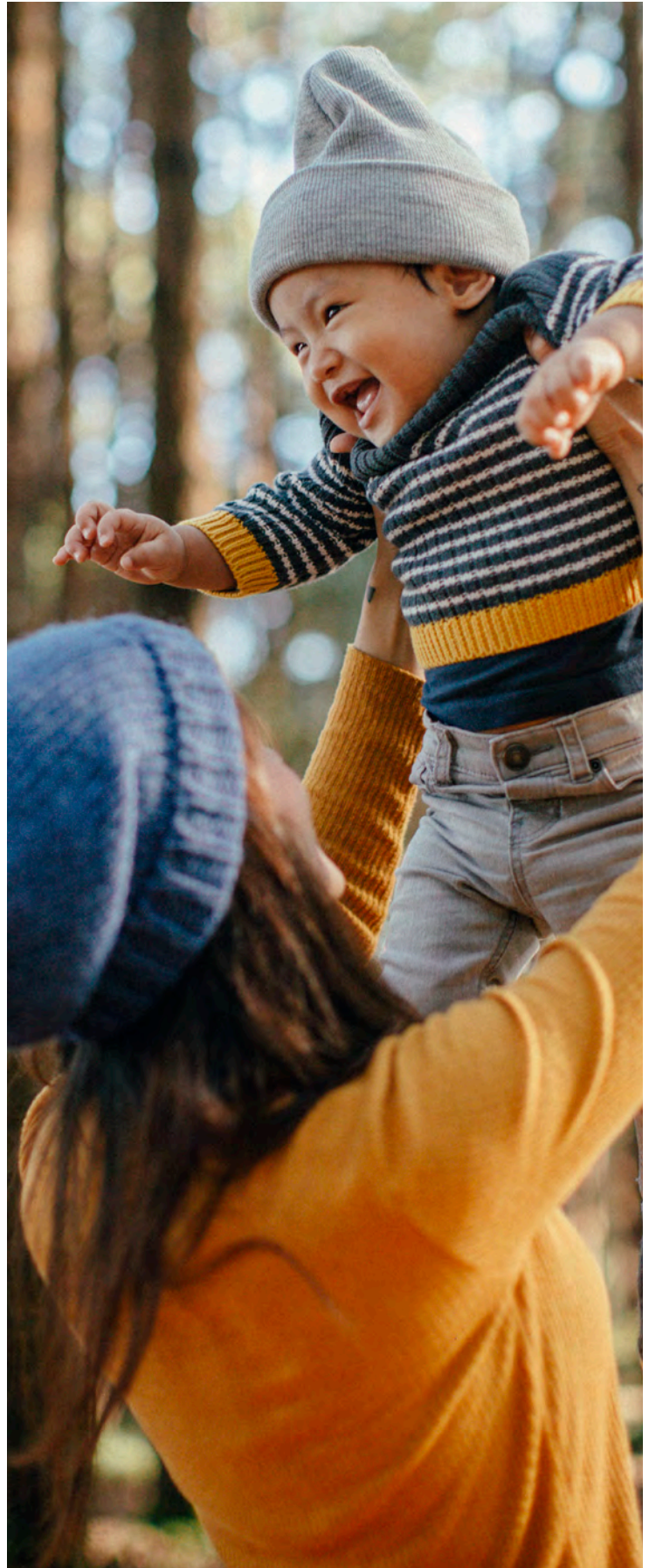
Risk services. Our companies provide value-added risk control services that help customers prevent losses, improve safety, and strengthen resilience.

Improving customer experience with technology.

Digital tools and platforms make it easier for them to access information, manage claims, and stay connected.

Innovation. Continuous innovation across underwriting, claims, and service delivery improves efficiency and enhances the customer experience.

Sustainable insurance initiatives. Inclusive and purpose-driven insurance solutions help expand access, support vulnerable groups, and build long-term resilience.



Risk Services

A number of Fairfax insurance companies provide value-added risk control services that support underwriting excellence, claim cost reduction, and customer experience. Many employ safety and risk control professionals with a blend of deep technical skill, industry knowledge, and customer focus.

Risk control teams contribute to sound risk selection and pricing by providing underwriters with timely, comprehensive risk profiles of prospect, new, and renewal customers. This gives underwriters valuable insight into policyholder business operations, management, hazards, prior claims, and the adequacy of safety controls.

Risk control professionals consult with customers to help them keep their businesses safe and productive. They periodically visit customer locations and meet with management to define and address risk control priorities, and provide value-added technical assistance, training, and recommendations to help customers prevent incidents and control their claims costs.

Our operating companies also offer their customers comprehensive safety and risk control information, tools, and resources through online platforms, giving them 24/7 self-serve

access to employee training programs, sample policies, forms, checklists, compliance tools, program templates, and best practices guides.

C&F: Building risk knowledge

C&F provides comprehensive risk services to insureds through a combination of in-house risk engineers and trusted third-party vendors. In their Surplus & Specialty Division, these services include conducting risk surveys via telephone interviews, on-site visits, and field inspections to thoroughly assess each account's operations, controls, and procedures.

Additionally, the Commercial & Executive Division completed 3,000 surveys during the year, gathering essential risk assessment information to support underwriting and help clients develop strong safety programs and cultures that protect both employees and the environment.

Northbridge: Safer roads, stronger brand

By recognizing trucking carriers that go above and beyond in risk management and operational excellence, the Northbridge Insurance Transportation Safety Award promotes safer roads, strengthens customer relationships, and elevates brand awareness across Canada's trucking sector.



Falcon Thailand: Proactive risk mitigation

Falcon Thailand’s clients have access to a comprehensive range of risk services including pre-underwriting safety inspections for commercial lines businesses, advisory support on fire prevention and chemical hazard management, risk assessments for natural disasters, such as floods and earthquakes, safety training sessions and workshops tailored to customer needs, as well as industry-specific risk management guidelines and manuals to support proactive risk mitigation.

Zenith: Risk management resources

Zenith’s safety and health consultants assess injury and illness risks, provide workers’ compensation safety services, and address workplace hazards before incidents happen. They review employee management practices and enhance safety controls to reduce claims and costs.

The Zenith Solutions Center offers online tools for risk management, training, regulatory compliance, HR practices, and automation of critical tasks to keep employees safe and informed.

“Ask the Expert” connects customers with professional risk control advice, while Zenith University offers live seminars and webinars. The Vendor Discount Program provides customers reduced prices for safety and risk management products and services.



Improving Customer Experience with Technology

Our companies continually improve customer experience and enhance operations with technology, introducing cutting-edge machine learning tools to tailor each individual customer's experience.

C&F: Measuring customer satisfaction

Using "How Are We Doing" smiley faces, the Commercial and Executive Business Services Group uses a Customer Thermometer embedded in emails to obtain real-time feedback from agents, insureds, claimants, and internal customers. Last year, 6,000+ responses generated a satisfaction rating over 90%.

C&F's Seneca Division launched a portal to allow easy access to policyholder information. They also create loss prevention materials in real time to assist clients in prevention and mitigation based on trending loss drivers, such as slip, trip, and fall fraud, self-closing doors, and e-bike fire prevention.

Falcon Hong Kong: Quotes made easier

Falcon Hong Kong's CAR Portal is an electronic quotation system for small construction policies that's available to Falcon intermediaries to increase efficiency and better meet their needs.

GIG: Making insurance simpler

GIG continues to enhance customer experience through digital solutions that make insurance more accessible and convenient for customers across its markets.

- GIG Kuwait redesigned its Motor and Travel insurance platform, allowing customers to get a quote, purchase a policy, and manage renewals entirely online. Travel insurance policies can now be issued in under one minute, with no branch visit needed.
- GIG Turkey has launched an AI-powered customer portal where customers can view their policies, handle claims, and manage their coverage in one place, making it easier to stay on top of their insurance.
- GIG Egypt has introduced remote inspection for claims and underwriting, allowing customers to submit photos or connect with a surveyor by video, saving customers the time and effort of an in-person inspection.



Universalna: App for remote vehicle inspection

A mobile app enables remote inspection services for insured vehicles. Through the Object Control system, clients can easily document the condition of their car before the start of insurance coverage using a dedicated mobile app.

This solution is especially convenient for customers who purchase insurance online or remotely. The inspection is entirely within the app, removing the need to visit an insurance office or meet an agent in person.

Additionally, the app allows Universalna employees or agents' representatives to perform vehicle inspections directly through the platform, making the process even more flexible and efficient.

This approach streamlines the insurance process, enhances customer experience, and ensures transparency and accuracy in documenting the vehicle's condition.

Zenith: Customer-focused apps

The MyZenith app provides 24/7 customer access to claim updates and notes. Users can access their policy, report a claim with one click, find a medical provider, access loss runs, pay premiums, report payroll, get custom alerts, and automatic reminders, empowering customers to make informed decisions and manage their claims more efficiently.

The ZConnect app lets injured workers communicate with their claim examiner via text, upload documents, and access medical appointments and benefit payment information. Employers can quickly access claims information, benefit payment dates, and payment history. Built-in translation software allows Spanish-speaking employees and claim examiners to communicate without a third-party translator. Users can also access health articles and videos to help them heal and get back to living their lives.

Percentage of companies engaged in the following:

Post-claim surveys	88%
Loss control or risk services	88%
Risk surveys for insureds	92%
Training courses for insureds	67%
Educational materials for insureds	79%



Fairfax Innovation Award

The Fairfax Innovation Award was launched in 2017 to recognize teams at Fairfax operating companies whose innovations have had a transformative and positive impact on their organizations.

For this year’s award we received 33 entries from 14 companies with a range of innovative initiatives that save time, add efficiency, and improve the customer experience.

WINNER: ARX War-Risk Insurance

ARX developed a groundbreaking war-risk property insurance product launched during active conflict in Ukraine. At a time when war-related insurance was considered uninsurable, ARX introduced a solution that provided coverage. The product was built through a phased strategy that included strict underwriting controls, geographic risk exclusions, and collaboration with global reinsurers such as DFC and Lloyd’s. The initiative not only protected critical infrastructure and businesses but also restored investor confidence and catalysed the creation of a state-backed war insurance program in Ukraine. The product has since become a national standard and a global benchmark for insuring extreme risks in conflict zones.

