LGM®

Proud to be responsible

FOUNDATIONS FOR THE FUTURE

2025

SUSTAINABILITY REPORT

TABLE OF CONTENTS

Unless otherwise stated, all data featured in this report is based on LGM's 2025 fiscal (April 1, 2025 - March 31, 2026).

A MESSAGE
To Our Stakeholders

As I reflect on 2025, I am proud of the progress we have made in advancing sustainability at LGM. While many sustainability achievements are measured through visible outcomes, much of our work this year focused on building the strong foundation needed to support long-term success.

A significant milestone was joining the Marubeni Group through a strategic investment, marking an important new chapter in LGM's growth journey. Marubeni's commitment to corporate responsibility and its participation in the United Nations Global Compact align closely with our own values and sustainability priorities. Becoming part of a publicly traded global organization also required us to strengthen our governance framework, enhancing accountability, controls, and policies to meet the standards and compliance requirements expected under J-SOX and other global governance practices. These efforts further reinforce the rigor and transparency that support our long-term success.

Just as importantly, we continued to focus on our people and culture. We maintained gender representation in management, upheld pay equity, and supported our communities through employee volunteerism. We also ensured that 100% of our reserves remained invested in investment funds committed to supporting the UN Principles of Responsible Investment (UNPRI) funds. While no single initiative defines sustainability, together these efforts contribute to a stronger organization and reinforce the values that guide how we do business.

We also took important steps to better understand and manage our environmental footprint. During the year, we measured and fully offset our annual carbon emissions, introduced a metric to track carbon per employee to help track emissions relative to company growth and began developing a roadmap to reduce emissions at the source in the years ahead. While we recognize that there is still much work to be done, these efforts represent meaningful progress in building a more sustainable future.

This year was about creating a stronger foundation for the future. By investing in better governance, supporting our people and communities, and taking steps to reduce and manage our environmental impact, we have positioned ourselves to make more informed decisions in the years ahead. These efforts also help us better serve our dealer and OEM partners by strengthening the resilience, accountability, and long-term sustainability of our business, ensuring we remain a trusted partner as we grow together. We are grateful to everyone who contributed to these efforts and look forward to continuing this work together.

Sincerely,

Drew

Drew Collier, President & CEO

Key achievements **IN 2025:**

Joined the Marubeni Group through a strategic investment, creating new opportunities to advance our long-term business and sustainability objectives.

Developed a carbon emissions per employee benchmark, enabling more meaningful measurement of environmental performance as the business grows.

Achieved carbon neutrality for FY2025 by measuring and fully offsetting our carbon emissions through Ostrom Climate's Climate Action Portfolio, supporting projects aligned with our values and Canadian climate priorities.

Strengthened governance and accountability through enhanced policies, oversight, and management practices.

Ensured 100% our investment managers are UNPRI signatories committed to ESG practices, aligning financial stewardship with our sustainability commitments.

Maintained balanced gender representation in management, supporting diverse perspectives in leadership. **Upheld pay equity,** fostering a fair and inclusive workplace.

Demonstrated that sustainability is a business driver by investing in our people, customers, and governance practices, supporting key outcomes including 77% employee engagement, 93.5% customer satisfaction, and long-term profitable growth.

Contributed 2,065 volunteer hours to local communities, creating meaningful impact where we live and work.

Established a roadmap to reduce emissions at the source and support long-term decarbonization.

Driving change: **ABOUT THIS REPORT**

LGM Financial Services is committed to advancing sustainability in alignment with our social purpose: "Responsible mobility for all." This report highlights our major accomplishments during fiscal year 2025* and outlines our strategic objectives for 2026, underscoring our dedication to sustainability, innovation, and creating positive societal impact.

This marks our second annual sustainability report and celebrates our sustainability initiatives and achievements, aiming to inspire other organizations and instill pride in our employees.

Prepared in accordance with the UN Global Compact's guidelines and aligned with our Sustainable Development Goals (SDGs) of focus, this report reflects our commitment to transparency and accountability. It is publicly accessible for review.

**LGM's 2025 fiscal year spans April 1, 2025, to March 31, 2026.*

ABOUT US
& What We Stand For

The strength of any organization begins with a clear sense of who it is, why it exists, and the value it creates for others.

