



**2023**

# **Sustainability Report**







## CEO Letter

**I am proud to present our 2023 Sustainability Report,** a reflection of our commitment to responsibly creating value for our employees, clients, partners and communities.

**People are at the heart of our sustainability strategy**, which aligns with NFP's PeopleFirst initiative. From supporting our values to serving our clients, our people drive our competitive advantage. We will continue to invest in their development, well-being and engagement to foster a culture of diversity, equity, inclusion and belonging where everyone is motivated to contribute to our shared vision.

Together, we have a responsibility to the environment and the communities we serve. This responsibility is supported by strategy and action that includes advancing ethical business practices, investing in social causes and taking steps to reduce our environmental footprint. We are committed to being a good corporate citizen and driving positive change.

As you read the report and learn more about our progress, please know that the most critical element of our sustainability efforts is a shared belief that we will always have opportunities to learn and improve.

Thank you to the team leading our efforts for aligning our values with our actions.

Sincerely,

A handwritten signature in black ink, reading "Doug Hammond".

**Doug Hammond**

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

## INTRODUCTION

# About NFP

NFP is a leading **property and casualty broker, benefits consultant, wealth manager and retirement plan advisor.**

We create tailored solutions that enable client success through specialized expertise, innovative technologies and maintaining relationships with highly rated insurers, vendors and financial institutions across the globe.



### Property & Casualty

NFP provides proactive management of complex risks and implementation of new administrative technologies and solutions based on our clients' businesses.

**\$738 Million\***



### Benefits & Life

We take a holistic approach to designing benefits programs, helping to ensure each piece works together for our clients' people and businesses.

**\$1.11 Billion\***



### Wealth & Retirement

NFP builds personalized programs tailored to our clients' precise risk profiles and needs, using an approach designed to grow returns and reduce risks.

**\$362 Million\***

With more than **8,000 employees** around the world, we are experts, leaders and advocates, all coming together to work toward one goal: **to help our clients solve problems**

Our success is driven by our ability to empower organizations and people to overcome complex challenges and uncertainties with tailored solutions supported by active listening, hands-on guidance, specialized expertise, and, most of all, human connections.

\* Annual Revenue as of 12/31/2022

# NFP's Values



Culture and  
Inclusion



Ethics and  
Compliance



Leadership and  
Accountability



Partnership and  
Collaboration



Impact and  
Results



## NFP'S SUSTAINABILITY STRATEGY

While sustainability has already been a part of our organization through several existing initiatives, **NFP recognizes the need to formalize a sustainability strategy** as we aspire to drive positive change within our business and while engaging with our stakeholders.

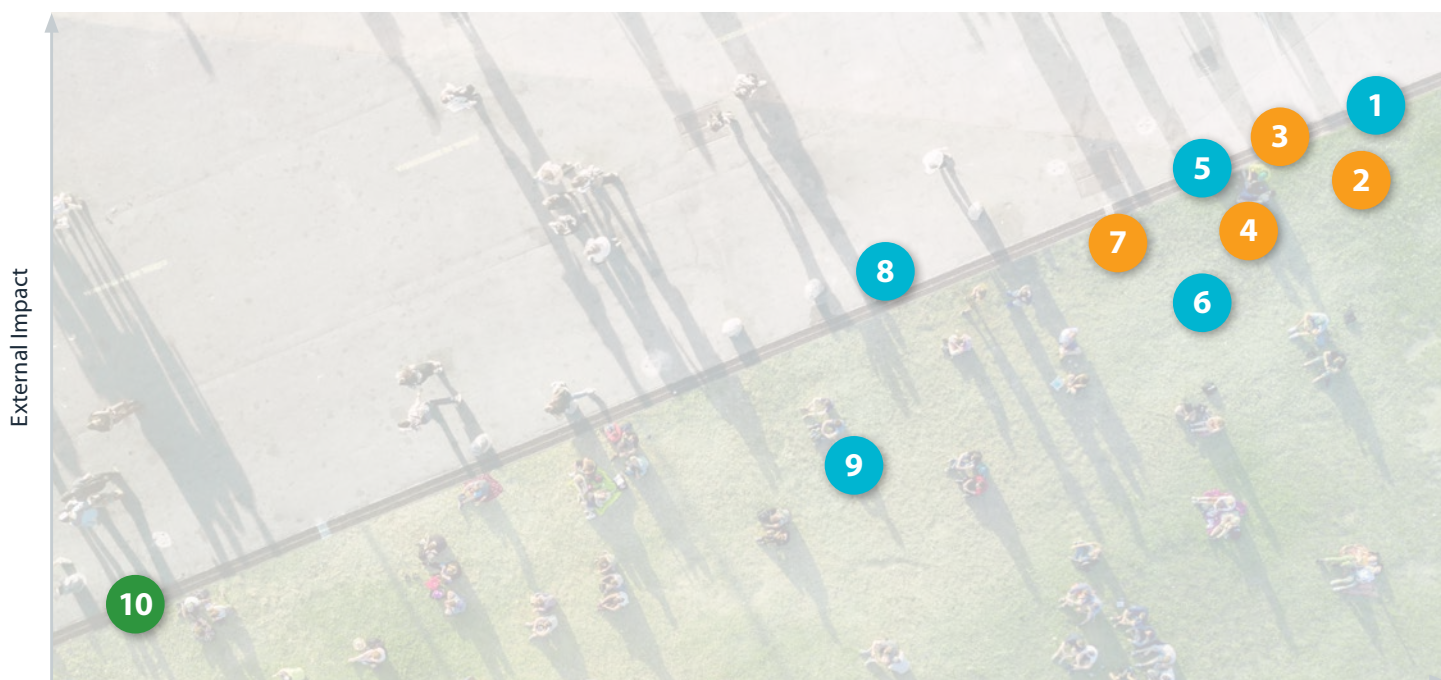


# Materiality and Sustainability Strategy

As part of our efforts to establish a formal sustainability strategy, NFP conducted our first materiality assessment in 2023.

Using the Global Reporting Initiative (GRI) guidance, we prioritized the environmental, social and governance (ESG) topics using a double materiality approach, those that are most important to our business and in which our company can provide the greatest external impact. To gather relevant topics for inclusion, we reviewed sustainability standards, frameworks and questionnaires such as GRI, the SASB Standards maintained by the IFRS Foundation (SASB) and the S&P Global Corporate Sustainability Assessment (CSA).

During the assessment, we engaged internal (executive leadership and employees) and external (clients, partners and investors) stakeholders to gather their unique perspectives on topic prioritizations. We identified ten material topics to incorporate into our strategy.