FINALIST: Eurolife The Fair Five

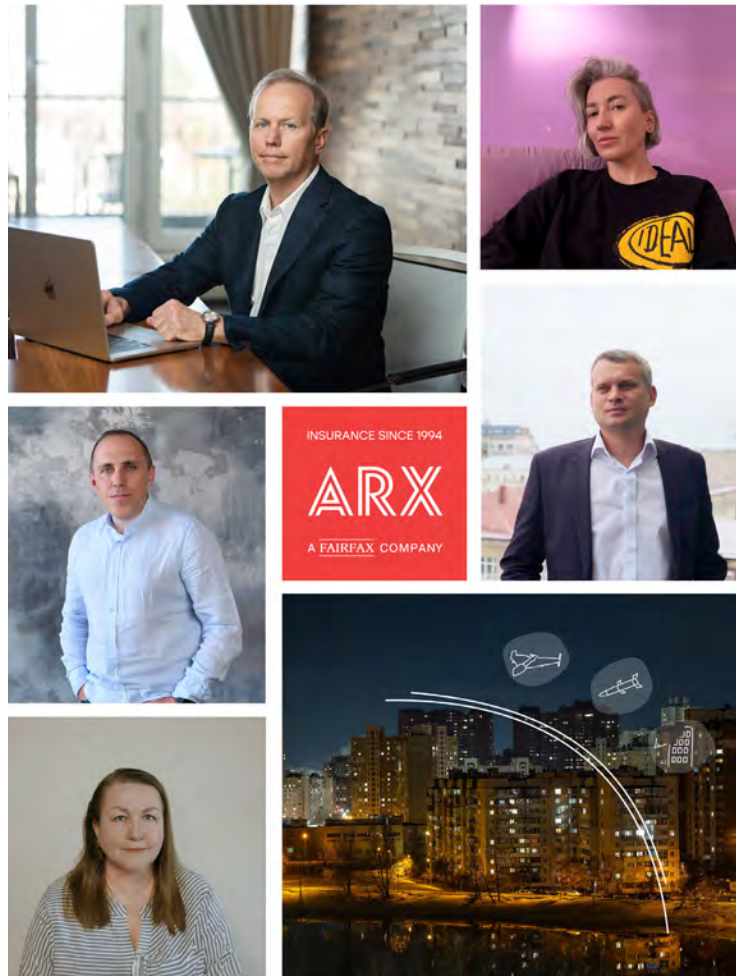
Eurolife’s “The Fair Five” is an AI-powered claims automation system that deploys five intelligent digital assistants to handle key stages of the motor insurance claims process: coverage validation, fraud detection, liability assessment, document completeness, and payout calculation. This modular, agent-based approach reduces claim turnaround times from days to minutes, while ensuring fairness, transparency, and regulatory compliance. The system is designed to minimize human error and subjectivity, with every decision traceable and auditable.

FINALIST: Digit Automated Motor Claim Repudiation

Digit introduced an AI-driven solution that automates the validation of motor insurance claims by reconstructing accident scenarios using customer narratives and vehicle images. The system applies physics-based logic and historical claims data to predict likely damage zones and compare them with reported damages. Any inconsistencies are flagged for further review, enabling faster and more objective fraud detection. The solution enhances operational efficiency, reduces financial leakage from fraudulent claims, and supports Digit’s broader strategy of becoming a fully cloud-native, AI-first insurer.

FINALIST: Odyssey ARES – AI Driven Risk Insight

Odyssey Reinsurance’s ARES platform is a next-generation underwriting intelligence tool designed to assess high-severity risks in financial lines, particularly securities class actions (SCAs). ARES combines AI-generated executive summaries, 12-month financial benchmarking, and real-time news surveillance to deliver actionable insights in seconds – replacing hours of manual research. The platform is used by all U.S. Treaty and Facultative underwriters at Odyssey, and since launching, ARES has contributed to measurable commercial gains, including improved pricing, increased line shares, and enhanced client negotiations.



2025 winners: ARX War-Risk Insurance

Sustainable Insurance Initiatives

Many Fairfax companies pursue sustainable insurance initiatives including affordable insurance schemes that serve low-income groups in developed and/or developing countries. The following are a few notable examples.

Falcon Thailand: Equal access

Falcon Thailand offers products to support vulnerable groups including microinsurance solutions for low-income individuals, covering accidents and residential property, crop insurance for farmers, and accident insurance for people with disabilities (specific eligible groups).

Northbridge: Build it back better

Northbridge enhanced their commercial property extension to include a “build it back better” component, covering the increased replacement cost of the damaged part of the building to improve its physical resilience to natural catastrophes.

The personal property extension enables personal lines customers to not only reclaim their property but also choose materials that are more environmentally friendly or resilient to weather-related events.

Southbridge Colombia: Building resilience

Southbridge Colombia offers microinsurance products including parametric insurance, a simple product with no exclusions, no deductible, and an

automatic payout. Each policy covers a specific parameter: a certain amount of rain, an earthquake of a certain scale, a defined degree of drought.

Southbridge Colombia monitors for these parameters by satellite, and if a parameter is met in a specific place, Southbridge Colombia pays out all clients in that area automatically.

Pacific: Covering climate change risks

Pacific Insurance continues to provide coverage for corporate customers operating in climate change mitigating/adapting industries such as renewable energy (i.e. bioenergy, solar, and hydro), and crops/plantations. They also cover electric vehicles, which is in line with the local green mobility agenda.

Southbridge Chile: Accessible insurance options

Southbridge Chile’s strategy includes making insurance more accessible to people who don’t traditionally have access to it: seniors, new immigrants, and single mothers. They continue developing new insurance products tailored to the specific needs of their community.

To support the operation’s risk management capabilities, they measure insurance products sold to purpose-driven organizations and vulnerable segments, with a target of 10% of net premiums written coming from organizations making a positive social or environmental impact.

Zenith: Supporting California agriculture

Zenith is involved in over 100 agricultural associations, educational institutions, and community organizations in support of their largest business segment: California agriculture. Zenith delivers tailored safety and HR information to local agribusiness customers to help them stay safe and productive.

Zenith is active in the agriculture industry, staying abreast of key environmental, political, labour, economic and climate issues. They engage with agricultural associations to reach a diverse population, connecting with future agricultural leaders, farm workers, and various types and sizes of agricultural businesses, including small family farms.



Community & Philanthropy

Giving back is part of Fairfax's DNA. A big part of how we define our success is in how we support people who need our help.

Treating others fairly and with kindness is ingrained in our culture. Fairfax and each of our subsidiaries is committed to supporting the communities where our employees and customers live and work.

We believe in doing good by doing well, and the more successful we are as a company, the more good we can do in the world. Serving those in need through volunteering, corporate and employee contributions, regional events, matching gifts, and responding to disasters brings the company's values to life.

Because of the scope of these initiatives, we publish a separate report detailing how we give back at both the Fairfax and operating company levels. From supporting global healthcare initiatives to fighting food insecurity, donating to environmental causes to volunteering our time to making lives better, we are working to make a meaningful difference in the world.

FAIRFAX
FINANCIAL HOLDINGS LIMITED

WHY WE GIVE

2025
FAIRFAX CHARITABLE GIVING REPORT

We invite you to read our [Charitable Giving Report](#) for more details.



Giving back has always been part of Fairfax's culture. As we grow, our commitment to our communities grows with us.

— Prem Watsa

Fairfax Donation Strategy

At Fairfax, our donation strategy takes a two-tiered approach. We donate through Fairfax directly, as well as through each of our individual insurance operating companies. We have a combined target of 2% of pre-tax earnings.

This giving strategy leverages our global scale to make meaningful contributions, gives companies the autonomy to decide which causes to support, and allows us all to be responsible corporate citizens who do their best to make the world a better place.

Within the holding company, we primarily make donations through the Fairfax Foundations in the U.S. and Canada. This approach enables us to make larger donations globally.

Our insurance companies donate 1% of their pre-tax earnings towards charities of their choosing, with the other 1% of their 2% target going to the Fairfax Foundations.

In 2025, Fairfax made a total of \$90 million in donations. Of that, \$58 million was donated to charities and the remainder to our foundations. It is a number that has increased each year along with the growth of our business.

Since our donations program began in 1991, we have donated over \$570 million, with annual donations increasing approximately 520 times at a compound rate of 20% per year.

The number above only includes direct charitable donations: our companies enthusiastically give a great deal more. It doesn't reflect the thousands of volunteer hours spent by employees helping refugees, mentoring students, planting trees, taking part in local cleanup efforts, and more. Or the hundreds of grassroots initiatives each of our companies are involved in, meeting specific needs that help their communities in impactful ways.



Environment

Because climate change presents material risks to our customers and our business, Fairfax takes a proactive approach to environmental stewardship.

Climate risk mitigation. We manage climate-related risks to protect our operations, customers, and communities.

Sustainable underwriting. Environmental factors are integrated into underwriting to support responsible risk selection and pricing.

Engagement with insureds to mitigate risk. We work with customers to raise environmental risk awareness and strengthen prevention and preparedness.

Climate change research. Scientific and academic partnerships advance understanding of climate risk for better decision-making.

Environmental initiatives. Our companies undertake a variety of conservation, resource efficiency, and climate-focused efforts.

Calculating GHG emissions. Standardized greenhouse gas reporting supports accuracy, transparency, and regulatory readiness.

Climate Risk Mitigation

Understanding climate change is critical to managing risk at the Fairfax level – and identifying opportunities arising from those risks. The Fairfax strategy for managing climate-related risks is set by senior management and reviewed by the Board.

Strategy

We are very aware of the potential physical and transitional risks associated with climate change and take a rigorous approach to how we manage and monitor our exposure over a range of time horizons.

To do so, we examine both the physical and transitional risks associated with climate change. Physical risks arise from changing exposures due to weather-related events, while transition risks come from changes in legal policies and market behaviour during the transition to a low-carbon economy.

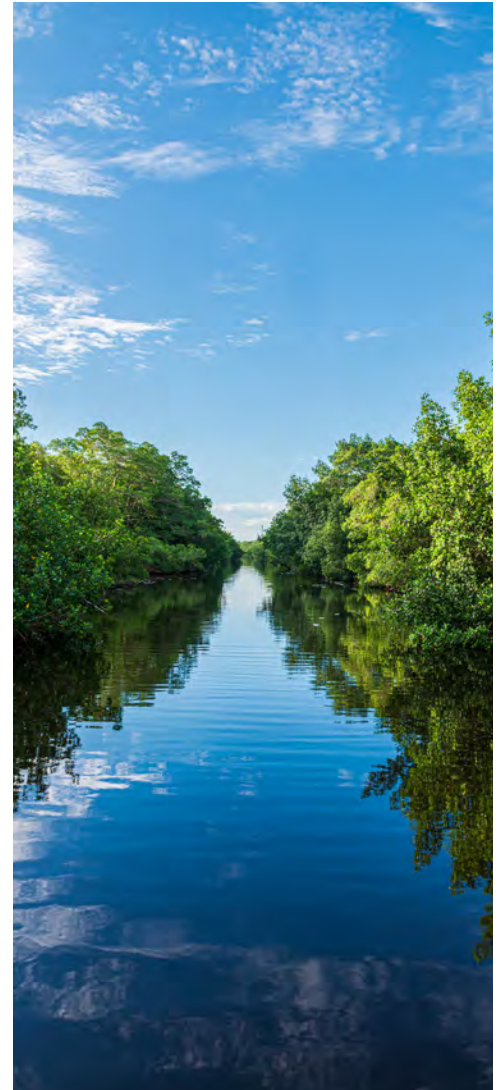
Governance

Climate risk is a key component of senior management’s overall responsibility within risk management, which includes setting and monitoring our risk tolerance at the Fairfax group level.

At every quarterly Fairfax board meeting, there is a standing agenda item for a report on key risks of the Fairfax group, which includes consideration of climate-related risks.

