



2022

Driven by Purpose

Environmental, Social, and Governance Report

Root Inc

Driven by Purpose

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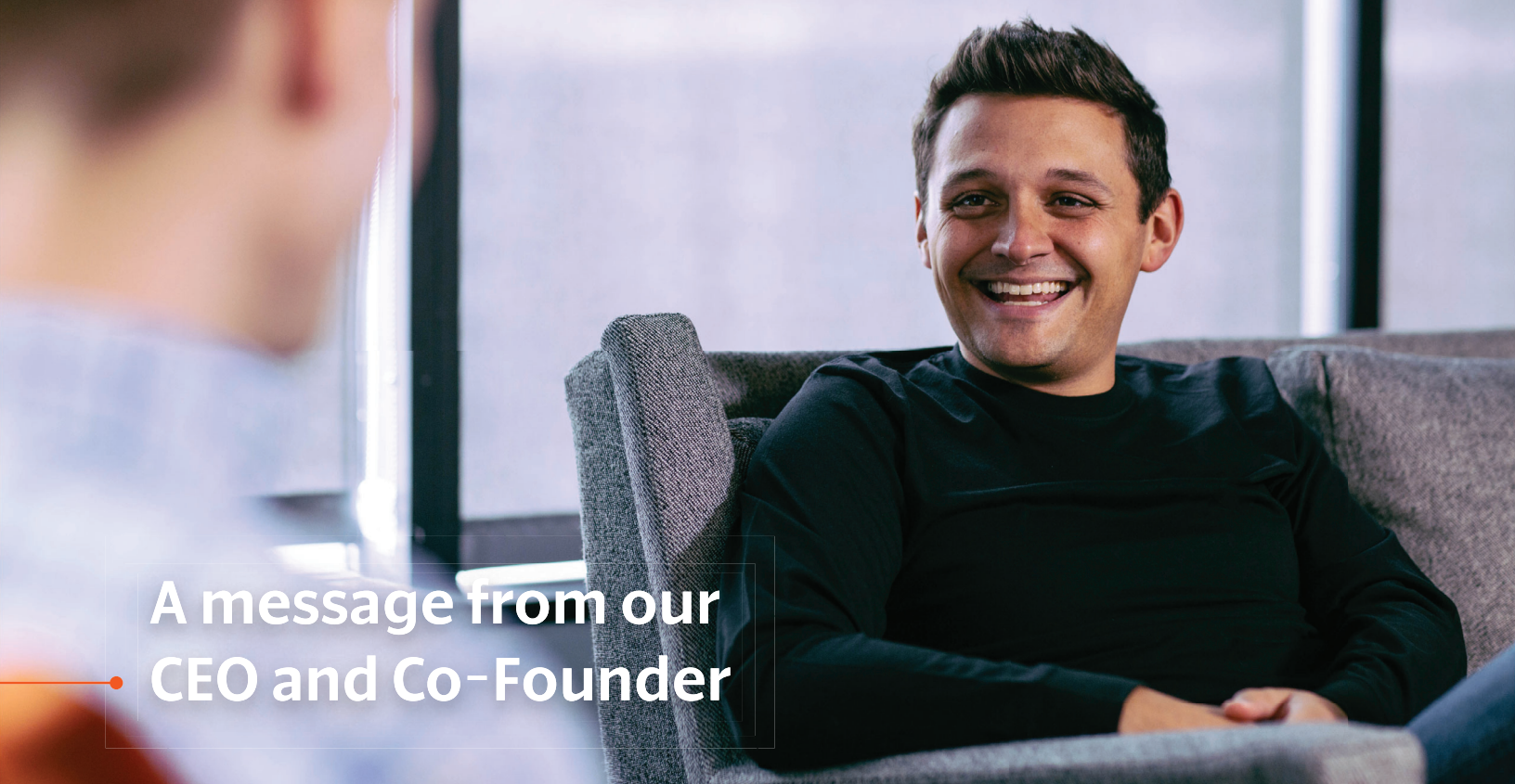
Taking a stand for progress starts here.



Root was founded on the principles of progress, change, and fairness—all through the lens of technology and data. Our commitment to these principles has never wavered.

In fact, it's grown stronger every year since our founding in 2015. With these principles in mind, we're proud to present our inaugural environmental, social, and governance report. We recognize the immense role we have in designing a modern company that not only provides drivers with great, affordable insurance, but also sets the pace for how young, technology-based companies serve employees, communities, and the world we all share.

Our ESG philosophy is a straight-forward approach that mirrors our business philosophy: develop ESG practices and processes and apply them into our direct operations, then constantly measure, test, and iterate to improve the impact our actions create. Data and technology are at the heart of our company, and are equally at the heart of our ESG efforts. This report has been designed to guide and track Root's environmental, social, and governance performance for the long term. We have chosen to align with the investor-led Sustainability Accounting Standards Board (SASB) framework to communicate our ESG activities and impact. You'll find our SASB framework for Property & Casualty Insurance Carriers in the Appendix of this report.

A man with short brown hair, wearing a black long-sleeved shirt, is sitting on a grey couch and smiling. He is looking towards the camera. In the background, there is a large window and a blurred figure of another person.

A message from our CEO and Co-Founder

As we navigate the early years of our company, I'm proud that our efforts have been inclusive of sustainable practices, proper governance, and a commitment to creating the very best work environment. I recognize this is only the beginning and that each quarter we'll be making bigger strides to reflect our commitments to our customers, our team members, our communities, and the environment. This process is an open dialogue, and we continue to learn more every day about how our impact can be even stronger. I look forward to sharing the progress we'll continue to make in upcoming reports.