Importance to Business & Stakeholders

## ENVIRONMENTAL

10. Environmental Stewardship

## SOCIAL

1. Talent Attraction, Retention and Development
5. Diversity, Equity, Inclusion and Belonging
6. Employee Engagement
8. Corporate Citizenship and Community Relations
9. Employee Health and Safety

## GOVERNANCE

2. Data Security
3. Customer Privacy
4. Business Ethics and Compliance
7. Risk Management

## We developed our **sustainability strategy** based on our **material topics**.

We expect to periodically reassess our materiality analysis to ensure we are capturing emerging ESG topics and adjusting for changes in our business, stakeholder relationships and our industries.



### Vision

Drive positive change by maintaining an authentic, coordinated focus on sustainability that permeates our business and our relationships with all stakeholder communities.



### Strategy

To achieve our vision, we will:

1. Adopt a clear and flexible governance organization – leveraging existing internal networks – to provide direction and encourage widespread engagement;
2. Focus on using effective communications to create excitement, foster a culture of sustainability and educate all NFP team members about how sustainability impacts them, our company and our stakeholders; and
3. Define clear and measurable key performance indicators (KPIs) and goals to monitor performance.

To measure progress in our sustainability framework, we developed a sustainability **roadmap with goals, KPIs, activities and accountabilities**.

We look forward to sharing progress on specific activities in the future.

# Sustainability Governance

In September 2021, NFP established an ESG Committee, meeting on a monthly cadence to provide oversight and management for our sustainability initiatives, and now our sustainability strategy.

The committee consists of NFP leadership across various company functions, including compliance, diversity, finance, human resources, information technology, legal, marketing and risk solutions.



*NFP is committed to doing business the right way and sustainability is a critical element of our focus. When we do business ethically and with integrity, we honor the trust clients place in NFP and ensure we're having a positive impact on the people and communities we serve. We continue to move forward with leadership, accountability and a shared understanding that every employee plays a role in our sustainability efforts.*



**Suzanne Spradley**, CHIEF COMPLIANCE OFFICER AND ASSOCIATE GENERAL COUNSEL



*The progress of our organization depends on our ability to advance systems and cultures of diversity, equity, inclusion and belonging (DEIB). From engaging our employees to working with vendors to investing in organizations that share our values, DEIB is a business imperative that informs our actions and drives our progress.*



**Pamela Wheeler**, CHIEF DIVERSITY AND INCLUSION OFFICER



## SOCIAL

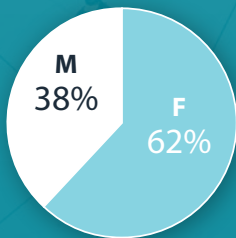
# Diversity, Equity, Inclusion and Belonging

NFP is dedicated to integrating **diversity, equity, inclusion and belonging (DEIB)** into all aspects of our work as we strive to uphold our DEIB strategy, values and Policy. Our strategy focuses on **engaging employees, the community, our clients and our suppliers.**

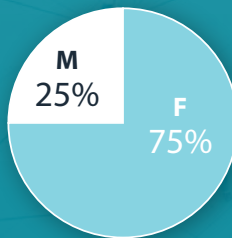
As stated in our [DEIB Policy](#):

“ The more diverse and inclusive we are, the better we can serve our clients, the more effectively we can innovate and grow our business, the more we can positively impact our communities around the world, and the more successfully we can establish a legacy to be proud of. NFP is committed to respecting every person, and this expectation extends externally to our clients, communities and suppliers.”

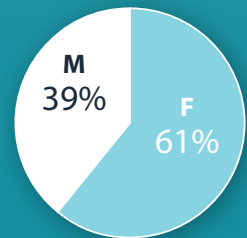
### TOTAL WORKFORCE



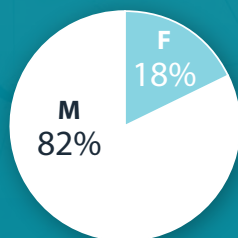
### ALL MANAGEMENT



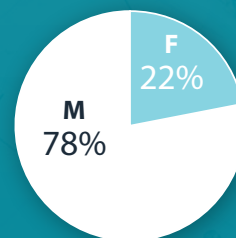
### JUNIOR MANAGEMENT



### TOP MANAGEMENT



### REVENUE-GENERATING MANAGEMENT POSITIONS



*Junior management is defined as the first level of management*

*Top management is defined as less than or equal to two levels away from the CEO or comparable positions*

*Revenue-generating management positions are defined as functions like sales and excludes support functions such as HR, IT, Legal, etc.*



NFP’s DEIB Advisory Board, which has **employee representation from all levels of the organization**, spearheads initiatives that **encourage a more inclusive environment** and **align with DEIB strategies**.

Additionally, NFP has Regional and Platform DEIB Committees as well as eight Business Resource Groups: Women, Black Professionals, PRIDE+, Military and Veterans, Asian, Latine, D-IS-Ability and Families. These groups aim to foster a collaborative, supportive community where both members of the designated demographic groups and their allies join with the community at large to advance the members’ development and NFP as a business.



Launched in June 2022, the **Latine Business Resource Group** has grown to **180+ members**. They have held **15 events** with a combined total of **670+ attendees**. The group recently refreshed its leadership team and now have **13 members** who have taken on **leadership roles**. Their vision is to establish a meaningful relationship with all NFP Latine employees and allies, creating and nurturing an inclusive work environment through learning, community outreach and advocacy, focusing on initiatives under four pillars (**Network and Building La Familia, Career Development, Community Outreach and Service, Communication and Social Media**). The group sends out monthly newsletters with updates on initiatives and opportunities for member involvement and resources that can support community members and allies.

As part of our DEIB strategy, we regularly engage with external partners, which include:

## Other DEIB initiatives are:

- A Supplier Diversity Program (SDP) to develop, promote, improve and increase diverse supplier partnerships and investment within the corporate supply chain, supported by a diversity supplier audit.
- Enhanced data mechanisms to capture additional ethnic and underrepresented demographics (e.g., military and veteran status/ LGBTQ+/Disability).
- Implemented a company-wide DEIB and Ethics Assessment.

## Awards and Recognitions

In 2022, NFP received the following recognitions and awards related to DEIB:



2022 *Insurance Business*  
5-Star Diversity, Equity & Inclusion award

Nominated for *Insurance Insider* -  
Honours 2022 Diversity & Inclusion Award  
for the DEIB Advisory Board



Mike James, NFP's Chief Sales Officer, received the  
2022 National African American Insurance Association  
(NAAIA) Corporate Leader Award

Nominated for Inside P&C Honors,  
Diversity & Inclusion Award

In 2022, NFP had the privilege of hosting and sponsoring a thought leadership event at the American College Center for Economic Empowerment and Equality's Four Steps Forward Program. The event won the Wealth Management award for Industry Research Provider for the "Black Women, Trust, and the Financial Services" industry study. The research provides critical insights into Black women's perceptions of financial services, their financial needs and wants, and how the industry can better connect and serve them throughout their wealth journeys.



# Talent Attraction, Engagement and Development

We know that a company is **only as great as its employees** and we are **committed to our workforce**.