The Audit Committee, a subcommittee of the Board, receives quarterly reports from the Fairfax Enterprise Risk Management (ERM) team that include climate-related risks and opportunities.

The President and COO and other members of the Executive Committee attend every Audit Committee meeting to ensure adequate risk controls are in place and the risk management process is effective.



TIME	RISKS	OPPORTUNITIES
Short-term	<p>Unpredictability of frequency, severity, and nature of severe weather events (physical).</p> <p>Changes in regulatory requirements for current products (transition).</p>	<p>Increased demand for insurance as fundamentally changing weather events drive public awareness (physical).</p> <p>Increased opportunities for insuring green technology and renewable energy sources (transition).</p>
Medium-term	<p>Increase in exposures due to a variety of climate change factors such as sea level rise, inland flooding, droughts, and wild-fire zones (physical).</p> <p>Climate change litigation costs (transition).</p>	<p>New market sectors emerging as a shift to a low carbon economy occurs (transition).</p>
Long-term	<p>The devaluation of assets that we hold in sectors susceptible to transition risk (transition).</p> <p>Uninsurability of certain weather exposed risk (physical).</p>	<p>Using our expertise to help our clients adapt to the changing markets by developing strategies & technology (transition).</p>

While our operating companies carefully manage their own climate-related exposures and risk appetite, Fairfax senior management also closely monitors them to ensure they are in line with the overall strategic plan. Together, senior management and our actuarial and ERM teams aggregate our company-wide exposures and compare them to our established risk tolerance. Management constantly reviews climate-related risks with the operating companies and at the management level.

Risk Management

Fairfax has a three-pronged approach to managing risk:

- **At the operating company level:** Each company manages their climate-related risks on an individual basis.
- **At the group level:** Fairfax's actuarial and risk management teams perform independent global oversight of our operating companies. They carefully evaluate and manage aggregate risk across the group to ensure we are within an acceptable risk tolerance, as set out by senior management and reviewed by the Board.
- **At the Board level:** The Board regularly reviews key risk indicators from across the Fairfax group to ensure we are meeting rigorous risk management standards.

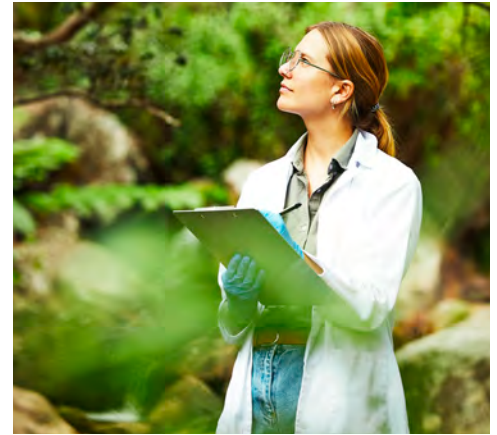
Operating company level

Our companies manage their catastrophe exposure by being scrupulous in selecting risks. They assess risk location (including historical and evolving flood and wildfire risk), construction type, local building codes, and rebuilding costs, while also providing expert hazard and risk management services to their insureds once risks are bound.

They diversify catastrophe risk across geographic regions, catastrophe types and lines of business, factoring in reinsurance protection availability, adjusting the amount of business written based on capital levels and risk tolerance guidelines. These guidelines are checked and updated often to monitor risk and take advantage of opportunities.

They also closely monitor their transition risks as the economy shifts to a low carbon outlook, carefully assessing underwriting risks and opportunities as the economy develops. Given the annual nature of most policies, they can continue to adapt and ensure we are consistently innovating and meeting current trends.

To stress test their portfolios, our operating companies use industry recognized tools including geospatial capabilities to monitor and quantify risk exposures. They regularly scrutinize the appropriateness of these tools and models to ensure they remain fit for



purpose in the changing risk landscape. After careful analysis of scientific studies, climate data, historical trends and future expectations, they make accommodations and allowances to capture the ever-changing risk map.

Many also perform scenario analysis of climate-related risks, including those suggested by government bodies.

These scenarios are also used to calculate the Climate Value at Risk to quantify the size of loss attributed to climate-related financial risks by comparing scenarios in which climate change is present versus not.

Group level

Fairfax manages climate-related risks by evaluating exposure limits by product and geography in aggregate. We use a 1-in-250-year event as our benchmark for risk tolerance, but also consider and assess events with more remote probabilities. This rigour is to ensure our companies will be here to serve our clients and communities for the long-term.

Additionally, since the (re)insurance contracts we issue are generally annual in duration, we can monitor the risks carefully. Due to the perpetual and dynamic nature of climate change and the (re)insurance market, we know it is something that will play out over time, and we weigh the risks and opportunities accordingly.

Our approach allows us to manage our risk exposure and refine our pricing and risk appetite. While refinements are based on current trends and innovations, like everything else in our business, we take a long-term view, which we adjust over time.

Board level

The Board provides top-level oversight of our risk management strategies and execution, supporting comprehensive risk management policies with formal reporting. Board members and senior management are familiar with the process used to identify, assess, monitor, interpret, and forecast risk.

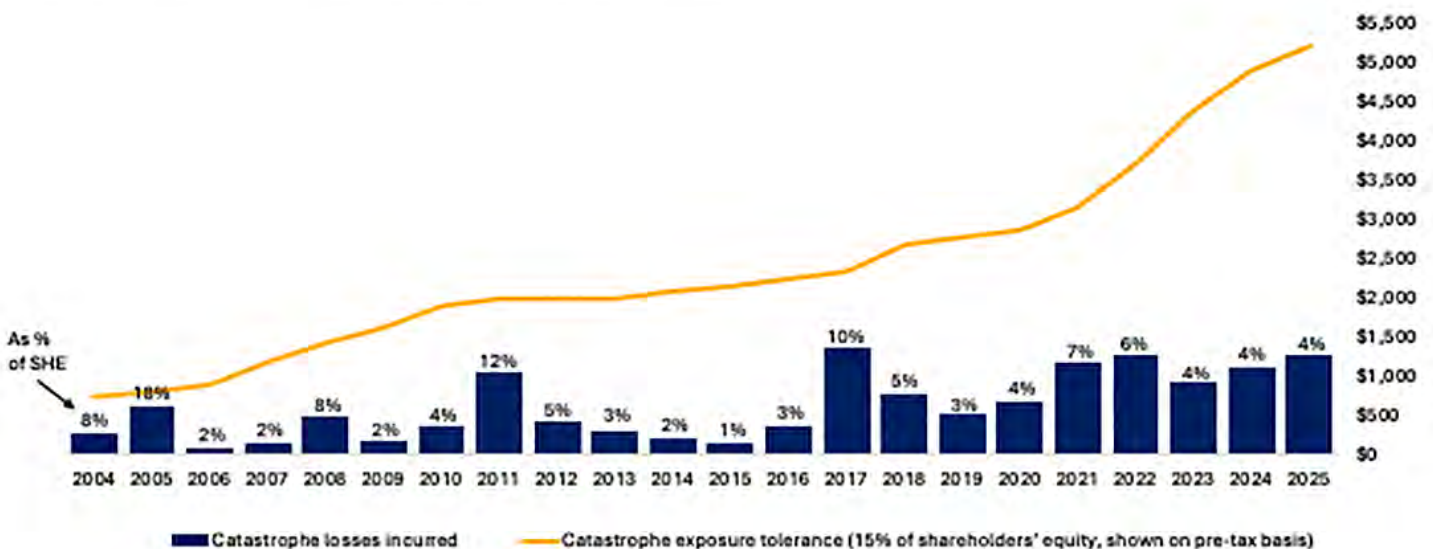
Risk management review is set in the Board agenda quarterly, including climate-related risks, or more frequently if significant issues are identified.

Metrics & targets

Catastrophic losses have never been significant relative to Fairfax capital and earnings or those of our operating companies. At the Fairfax level, senior management has set our risk tolerance to one year's worth of normalized net earnings before income taxes (15% return on common shareholders' equity, adjusted to a pre-tax basis).

The modeled probability of aggregate catastrophe losses in any one year exceeding this amount is targeted at more than once every 250 years. We continually assess our exposures and accepted risks and opportunities while supporting our clients' needs, carefully deploying our capital and capacity in the face of the uncertain impacts of climate change, always keeping the long-term sustainability of the company in mind.

Historical Catastrophe Losses Compared to Exposure Tolerance



Sustainable Underwriting

In addition to managing climate change risk, our companies reduce risk by considering other sustainability factors within their underwriting processes.

Allied World: Underwriting aligned with Paris Agreement

Allied World will generally not provide coverage on risks related to construction and operation of new coal-fired plants, insureds that derive over 30% of their projected revenue from thermal coal mining, or insureds that generate more than 30% of their energy production from coal, taking alternative energy sources available within the respective territory into consideration.

Brit: Identifying risk

Brit has identified industries that need further consideration at the quote stage: carbon-intensive industries, those that may impact biodiversity and nature or enable social harm, and those that typically attract sanctions and restrictions.

Southbridge Chile: Certified B Corporation

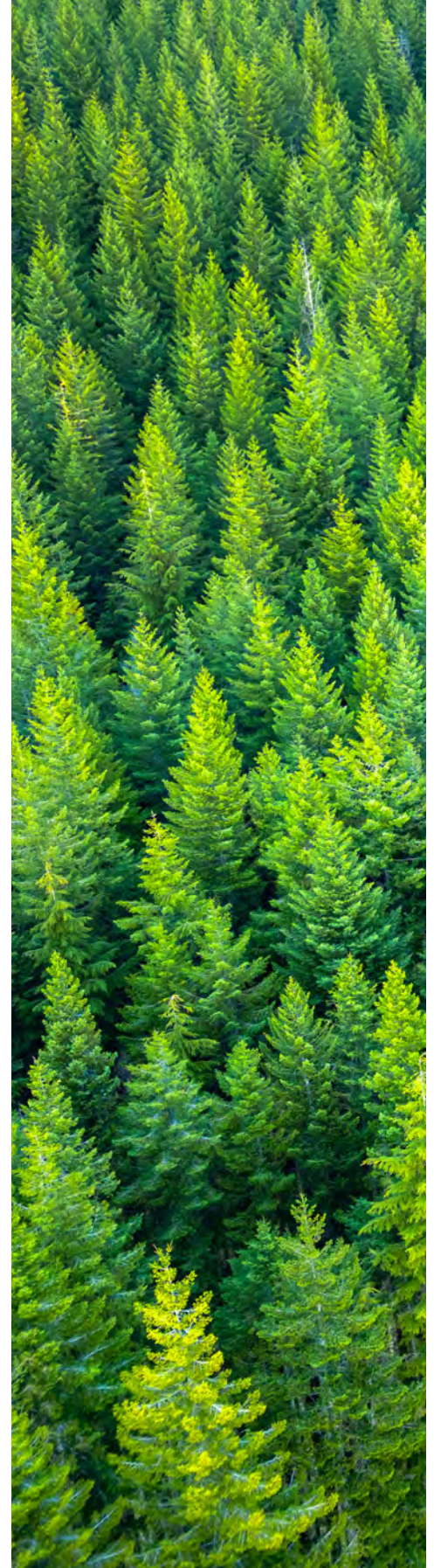
Southbridge Chile became Latin America's first B Corp-certified insurance company in 2022. The certification reflects their commitment to inclusion, diversity, accountability, and transparency, ensuring decisions consider community and environmental impacts. Following certification, Southbridge Chile launched a sustainability committee and continuous improvement initiatives to enhance their sustainability efforts.