A handwritten signature in black ink, appearing to read 'Alex Timm'.

Alex Timm
CEO and Co-Founder

WHO WE ARE

Root exists to create more fair and more affordable personal insurance products.

We do this by leveraging modern technology and data science to create seamless insurance purchasing experiences for our customers. Our prices have the advantage of modern, machine-learning technology and data.

Our mission: Use data and technology to unbreak the archaic insurance industry.

Our values

Be curious and push boundaries



Question the norm



Embrace the love of the problem



Tackle the tough challenges head-on



Filter the temptation to do the obvious

Be courageous and build trust



Have a bias for action



Judge on the merits of work



Celebrate ambitious teamwork



Lead with empathy

Be focused and deliver impact



Have the uncomfortable conversations



Invest, don't spend



Empower the customer

Co-founder and CEO Alex Timm drafted these values in a letter to the company in 2015. They've been a powerful part of the Root story since day one. The ideals in these values come to life in everything we do: the products we create, the processes we use to create them, and—most importantly—the hundreds of team members who make them real every single day. These values also serve as a measurement for our success, both within our business model, individual performance, and our approach to ESG efforts.

ENVIRONMENTAL •

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ENVIRONMENTAL

Minimizing our footprint on the world

Making investments in our digital product is how we best support the move to a low-carbon economy.

As a digital, product-based insurance company, we do not operate agent offices, fleet vehicles, or deploy monitoring hardware like many non-digital-based insurance companies.

Our Environmental Commitment

At Root, it is our policy to seek continual improvement throughout our business operations to lessen our impact on the local and global environment by conserving energy and water, promoting recycling and waste reduction, and complying with all environmental regulatory requirements that apply.

Each year, we state an updated Environmental Progress Plan and track our progress against that plan. This plan is developed with input from across the business and ultimately decided by members of the executive team. The plan is built quarterly by our internal ESG Committee and our strategy is approved by the Nominating and Governance Committee of Root's Board of Directors.

The efforts of our annual plan focus on the following areas:

- Optimizing digital-first products and features wherever possible
- Ensuring our headquarters operates with as little environmental impact as possible
- Educating customers on ways to reduce their carbon footprint through driving behaviors
- Empowering employees to reduce their carbon footprint
- Exploring options to evolve and ensure our business operations are run through an ESG lens

We are proud to share that we are on track to achieve 100% of our 2022 Environmental Progress Plan.

● 2022 Environmental Progress Plan

1

Reduce customer mailings by 2 million pieces.

By cutting back on direct mailings to potential customers, we were able to significantly reduce the printing, production, and potential landfill placement of more than two million pieces of marketing material.

2

Reduce headquarters space by 60%.

By transitioning to a **Work Where It Works Best** philosophy, we were able to significantly reduce the footprint of our home offices and transition away from our satellite offices in Chicago and Phoenix. Today, our headquarters in Columbus, Ohio is designed as an optional work environment for all team members. This approach not only cuts down on electric and water use, it also prevents hundreds of team members from driving into work every day, drastically reducing car emissions.

3

Design and launch a customer communications program on ways to reduce carbon footprint through driving behavior.

Our customer email series designed to educate Root customers on how driving behavior and vehicle maintenance can reduce gas usage will launch in Q4 of 2022.

4

Institute an environmental impact review on all product development features.

As our Product Design teams initiate work on any new or evolving feature within our digital product, they must document any environmental impact the feature will have. For example, does it reduce customer notification mailings, or could it potentially increase them? This documented data point is reviewed by Product Leadership for discussion, where the team continually aims to reduce mailings where possible.

Root's Environmental Progress Plan grows even stronger in 2023.

- Reduce customer mailings by an additional 500,000 pieces
- Communicate with all customers once per quarter on how they can **reduce their carbon footprint through driving behavior**
- Institute ESG considerations into third-party **vendor selection process**
- Institute ESG considerations in **investment portfolio and treasury operations**
- Publish a **revised Sustainability Report** Q4 2023



Root recycled 1571 lbs of electronics and donated 100 monitors and 50 keyboards to Buckeye Ranch, a leading provider of emotional, behavioral, and mental health services for Ohio children and families.

Root considers and employs many ways to reduce the environmental impact of our operations. Examples include, but are not limited to:

- As a mobile-first insurance product, we produce a digital-whenever-possible product. We seek partners who are also mobile first.
- Root offers electronic delivery of policies and required disclosures where allowed by law, and digital communications and servicing where allowed by law.
- We have a distributed workforce policy, allowing Root to operate with limited office space square footage, removing daily commutes for hundreds of employees.
- Root offers bike racks through the office and free bus passes to all employees, encouraging sustainable transit whenever possible.
- Our headquarters are in a 2018 building that uses energy efficient glass in windows, low-flush toilets, motion activated lights, and sensed sinks in restrooms. Thanks to water-refill stations, employees are encouraged to avoid single-use plastic water bottles. Ceramic dishware, glassware, and silverware are provided to reduce the need for paper products. The entire office uses only two printers and includes a comprehensive recycling program.

A commitment to cloud-based operations

Since our founding as a digital-first company, we have used a cloud-based approach to technology and data operations. To date, the overwhelming majority of our data is housed in cloud-based infrastructures. By partnering with Amazon Web Services (AWS) to house our data centers, we are able to track the impact of our data storage. In January of 2022, AWS moved to 100% renewables, creating a substantial beneficial impact on our company's ecological footprint.