NFP seeks to hire professionals who bring unique experiences and knowledge to their work. As a result, in 2023, NFP was awarded the *Business Insurance* Best Places to Work for the seventh consecutive year.

For four consecutive years, NFP has achieved a lower turnover rate than the industry average in the Finance and Insurance sector, showing our commitment to retaining talented and loyal employees in a competitive market.<sup>1</sup> Additional NFP turnover statistics are shown below.

	FY 2019	2019 BLS Industry Average	FY 2020	2020 BLS Industry Average	FY 2021	2021 BLS Industry Average	FY 2022	2022 BLS Industry Average
<b>Total Turnover</b>	15.29%	24.6%	14.58%	25.1%	16.00%	26.4%	15.52%	27.1%
<b>Voluntary Turnover</b>	12.05%	-	7.81%	-	13.51%	-	13.08%	-

	Total				Voluntary			
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2019	FY 2020	FY 2021	FY 2022
<b>Age Group</b>								
<b>Under 18</b>	0.00%	0.00%	0.02%	0.03%	0.00%	0.00%	0.02%	0.03%
<b>18-30</b>	1.94%	1.89%	3.22%	3.31%	1.69%	1.16%	2.74%	2.91%
<b>31-39</b>	4.18%	3.07%	4.42%	3.84%	3.48%	2.10%	3.81%	3.26%
<b>40-52</b>	4.22%	3.53%	3.70%	3.92%	3.17%	1.62%	3.17%	3.23%
<b>53-71</b>	4.20%	5.03%	4.07%	4.09%	2.99%	2.40%	3.28%	3.38%
<b>71+</b>	0.76%	1.08%	0.58%	0.33%	0.72%	0.53%	0.00%	0.00%
<b>Gender</b>								
<b>Male</b>	10.44%	9.22%	10.50%	10.10%	8.39%	5.24%	9.18%	8.73%
<b>Female</b>	4.86%	5.36%	5.49%	5.42%	3.65%	2.57%	4.34%	4.35%
<b>Non-Binary</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. <https://www.bls.gov/jlt/data.htm>



## BUSINESS CASE FOR MATERIALITY

**Attracting, retaining and developing quality talent is essential for our business.** By attracting and retaining talented employees, NFP can reduce turnover costs, increase customer satisfaction and loyalty, and enhance our reputation and brand value. By developing the skills and competencies of employees, we can improve productivity and efficiency, foster innovation and creativity, and mitigate operational risks. Therefore, **investing in talent management is a strategic decision that can generate significant financial returns for our business.**



We provide the following employee development opportunities to promote career growth throughout our company:

- Mentorship Program
- On-Demand Learning Opportunities – in 2022, approximately 6,500 users enrolled, completing over 28,000 hours of learning
  - These trainings cover a wide variety of topics, including compliance, onboarding, DEIB, product and industry, professional development, sales and tools and technology
- Over 200 Virtual Live Training Webinars and Classroom Events in 2022
- Manager Base Camp – An interactive learning resource of seven modules, including leadership, effective feedback, DEIB trainings and more

Our **PeopleFirst Experience initiative** was developed to support our employees to empower well-being, belonging and impact. These components align with our mission to empower organizations and people (including our employees) to overcome complex challenges and uncertainties with tailored solutions supported by active listening, hands-on guidance, specialized expertise and, most of all, human connections.

In 2023, we continued several engagement initiatives ranging from an **employee book club** to **internal podcasts** to **educational campaigns for sustainability**.



Human rights are fundamental to all employees and during engagement with other company stakeholders. As such, NFP has developed our **Human Rights Policy**.

*"NFP is committed to supporting and respecting internationally recognized human rights and avoiding being complicit in human rights abuses. This commitment includes respecting the dignity and worth of all employees and encouraging team members to reach their full potential."*

## Employee Health and Safety

NFP is committed to establishing a workplace that is **injury- and incident-free** to safeguard employees' **physical safety** and **mental well-being**.

There are assigned office leads for each physical office to promote accountability and take quick action if an issue arises. NFP is currently drafting a safety manual that will be finalized in 2023.

We know our employees have unique needs and have designed a holistic approach when designing our benefits programs to ensure each employee is taken care of. We offer a range of benefits, including traditional medical, dental and vision, as well as life, short-term disability, long-term disability and 401(k).

### CAREGIVER BENEFITS

- Care.com
- Torchlight

### WELL-BEING BENEFITS

- Virgin Pulse
- Gympass
- Peloton
- Kindbody
- ReThink Care
- SupportLinc
- Real Appeal
- Wise @ Work
- WellCents
- Total Brain

### VOLUNTARY BENEFITS

- AD&D
- Critical Illness
- Hospital Indemnity
- Legal Services
- ID Theft
- Armadillo Home Solutions
- Smile Direct
- Rocket Mortgage
- Sofi
- Trustmark
- Pet Insurance
- Commuter Benefits
- Genomic Life
- Home and Auto Insurance



# Corporate Citizenship and Community Relations

NFP views **corporate citizenship and community relations** as an **extension of the company's engagement** and takes pride in the philanthropic causes and events in which we participate. In 2022, we **contributed over \$3 million to local and global charitable causes**, including:

- 2022 INN Keepers Ball
- 2022 CORA Golf Event
- Adopt-a-Highway
- Akron Foundation
- American Cancer Society
- Apollo Theater
- Bernie's Book Bank
- Breast Cancer Research Foundation
- CFP Board
- Children's Cancer Fund
- CiC - Companions in Courage
- Friends of TJ Arcati
- Guardian Catholic Schools
- Harlem Village Academies
- Health Alliance for Austin Musicians
- Hurricane Relief for Puerto Rico
- INN Golf Classic
- JoyRx
- Kennedy Children's Center
- Leukemia & Lymphoma Society
- No Books No Ball
- Pink Aid
- Planned Parenthood
- Project Sunshine
- Spencer's Annual Gala
- Texas Advocacy Project
- Texas Empowerment Academy
- The Indianapolis Colts – Kicking the Stigma
- Women's Sports Foundation
- World Central Kitchen
- YearUp