Our legacy and expertise: **WHO WE ARE**

For over 25 years, LGM Financial Services has been a leader in revolutionizing the consumer ownership experience. We collaborate with some of the world's largest automotive manufacturers to deliver unparalleled financial and insurance (F&I) solutions, enhancing the automotive journey for consumers.

Our vision

Responsible mobility for all.

Our mission

We are on a mission to **revolutionize the consumer automotive experience through technology, transparency, and sustainability.** In doing this, we are creating better experiences for consumers, and long-lasting relationships for partners.

Our business & why sustainability matters

We are on a mission to **revolutionize the consumer automotive experience through technology, transparency, and sustainability.** In doing this, we are creating better experiences for consumers, and long-lasting relationships for partners.

Our purpose

Accelerating responsible mobility for all.

Our industry is evolving. Auto manufacturers are becoming mobility service providers focused on creating a broader and better consumer experience, and LGM is at the forefront.

By remaining focused on our purpose, we positively impact the environment, communities, and customers we support.

Our social purpose **JOURNEY**

Over the past several years, LGM has worked hard to further our social purpose and contribute to positive change. Here are a few of the accomplishments we are proud of:

2016
Auto Dealers Against Distracted Driving

Launched Auto Dealers Against Distracted Driving, a national campaign aimed at distracted driving.

2017
Carbon footprint management

Received our Climate Smart Certification to support our efforts to measure, monitor, and manage our carbon footprint.

2018
Canada's first hydrogen fueling station

Together with Shell Canada Limited and HTEC we created Canada's first retail hydrogen fueling station.

2019
Established our social purpose

In partnership with United Way's Social Purpose Institute, we developed our Social Purpose.

2020
EV solutions

Partnered with electric vehicle (EV) only OEM, Polestar Canada and were one of the first F&I providers to roll out online EV warranty in Canada.

2021
GuardTree

Launched GuardTree, Canada's first used car warranty subscription, offsetting a portion of each member's annual automotive carbon footprint.

2021
ESG investments

Transitioned our reserve investments to an ESG (environment, social and governance) model, based on UN Principles for Responsible Investment.

2022
Industry recognition

Corporate Knight's Social Purpose Transition Pathway report for outstanding implementation of our social purpose into business operations.

2023
Community giving back

Since 2017, LGM employees have given back over 26,500 hours to helping communities across the country.

2024
UN Global Compact Network

Submitted our first Communication on Progress and published our first annual Sustainability Report.

2025
Carbon Neutral

Reached carbon neutrality with the support of Ostrom Climate, contributing to a portfolio of verified climate projects that deliver measurable environmental benefits.

Global Compact
Network Canada

Advancing
GLOBAL STANDARDS

Since joining the UN Global Compact Network Canada in 2022, we have embraced its Ten Principles and embedded them into our operations and decision-making. These principles guide our commitment to respecting human and labour rights, protecting the environment, and conducting business ethically and transparently.

Our participation in the UN Global Compact also supports the broader objectives of the United Nations Sustainable Development Goals (UN SDGs). As a shared global framework for addressing social, economic, and environmental challenges, the 17 SDGs encourage organizations, governments, and communities to work collectively toward a more prosperous, equitable, and sustainable future.

LGM recognizes these goals, embedding them in our mandate in the form of key performance indicators (KPIs) and corresponding projects to help move the needle on these important areas. While LGM understands all of the UN SDGs are important, the following goals align particularly well to our purpose work.

Gender Equality (SDG 5): As part of a traditionally male-dominated industry, we recognize our responsibility to help advance gender equality both within our organization and across the automotive sector. Through equitable hiring practices, leadership development opportunities, pay equity reviews, and a focus on increasing the representation of women in leadership and decision-making roles, we foster an inclusive workplace where diverse perspectives can thrive. We also use our voice and industry relationships to promote awareness, encourage dialogue, and support positive change across the automotive community.

Reduced Inequalities (SDG 10): LGM strives to build a workplace where everyone feels respected, supported, and able to contribute fully. Our commitment to inclusive policies, equitable employment practices, employee education, and maintaining a certified Living Wage workplace helps reduce barriers to opportunity and create a culture where people from all backgrounds can thrive.