As we enter 2023, we are committed to further understanding, measuring, and managing the environmental footprint of our hardware infrastructure. Root currently operates a very minimal amount of hardware infrastructure on-site.

2021 Data Center Carbon Emissions Summary

344.2 MTCO₂e
Root estimated AWS emissions

689.9 MTCO₂e
Root emissions saved on AWS

2022 Data Center Carbon Emissions Summary after switching to 100% renewables (as of Oct. 2022)

0.8 MTCO₂e ▼ 4,300%
Root estimated AWS emissions

301.0 MTCO₂e ▼ 229%
Root emissions saved on AWS

Data calculated from AWS. MTCO₂e = Metric ton carbon dioxide emissions.



Investing with an eye on the environment

Root seeks to invest in companies that produce goods and services that improve quality of life. Investments held in the company's portfolio should be considered in terms of their individual environmental, social, and governance activities and impact.

Climate-related Risk

Climate-related risks are considered as part of Root's annual enterprise risk assessment whereby various leaders and employees across the organization share informed perspectives on top risks. We plan to incorporate climate-related risks into our impact and likelihood risk measurement scales and overall risk taxonomy. The Audit, Risk, and Finance committee meets quarterly and addresses enterprise-level risks, including climate-related risks.



The Actuarial team tracks the claims from major storms and discusses, raising any concerns to the executive level. As part of Root's broader Enterprise Risk Management program, should a climate-related risk rise to be one of the top three risks to the organization, risk tolerance levels would be implemented and frequently monitored against. Should there be a breach of any tolerance limits, the associated executive sponsor would be alerted and a corrective action plan implemented to bring the risk level back within an acceptable level.

We have conducted an initial estimation of our emissions as part of our climate risk exposure assessment.

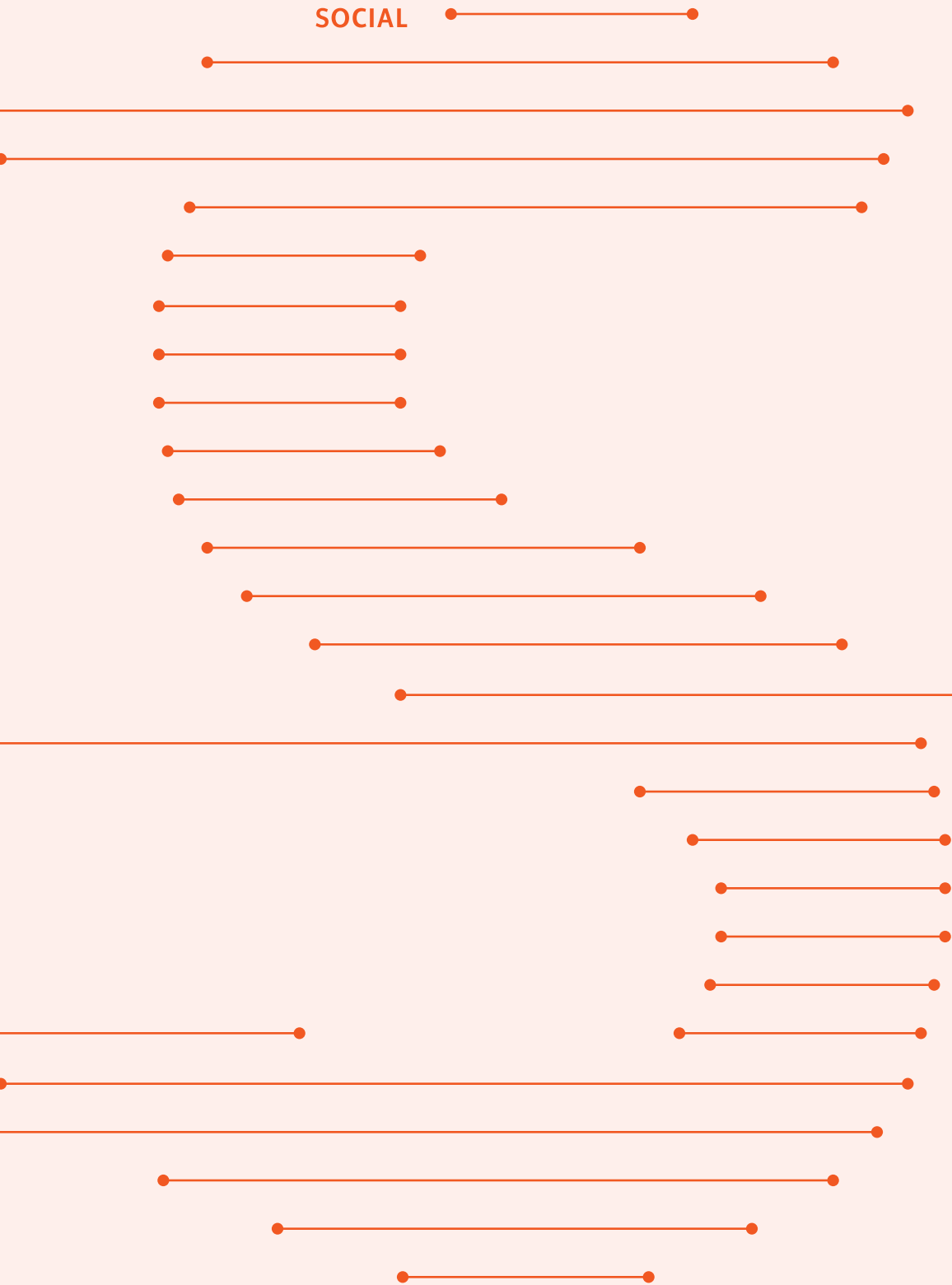
Scope 1 – 420.39 tCO₂e

Scope 2 – 6413.65 tCO₂e

Scope 3 – 30725.32 tCO₂e

Total – 37,559.36 MTCO₂e

SOCIAL



SOCIAL

Commitment to our team members and our communities

At Root, we strive to create an empowering work environment and experience for each of our team members every single day.