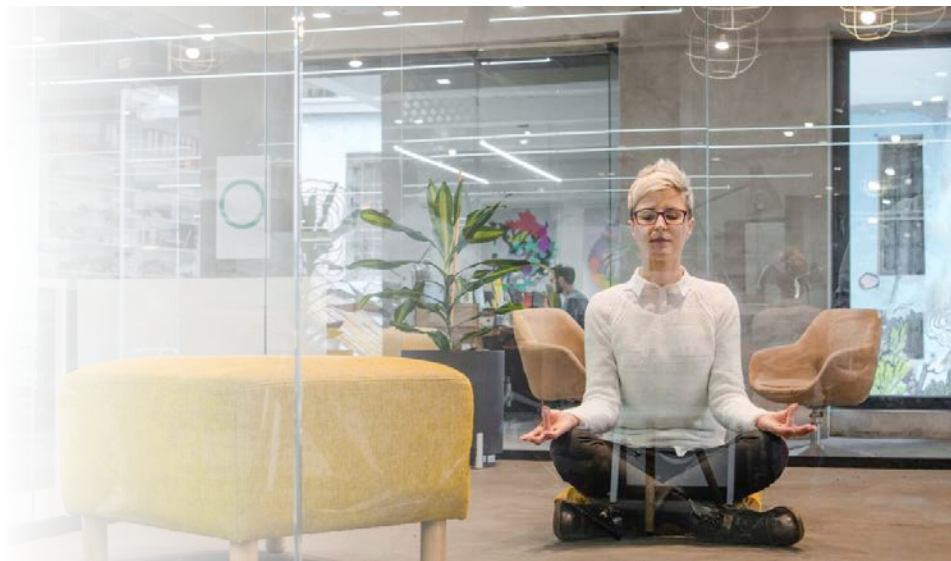
## NFP encourages employees to **give back in their local communities.** In 2022, our local offices **sponsored over 520 local charities.**

As our corporate citizenship efforts continue, our goal is to further support employees so that every employee can volunteer using at least eight hours of paid time in 2024.

In 2021 and 2022, NFP participated in a two-year cancer support campaign which raised **over \$200,000** and worked with charities such as Children's Cancer Association, American Cancer Society, Movember, Teenage Cancer Trust in UK, and Women in Insurance Cancer Crusade in Canada.



We care about our employees and their personal well-being, both in and out of work, and we take pride in supporting those who have experienced traumatic or unforeseen circumstances in their personal lives through NFP's Employee Relief Program.



The background of the page is a photograph of a server room, showing rows of server racks and overhead lighting. An orange semi-transparent overlay covers the entire page, providing a consistent color scheme for the text.

## GOVERNANCE

# Effective Management

**NFP's Executive Management Committee** provides **effective management** of our material **governance topics, reporting findings and status updates** to the CEO and the Board of Directors.

## Data Security

NFP recognizes the importance of **confidentially securing our company data and our customers' data**. At NFP, we have developed **data security policies** that are regularly updated.

# Business Case for Materiality

As an insurance broker, we handle **large amounts of personal and financial data** for clients, partners and carriers, which puts NFP **at risk for cyberattacks**.

A data breach can have serious consequences, including:

- Impacts to direct costs, such as legal fees, fines, compensation and remediation expenses, while also impacting indirect costs, such as reputational damage, loss of customer trust and loyalty, and reduced market share.
- Impacts to our revenue as it can lead to customer dissatisfaction, reduced sales opportunities, lower renewal rates and increased price sensitivity. It also has the potential to affect NFP's competitive advantage, as it can erode brand value and differentiation.
- Create other risk exposures, such as operational risks, regulatory risks, litigation risks and strategic risks. Operational risks include disruption to business continuity, processes and systems. Regulatory risks include potential non-compliance with data protection laws and regulations. Litigation risks include the possibility of lawsuits from affected parties. Strategic risks include the loss of strategic direction and alignment.

Therefore, data security is a critical factor for the success and sustainability of our business. By investing in data security, we have the opportunity to enhance performance, reputation and resilience in the face of potential cyber threats.

We use technical, organizational and administrative measures to protect our data, including encryption technology (data scrambling) and multi-factor authentication tools. We conduct penetration testing, vulnerability scanning and routine phishing tests to evaluate the effectiveness of our systems.

In addition to NFP's CISO and an experienced cybersecurity team, we have a dedicated **Cybersecurity Committee** made up of representatives from multiple departments who review **potential vulnerabilities, our existing defenses and opportunities for continuous improvement**. This committee plays a critical role in **data protection, information security policies and managing our organization's cyber risks**.



# Customer Privacy

NFP maintains a **Privacy Policy**, publicly available on our website, which outlines NFP's policies on **personally identifiable information (PII)** collected, the use and disclosure of **personal information**, **users' rights**, and **sharing and disclosure of information**.

NFP maintains compliance with applicable laws relating to privacy and use of personal information. Additionally, NFP is compliant with System and Organization Controls 2 (SOC2), a voluntary standard for service organizations that outlines how customer data should be managed.

**We had zero reportable customer data breaches in 2022.**

## Business Case for Materiality

Similar to data security, maintaining customer privacy is critical to our business, as customers trust NFP to handle personal and financial data securely and ethically, complying with relevant laws and regulations.

If we fail to protect customer privacy, we have the potential to face legal penalties, reputational damage, customer dissatisfaction and reduced market share. However, if we demonstrate a strong commitment to customer privacy, we have an opportunity to gain a competitive advantage, increase customer loyalty and attract new customers. Therefore, customer privacy is both an obligation and a strategic business opportunity.

Our employees take part in data security and customer privacy training on an annual basis to provide awareness and education relating to potential issues. Additionally, we conduct mandatory monthly training videos on current cybersecurity topics.



# Business Ethics and Compliance

## **Ethics** has always been a **priority** for NFP.

We believe it starts at the top: our executive leaders have an obligation to exhibit model behavior, followed by the rest of our organization, and we expect all employees to demonstrate what it means to behave ethically. When expectations are understood across the company, there is clarity regarding how to do what's right and when to speak up when something is wrong.

Our Code of Business Ethics and Conduct (Code) is a collection of our principles intended to assist employees in making decisions about their conduct in our business. The Code is based on the fundamental tenet that we are all responsible for conducting business ethically and in compliance with the law wherever we operate. Our Code includes topics such as:

- Corruption and bribery
- Discrimination
- Confidentiality of information
- Conflicts of interest
- Antitrust/anti-competitive practices
- Money-laundering and insider trading/dealing

NFP employs the **EthicsPoint hotline** for reporting (anonymously, if desired) any potential or actual violations of the Code or other ethical matters of concern. NFP has a **Non-Retaliation Policy** that strictly prohibits retaliation in any form against anyone who makes a good faith report on suspected or actual violations. In 2022, there were 22 reports alleging unethical or illegal conduct, and seven of those reports were substantiated.