Affordable and Clean Energy (SDG 7): As part of our commitment to responsible mobility, we support the transition to a lower-carbon future by developing and delivering electric vehicle protection products for our OEM partners and our private-label brand, SecureDrive. Complementing these efforts, we encourage energy-conscious practices through employee EV incentives, office optimization initiatives, and ongoing improvements in operational efficiency to help reduce energy consumption and environmental impact.

Climate Action (SDG 13): Addressing climate change remains a key focus of our sustainability strategy. In 2025, we completed our annual greenhouse gas inventory, established a carbon-per-employee benchmark to track progress over time, and achieved carbon neutrality by fully offsetting our operational emissions through Ostrom Climate's portfolio of reputable carbon offset projects. Recognizing that offsetting is only one part of the solution, we are developing a long-term carbon reduction roadmap focused on reducing emissions at their source.

Decent Work and Economic Growth (SDG 8): As one of Canada's leading automotive finance and insurance providers, we contribute to economic growth by creating quality employment opportunities, investing in employee development, and supporting the success of our dealer and OEM partners. By balancing sustainable growth with strong governance, ethical business practices, and employee well-being, we aim to create long-term value for our people, partners, and communities.

By embedding these SDGs into our business strategy, governance framework, and sustainability initiatives, LGM seeks to create measurable value for our employees, customers, partners, parent company, shareholders and communities while contributing to a more sustainable and inclusive future.

Transparency & Collaboration

Reinforcing trust through transparent practices

LGM is committed to transparency and accountability in its sustainability reporting. As a participant of the UN Global Compact, we submit an annual Communication on Progress (CoP) outlining our efforts to advance its Ten Principles and contribute to the Sustainable Development Goals. We also conduct an annual greenhouse gas (GHG) inventory and publish a sustainability report that shares our performance, priorities, and progress publicly. Through regular and transparent reporting, we aim to provide stakeholders with a clear view of our sustainability journey and hold ourselves accountable for continuous improvement.

Oversight & Accountability

LGM's sustainability initiatives are overseen by a cross-functional Social Purpose Committee that reports directly to the President & CEO. Sustainability objectives, key performance indicators (KPIs), initiatives, and outcomes are reviewed quarterly by Senior Leadership and regularly reported to the Board of Directors, ensuring accountability, transparency, and alignment with LGM's long-term strategic priorities.

Empowering collaboration with stakeholders

Sustainability is most effective when it is embedded throughout the organization. We encourage employees to participate in initiatives, share ideas, and provide feedback that helps shape our priorities and supports ongoing improvement. Their perspectives help ensure our efforts are both practical and meaningful.

KEY ACCOMPLISHMENTS in 2025

This year was defined by deliberate investments that strengthened the organization and positioned us for long-term success.

A Partnership Built on SHARED PURPOSE

In July 2025, LGM entered a new chapter in its history when Marubeni Corporation became a shareholder in the company. For an organization that had operated as a privately owned Canadian business for decades, joining a publicly traded global organization represented a significant milestone and an important evolution in our growth journey.

As we considered what the future could look like for LGM, it was important to find a partner whose values, long-term perspective, and commitment to sustainability aligned with our own. Marubeni stood out not only because of its global reach, but because of its focus on responsible growth and its belief that business has a role to play in addressing environmental and social challenges.

Founded in 1858, Marubeni has built a diverse global business spanning multiple industries and markets. The company has also made significant commitments to sustainability, including investments in renewable energy and a goal of achieving net-zero greenhouse gas emissions by 2050. These priorities align closely with LGM's purpose of advancing responsible mobility and creating long-term value for customers, partners, employees, and communities.

As part of the Marubeni group, LGM benefits from the experience, resources, and perspective of a global organization while continuing to operate with the entrepreneurial spirit and customer focus that have shaped our success. Together, we share a commitment to building a sustainable business focused on long-term growth, responsible governance, and positive impact.

Governance

Strengthening governance frameworks

A major focus in 2025 was the development and implementation of governance policies aligned with the standards and controls expected of publicly traded companies. This work required significant cross-functional effort and investment, but it was essential to ensuring long-term resilience, transparency, and accountability.