Brit has developed new guidance for several of these industries and are trialing that guidance within their FinPro portfolio to understand the impact on underwriting.

Falcon Thailand: Assessing environmental risk

Falcon Thailand assesses environmental risks prior to underwriting, avoiding projects with severe environmental impacts (like deforestation or unregulated pollutant-emitting factories) and has exclusion criteria for operations that do not align with environmental standards, including hazardous chemicals or toxic waste.

They use environmental data to assess flood, forest, and wildfire risk before offering coverage, and support environmentally friendly products, offering insurance for electric vehicles, pay-per-mile products, and premium discounts for homes with solar roofs.



Engagement with Insureds to Mitigate Risk

Many of our companies engage with their customers on the benefits of incorporating sustainability considerations into their operations and educating them on environmental factors and risks. Below are a few examples.

Northbridge: Transportation & logistics

Northbridge is affiliated with SmartWay, a program administered by Natural Resources Canada to help trucking customers navigate green freight considerations. Northbridge engages trucking customers to understand their green freight journey and raise awareness about green freight considerations and a reduced carbon footprint.

Crum & Forster: Mitigation resources

C&F's Surplus & Specialty Division collaborates with loss prevention vendors to survey accounts and improve safety protocols, while their Environmental Team operates a 24/7 Spill Reporting Program to quickly mobilize local contractors and reduce environmental impact. Insureds receive access to tools, resources, safety guides, and training materials, plus discounts on external resources through strategic partnerships.

Zenith: Loss control for policyholders

Zenith emphasizes the advantages of solar and wind power to customers in reducing overall energy costs and mitigating operational risk profiles. They identify exposures to climate- and weather-related hazards and highlight the importance of disaster planning and recovery programs to help customers mitigate their exposure to earthquakes, wildfires, windstorms, tornados, floods, and hurricanes.

Helping customers lower risk, control costs, and plan for what's next.



Climate Change Research

Fairfax companies partner with scientific organizations and academic institutions to advance knowledge, share insights, and apply research that supports risk mitigation, resilience, and informed decision-making.

Allied World: Learning from nature

For many years, Allied World has worked with the National Wildlife Federation (NWF) to develop research reports related to the environment, including *The Protective Value of Nature*, which synthesizes the latest science from across the U.S. to evaluate the performance of natural systems such as wetlands and forests in the face of hurricanes, floods, wildfires, and other natural disasters.

The lessons from the report were further amplified in *Harnessing Natural Infrastructure to Protect the Built Environment*, a joint podcast with Allied World's Environmental team and NWF's top scientists, republished by Risk & Insurance.

Allied World's President has co-authored several opinion pieces with the NWF's President & CEO:

- *Sow Nature's Lessons, Reap Better Protection* was republished by publications The Hill and Risk & Insurance.
- *Nature is the environment's original infrastructure plan: use it to make us more resilient* was published in the Miami Herald.
- *A natural ally for climate resilience, disaster mitigation* was published by The Hill.

Allied World's engagement with the NWF has helped them gain a better understanding of how natural systems can be used as a risk mitigation tool.

In 2025, Allied World expanded its partnership with the NWF through a dune restoration program aimed at stabilizing beach areas across coastal areas near New York City. Post-planting, the dune site will be monitored, and data will be shared at conferences to highlight the lessons learned.

In addition, Allied World established a partnership with up to 25 New York City public schools through 2027, involving community outreach and classroom presentations to educate students about natural solutions.

Brit: Collaboration with academia

Brit collaborated with the Royal Meteorological Society (RMetS) to host and sponsor two events including "Navigating Climate Challenges in Insurance," which looked at how the industry can tackle knowledge and data gaps to better understand weather and climate risks.

These events have resulted in informative articles and better position the RMetS to deliver positive impact to the insurance industry.

As part of RMetS's special interest group for insurance, Brit has collaborated on whitepapers addressing research collaboration opportunities between insurance and academia.



Environmental Initiatives

Whether it's using solar power in California or supporting local biodiversity in Brazil, Fairfax companies have undertaken a variety of environmental, climate and conservation measures.

Fairfax Brasil: Reintroducing jaguars

Fairfax Brasil supports and works closely with the Onçafari Jaguar Conservation program, which rehabilitates and reintroduces jaguars into the wild.

Their goal is to help save critically endangered jaguar populations such as those in the Atlantic Forest. This improves biodiversity, but also increases ecotourism, with associated benefits to local communities.

Northbridge: Supporting nature-based solutions

Northbridge is a proud member of The Nature Force project, led by Ducks Unlimited in collaboration with other leading P&C insurers. This initiative is designed to leverage natural infrastructure, such as wetlands, to restore and protect high-risk areas from flooding. These nature-based solutions can actively restore and manage natural resources, resulting in positive outcomes like climate resilience, biodiversity, and improved water quality.

Pacific: Coastal restoration

Pacific is working on strengthening coastlines and communities by supporting mangrove restoration along Malaysia's vulnerable shores. In Kapar, where climate change and environmental degradation have placed increasing pressure on natural defenses, Pacific brought together employees, leadership, broker partners, and local schools to plant nearly 300 mangrove saplings.

These ecosystems can help absorb carbon, reduce erosion, protect against storms, and support biodiversity, while also serving as a powerful learning opportunity for young people discovering environmental stewardship firsthand.

Singapore Re: Urban greening

Singapore Re supports urban greening initiatives that are bringing nature back into high-density environments. Recognizing how climate risks affect people and infrastructure, they have invested in tree-planting and conservation efforts through Singapore's Garden City Fund, including its one-million-tree movement. Employees have also taken part, joining community volunteers to restore green spaces, expand the urban canopy, and contribute to cleaner air, reduced urban heat, improved stormwater management, and stronger biodiversity.



Falcon Thailand: Award-winning CSR efforts

Falcon Thailand was honoured with the prestigious 2025 Corporate Social Responsibility Award by the Thai Ministry of Social Development and Human Security, making it the only insurance company in the country to receive this distinction. The award recognizes Falcon Thailand's commitment to corporate social responsibility through impactful company-led programs and employee-driven initiatives including:

- Disaster relief and housing reconstruction for communities affected by floods and earthquakes
- Education and healthcare support for underprivileged groups
- Environmental conservation projects
- Support for soldiers serving along the Thai-Cambodia border
- Corporate matching of employee donations

This achievement underscores Falcon's dedication to building resilient, caring, and sustainable communities across Thailand – a commitment that reflects Fairfax's core philosophy of doing good by doing well.

The CSR Award celebrates organizations that go above and beyond in promoting social responsibility and inspiring other businesses to embrace these values.



Falcon Thailand CEO Sopa Kanjanarintr accepting the CSR Award.

Calculating GHG Emissions

As a global holding company we recognize the impact that climate change has on our operations, our customers, and the communities where we operate.

Therefore, Fairfax is working with its operating companies to help facilitate their reporting of certain sustainability information in every jurisdiction where it is required.

In addition, Fairfax is taking measures in respect of greenhouse gas (GHG) emissions reporting. We are actively preparing for the disclosure of the Scope 1 and 2 GHG emissions of Fairfax.

Our approach to GHG emissions is driven by several key factors:

1. **Accuracy and consistency**
Ensuring accurate, reliable, and comparable data across our organization and time periods is crucial to our process. We therefore follow standardized methodologies and have developed an internal portal to ensure consistent reporting.
2. **Collaboration**
Mechanisms for collaboration and information sharing amongst our operating companies are in place to ensure a cohesive approach, including specialized working groups focused on different aspects of GHG management.
3. **Regulatory compliance**
As emissions reporting requirements come into effect, Fairfax and our operating companies will align with compliance requirements.

The Fairfax GHG portal

To streamline GHG emissions data across our operating companies, we have developed a custom portal that is in line with the GHG Protocol. This platform is designed to facilitate efficient data collection, enhance data accuracy, and support comprehensive reporting across our decentralized organization.

By leveraging this custom portal, we enhance our ability to collect, analyze, and report GHG emissions data in a consistent way, supporting regulatory compliance.

Methodology

Fairfax uses the GHG Protocol methodology to ensure the accuracy and transparency of our GHG emissions reporting. This globally recognized standard provides a robust framework for measuring and reporting our emissions across various scopes and ensures our reporting is comprehensive and aligned with industry best practices.

The GHG Protocol is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage GHG emissions. It provides comprehensive guidelines for calculating emissions from direct and indirect sources, including Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased energy), and Scope 3 (all other indirect emissions).

Calculating and disclosing Scope 3 GHG emissions poses a number of challenges including access to data that supports disclosure. Additionally, the quantification of financed emissions is an emerging category that is one of the most difficult to accurately measure. This creates particular challenges for Fairfax, given



that our capacity to effectively report on our Scope 3 emissions is dependent on our own operating companies' emissions quantification and reporting. To that end, Fairfax is currently undertaking the following steps to build its capacity for Scope 3 financed emissions reporting:

- Working with climate experts and other global leaders in climate related disclosure to ensure we are aligned with best practices;
- Sourcing data to initiate the calculation of emissions associated with our investment portfolio and applying robust models where data gaps exist, in order to generate internal estimates of financed emissions linked to our investment portfolio;
- Working with our operating companies to ensure consistency, as well as to understand any data gaps; and
- Building a custom portal to streamline the calculation of GHG emissions for our operating companies.

We have also integrated the Partnership for Carbon Accounting Financials (PCAF) methodology into our GHG Portal. The PCAF methodology complements the GHG Protocol by offering detailed guidance for financial institutions to measure and disclose the GHG emissions associated with their loans and investments.

Regulatory compliance

Fairfax remains committed to supporting its operating companies in their Scope 1 and 2 disclosures and preparing for a Fairfax-wide disclosure. We will be ready to meet Canadian regulatory requirements in respect of GHG emissions disclosures, if and when implemented, including in respect of Scope 3 financed emissions if required.

Several of our operating companies have already begun to disclose, starting with our largest North American operating companies, which have been reporting to their local regulator for the last three years.





Governance

Fairfax prioritizes robust management and operational practices that ensure we operate with integrity, accountability, and discipline.

Ethical, responsible operations. Our Guiding Principles, decentralized structure, and strong oversight support sound decision-making.

Reporting & Communication. Fairfax supports transparency through a structured sustainability reporting framework and open communication and collaboration.

Cybersecurity, data privacy & AI. Robust controls and oversight protect information, support responsible use of technology, and manage risks.

Board composition. An experienced, independent Board provides oversight, strategic guidance, and continuity.

Shareholder rights. Transparent disclosure and strong governance practices protect shareholder interests and promote long-term value.