Ethics and responsible business practices are at the forefront of our company's culture. An ethical culture assessment is conducted bi-annually to determine employee knowledge and willingness to report wrongdoing. The results of the assessment are reported to all employees. The most recent ethical culture assessment found that **92.5% of employees are willing to speak up and report unethical behavior.**

NFP conducts training for all employees on corporate ethics and compliance and we monitor training metrics. **In 2022, 100% of employees completed training.**

We have implemented a policy management platform, **NavexOne**, to provide greater access to corporate policies, collect data analytics and track employee acknowledgements of our Code of Business Ethics and Conduct. In 2022, NFP began tracking how many employees have read and signed our Code of Business Ethics and Conduct and as of 2022, **90% of employees who have been with the company for at least 30 days have committed to uphold the Code.**

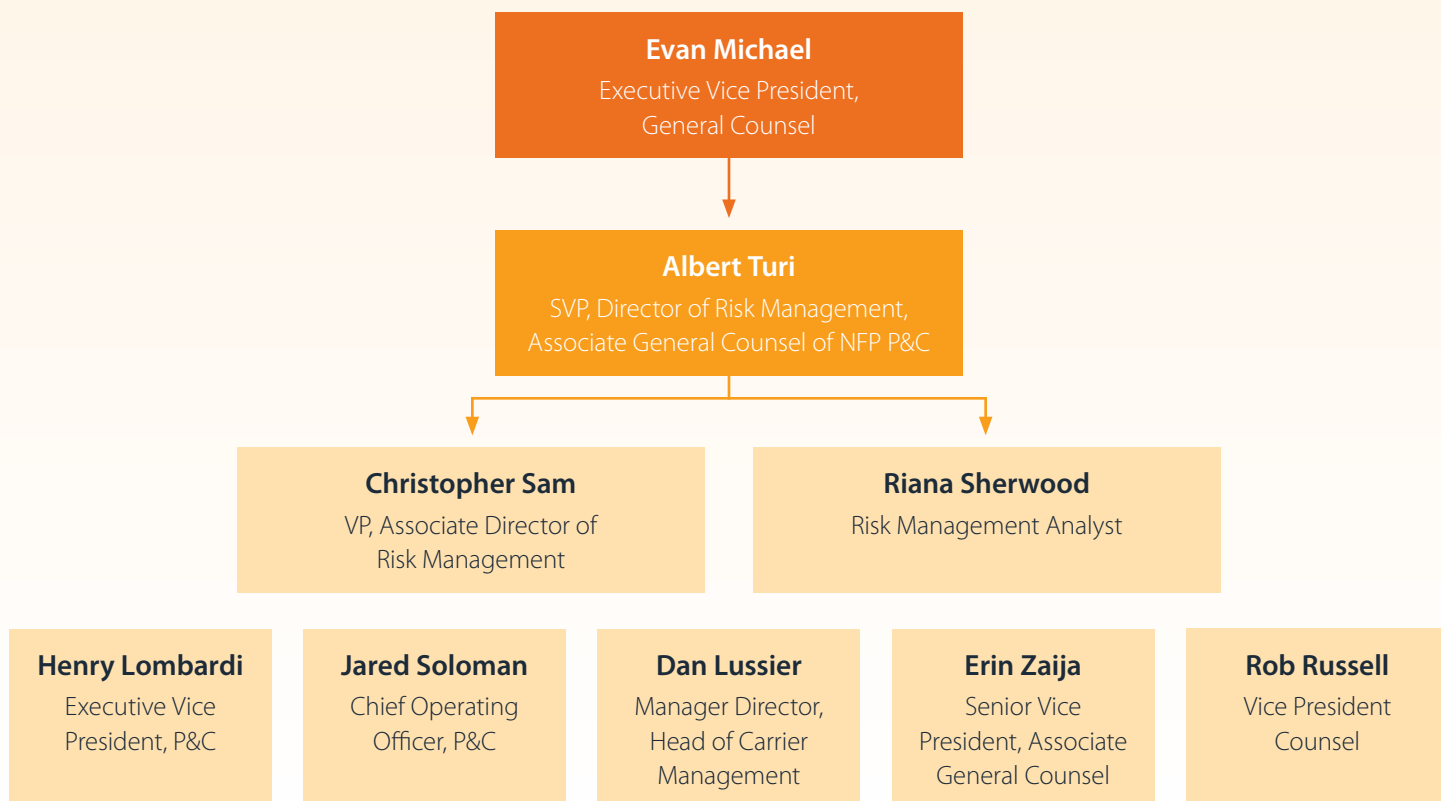
Additionally, NFP utilizes **RegEd**, a regulatory monitoring, reporting and licensure tool, to **verify that NFP is compliant with all applicable state, province and federal regulations.**

# Risk Management

As a company operating in **highly regulated industries**, NFP is **exposed to certain risks** within our operations and client portfolios that we must **carefully manage through processes and oversight**.

To do so, we have a **Risk Management Committee** that provides oversight of risk transfer opportunities.

## NFP RISK MANAGEMENT COMMITTEE



NFP utilized a third-party consultant to conduct an Enterprise Risk Management (ERM) exercise.

In 2023, NFP is implementing **Riskconnect**, a third-party risk management information system (RMIS), which will enable NFP to conduct **enterprise risk management and compliance risk assessments**.





## ENVIRONMENTAL

# Environmental Stewardship

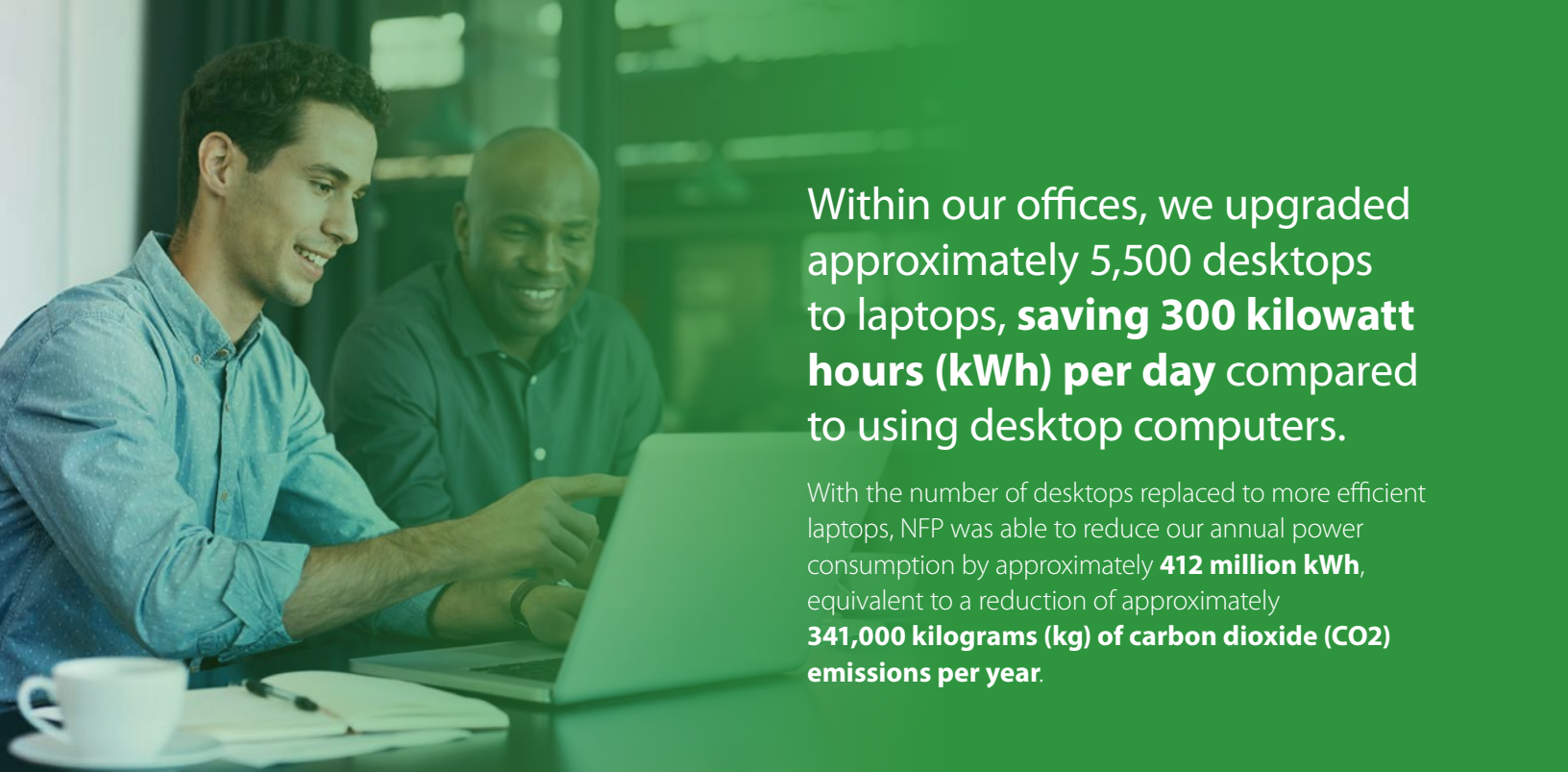
NFP is **embedding environmental principles in our decision making** within our direct operations and for clients. To start, we are developing products and services that support **energy transition, reduce risk and have a positive impact on energy security and environmental issues.**