Additionally, we believe in giving back to the communities we live and work in whenever possible. We know that early investments of our resources, time, and talents will cultivate powerful relationships and outcomes for the future.



Employee experience

Empowering Root team members starts well before their day one. We take great pride in our recruitment process and strategy. At Root our goal is to attract, engage, convert, and retain top talent from anywhere in the U.S. Our philosophy is to find the right person at the right time to help achieve our business goals while creating an environment for each team member to thrive. We are committed to providing a fair living wage to all employees.

Who We Are



99.9%

of Root team members are based in the U.S.

One team member is based in the Cayman Islands. The rest of us are **100% jealous**.

Full workforce

56%
Male

44%
Female

29%
Racial/ethnic minorities

Board of Directors

40%
of Root's Board members
are female

50%
of Root's Board committees are
led by women

Diversity and belonging

At Root, we understand that a team with diverse backgrounds and perspectives delivers better insights and outcomes, enables innovation, and fosters a greater understanding of our customers.

Our efforts to create a diverse and inclusive workplace, particularly in the tech sector, are focused on talent acquisition and development, education and training, feedback and collaboration, and strategic planning aimed at consistent growth. We aim to remove bias from the workplace. We listen and act on diversity issues as they arise.

We partnered with Data Science for All, Service 2 Software, and other organizations to ensure diversity in our hiring pipeline. In 2022 we incorporated diverse hiring slates for manager and above roles. We have worked hard to remove processes that potentially add bias to our hiring process.



Team member well-being

Root offers comprehensive resources to help team members maximize their well-being and development, including access to healthcare and therapy, as well as educational, feedback, and growth opportunities.

Root promotes work life balance by offering a full range of benefits:

Flexible
PTO

Paid
parental
leave

Free therapy
and counseling
sessions

Remote
work

Healthcare, vision care, and
dental plan options

3%
401(k) match

Equity
opportunities

Employee Resource Groups

Root's three Employee Resource Groups are designed to provide community, connectivity, and resources.



Tribe: Cultivating a professional, healthy, and supportive environment while amplifying Black voices at Root.

Women at Root: Creating a culture and company that empowers women and allies to do their best work.

Pride365: Celebrating everything LGBTQ+ at Root and in our communities.

Fostering a culture of continuous learning

All managers at Root receive weekly leadership communication and all Senior Leaders attend a monthly Senior Leadership Council meeting. The council, led by our Chief People and Organizational Effectiveness Officer, features specific leadership training and open-dialogue discussions to empower Root's leaders with tools to effectively lead and empower their teams. Additionally, Root People Team leaders are available to conduct individual training and coaching to all team members as needed.



Topics discussed through the year-long manager meetings include:

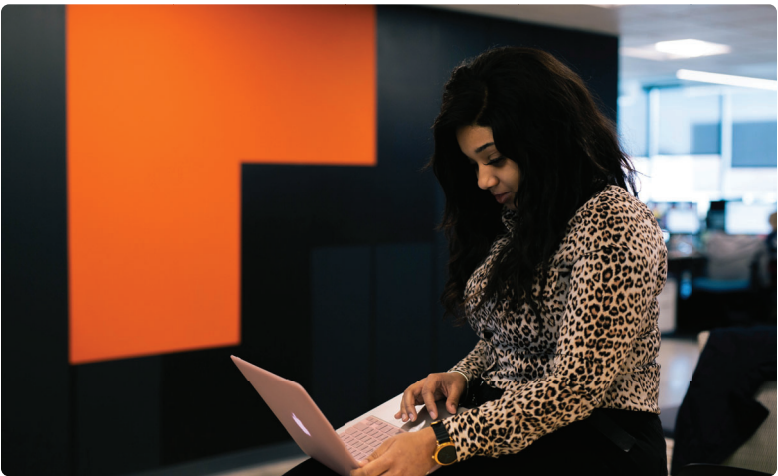
- Conflict Resolution
- Performance Management
- Mitigating Unconscious Bias
- Effective Meeting Design
- Developing Clear Objectives and Key Results
- Communication Tools and Expectations
- Developing Strong Listening Skills
- Building Team Resilience
- Team Effectiveness
- Leading Through Change

2022 Environmental, Social, and Governance Report

Root partners with Franklin University to provide tuition discounts to team members. Team members do not need to be enrolled in courses or programs related to their Root roles and responsibilities to take advantage of these partnerships. **100% of Root employees are eligible to participate in the University Partnerships program.**

Available to all Root team members, **LinkedIn Learning** offers content led by industry experts to strengthen professional skills, learn software programs, and explore areas of interest for continued career growth.

The platform offers more than 16,000 courses, each broken down into multiple short videos with specific learning goals. LinkedIn Learning courses are divided into four categories: Business, Technology, Creative, and Certifications.