Executive compensation. Compensation aligns leadership incentives with long-term performance and responsible risk management.

Ethical, Responsible Operations

Our decentralized company is led by a Board-appointed Lead Director to ensure the independent functioning of the Board and empowered Presidents running each of our insurance companies independently at the local level.

Being close to the business allows them to make the right decisions quickly versus relying on a disconnected home office. We believe there are many benefits to this somewhat unique structure. Not only does it reduce bureaucracy and headcount at the home office, but it also creates a separation of powers that enhances our spread of risk, gives each President operating control of that President's company, allows for internal peer review at each company and creates an unmatched breadth of global senior talent.

Our Board convenes on a quarterly basis to discuss long-term strategic objectives, fulfillment of responsibilities to stakeholders, and to provide the direction and oversight of our business affairs. Other mandates of the Board include evaluating performance of our management team against the Guiding Principles and corporate objectives, succession planning, and ensuring that it understands the principal risks of the business and that appropriate systems to manage these risks are in place and effectively implemented.

Our governance model protects independence, strengthens oversight, and supports long-term value.

Fairfax has corporate governance practices that comply with all applicable rules and policies of the Canadian Securities Administrators and the practices set out therein.

To date, our Board has:

- Adopted a set of Corporate Governance Guidelines.
- Established an Audit Committee.
- Established a Governance and Nominating Committee and a Compensation Committee.
- Approved written charters for all its committees.
- Approved and implemented an Anti-Corruption Policy.
- Approved and implemented a Code of Business Conduct and Ethics.
- Approved and implemented a policy on Discrimination.
- Approved and implemented a policy on Accessibility.
- Approved and implemented a Whistleblower Policy.
- Approved and implemented the Modern Slavery Policy.

All the above points are applicable to all directors, officers, and employees of the company.

Fairfax's Guiding Principles are the foundation of our business and culture and the basis of our comprehensive ethical framework. These operating guidelines include this core value: "honesty and integrity are essential in all our relationships and will never be compromised."

The company feels strongly that competitive advantage or profit must never be sought through un-lawful, dishonest, or unethical business practices. Fairfax expects legal and ethical business practices from all of its employees and subsidiaries, regardless of any impact on the bottom line.

Corporate Governance Policies

[Anti-Corruption Policy](#)

[Audit Committee Charter](#)

[Code of Business Conduct & Ethics](#)

[Compensation Committee Charter](#)

[Corporate Governance Guidelines
\(including the Mandate of the Board of Directors\)](#)

[Governance & Nominating Committee Charter](#)

[Modern Slavery Policy](#)

[Whistleblower Policy](#)

Responsible Business Practices

Maximum working hours:

We see applicable maximum working hours as a basic legal right. However, we have also implemented a Fairfax Disconnecting from Work Policy.

Additionally, this focus on work/life balance is enshrined in our Guiding Principles, which state: “We are hard-working, but not at the expense of our families.”

Commitment to avoid child labour:

Fairfax’s formal Modern Slavery Policy underscores Fairfax’s commitment to avoid any form of child or forced labour in our operations or its supply chains.

Commitment to non-discrimination:

The formal Fairfax Policy on Workplace Harassment, Discrimination, and Accessibility indicates that Fairfax has always been committed to a respectful workplace and work in a dignified, discrimination-free, respectful, accessible, violence-free, and harassment-free environment. The Policy prohibits

discrimination on the grounds of race, colour, creed, gender (including pregnancy, childbirth or related medical conditions), gender identity, gender expression, sexual orientation, place of origin, ethnic origin, ancestry, citizenship, marital or family status, age, record of offences, and disability or perceived disability.

Fairfax Chairman and CEO Prem Watsa is a founding member of the Canadian Council of Business Leaders Against Anti-Black Systemic Racism and the BlackNorth Initiative. Fairfax has acknowledged the existence of anti-Black systemic racism and the need to create opportunities within our company for Black people. We have consequently made a commitment to appoint a Black individual to our Board of Directors and we have been actively pursuing efforts to find an individual who possesses the necessary qualifications.

Strong principles,
backed by clear
policies.

No corporal punishment or disciplinary practices:

Workplace violence anywhere in our operations is prohibited under Fairfax’s formal Policy on Workplace Harassment, Discrimination and Accessibility. At a minimum, we see any corporal punishment as unethical, immoral, and illegal. Further, it runs contrary to our Guiding Principles, which require us to follow the Golden Rule: “we treat others as we would want to be treated.”

Supply chain

Fairfax mandates and monitors supplier compliance in accordance with applicable law. The Fairfax Modern Slavery Policy formalizes our commitment to avoid slavery, forced labour, child labour, human trafficking, and other forms of exploitation in our operations, and supply chains.

The Policy outlines the expectation that subsidiaries will minimize the risk of modern slavery in their operations, including integrating these risks into



supply chain processes. Fairfax mandates employee training around ethical supply chain practices, requires that subsidiaries adhere to both the policy and applicable laws, and requires attestations to this effect on a quarterly and annual basis.

Business ethics program

Fairfax's employees receive annual training on the Code of Conduct every year, and are required to certify their understanding of, compliance with, and adherence to the Code of Business Conduct and Ethics.

Managerial responsibility for business ethics:

While the Board has approval and governance oversight over our Code of Business Conduct and Ethics, management has the operational and managerial responsibility to enforce it. This Code applies to all directors, officers, and employees of Fairfax and every subsidiary. Adherence to the Code is a strict condition of continued employment or association with Fairfax.

Measures to deter non-compliance and reduce exposure to unethical opportunities:

Together, the Fairfax Code of Business Conduct and Ethics and Whistleblower Policy act as a deterrent to unethical behaviour. More importantly, we live by our Guiding Principles.

The Fairfax Whistleblower program allows whistleblowers to make complaints on a confidential and anonymous basis via a reporting hotline or by reporting directly to the independent lead director. Fairfax's reporting hotline is available 24/7.

The number of reports received, the types of misconduct and measures taken are reported to Fairfax's Audit Committee and our Board as part of our quarterly and annual audit cycle, with any material matters reported on an ad hoc basis.

A workplace built on respect and responsibility.

Anti-bribery and corruption programs

These programs are outlined in Fairfax's Anti-Corruption Policy. While the Board has approval and governance oversight of the Policy, operational and managerial responsibility for enforcing it falls to the management team.

Operating guidelines addressing record keeping, approval procedures, and appropriate behaviour – Fairfax's Anti-Corruption policy sets forth minimum base-line standards that apply to all subsidiaries of Fairfax as it pertains to bribery, corruption, business amenities, and dealing with government officials. Additionally, it specifies the circumstances in which clarifications or approvals should be sought, as well as imposes record-keeping and reporting requirements. Employees receive compulsory annual training on bribery and corruption and must certify their understanding of, compliance with, and adherence to the Anti-Corruption Policy.



Customer due diligence before starting a relationship:

As a holding company, Fairfax has no clients. However, Hamblin Watsa Investment Counsel Ltd. (HWIC), the wholly owned investment management subsidiary that manages investments on behalf of Fairfax's insurance and reinsurance companies, has affiliated clients. Diligence checks, sanctions screening, etc. are a key part of their onboarding process. All HWIC clients in higher-risk countries are subject to a greater level of scrutiny and enhanced due diligence from an anti-money laundering (AML) and anti-terrorist financing (ATF) perspective.

In addition, our insurance and reinsurance company subsidiaries are required to conduct thorough due diligence on their customers at the time of underwriting, on an ongoing basis, and prior to payment of claims.

Incident investigation and corrective actions:

Any issues or allegations of non-compliance are investigated and reported to the Board/audit committee/auditor. More information is available in our Whistleblower Policy.

Managerial responsibility for compliance:

HWIC has appointed a Chief Compliance Officer. Additionally, each individual insurance and reinsurance subsidiary also has their own individual compliance departments and/or personnel.

Monitoring existing business relationships:

Fairfax performs ongoing sanctions monitoring and diligence of vendors and suppliers and has strict operating guidelines for reporting suspicious activity. Under applicable ATF/AML legislation and HWIC's AML/ATF policy, HWIC is required to report any suspicious transactions. The reporting mechanism is outlined in the policy.

Reporting of irregularities:

Any material irregularities are reported up the chain internally. As a minimum baseline, we receive quarterly compliance certificates from both the CFO and CEO at our subsidiary companies.

Governance that reinforces responsible decision-making.

HWIC Anti-Money Laundering, Sanctions & Anti-Terrorist Financial Policy

While Fairfax itself is a holding company and thus does not have its own separate AML/ATF policy in place, HWIC is regulated by the Ontario Securities Commission and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), Canada's financial intelligence unit, and anti-money laundering and anti-terrorist financing supervisor. Their mandate is to facilitate the detection, prevention, and deterrence of money laundering and the financing of terrorist activities, while ensuring the protection of personal information under its control.

HWIC has a formal Anti-Money Laundering, Sanctions & Anti-Terrorist Financing Policy with processes and procedures for clients and investments. In addition, HWIC's clients (which are Fairfax's insurance and reinsurance subsidiaries) are all regulated and subject to applicable local AML/ATF and sanctions requirements. This policy contemplates the adoption of the following processes: (i) due diligence; (ii) client identification and beneficial ownership; (iii) detection, monitoring, and compulsory reporting of suspicious transactions; and (iv) ongoing risk assessments.

Fairfax's insurance companies have their own local AML/ATF and sanctions policies and procedures in place, requiring them to screen clients prior to issuing insurance policies, as well as on an ongoing basis and prior to the payment of any claims.

Additionally, employees are trained on anti-money laundering, terrorist financing, and sanctions compliance. They are required to certify their understanding of, compliance with, and adherence to our Anti-Money Laundering, Sanctions & Anti-Terrorist Financing Policy.



Political involvement

There is no political involvement of any kind on the company's behalf, including contributions, as part of our formal Anti-bribery and Corruption Policy, approved by senior management and the Fairfax Board of Directors.

Political contributions may only be made with the approval of the Vice President and Chief Legal Officer, and only where permitted by law.

Fairfax prohibits political involvement of any kind on behalf of the company. Covered persons may only participate in political activities of their choice on an individual basis, with their own money and time, in accordance with all applicable laws, unless a purpose of the political contribution is to obtain or retain business or to secure an improper advantage for Fairfax.

Acquisition philosophy

Fairfax has a long track record of successful acquisitions, underpinning its growth from a small Canadian trucking insurer in 1985 into a leading global insurance and reinsurance group with operations in over 50 countries.

The Fairfax name is derived from the principles of fair and friendly acquisitions – Fairfax does not take part in hostile takeovers, bidding wars, undue delays, or renegotiation tactics under any circumstances.

Additionally, after an acquisition, the proven management teams of any acquiree continue to run their companies independently within Fairfax's decentralized structure, as applicable.

Fairfax believes this structure and reputation allows it to attract and retain exceptional management teams.

All acquisitions are done in accordance with Fairfax's Guiding Principles, meaning no acquisition should ever put the entire company at risk and the price paid should adequately compensate for the risks assumed.