Key governance initiatives in 2025 included:

- Development and formalization of enterprise-wide governance policies
- Clear definition of oversight, escalation, and accountability structures
- Enhanced documentation, controls, and review processes
- Alignment with evolving regulatory and compliance expectations

Improving Information Security and Trust

In 2025, LGM achieved SOC 2 Type I certification, an important milestone in our ongoing commitment to information security, risk management, and operational excellence. The certification confirms that the controls, policies, and processes we have implemented to protect sensitive information were appropriately designed and aligned with industry-recognized standards for security.

As a trusted partner to dealers, lenders, insurers, and customers across Canada, safeguarding data and maintaining secure business operations remain core priorities. Achieving SOC 2 Type I required significant cross-functional collaboration and investment in governance, documentation, control processes, employee training, and ongoing oversight. The certification provides independent validation that these controls are in place and operating as intended.

Building on this achievement, we are actively progressing toward SOC 2 Type II certification. Unlike Type I, which evaluates the design of controls at a point in time, Type II assesses the effectiveness of those controls over an extended period. Attaining Type II certification will further demonstrate LGM's commitment to maintaining strong security practices, managing risk responsibly, and meeting the evolving expectations of our customers, partners, and stakeholders.

Fair Compensation and Gender Equity

In 2025, LGM continued to review its compensation and workforce practices to support fairness and inclusion across the organization. Using the Canadian Living Wage Framework and regional living wage assessments, we ensured that all employees were paid above the highest living wage benchmark across our office locations.

We also maintained gender balance in management and conducted a comprehensive review of compensation across comparable roles to confirm pay equity and ensure compensation practices remain fair and consistent regardless of gender. These assessments help us monitor progress, meet our commitments, and identify opportunities for continuous improvement.

Inclusivity & Accessibility

Preserving Bilingualism

As a Canadian organization, we recognize the important role that language plays in accessibility, inclusion, and cultural identity. In 2025, LGM achieved certification from the Office québécois de la langue française (OQLF), marking the successful completion of a multi-year francization initiative that began in 2021 and was accelerated through focused implementation efforts in 2023.

While LGM had long maintained strong bilingual practices, achieving certification required a comprehensive review of our communications, tools, and business processes to ensure French-speaking employees, customers, and dealer partners could engage with us confidently and effectively. Certification reflects our commitment to creating an inclusive experience for all stakeholders while supporting the preservation and vitality of French language and culture in Canada.

Beyond meeting regulatory requirements, this work strengthened accessibility across our organization and reinforced our belief that language should never be a barrier to participation, service, or opportunity.

Community Engagement & Giving Back

Giving back to our communities

Giving back remains an important part of how we support the communities where we live and work. Through LGM's Giving Back Program, employees are encouraged to contribute their time and talents to causes that are meaningful to them. Team members can volunteer during work hours with company support or accrue additional vacation time when volunteering outside of work hours. The program is designed to remove barriers to participation and make community involvement more accessible for employees.

Since the program's inception in 2017, LGM employees have contributed 34,229 hours through Giving Back initiatives. In 2025 alone, employees dedicated 2,065 volunteer hours to community organizations and causes across Canada.

Through volunteerism, we aim to translate our values into action, making a direct and measurable contribution to the wellbeing of our local communities.

$1.8M

donated in-kind since 2017*

*Based on the average salary and benefits of LGM employees, multiplied by the volunteer program hours accrued and donated between 2017 and March 31, 2026.

Featured community partners

COVENANT HOUSE

Supporting vulnerable youth by helping provide shelter, essential services, and pathways to stability and independence.

VANCOUVER FOOD BANK

Helping address food insecurity by supporting access to nutritious food for individuals and families across the Lower Mainland.

A LOVING SPOONFUL

Reducing food waste and food insecurity by rescuing healthy surplus food and redistributing it to community members in need.

VICTORIA COOL AID SOCIETY

Supporting people experiencing poverty and homelessness in the Greater Victoria area through housing, health care, food programs, and compassionate community services that promote dignity, stability, and well-being.

NEIL SQUIRE SOCIETY

Empowering people with disabilities through innovative technology, employment programs, digital literacy training, and advocacy initiatives that promote independence, accessibility, and full participation in society.

TAKE A HIKE FOUNDATION

Supporting vulnerable youth through a unique combination of education, mental health counselling, adventure-based learning, and community connection, helping them build resilience, confidence, and pathways to a brighter future. Traffic Injury Research Foundation (TIRF).