NFP incorporates ESG into client advisory services. A member from NFP's team that consults on ESG, Hamid Abuzaid, explains:

*"We provide advisory services for safety, environmental health and ESG that identify initiatives for our clients to have sustainable businesses."*

In addition, the team advises clients on **impactful sustainability frameworks and standards for reporting.** NFP's team members have expertise that varies from **LEED certifications to ISO 14001 certifications,** among other criteria.





Within our offices, we upgraded approximately 5,500 desktops to laptops, **saving 300 kilowatt hours (kWh) per day** compared to using desktop computers.

With the number of desktops replaced to more efficient laptops, NFP was able to reduce our annual power consumption by approximately **412 million kWh**, equivalent to a reduction of approximately **341,000 kilograms (kg) of carbon dioxide (CO2) emissions per year**.



**5,500**

Desktops converted to laptops

=



**300 / 412 MM**

Savings of kWh per day / per year

=



**36,799**

The amount of energy saved is enough to power 36,799 homes for one full year<sup>2</sup>

## Additional environmental initiatives underway include:

- NFP's office manager survey that asks offices to identify their **environmental sustainability activities**
- Upgrading all offices to **efficient lighting**
- Removing single use **Styrofoam containers**, single use **plastic bottles** and **colored papers** from our offices
- Our **Procurement Shred-it** Program, which encourages paper reduction and recycling
- Overall reductions in our **real estate footprint** as some employees transition to **fully remote environments**

2. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results>



# Looking Ahead

**We are proud to share our first sustainability report.** We are committed to taking concrete action through our **sustainability strategy** and **measuring our progress** along the way towards **existing and new initiatives**.

## About this Report

Information provided herein is based on the identified material topics from our ESG materiality assessment. Additionally, we have begun to align our reporting with the SASB Standards, and this report has been prepared with reference to the GRI Standards. Indices providing references to the GRI standards and SASB standards can be found in Appendices A and B, respectively.



## APPENDIX A

# GRI Content Index

NFP has reported the information cited in this GRI content index for the period January 1, 2022, to December 31, 2022, with reference to the GRI Standards.

## GRI 2: GENERAL DISCLOSURES 2021

Disclosure	NFP Alignment / Location in Report
2-1 Organizational details	NFP's website Introduction: About NFP
2-2 Entities included in the organization's sustainability reporting	Introduction: About NFP
2-3 Reporting period, frequency and contact point	Annually
2-4 Restatements of information	Not applicable
2-5 External assurance	We have not externally verified or assured our sustainability-related data.
2-6 Activities, value chain and other business relationships	NFP's website Introduction: About NFP
2-7 Employees	Introduction: About NFP
2-8 Workers who are not employees	Not applicable
2-9 Governance structure and composition	NFP's Board of Directors plays an important role in providing management oversight and guidance to the company. NFP maintains the following committees for business oversight matters: 1. Firm Operating Committee, 2. Executive Management Committee, 3. Leadership Advisory Committee, 4. Cybersecurity Committee, 5. Compliance & Ethics (C&E) Committee, 6. Risk Management Committee, 7. ESG Committee.
2-10 Nomination and selection of the highest governance body	As a portfolio company owned by private equity funds, NFP Ultimate's board structure is dictated by the NFP Ultimate Holdings, LLC Agreement (the "LLC Agreement"). The LLC Agreement sets forth the composition of the board of NFP Ultimate, with representatives from MDP, HPS and management. The Board has also moved to appoint an independent member of the board.
2-11 Chair of the highest governance body	The Chair of our Board of Directors, Doug Hammond, also serves as Chief Executive Officer of the company. Mr. Hammond's deep understanding of the company and its business provide invaluable perspective to the board, and his participation with the board enables him to effectively execute board initiatives for the company.
2-12 Role of the highest governance body in overseeing the management of impacts	The Executive Management Committee, which reports to the CEO and oversees the ESG Committee, develops, approves and updates the organization's purpose and mission. The ESG Committee meets on a bi-monthly cadence to discuss goals and outcomes associated with the oversight and management of sustainability initiatives.
2-13 Delegation of responsibility for managing impacts	The Executive Management Committee consists of NFP leadership across various functions of the company, including compliance, finance, human resources, information technology, legal, marketing, sales and risk solutions.