The company's decentralized structure limits the risks associated with integrating or merging acquired companies, as forecasted synergies or expense savings are typically not part of Fairfax's strategy or valuation.

Fairfax can also draw upon the 21,000+ employees in its insurance and reinsurance operations when selecting a due diligence team with the necessary skill set and experience to evaluate operational risks associated with a prospective acquisition. Given the size and scale of its operations today, Fairfax is focused on organic growth within its existing global underwriting platform.



Enterprise risk management

Our primary financial risk management goals are to ensure that the outcomes of activities involving elements of risk are consistent with our objectives and risk tolerance, while maintaining an appropriate balance between risk and reward and protecting our consolidated balance sheet from events that have the potential to materially impair its financial strength.

Our potential loss exposure from insurance and reinsurance operations and investment activities primarily relates to underwriting risk, credit risk, liquidity risk and various market risks. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk tolerances with business strategy, diversifying risk, pricing appropriately for risk, mitigating risk through preventive controls, and transferring risk to third parties.

Financial risk management objectives are achieved through a two-tiered system, with detailed risk management processes and procedures at our primary operating subsidiaries and investment management subsidiary combined with the analysis of the company-wide aggregation and accumulation of risks at the holding company. In addition, although we and each of our operating subsidiaries have an officer with designated responsibility for risk management, we regard each President as the chief risk officer of their company: each President is ultimately responsible for risk management for his or her company and its subsidiaries.

Our President & Chief Operating Officer reports on risk considerations to the Fairfax Executive Committee and provides a quarterly report on key risk exposures to our Board of Directors. The Executive Committee, in consultation with our President & Chief Operating Officer, approves certain policies for overall risk management, as well as policies addressing specific areas such as investments, underwriting, catastrophe risk and reinsurance.

The Investment Committee approves policies for the management of market risk (including currency risk, interest rate risk and other price risk) and the use of derivative and non-derivative financial instruments and monitors to ensure compliance with relevant regulatory guidelines and requirements. A discussion of our risks and the management of those risks is an agenda item for every regularly scheduled meeting of the Board of Directors.

For more information, see “Financial Risk Management” and “Risk Management” in the 2025 Fairfax Annual Report.

[2025 Fairfax Annual Report](#)



Reporting & Communication

Fairfax maintains a structured approach to reporting and communication to ensure transparency and accountability across all operations.

Sustainability reporting

Senior management oversees Fairfax's six sustainability pillars – Oversight, Social Initiatives, Governance, Climate Risk, Cybersecurity, and Investments – and provides quarterly reports to the Board, with regular updates throughout the year as required.

The Sustainability team plays a central role in coordinating sustainability processes and reporting within Fairfax and its operating companies. This team is responsible for producing the Sustainability Report, reporting quarterly to the Board, and annually to the Governance Committee. Senior management within the Governance, Climate Risk, Cybersecurity, and Investments pillars report annually to the Sustainability team, supplemented by ongoing communication.

To further enhance communication and knowledge sharing, the Sustainability Working Group comprises representatives from each operating company. These representatives oversee their respective sustainability programs and processes and collaborate to share best practices across the group. The Working Group also completes an annual Sustainability survey, which informs the sustainability report and supports operating companies in identifying strengths and areas for improvement.

Open communication

As outlined in our Guiding Principles, complete and open communication is an essential requirement at Fairfax.

While Fairfax does have a formal reporting structure, we find informal, open, and regular interaction free of bureaucracy to be more meaningful and effective. Fairfax encourages open communication between the Board and Fairfax's executive team and operating company senior management. The Board has access to anyone within the organization – with no one being more than a phone call away.

Communication and collaboration are also highly encouraged between Fairfax senior management and operating companies. While the formal process includes biweekly meetings and at least two annual off-site meetings, Fairfax's executives and Presidents talk regularly in a free and open manner. This type of open communication is critical to the success of our decentralized model.

Active cross-company working groups

All operating companies participate in various working groups focused on topics ranging from claims to artificial intelligence to human resources. These groups meet regularly to share insights on relevant topics, allowing us to benefit from the shared knowledge and talent across our global organization – all while preserving Fairfax's decentralized structure.



Cyber Risk Management

Cyber threats are serious, ongoing concerns and Fairfax is focused on mitigating these risks to protect its enterprise.

As a top U.S. cyber insurance provider, Fairfax has an innate understanding of the risk management requirements and intelligence tools needed to stay at the forefront of these exposures. By underwriting cyber risks around the world, Fairfax possesses best-in-class expertise and experience that provides a strong foundation for prevention and response strategies.

While Fairfax operates on a decentralized basis, it does encourage its affiliate companies to share knowledge and best practices, and to collaborate when it comes to threats to one or more components of its enterprise. Cyber risk falls under this umbrella, and an Information Technology (IT) Working Group comprised of technology leaders across Fairfax meets regularly. A committee focused on Cybersecurity also meets regularly with frequent CISO (Chief Information Security Officer) Roundtable meetings. The Cybersecurity committee reports directly to Fairfax management.

The information below summarizes Fairfax's approach to security views and reporting, affiliate cybersecurity programs, training, data protection, and artificial intelligence (AI).

Cyber risk oversight

Fairfax subsidiaries are directly responsible for ensuring that their respective organization addresses cyber risk and its potential impact on their operations. Fairfax recognizes that each subsidiary is unique and a customized approach to cybersecurity can better mitigate risk exposure.

In addition to overseeing the cybersecurity function at the head office level, a member of the Fairfax management team also serves as the main conduit of information from the subsidiaries to Fairfax senior management and the Board. A defined communication process ensures head office is notified of any material cybersecurity incident at the subsidiary level in a timely manner.

The senior management team and the Board of Directors receive a formal update of various cybersecurity-related issues each quarter, with frequency increasing if an incident is deemed significant enough to warrant it.

All subsidiaries have procedures in place to ensure their senior management team is informed of any relevant cyber risks impacting their operations. If an incident involves potential exposure of private personal information, each

entity will adhere to regulatory reporting requirements in their respective jurisdictions.

Decentralized structure

Fairfax's decentralized structure serves as a natural defense against systemic cyberattacks. The segregation of its networks, the wide array of security products, and external security parties which address specific subsidiary needs – when combined with the open lines of communication established across Fairfax information technology leadership teams – all substantially mitigate the risk of a cyber incident impacting other entities within the group.

Each organization has a qualified individual (CISO) who leads a team that has oversight of their cybersecurity initiatives. The CISO reports directly into the senior management team of their respective organization.



Working groups

Collaboration within Fairfax's decentralized structure is demonstrated by the working groups made up of leaders in our subsidiary companies. Information technology has two such groups:

The Information Technology Working Group (ITWG) is made up of IT leaders from our core business entities.

This group meets regularly, covering topics such as shared procurement, cybersecurity, personnel issues, and new considerations in the IT world. All matters are discussed in a confidential manner to facilitate open dialogue.

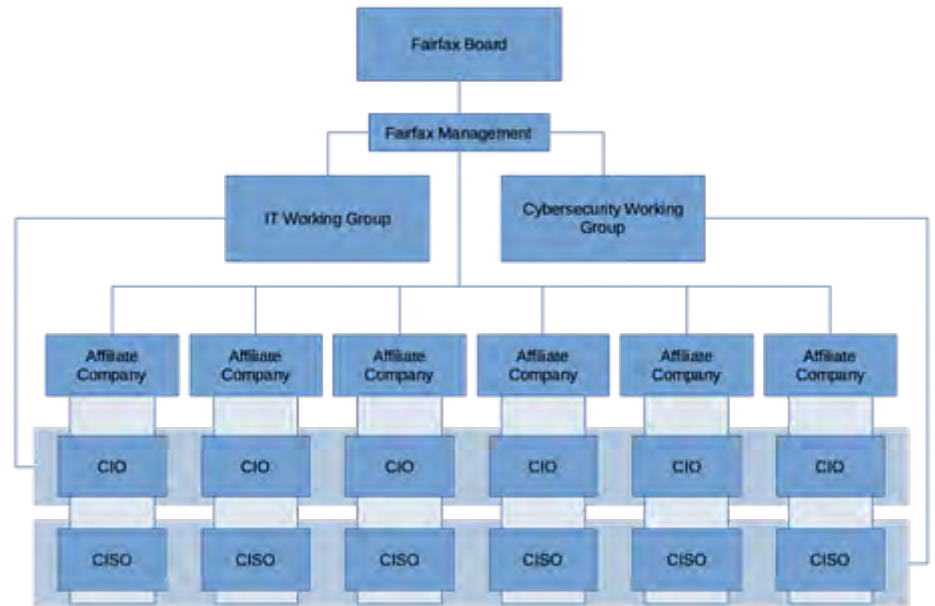
The Cybersecurity Working Group

is made up of the CISOs of our core businesses. The larger group meets periodically, with many of the CISOs also participating in a frequent Roundtable meeting. The objective of the meetings is to facilitate discussion on cybersecurity issues that pose a threat to the organization. The collaborative nature of this group ensures relevant security information discovered by one entity is shared immediately to ensure appropriate actions can be taken by others to protect their respective environments. Similar to the ITWG, all matters are discussed in a confidential manner and lessons learned are shared to appropriate individuals across the entire Fairfax group of companies.

CIS

On an annual basis, Fairfax insurance and reinsurance entities perform a self-assessment exercise to a known cybersecurity standard – The Center for Internet Security's Critical Security Controls Version 8 (CIS).

In addition to CIS, other recognized standards are leveraged to assess information technology governance.



The purpose of this benchmarking exercise is twofold: it highlights potential vulnerabilities to be addressed by specific operating companies and provides the head office with an overall picture of the cybersecurity posture of its core business operations.

IT infrastructure & information security management systems reviews

Our insurance and reinsurance subsidiaries perform a self-assessment of their security posture when benchmarking against CIS, with results reviewed for consistency and reasonability. The review process involves a team of independent, qualified cybersecurity specialists, reporting directly into the head office who review each company's self-assessed score and, after consulting with the entity's CIO/CISO, adjust scores accordingly.

Due to the sensitive nature of the information in the final report, its distribution is limited to select members of the senior management team.

The content highlights the various scores of the participants and for each entity, breaks down specific deficiencies that were noted. As part of the self-assessment, for any scores which are deemed to be low, the entity's management team is expected to be able to provide any compensating controls which mitigate the risk, to explain why they do not deem the risk to be relevant to their organization and/or to provide their plan to improve in that specific category. This exercise provides head office with a clear view of the consolidated cybersecurity position and allows participants to direct their resources to address any exposure points.

Alignment with widely recognized standards

As mentioned previously, the primary standard to which all core entities adhere is CIS. The Center for Internet Security provides mapping from CIS to other popular industry frameworks, including PCI DSS, SOC2, NIST 800, COBIT 19, HIPAA, ISO/ISC 27001, Mitre ATT&CK.

CIS also includes mapping to regulatory frameworks such as NY DFS Part 500, CCPA, GDPR, and Cyber Essentials.

The Secure Controls Framework is also used as a reference and provides mapping across over 100 statutory, regulatory, and contractual frameworks. Depending on the organization, frameworks and standards other than CIS are also used based on regulatory requirements, company need or preference.