Most popular courses:

- **Conference call presence**
- **Positive positioning with customers**
- **Expectations and Preparation**
- **Introducing yourself and speaking up/enhancing conversation**
- **Time Management**

425

logged in (56%)

328

unique viewers (42%)

989

hours viewed

754

course completions

17,662

video completions

26

learning path completions

Support and opportunity, right from the start

Our **onboarding experience** is focused on creating an orientation that is welcoming and educational. Informative sessions allow new hires to learn about all areas of our business and provide exposure to senior level team members across the company. We aim to inspire and connect with our new team members, specifically providing them with the tools and strategies they need to be successful in our organization.

Performance reviews occur on a quarterly schedule and align with our company-wide objectives and key results framework. Using Workday as our Human Resources Information System, we focus and document these reviews on performance against past goals, goal-setting for the next quarter, any roadblocks or challenges in the current role, and identify professional development opportunities.

Creating **career growth and opportunity** is key to our investments in our people. Job openings are always posted internally first. In 2022, 266 team members received promotions to new roles.



Lighthouse compliance hotline

Root is committed to providing a safe and comfortable environment for all team members. To ensure due process to all concerns, Root offers Lighthouse Services, a 24/7 anonymous ethics and compliance hotline, to serve as a channel for times when need assistance in handling a situation directly, and would like to do so anonymously.

Employee engagement

Open, honest feedback is at the heart of the Root employee experience. Each quarter, we host employee satisfaction surveys. The survey consists of nine categories including celebration of people, visibility, communication frequency, transparency, goal setting, pride, diversity & belonging, trust, and change management.

Once the survey is complete, Human Resources Business Partners work with senior leadership to conduct focus groups within their client groups to dive deeper into the survey results, providing team members the opportunity to discuss the outcomes and voice their opinions. As part of this process, the output is a culture action plan both at the organizational and functional levels, designed to resolve issues and concerns and, in turn, increase overall satisfaction.

On average, Root's 2022 satisfaction level across the employee survey was **79%** with an **85%** participation rate.

Favorability is measured as the percentage of team members who responded with "Tend to Agree" or "Strongly Agree". The numbers below represent the percentage of responses that received a favorable rating.

2022 Employee Survey Results highlights include:

89%

Celebration of people

88%

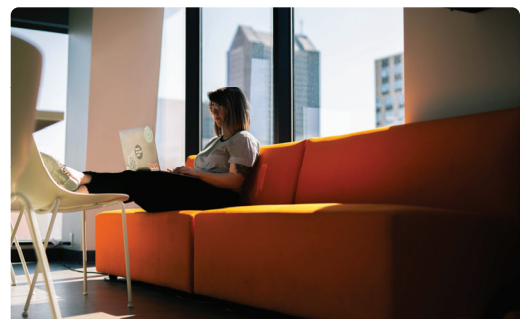
Visibility

91%

Communication frequency

83%

Goal setting



Community engagement and impact

Not only is our duty as a corporate citizen to give back to our communities, it is equally important that we create opportunities for our teams to engage and contribute.



Over the past five years, Root team members have raised and donated more than **\$300,000 for cancer research** through Pelotonia, a widely-recognized nonprofit that raises millions of dollars all going directly toward innovative cancer research.

In honor of Black History Month, Root donates to the **Wendell Scott Foundation**, a national nonprofit established to commemorate the first African-American race car driver to win the Grand National, NASCAR's highest level. The foundation works to provide services to at-risk youth through educational development, cultural activities, STEM-based programs, and mentorship endeavors.



In the summer of 2022, team members donated 350 hours of community service during onsite meetings to the following organizations and initiatives:

- **Ronald McDonald House**
- **Mid-Ohio Market Food Pantry**
- **Olentangy River cleanup**



On behalf of our team members, Root donated \$50,000 to the following organizations last holiday season. Team members individually selected the organization that received the donation in their honor.

- **Humane Society**
- **National Urban League**
- **The Trevor Project**
- **The Conservation Fund**
- **Code.org**

Community engagement and impact

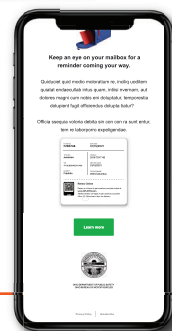
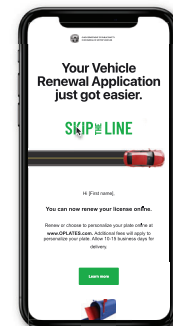


Creating greener, cleaner communities

When our team members do meet in person, you'll often find them adding volunteer hours to their meetings. Many of those volunteer hours go toward river and park clean up near our Columbus headquarters.

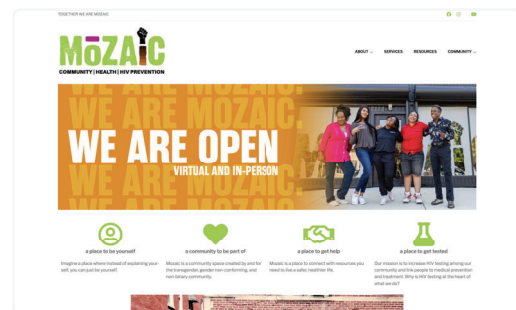
Innovate Ohio

Root donated design, engineering, and leadership resources to Innovate Ohio, a Governor-sponsored task force designed to attract tech talent to Ohio. One initiative that Root greatly contributed to was redesigning the Ohio Bureau of Motor Vehicles digital experience. Not only did the the work result in more services moving online, Root's team drastically improved the flow of online registration by updating mailers with QR codes and creating social campaigns for "Skip the Line." Most importantly, **a redesign of the homepage resulted in a 400% increase in organ donor sign-up.**



MOZAIC

Root's Marketing team volunteered 80 hours of time and talent to evolve the brand and communications channels for MOZAIC, a wellness program and community space for transgender, gender non-conforming, and non-binary people. The result was a powerful suite of photography, video, social media, and web assets.