TRAFFIC INJURY RESEARCH FOUNDATION (TIRF)

Advancing road safety across Canada through evidence-based research, education, and collaboration with governments, industry, and community partners to reduce traffic-related injuries and fatalities and create safer roads for all.

Environmental Sustainability

Taking Stock of Greenhouse Gas Emissions

In 2025, LGM completed its annual Greenhouse Gas (GHG) inventory to better understand the impact of our operations and identify opportunities for improvement. Total emissions increased compared to the previous year, driven primarily by a return to more typical business activity, including increased travel and in-person engagement with dealers and partners. By comparison, the prior year continued to reflect some of the reduced travel and virtual working patterns that persisted following the COVID-19 pandemic.

While business travel accounted for much of the increase, we were encouraged to see progress in other areas. Employee commuting emissions declined as more employees in our Vancouver office chose public transit and active transportation options, while employees in our Oakville and Laval offices continued transitioning to electric vehicles. These changes highlight how everyday decisions can contribute to lowering emissions over time.

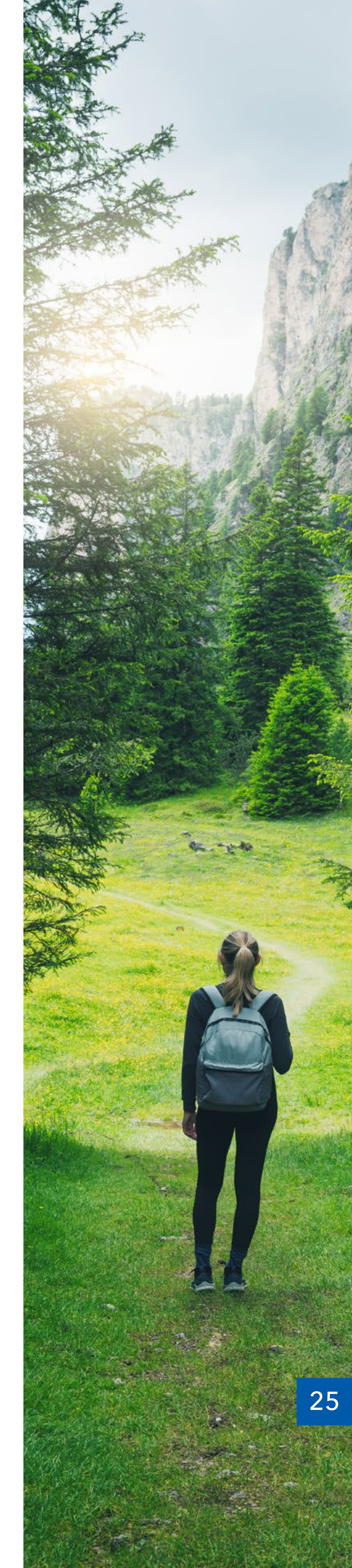
To strengthen our reporting and provide greater context for future analysis, we introduced a carbon emissions per-employee metric, enabling more meaningful year-over-year comparisons as the business grows.

We also fully offset our annual emissions, achieving carbon neutrality for FY2025. While offsets are an important tool for addressing emissions today, we recognize that they are a complement to, not a substitute for, emissions reduction. As a result, we have begun developing a carbon reduction roadmap focused on lowering emissions at the source and identifying practical opportunities to reduce our overall carbon footprint in the years ahead.

Key Results

- **73% increase in total emissions** driven primarily by a return to normal business activity and increased travel.
- **Reduction in employee commuting emissions** through greater use of public transit in Vancouver and increased adoption of electric vehicles in Oakville and Laval.
- **Achieved carbon neutrality for FY2025** by fully offsetting annual carbon emissions.
- **Introduced a carbon emissions per employee metric** to better measure performance relative to company growth.
- **Began developing a carbon reduction roadmap** focused on reducing emissions at the source and supporting long-term environmental improvement.

A summary of our FY2025 GHG inventory is provided in Appendix A.



OUR PROGRESS
& the Road Ahead

Progress is best demonstrated through results, reflection, and a clear understanding of where to focus next.