Cybersecurity programs

Under its decentralized model, Fairfax entrusts all cybersecurity-related decisions to the qualified individuals at each organization and empowers them to determine the specific security products best suited to their environment.



As discussed previously, minimum cybersecurity controls based on CIS and other known standards set a minimum level of controls for our core business operations to meet, but it is up to the individual subsidiary to best determine how adherence is achieved.

The vast majority of our core business entities use the following:

- Information security and privacy policies
- Annual third-party penetration testing
- End point protection
- Network security including multi-factor authentication
- Phishing protections
- Web filtering
- Data protection in transit and at risk
- Encryption
- Training programs to reinforce a security culture
- Intrusion detection and prevention
- Incident response, disaster recovery and business continuity plans
- Managed security operations centre

Training programs

Fairfax recognizes that the first, and often best, line of defense in cybersecurity rests with its employees. While it is imperative to have a highly qualified team leading our cybersecurity initiatives at each company, there is also a need to have a workforce that understands existing threats.

Each entity is therefore charged with ensuring a suitable education program for their employees and contract workers is in place. These can include internal phishing exercises, in-person mandatory training sessions, and online training modules.

For their IT professionals, each subsidiary takes a customized approach to ensure qualifications remain current and teams

get relevant training each year. At Fairfax head office, all employees (full- and part-time), contractors, and interns participate in mandatory cybersecurity training and on-line training focused on best security practices for both their professional and personal lives. Internal phishing exercises are conducted randomly throughout the year, which allows our staff to put their training to practice.

Third party

Whenever a new product is introduced, it is the responsibility of the individual organization to ensure proper due diligence is performed around the security of the product. If the product is already in use at another entity within the group, any due diligence already completed can be leveraged accordingly.

At Fairfax head office, cybersecurity professionals perform a security assessment of any significant product before contracts are signed. In addition, for existing products already in the environment, cybersecurity professionals perform a periodic review of the products organization's cybersecurity posture to ensure there have not been changes since implementation which would impact the decision to continue with the use of set product. At the subsidiary level, compliance with local regulatory guidelines is a consideration when assessing third-party vendors, particularly if the product will be handling customer or employee personal confidential information.

Data breach / incident response plan

In the event of a data breach or other cybersecurity incident at a subsidiary level, the onus is on the CIO or CISO of the impacted entity to ensure the designated member of the Fairfax management team is immediately informed. That individual will then serve as a conduit of relevant information to other Fairfax senior executives and to the Board.

Any regulatory reporting requirements relating to the incident are handled by the legal team of the impacted entity, who will also advise Fairfax's General Counsel.

As soon as the relevant indicators of compromise are known, the CISO working group is informed and takes the necessary steps in case similar exposures exist within their respective environments.

Fairfax head office has a formal business continuity plan in place, which is reviewed and updated on an annual basis. Key members of the senior management and IT teams participate in roundtable discussions moderated by an external third party with expertise in cybersecurity breaches. These discussions ensure leaders are prepared and understand their individual roles and identify any areas in the existing plan that need to be addressed.

Data Privacy & Security

Data protection is a global obligation. Due to our decentralized structure, each operating company implements data security and privacy measures to comply with local regulations.

Each company defines its own policies around relevant controls for data protection compliance, covering critical factors such as transparency, data minimization, data usage, security measures, vendor management, data transfers, data privacy rights, and other aspects of data processing. The policies in place are shared internally and externally and reviewed on a systematic basis to ensure ongoing relevance from operational and regulatory perspectives.

Collection, use, sharing, and retention of data

It is the responsibility of each operating company to:

- Implement procedures, based on leading data protection standards, that limit the use and collection of data to what is strictly necessary for the specified purposes.
- Ensure transparency in data usage and uphold robust security measures to protect both company and personal data.
- Manage data privacy rights diligently and address all other aspects of data processing.

Third parties, data transfers & vendor management

Each operating company is responsible for ensuring that third parties with whom data is shared adhere to our high standards of data protection. This involves careful vendor management and secure data transfer protocols to uphold the integrity and confidentiality of data throughout all operations.

Data Protection Policies

Links to operating company specific policies:

Allied World	Ki
AMAG	La Meridional
ARX	Northbridge
Brit	Odyssey Group
Bryte	Pacific
Colonnade	RiverStone
Crum & Forster	Southbridge Chile
Eurolife FFH	Southbridge Colombia
Fairfax Brasil	Southbridge Uruguay
Fairfirst	Singapore Re
Falcon Hong Kong	Universalna
Falcon Thailand	Zenith
GIG	

Notification, consent, and rights

Operating companies must obtain data through lawful and transparent means, ensuring explicit consent where necessary. They must provide clear and accessible mechanisms for data subjects to raise privacy concerns, and enable them to manage their personal information actively, such as the rights to amend, rectify, or erase their data.

Fairfax acknowledges the importance of providing swift and appropriate responses, as required by applicable law, to any investigation or required notifications should an incident arise, and to any data privacy access requests. We support each operating company and ensure they fulfill their data protection obligations effectively.

Employee training & governance

Each operating company is responsible for establishing governance structures tailored to their operations, focusing on privacy management. Regular training on data privacy is critical to ensuring all employees are knowledgeable and compliant with the latest data protection practices.

Each operating company is responsible for defining their own regular risk assessments and audit processes to monitor and evaluate the effectiveness of privacy practices, adapting as needed to emerging challenges and changes in regulatory requirements. Where relevant, some of our operating companies have data privacy and/or data security officers to lead their data protection compliance and monitoring initiatives.

Simple insights for stronger security

Fairfax International Head of Cybersecurity writes a monthly series called Cybersecurity News, which is shared globally on the Fairfax Newsfeed.

By breaking down emerging risks and everyday cyber behaviours, the series helps employees make smarter decisions that protect data, privacy, and trust.



Artificial Intelligence

Fairfax and its operating companies have a shared interest in the advancement and integration of AI technologies.

This interest is reflected at the individual operating company level, with each company exploring AI applications that best suit their operational needs and strategic goals. These initiatives cover a wide range of applications, from enhancing customer service to optimizing operational efficiency.

To harness this collective momentum and encourage knowledge sharing, Fairfax established an AI Working Group. They are tasked with fostering collaboration and information sharing among our operating companies with the following focus areas:

Governance & Risk management

Collaboration on the development of robust frameworks to manage AI risks and ensure compliance with applicable laws and ethical standards at each operating company, with the goal of creating governance models that support sustainable and responsible AI development.

Best practices

Sharing insights and strategies that have led to successful AI implementations. By disseminating these best practices, the group aims to elevate the AI capabilities of all operating companies.

Innovation

Encouraging a culture of innovation, where operating companies can propose and refine new AI-driven solutions. This initiative is designed to keep the holding company at the forefront of technological advancements.

Collaboration

Facilitating regular interactions among AI teams across operating companies to discuss challenges, solutions, and advancements. This collaboration is intended to leverage diverse expertise and resources, enhancing the group's overall AI capabilities.

Business value & Implementation

Value assessments, ROI Calculation Methodology and Implementation Strategy are discussed and shared.

Data and Document processing

Best practices and standards: the AI Working Group encourages collaboration, allowing Fairfax's operating companies to not only advance in their own efforts, but also contribute to and benefit from a shared pool of knowledge and innovation companywide.



Board Composition, Diversity & Director Independence

We believe a small board provides the most effective governance mechanism for Fairfax: our Board currently consists of 11 members.

The Board has determined that eight of its 11 Directors are independent in that each of them has no material relationship with Fairfax, that is, a relationship which could, in the Board's view, be reasonably expected to interfere with the exercise of the Director's independent judgment.

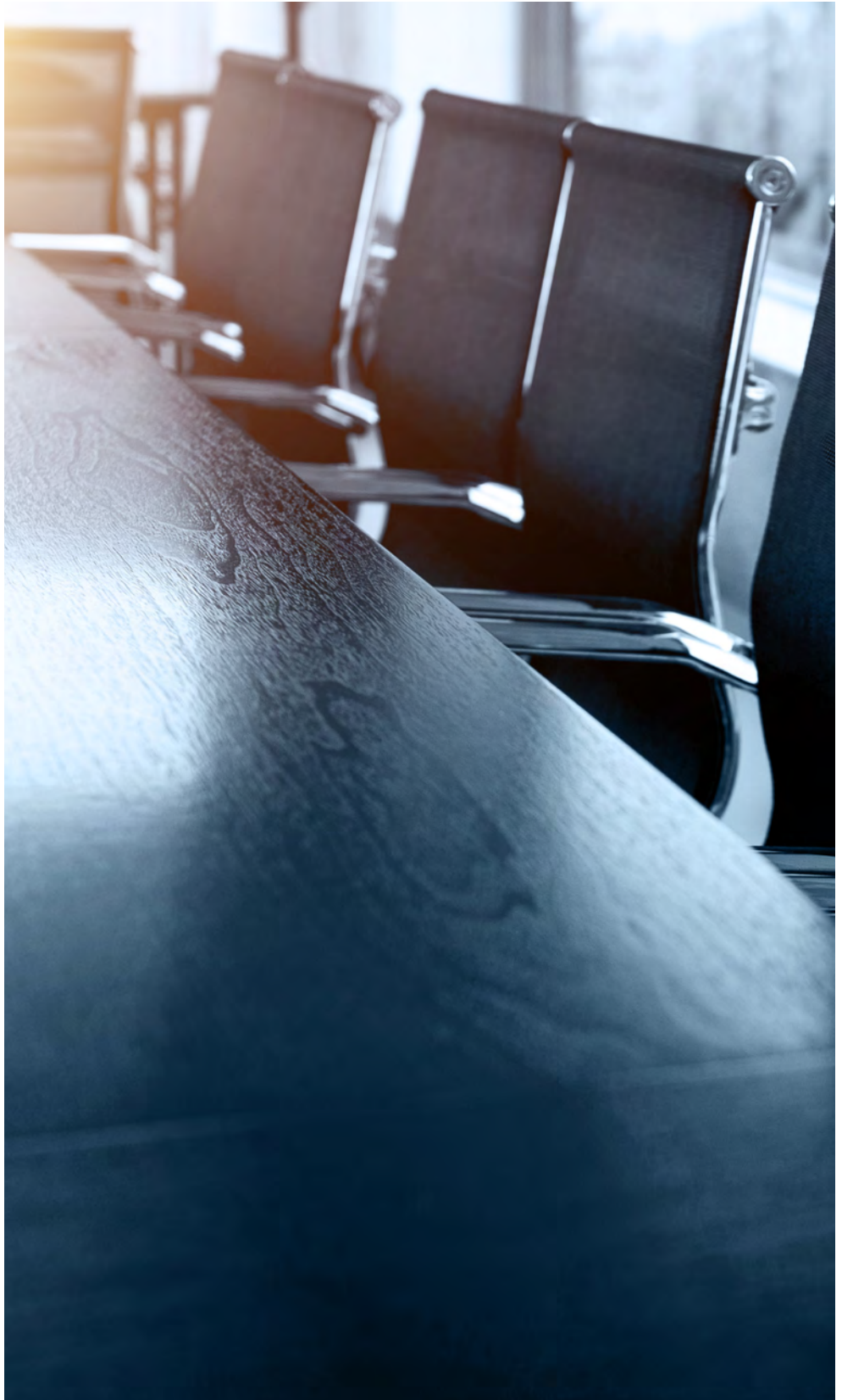
William McFarland is the Lead Director of Fairfax. He is responsible for ensuring the independent functioning of the Board, including establishing, in consultation with our CEO, the agenda for each Board meeting, acting as spokesperson for the independent directors collectively in communications with the Chairman, and presiding over meetings of the independent directors.

