

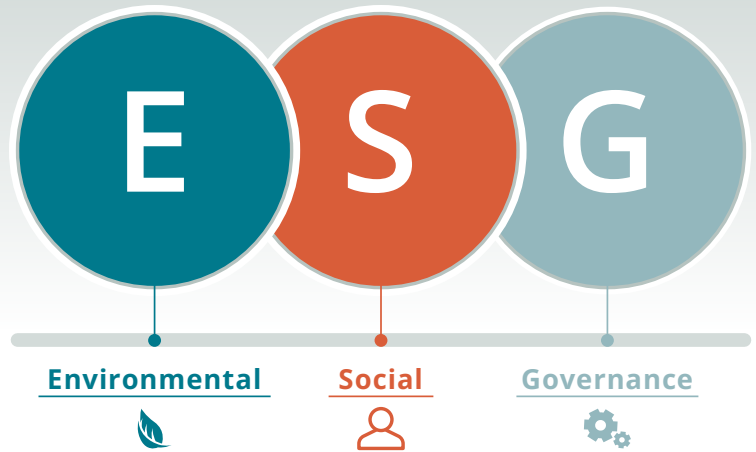
2022 ESG Report

The landscape in which the AIRB and its stakeholders operate is evolving given increased awareness of environmental impacts and the importance of diversity and inclusion; this is changing the expectations for corporate behaviour. Whether it is considering the transition to a low carbon economy or a more diverse workforce, Boards are more than ever looking beyond financial performance when making decisions.

Environmental, Social and Governance (ESG) are three nonfinancial themes which can be used to inform decisions. Board Members who are adequately managing their ESG risks will ensure their organization is less vulnerable to changes in expectations and will perform better in the long run.

Establishing and reporting on ESG metrics is a priority for governments, the insurance industry, and Alberta drivers. The AIRB has considered ESG impacts for the industry it regulates in the past and has started to look internally on the development of metrics to measure these important factors, and how they are considered as we deliver on our vision, mission and mandate to serve Alberta drivers and the Government of Alberta.

Given the nature of our work, some ESG metrics are less applicable to the AIRB – however we value all three themes as we seek to regulate the automobile insurance industry and educate Alberta drivers.



A Greener Future



An Inclusive Work Environment



Gender Diversity & Inclusion



Environmental



The AIRB actively monitors developments in the auto insurance industry which respond to climate change concerns. The AIRB's Board Members regularly receive updates on autonomous vehicles and how the insurance landscape will need to evolve to respond to the change in liability and the impact on future mobility. We also monitor other initiatives like electric vehicles, and how the insurance industry is responding to encourage the purchase of these vehicles to achieve emission reduction goals set nationally.

Social



The AIRB strives to have an inclusive work environment for the staff and Board Members, one where educated and informed professionals meet to deliver on our mandate. In addition to training and education specific to auto insurance rate setting the AIRB also ensures staff and Board Members have annual training on topics related to ethics, unconscious bias, and respect in the workplace. Staff and Board Members sign the Charter of Expectations and Code of Conduct and Ethics annually reaffirming their commitment to these core values and expectations.

Governance



The AIRB strives to have strong governance practices in place to guide the organization. One metric we measure for ESG is gender diversity on our Board.

Gender diversity and inclusion has long been sought around board tables across the country. Based on Statistics Canada data from 2019, 19.2% of all director positions were held by women, and the share of women on boards has increased an average of 2.5% per year since 2016.

As shown below, gender diversity is a factor considered in recruiting for board vacancies. We have seen improvement in the percentage of female Board Members and are hopeful we can continue to strive towards equitable representation.

% Of Women on the AIRB Board