Key Performance Indicators (KPIs)

LGM tracks key performance indicators (KPIs) to measure progress against our ESG commitments. In FY2025, we met our targets for ESG investments, living wage standards, gender balance in management, and pay equity. Participation in our Giving Back Program did not reach our target, providing an opportunity to better understand employee needs and shape future enhancements to the program.

KPI	Goal	Actual
ESG investments	100%	100%
Giving Back Program participation	100%	90%
Fair living wage	100%	100%
Gender balance in management	50%	50%
Gender pay equity	100%	100%

Challenges & Lessons Learned in 2025

Throughout 2025, we made meaningful progress in strengthening governance, improving accountability, and advancing our sustainability initiatives. At the same time, the year highlighted the challenges of balancing long-term objectives with day-to-day business priorities. The experiences and lessons gained this year have helped us better understand where we can have the greatest impact and will inform our approach in the years ahead.

BUILDING GOVERNANCE AT SCALE:

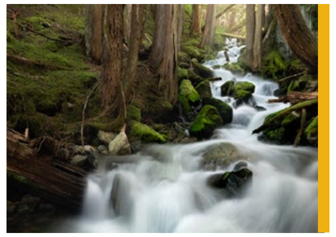
Strengthening governance across the organization required significant time, coordination, and change management. Developing policies, controls, reporting mechanisms, and oversight processes highlighted the importance of prioritization, clear ownership, and cross-functional collaboration when implementing enterprise-wide initiatives.

GREENHOUSE GAS EMISSIONS INCREASED:

Total emissions increased year over year, primarily due to a return to more typical business activity, including increased travel and in-person engagement with employees, dealers, and partners. This reinforced the importance of balancing business growth with emissions reduction efforts and focusing on reductions at the source alongside carbon offsetting initiatives.

ENGAGING OUR VALUE CHAIN:

We made less progress than planned in engaging suppliers and partners on sustainability initiatives. Competing priorities and resource constraints limited our ability to advance this work, underscoring the need for a more structured approach to value chain engagement in future years.



BALANCING AI ADOPTION AND SUSTAINABILITY CONSIDERATIONS:

As AI becomes increasingly integrated into business operations, organizations face the challenge of balancing the productivity and innovation benefits of AI with its environmental impact, governance requirements, and responsible use considerations. For LGM, this highlights the importance of establishing clear guidelines, monitoring emerging best practices, and evaluating how AI can support sustainability objectives while managing associated risks.

Charting the Path Forward

The work completed in 2025 positions us well for the years ahead. With strong governance frameworks in place, enhanced security controls, and a continued commitment to inclusivity and community impact, we are prepared to build momentum.

In 2026 and beyond, our focus will include:

Achieve SOC 2 Type II certification to further strengthen information security, risk management, and stakeholder confidence.

Reduce carbon emissions per employee by exploring electric vehicle programs and other practical opportunities to lower emissions associated with employee transportation.

Continue evolving governance practices to meet changing regulatory requirements and stakeholder expectations while supporting long-term accountability and transparency.

Extend sustainability initiatives across our value chain by increasing collaboration with vendors, suppliers, and partners to advance shared sustainability objectives.

ADDITIONAL Information

The following information provides additional context and detail to support the findings presented throughout this report.

Appendix A: 2025 Greenhouse Gas Inventory: Topline Results

For the second consecutive year, LGM retained Carbonzero to complete an independent greenhouse gas (GHG) inventory of the organization's operations. The FY2025 assessment covered the period from April 1, 2025, to March 31, 2026, and included LGM's Scope 1, Scope 2, and selected Scope 3 emissions.

The following table presents a summary of the results reported by Carbonzero.