GOVERNANCE



GOVERNANCE

Commitment to sound governance

Root's commitment to environmental, social, and governance initiatives stems from strong leadership.

Root Inc.'s Board of Directors sets high standards for the company's employees, officers, and directors. Implicit in this approach is the importance of sound corporate governance.

The Board of Directors oversees the management of Root. The Board of Directors has assigned oversight of risks, policies, strategies and programs related to sustainability, corporate social responsibility, and governance to the Nominating and Governance Committee of the Board. Root's management team provides quarterly updates on environmental, social, and governance efforts to the Nominating and Governance Committee.

Additionally, Root's ESG Committee, made up of team members from across the business, meets quarterly to discuss, ideate, and approve ESG initiatives. The ESG Committee is led by the Chief Impact Officer, who reports directly to the CEO. All policies, disclosures, and content created related to ESG efforts are reviewed by the office of the General Counsel.

Root's ESG management structure



Root's ESG Committee, made up of team members from across the business, meets quarterly to discuss, ideate, and approve ESG initiatives.



Commitment to transparency

Root is regulated by a department of insurance for each state we operate in, thirty three in total. We work closely with these departments, led by commissioners, to pursue policies, rate filings, and product features that are compliant with regulations of each state.

Root utilizes a dedicated website, ir.joinroot.com, to share earnings quarterly, host annual meetings for shareholders, and have open communications with our customers through multiple digital and live-call formats. Our proxy statements are distributed to shareholders in connection with our annual meetings and include comprehensive disclosure of our governance practices.



Root is regulated by
Departments of Insurance
in each of the **33 states**
where we operate.

Keeping customer data safe and secure

Our dedication to maintaining the security and privacy of our customer data is empowered by cutting-edge technology. When customers and prospective customers download the Root app and enable their permissions, we use telematics data collected by their phone to measure their safety behind the wheel. This data allows us to offer better rates to better drivers whenever possible.

We uphold strict standards for the security and privacy of customer data. This means **we never sell personally identifiable data**, including name, address, and drivers license number.

Sensitive information is stored in an encrypted environment and any sensitive information submitted to us or by us is sent securely using encryption. Our full privacy policy can be found at ir.joinroot.com. Prior to partnering with Root, every 3rd party vendor is required to complete a rigorous risk assessment questionnaire to further protect customer data and privacy.

Information Security Program

Root has designed and implemented a comprehensive Information Security Program to protect the confidentiality, integrity, and availability of Root's information systems and data, as well as to ensure compliance applicable laws and regulations. As part of the program, Root has implemented a robust information security and privacy training and awareness program for Root employees, including new-hire training, ongoing monthly training, and regular phishing simulations/exercises.

Root regularly performs assessments of information security risk and leverages the results of the assessment to identify any necessary changes to the design and implementation of the Information Security Program in order to appropriately mitigate the identified risks. Where appropriate, Root leverages the National Institute of Standards and Technology's (NIST's) approach to managing information security related risks defined in the Cybersecurity Framework.

Quarterly, the Chief Information Security Officer provides an update to the Audit, Risk, and Finance Committee of the Board. This update includes topics such as overall information security and privacy program status and compliance, any material matters, cybersecurity related risks, and recommended changes to the Information Security Program. Additionally, the Computer Security Incident Response Team (CSIRT), led by Root's Chief Legal Officer, escalates all material information security incidents to Root's executive officers and the Board as needed.

In 2022, Root team members completed

1,100+ hours
of information security training.

95%

of employees on average complete this
required training.

100%

of Root employees
receive information
security and data
privacy training as
part of their new-hire
orientation.

Additional
information security
and data-privacy
training is sent out
to all employees
on a monthly basis.

Business ethics and compliance

Root operates in a highly regulated industry and is subject to many requirements designed to protect our policyholders and the communities where we do business. The requirements include state and federal insurance laws, as well as federal, state, and local laws of general application such as tax and employment laws. Root has also established company policies designed to promote ethical behavior.

Root expects its employees to conduct themselves in accordance with the highest ethical standards and to comply with all applicable laws and company policies reflecting those standards. Root's **Business Code of Conduct** is required training and intended to provide employees with general guidance on how to identify and report potential compliance and ethics issues.

Additional required training courses include: Harassment Prevention, Code of Ethics, Compliance, and Conflict of Interest.

Root's Whistleblower Policy allows employees to confidentially report suspected violations of the Code of Conduct.



As stated in our [Human Rights Policy](#), the company respects the human, cultural, and legal rights of all individuals regardless of race, color, age, gender, sexual orientation, gender identity, ethnicity, disability, genetic information, religion, national origin, ancestry, veteran status, marital status, or any other characteristic protected by law in the applicable jurisdiction, and promotes the goals and principles of the United Nations Universal Declaration of Human Rights.