2-14 Role of the highest governance body in sustainability reporting	The Executive Management Committee and ESG Committee have reviewed and approved the reported information.
2-15 Conflicts of interest	Questions of independence and potential conflicts of interest are covered through NFP Ultimate's annual distribution of D&O questionnaires and related party surveys. Additionally, through the administration of NFP's Related Party Transaction Policy, which is applicable to members of the board, an approval process and annual testing is conducted. Agreements governing NFP's debt structure (such as NFP's Credit Agreement) also contain certain limitations and prohibitions on interested transactions.
2-16 Communication of critical concerns	NFP's Board of Directors has direct access to the Executive Management Committee.
2-17 Collective knowledge of the highest governance body	NFP's Board of Directors plays an important role in providing management oversight and guidance for executive leaders. Board members bring diverse experience and expertise, contributing invaluable insight and direction into the strategic practices and future-forward projection of our business.
2-18 Evaluation of the performance of the highest governance body	This information is confidential
2-19 Remuneration policies	This information is confidential
2-20 Process to determine remuneration	We do not report/track this information but will consider doing so in the future.
2-21 Annual total compensation ratio	We do not report/track this information but will consider doing so in the future.
2-22 Statement on sustainable development strategy	CEO Letter
2-23 Policy commitments	Not applicable
2-24 Embedding policy commitments	Governance: Business Ethics and Compliance
2-25 Processes to remediate negative impacts	Governance: Business Ethics and Compliance
2-26 Mechanisms for seeking advice and raising concerns	Governance: Business Ethics and Compliance
2-27 Compliance with laws and regulations	Governance: Business Ethics and Compliance
2-28 Membership associations	Social: Diversity, Equity, Inclusion and Belonging
2-29 Approach to stakeholder engagement	Introduction: About NFP; NFP's Sustainability Strategy
2-30 Collective bargaining agreements	No employees are covered by collective bargaining agreements.

## GRI 3: MATERIAL TOPICS 2021

Disclosure	NFP Alignment / Location in Report
3-1 Process to determine material topics	NFP's Sustainability Strategy
3-2 List of material topics	NFP's Sustainability Strategy: Materiality and Sustainability Strategy
3-3 Management of material topics	NFP's Sustainability Strategy: Materiality and Sustainability Strategy; Sustainability Governance

## GRI 201: ECONOMIC PERFORMANCE 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	NFP's website
201-1 Direct economic value generated and distributed	As NFP is privately-held, this information is confidential
201-2 Financial implications and other risks and opportunities due to climate change	NFP's website
201-3 Defined benefit plan obligations and other retirement plans	We do not report/track this information but will consider doing so in the future.
201-4 Financial assistance received from government	Not applicable

## GRI 202: MARKET PRESENCE 2016

Disclosure	NFP Alignment / Location in Report
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not material
202-2 Proportion of senior management hired from the local community	Not material

## GRI 203: INDIRECT ECONOMIC IMPACTS 2016

Disclosure	NFP Alignment / Location in Report
203-1 Infrastructure investments and services supported	Not material
203-2 Significant indirect economic impacts	Not material

## GRI 204: PROCUREMENT PRACTICES 2016

Disclosure	NFP Alignment / Location in Report
204-1 Proportion of spending on local suppliers	Not material

## GRI 205: ANTI-CORRUPTION 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Governance: Business Ethics and Compliance; Risk Management
205-1 Operations assessed for risks related to corruption	Governance: Business Ethics and Compliance; Risk Management
205-2 Communication and training about anti-corruption policies and procedures	Governance: Business Ethics and Compliance; Risk Management
205-3 Confirmed incidents of corruption and actions taken	We had zero incidents in 2022



## GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Governance: Business Ethics and Compliance; Risk Management
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	This information is confidential

## GRI 207: TAX 2019

Disclosure	NFP Alignment / Location in Report
207-1 Approach to tax	Not material
207-2 Tax governance, control, and risk management	Not material
207-3 Stakeholder engagement and management of concerns related to tax	Not material
207-4 Country-by-country reporting	Not material

## GRI 301: MATERIALS 2016

Disclosure	NFP Alignment / Location in Report
301-1 Materials used by weight or volume	Not material
301-2 Recycled input materials used	Not material
301-3 Reclaimed products and their packaging materials	Not material

## GRI 302: ENERGY 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Environmental: Environmental Stewardship
302-1 Energy consumption within the organization	We do not report/track this information but will consider doing so in the future.
302-2 Energy consumption outside of the organization	We do not report/track this information but will consider doing so in the future.
302-3 Energy intensity	We do not report/track this information but will consider doing so in the future.
302-4 Reduction of energy consumption	We do not report/track this information but will consider doing so in the future.
302-5 Reductions in energy requirements of products and services	Not applicable

## GRI 303: WATER AND EFFLUENTS 2018

Disclosure	NFP Alignment / Location in Report
303-1 Interactions with water as a shared resource	Not material
303-2 Management of water discharge-related impacts	Not material
303-3 Water withdrawal	Not material
303-4 Water discharge	Not material
303-5 Water consumption	Not material

## GRI 304: BIODIVERSITY 2016

Disclosure	NFP Alignment / Location in Report
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not material
304-2 Significant impacts of activities, products and services on biodiversity	Not material
304-3 Habitats protected or restored	Not material
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not material

## GRI 305: EMISSIONS 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Environmental: Environmental Stewardship
305-1 Direct (Scope 1) GHG emissions	We do not report/track this information but will consider doing so in the future.
305-2 Energy indirect (Scope 2) GHG emissions	We do not report/track this information but will consider doing so in the future.
305-3 Other indirect (Scope 3) GHG emissions	We do not report/track this information but will consider doing so in the future.
305-4 GHG emissions intensity	We do not report/track this information but will consider doing so in the future.
305-5 Reduction of GHG emissions	We do not report/track this information but will consider doing so in the future.
305-6 Emissions of ozone-depleting substances (ODS)	Not applicable
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable

## GRI 306: WASTE 2020

Disclosure	NFP Alignment / Location in Report
306-1 Waste generation and significant waste-related impacts	Not material
306-2 Management of significant waste-related impacts	Not material
306-3 Waste generated	Not material
306-4 Waste diverted from disposal	Not material
306-5 Waste directed to disposal	Not material

## GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

Disclosure	NFP Alignment / Location in Report
308-1 New suppliers that were screened using environmental criteria	Not material
308-2 Negative environmental impacts in the supply chain and actions taken	Not material

## GRI 401: EMPLOYMENT 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Social: Talent Attraction, Engagement and Development
401-1 New employee hires and employee turnover	Total number of net new hires in 2022 was 1,721. Social: Talent Attraction, Engagement and Development
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	NFP offers full-time employees a suite of benefits including life insurance, health care, disability coverage, parental leave, among others.
401-3 Parental leave	100% of the organization is entitled to parental leave: In 2022, the breakdown included: 3,541 female, 2,240 male, and 1 non-binary.