All committees, including the Audit Committee, Compensation Committee and Governance and Nominating Committee, are composed solely of independent directors. All members of our Audit Committee are financially literate.

We have moved from solely male directors in 2012 to 19% female directors in 2017, with the current representation at 36% with four female directors.

Additionally, two of our 11 executive officers are female, three directors (25%) are members of visible minorities, and two of our 11 executive officers are members of visible minorities.

Board biographies can be found on fairfax.ca



Shareholder Rights, Ownership Structure & Director Elections

Directors are elected by our shareholders to serve on the Board on an annual basis. Board tenure is one year, and if re-elected, Board members are permitted to serve consecutive terms. The applicable majority voting requirements under the Canada Business Corporations Act require that, in an uncontested election of directors, in order for a nominee to be elected as a director, they must receive more votes in favour of their election than against. If a nominee fails to receive a majority of votes cast by our shareholders in favour of their election, they will not be elected and the Board position will remain open, except that an incumbent director will be permitted to remain in office until the earlier of (a) the 90th day after the day of the election or (b) the day on which their successor is appointed or elected.

Fairfax has two classes of voting securities: subordinate voting shares and multiple voting shares. Each subordinate voting share carries one vote per share at all meetings of shareholders, except for separate meetings of holders of another class of shares.

As of March 6, 2026, there were 19,900,801 subordinate voting shares and 1,548,000 multiple voting shares outstanding. Since August 31, 2015, the votes attached to the multiple voting shares have been maintained at their then-current level of representing 41.8% of the votes attached to all outstanding multiple voting shares and subordinate voting shares.

The subordinate voting shares currently represent 58.2% of the votes attached to all outstanding multiple voting shares and subordinate voting shares.

The continued preservation of the 41.8% voting power of multiple voting shares is subject to a majority of the minority shareholder ratification vote (i) at the annual meeting of shareholders following the period ending December 31, 2020, and any one or more consecutive five-year periods thereafter, during which the number of our outstanding shares (multiple voting shares plus subordinate voting shares) has increased by at least 25%, or following any calendar year more than five years after the last ratification vote (or after August 31, 2015) if the number of outstanding shares (multiple voting shares plus subordinate voting shares) has increased by at least 50% since the last ratification vote (or after August 31, 2015); (ii) if we intend to issue more than 50% of our outstanding shares in a single transaction; and (iii) within five years after Prem Watsa is, for whatever reason, neither our Chairman nor our CEO.

The Sixty-Two Investment Company Limited owns 50,620 subordinate voting shares and 1,548,000 multiple voting shares, representing 41.9% of the total votes attached to all classes of our shares (100% of the total votes attached to the multiple voting shares and 0.3% of the total votes attached to the subordinate voting shares). Prem Watsa controls

Sixty-Two, and himself beneficially owns an additional 467,259 subordinate voting shares and exercises control or direction over an additional 2,100 subordinate voting shares.

These shares, together with the shares owned directly by Sixty-Two, represent 43.3% of the total votes attached to all classes of shares (100% of the total votes attached to the multiple voting shares and 2.6% of the total votes attached to the subordinate voting shares). To the knowledge of our directors and officers, there are no other persons who (directly or indirectly) beneficially own, or control or direct, shares carrying 10% or more of the votes attached to any class of our voting shares.

The multiple voting shares allow us to better control our future and focus on long-term growth. They limit the ability of activists and large external shareholders to pressure our senior leaders into short-sighted activity at the cost of long-term sustainability and growth.

Executive Compensation

We align the interests of executives and shareholders by linking compensation with Fairfax's performance and making it competitive on a total compensation basis to attract and retain talent.

Key elements of our compensation program

Compensation is principally linked to Fairfax's goals of underwriting profitability and long-term growth in book value of 15%. There are no incentives tied to premium volume or other top line incentives.

Officer-level compensation is comprised of:

- Annual base salary
- Cash bonus
- Long-term participation in our fortunes via ownership of shares through the equity compensation plan

Base salaries of Fairfax executive officers are intended to be competitive but remain relatively constant, generally increasing only when the executive assumes greater responsibilities.

Prem Watsa's compensation varies from the other executive officers. Since 2000, his aggregate compensation from Fairfax consists solely of an annual salary of Cdn\$600,000 (plus standard benefits provided to our executives), with no bonus or other profit participation, and no participation in any equity plans (other than the employee payroll share purchase plan). This arrangement remains in effect until the end of 2026.

Given Prem Watsa's fixed annual salary and the fact that he will continue not to receive any bonus or equity-based compensation, Fairfax has not adopted a clawback policy providing for the recovery of such bonus or equity-based compensation.

A discretionary bonus as a percentage of base salary is awarded annually where appropriate. As of 2013, this bonus is generally paid partly in cash and partly in options on previously issued subordinate voting shares. In awarding bonuses, the Compensation Committee of the Board of Directors considers

the performance of Fairfax's executive team during the year, considering its accomplishments and relative to Fairfax's Guiding Principles. The annual bonus is a percentage of the annual base salary, at a percentage identical for all executive officers (except rarely in special individual circumstances).

Beyond the Guiding Principles, there are no corporate or individual performance goals or objectives set or evaluated.

Bonus amounts are determined based on overall company performance, which mitigates the risk of an individual taking excessive risks to increase his or her bonus award. There is no formula to qualify for a bonus.

With respect to equity awards, any award made to any individual (other than as part of an annual bonus) is on a one-time or infrequent basis, with any additional award regularly reflecting an increase in responsibilities. Awards are not made upon accomplishment of a task while the risk to Fairfax from that task extends over a significantly longer period. Awards typically do not vest until at least five years have passed. Fairfax's directors and officers, as well as all other employees, are not permitted to purchase financial instruments designed to hedge or offset any decrease in market value of Fairfax's equity securities granted as compensation or otherwise held by the individual. The benefit of these awards over time will derive from long-term value creation rather than from short-term gains.

The Board has considered Fairfax's particular circumstances and the reasonably unique elements of our officer compensation (including, without limitation, the low compensation requested by our CEO (a fixed, restrained annual salary, no annual bonus and no equity or other incentives), the reasonably small aggregate amount of executive compensation, the small number of our executives, the simplicity of our compensation structure (as described above), the absence of any pension plan, and the infrequency of equity incentive grants), and has determined that given those particular circumstances and those unique elements of our officer compensation, a "say on pay" vote by shareholders is not useful or appropriate in Fairfax's context.

Forward-Looking Statements

Certain statements contained herein may constitute forward-looking information (within the meaning of Canadian securities legislation) and forward-looking statements (within the meaning of the United States Private Securities Litigation Reform Act of 1995). These statements can be identified by expressions of belief, expectation or intention, as well as those statements that are not historical fact. Forward-looking statements are based upon assumptions, estimates, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments that management believe to be reasonable and relevant, and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Fairfax to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to: our ability to complete acquisitions and other strategic transactions on the terms and timeframes contemplated, and to achieve the anticipated benefits therefrom; a reduction in net earnings if our loss reserves are insufficient; underwriting losses on the risks we insure that are higher than expected; the occurrence of catastrophic events with a frequency or severity exceeding our estimates; changes in market variables, including unfavourable changes in interest rates, foreign exchange rates, equity prices and credit spreads, which could negatively affect our operating results and investment portfolio; the cycles of the insurance market and general economic conditions, which can substantially influence our and our competitors' premium rates and capacity to write new business; insufficient reserves for asbestos, environmental and other latent claims; exposure to credit risk in the event our reinsurers fail to make payments to us under our reinsurance arrangements; exposure to credit risk in the event our insureds, insurance

producers or reinsurance intermediaries fail to remit premiums that are owed to us or failure by our insureds to reimburse us for deductibles that are paid by us on their behalf; our inability to maintain our long term debt ratings, the inability of our subsidiaries to maintain financial or claims paying ability ratings and the impact of a downgrade of such ratings on derivative transactions that we or our subsidiaries have entered into; risks associated with implementing our business strategies; the timing of claims payments being sooner or the receipt of reinsurance recoverables being later than anticipated by us; risks associated with any use we may make of derivative instruments; the failure of any hedging methods we may employ to achieve their desired risk management objective; a decrease in the level of demand for insurance or reinsurance products, or increased competition in the insurance industry; the impact of emerging claim and coverage issues or the failure of any of the loss limitation methods we employ; our inability to access cash of our subsidiaries; an increase in the amount of capital that we and our subsidiaries are required to maintain and our inability to obtain required levels of capital on favourable terms, if at all; the loss of key employees; our inability to obtain reinsurance coverage in sufficient amounts, at reasonable prices or on terms that adequately protect us; the passage of legislation subjecting our businesses to additional adverse requirements, supervision or regulation, including additional tax regulation, in the United States, Bermuda, Canada or other jurisdictions in which we operate; risks associated with applicable laws and regulations relating to sanctions, anti-money laundering and corrupt practices in Canada and in foreign jurisdictions in which we operate; risks associated with government investigations of, and litigation and negative publicity related to, insurance industry practice or any other conduct; risks associated with political and other

developments in foreign jurisdictions in which we operate; risks associated with legal or regulatory proceedings or significant litigation; failures or security breaches of our computer and data processing systems; the influence exercisable by our significant shareholder; adverse fluctuations in foreign currency exchange rates; our dependence on independent brokers over whom we exercise little control; financial reporting risks relating to deferred taxes associated with amendments to IAS 12 – Income Taxes; impairment of the carrying value of our goodwill, indefinite-lived intangible assets or investments in associates; our failure to realize deferred income tax assets; risks associated with Canadian or foreign tax laws or the interpretation thereof; technological or other change that adversely impacts demand, or the premiums payable, for the insurance coverages we offer; disruptions of our information technology systems; assessments and shared market mechanisms that may adversely affect our insurance subsidiaries; risks associated with economic disruptions from global conflicts and the development of other geopolitical events worldwide; and risks associated with tariffs, trade restrictions, or other regulatory measures imposed by domestic or foreign governments that may, directly or indirectly, affect our business. Additional risks and uncertainties are described in our most recently issued Annual Report, which is available at www.fairfax.ca, on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov, and in our Base Shelf Prospectus (under "Risk Factors") filed with the securities regulatory authorities in Canada, which is available on SEDAR+ at www.sedarplus.ca. Fairfax cautions readers not to place undue reliance on these forward-looking statements, which speak only as of their dates. Fairfax disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law.