Strategic risk management

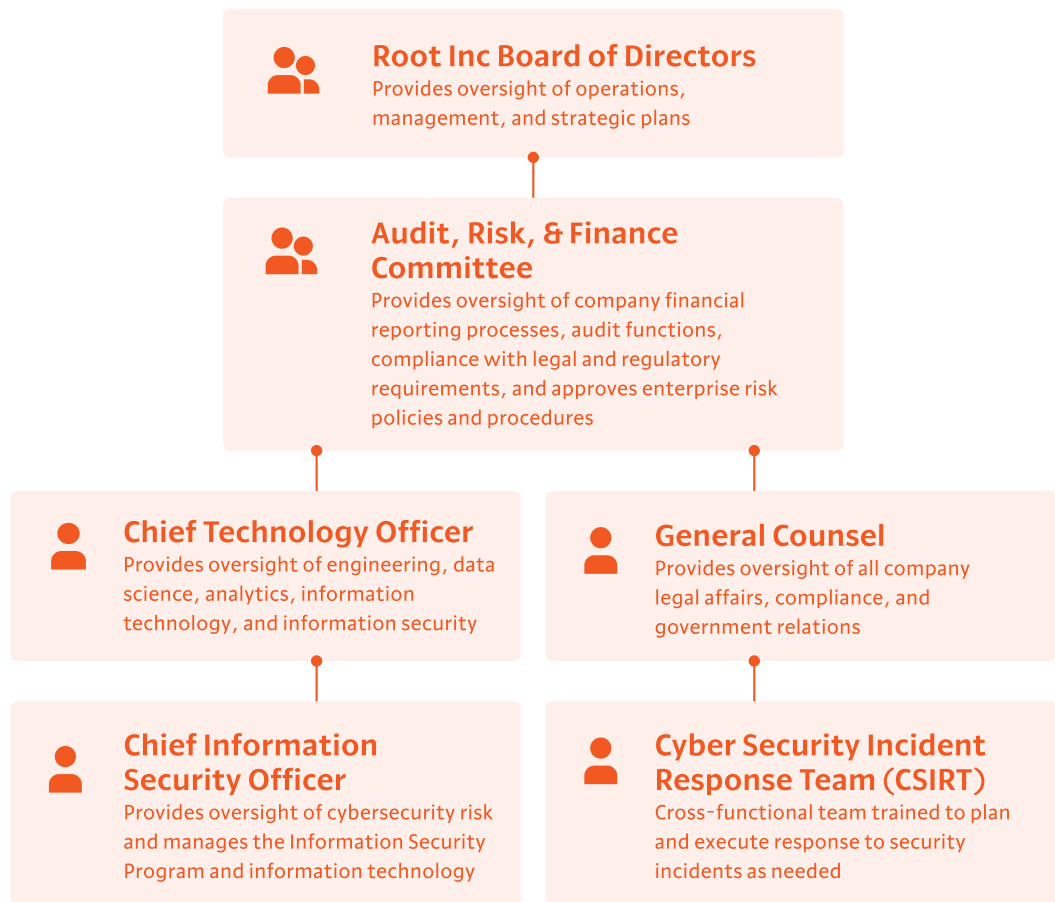
Risk is ultimately managed at the board level through our Audit, Risk and Finance Committee, composed of and led by independent board directors. Together they oversee a culture of detailed risk monitoring, awareness, and reporting.



The following practices are integral to Root's success in managing risk:

- **Regulatory compliance**
- **Identifying risk and measuring it in full economic cycles**
- **Reinsurance capital**
- **Compensation plans aligned with risk tolerance and objectives**

Root's information management oversight structure



APPENDIX

Sustainability Accounting Standards Board (SASB) Tables



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ROOT has disclosed a combination of the SASB's Industry Standards for Insurance and Software & IT Services to reflect the company's business model. Root is omitting responses to certain SASB Accounting Metrics. In accordance with SASB Standards Application Guidance (Section 2.2 Omissions and Modifications), it is disclosing its rationale for each omission or modification below. Omission of Sirius information is clarified in each disclosure.

SICS	Topic	Accounting Metric	Category	Unit of Measure	Code	ROOT Disclosure
Insurance	Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and recurring customers	Quantitative	Reporting Currency	FN-IN-270a.1	Root does not disclose this information.
		Complaints-to-claims ratio	Quantitative	Rate	FN-IN-270a.2	Complaints are reported as part of our annual MCAS reporting that is not disclosed publicly. The National Association of Insurance Commissioners (NAIC) also provides state-specific data about insurer consumer complaint ratios. Visit naic.org to see the current data on our Company Complaint Index.
		Customer retention rate	Quantitative	Rate	FN-IN-270a.3	Root does not disclose this information.
		Description of approach to informing customers about products	Discussion & Analysis	n/a	FN-IN-270a.4	Current customers and potential Root customers learn about Root's products via our digital platforms — our website (root.com) and our app (available for iOS and Android). For more detailed information on our product offerings, they can speak with a Customer Service representative or review the detailed FAQ on our website. Lastly, we communicate to customers about products via email and SMS messaging and potential customers learn about our product through our marketing and advertising programs, mostly through digital platforms and vertical search.
	Incorporation of Environmental, Social, and Governance Factors in Investment Management	Total invested assets, by industry and asset class	Quantitative	Reporting Currency	FN-IN-420a.1	\$120.8 million as of 6/30/2022. See Appendix details for industry and asset class breakdown.
		Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies-to-claims ratio	Discussion & Analysis	n/a	FN-IN-410a.2	Root seeks to invest in companies that produce goods and services that improve quality of life. Investments held in the company's portfolio should be considered in terms of their individual environmental, social, and governance ("ESG") activities and impact.