## GRI 402: LABOR/MANAGEMENT RELATIONS 2016

Disclosure	NFP Alignment / Location in Report
402-1 Minimum notice periods regarding operational changes	Not material



## GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Social: Employee Health and Safety
403-1 Occupational health and safety management system	We do not report/track this information but will consider doing so in the future.
403-2 Hazard identification, risk assessment, and incident investigation	Not applicable
403-3 Occupational health services	Not applicable
403-4 Worker participation, consultation, and communication on occupational health and safety	Not applicable
403-5 Worker training on occupational health and safety	NFP does not have a formal health and safety training but will consider implementing one in the future.
403-6 Promotion of worker health	Not applicable
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	We do not report/track this information but will consider doing so in the future.
403-8 Workers covered by an occupational health and safety management system	Not applicable
403-9 Work-related injuries	In 2022, 0.001% of employees filed workers compensation claims that were addressed promptly and are now closed. We had zero work-related fatalities in 2022.
403-10 Work-related ill health	We had zero work-related ill health incidents in 2022

## GRI 404: TRAINING AND EDUCATION 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Social: Talent Attraction, Engagement and Development
404-1 Average hours of training per year per employee	Social: Talent Attraction, Engagement and Development
404-2 Programs for upgrading employee skills and transition assistance programs	Social: Talent Attraction, Engagement and Development
404-3 Percentage of employees receiving regular performance and career development reviews	50-60% adoption for performance process

## GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Social: Diversity, Equity, Inclusion and Belonging
405-1 Diversity of governance bodies and employees	Social: Diversity, Equity, Inclusion and Belonging
405-2 Ratio of basic salary and remuneration of women to men	This information is confidential

## GRI 406: NON-DISCRIMINATION 2016

Disclosure	NFP Alignment / Location in Report
406-1 Incidents of discrimination and corrective actions taken	This information is confidential

## GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016

Disclosure	NFP Alignment / Location in Report
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not material

## GRI 408: CHILD LABOR 2016

Disclosure	NFP Alignment / Location in Report
408-1 Operations and suppliers at significant risk for incidents of child labor	Not material

## GRI 409: FORCED OR COMPULSORY LABOR 2016

Disclosure	NFP Alignment / Location in Report
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not material

## GRI 410: SECURITY PRACTICES 2016

Disclosure	NFP Alignment / Location in Report
410-1 Security personnel trained in human rights policies or procedures	Not material

## GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016

Disclosure	NFP Alignment / Location in Report
411-1 Incidents of violations involving rights of indigenous peoples	Not material

## GRI 413: LOCAL COMMUNITIES 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Social: Corporate Citizenship and Community Relations
413-1 Operations with local community engagement, impact assessments, and development programs	NFP has not completed any social impact assessments or connected with any local work councils.
413-2 Operations with significant actual and potential negative impacts on local communities	Not applicable

## GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

Disclosure	NFP Alignment / Location in Report
414-1 New suppliers that were screened using social criteria	Not material
414-2 Negative social impacts in the supply chain and actions taken	Not material

## GRI 415: PUBLIC POLICY 2016

Disclosure	NFP Alignment / Location in Report
415-1 Political contributions	Not material

## GRI 416: CUSTOMER HEALTH AND SAFETY 2016

Disclosure	NFP Alignment / Location in Report
416-1 Assessment of the health and safety impacts of product and service categories	Not material
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not material

## GRI 417: MARKETING AND LABELING 2016

Disclosure	NFP Alignment / Location in Report
417-1 Requirements for product and service information and labeling	Not material
417-2 Incidents of non-compliance concerning product and service information and labeling	Not material
417-3 Incidents of non-compliance concerning marketing communications	Not material

## GRI 418: CUSTOMER PRIVACY 2016

Disclosure	NFP Alignment / Location in Report
3-3 Management of material topics	Governance: Data Security; Customer Privacy
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance: Data Security; Customer Privacy



## APPENDIX B

# SASB Content Index

NFP is not assigned to an industry through SASB's classification system; however, we identified three industry specific standards that we believe are relevant to our business, including Financials Sector – Insurance (FN-IN) standard, Financials Sector – Asset Management & Custody Activities (FN-AC) standard, and Services Sector – Professional & Commercial Services (SV-PS) standard. We did not report on topics that are not relevant to our business and topics where we do not currently collect data.

## TRANSPARENT INFORMATION & FAIR ADVICE FOR CUSTOMERS

SASB Code	Metric	NFP Alignment / Location in Report
FN-IN-270a.1 FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	This information is confidential.
FN-IN-270a.3	Customer retention rate	In 2022, 94%
FN-IN-270a.4 FN-AC-270a.3	Description of approach to informing customers about products and services	Introduction: About NFP
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	This information is confidential.

## INCORPORATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS IN INVESTMENT MANAGEMENT & ADVISORY

SASB Code	Metric	NFP Alignment / Location in Report
FN-IN-410a.2 FN-AC-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies	Environmental Stewardship
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	As a private company, we do not employ proxies. We hold quarterly conference calls with investors. We issue press releases offering investors access to these calls.

## SYSTEMIC RISK MANAGEMENT

SASB Code	Metric	NFP Alignment / Location in Report
FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	We have limited involvement with derivative financial instruments, and we do not use financial instruments or derivatives for any trading or other speculative purposes. (3) This information is confidential
FN-IN-550a.3	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	<p>The Company is exposed to various market risks in its daily operations. Changes in interest rates, creditworthiness, the solvency of counterparties, liquidity in the market, equity securities pricing, or other market conditions could have a material impact on the Company's results of operations.</p> <p>The magnitude of the debt incurred pursuant to the 2020 Senior Secured Credit Facilities, which is subject to a variable interest rate, has a material impact on the Company's interest rate risk. The Company is further exposed to short-term interest rate risk because it holds cash and cash equivalents. These funds cannot be used for general corporate purposes and should not be considered a source of liquidity for the Company.</p> <p>The Company is exposed to credit risk from over-advanced fees to principals and promissory notes. The Company records a reserve for its promissory notes and over-advanced fees to principals based on historical experience and expected trends. The Company also performs ongoing evaluations of the creditworthiness of its counterparties.</p> <p>The Company has market risk on the fees it earns that are based on the value of assets under management or the value of assets held in certain mutual fund accounts and variable insurance policies for which ongoing fees or commissions are paid. Movements in equity market prices, interest rates or credit spreads could cause the value of assets under management to decline, which could result in lower fees to the Company. Certain of the Company's performance-based fees are impacted by fluctuation in the market performance of the assets managed according to such arrangements.</p>

## EMPLOYEE DIVERSITY & INCLUSION

SASB Code	Metric	NFP Alignment / Location in Report
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Social: Diversity, Equity, Inclusion and Belonging
SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees	Social: Talent Attraction, Engagement and Development
SV-PS-330a.3	Employee engagement as a percentage	Social: Talent Attraction, Engagement and Development

## BUSINESS ETHICS

SASB Code	Metric	NFP Alignment / Location in Report
FN-AC-510a.1 SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	This is relevant; however, this information is confidential
FN-AC-510a.2	Description of whistleblower policies and procedures	Governance: Business Ethics and Compliance

## DATA SECURITY

SASB Code	Metric	NFP Alignment / Location in Report
SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Governance: Data Security
SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Governance: Data Security; Customer Privacy
SV-PS-230a.3	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Governance: Data Security; Customer Privacy

## PROFESSIONAL INTEGRITY

SASB Code	Metric	NFP Alignment / Location in Report
SV-PS-510a.1	Description of approach to ensuring professional integrity	Introduction: About NFP



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