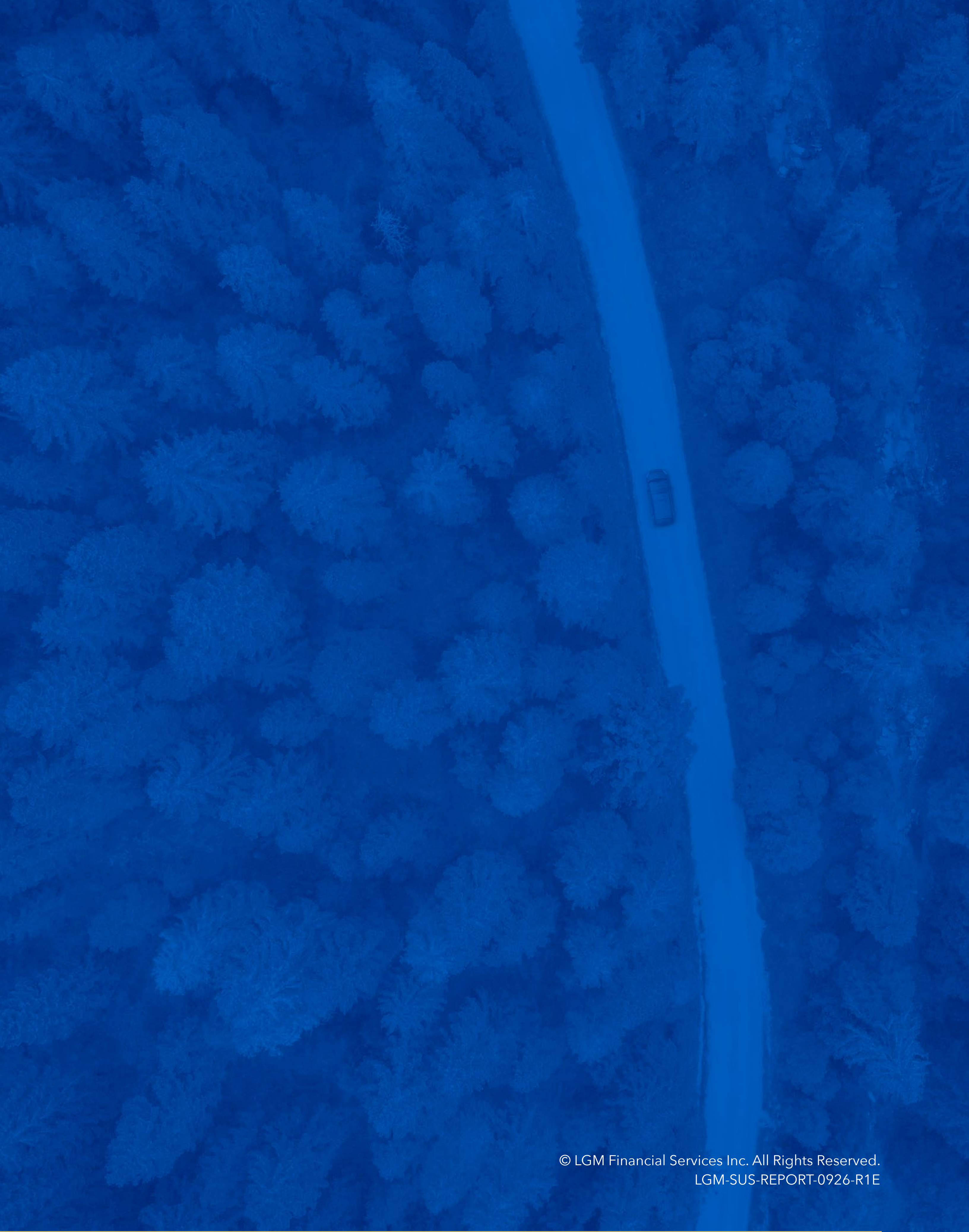
GHG Protocol Scope & Activity	FY 2025 GHGs (tCO_2e)	FY 2025 Percent Total (%)
Scope 1	**28.87**	**6.19%**
Stationary Combustion–Natural Gas	26.87	6.19%
Scope 2	**3.52**	**0.81%**
Grid Electricity Purchases (Market-based)	3.52	0.81%
Scope 3	**403.98**	**93.81%**
Category 6: Business Travel (Hotel Stays, Ground & Air Travel)	381.34	87.79%
Category 7: Employee Commuting	22.64	5.21%
Total Scope 1, 2 & 3	**434.37**	**100.00%**

Appendix B: UN Global Compact Communication on Progress

In 2025, LGM submitted its second annual Communication on Progress (CoP) to the United Nations Global Compact, reaffirming our commitment to the Ten Principles in the areas of human rights, labour, environment, and anti-corruption. The report reflects LGM's FY2025 performance (April 1, 2025, to March 31, 2026) and outlines the actions and progress made in support of our sustainability commitments.

UN GLOBAL COMPACT
Global Compact
Network Canada

Access the report.



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