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SICS	Topic	Accounting Metric	Category	Unit of Measure	Code	ROOT Disclosure
Insurance	Policies Designed to Incentivize Responsible Behavior	Net premiums written related to energy efficiency and low carbon technology	Quantitative	Reporting Currency	FN-IN-410b.1	Root has written \$16.9M in premium to Tesla and Prius vehicles from 2015 to 10/14/22. This reflects .7% of Root's total written premium since our 2015 founding as of 10/14/22.
		Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	Discussion & Analysis	n/a	FN-IN-410b.2	The Root Test Drive — the basis of our core product — incentivizes safe driving. Our rates are based primarily on how good of a driver the potential customer is. We measure safe driving through smartphone sensors that gather and analyze data on focused driving, smooth breaking, gentle turns, and safe driving hours. Root does not offer quotes to everyone. As our Product Design teams initiate work on any new or evolving feature within our product, they must document any environmental impact the feature will have. Our customer email series designed to educate Root customers on how driving behavior and vehicle maintenance can reduce gas usage will launch in Q4 of 2022.
	Environmental Risk Exposure	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Quantitative	Reporting Currency	FN-IN-450a.1	Root targets less than a 1% likelihood of annual aggregate catastrophe losses exceeding \$10M from Hurricanes, Earthquakes, Severe Convective Storms (Tornado, Hail, etc.), Winter Storms, and Inland Flood.
		Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Quantitative	Reporting Currency	FN-IN-450a.2	The total amount of monetary losses attributable to insurance payouts from weather-related comprehensive losses in accident year 2021 was \$15M on both net and gross of reinsurance bases. Root does not separately identify losses by modeled and nonmodeled catastrophes as we do not believe this categorization is meaningful to our business.
		Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and 2) the management of firm-level risks and capital adequacy	Discussion & Analysis	n/a	FN-IN-450a.3	As part of our continuous assessment of environmental risk to our insurance operations, we proactively monitor severe weather events and study risks associated with changing climates across geographic locations. The resulting risk data and analyses are then incorporated into our underwriting policy and management practices. In the ordinary course of business, Root cedes and retrocedes a portion of our business written and assumed, respectively, to reinsurers to limit the maximum net loss potential arising from large risks and catastrophes.

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SICS	Topic	Accounting Metric	Category	Unit of Measure	Code	ROOT Disclosure
Insurance	Systemic Risk Management	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	Quantitative	Reporting Currency	FN-IN-550a.1	Root does not have exposure to derivative investing.
		Total fair value of securities lending collateral assets	Quantitative	Reporting Currency	FN-IN-550a.2	Root does not have any bonds that fall into this category.
		Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	Discussion & Analysis	n/a	FN-IN-550a.3	The capital and liquidity related risks associated with non-insurance activities are addressed in the Root portfolios as follows: • The portfolios hold a significant amount of cash and short term investments (at least 20% of investments) • The duration profiles of the portfolios are short, which lessens the impact of interest rate movements • The overall credit quality of the investments is very high, which reduces the impact of broad market credit events • A laddered structure is employed to ensure consistent cash flows to help mitigate interest rate risk
Software & IT Services	Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed (2) percentage grid electricity (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TC-SI-130a.1	Data center 2021: 344.2 MTCO₂e (689.9 MTCO₂e saved with AWS) - 0% renewable 2022: 0.8 MTCO₂e (301 MTCO₂e saved with AWS) - 100% renewable Electric * 2022: 38,561.8 kWh (thousand Watt-hours) * Office Estimate - Based on building utilization and energy star program statistics for HQ
		(1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand Cubic meters (m ³), Percentage (%)	TC-SI-130a.2	Office Estimate - based on building utilization and energy star program statistics for HQ 2021 - 3237.2 cf (cubic feet) 2022 - 1245.3 cf (cubic feet)
		Discussion of the integration of environmental considerations into strategic planning for data center needs	Discussion & Analysis	n/a	TC-SI-130a.3	By partnering with Amazon Web Services (AWS) as a vendor, we're able to document our emissions saved by using AWS renewable energy purchases, specifically AWS computing services. Root was switched to 100% renewables in January of 2022 by AWS having a substantial impact on our company's ecological footprint, as the vast majority of our computing resources are cloud computing.

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SICS	Topic	Accounting Metric	Category	Unit of Measure	Code	ROOT Disclosure
Software & IT Services	Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	Discussion & Analysis	n/a	TC-SI-220a.1	Please see our Privacy Policy
		Number of users whose information is used for secondary purposes	Quantitative	Number	TC-SI-220a.2	We never sell personally identifiable data, including name, address, and drivers license number. Sensitive information is stored in an encrypted environment and any sensitive information submitted to us or by us is sent securely using encryption. We may use, share, disseminate, or sell aggregated, anonymized data of consumers. This aggregated, anonymized data cannot be reasonably traceable to any individual. Please see our Privacy Policy for more information.
		Total amount of monetary losses as a result of legal proceedings associated with user privacy	Quantitative	Reporting Currency	TC-SI-220a.3	Root does not disclose this information.
		(1) Number of law enforcement requests for user information (2) number of users whose information was requested and (3) percentage resulting in disclosure	Quantitative	Number, Percentage (%)	TC-SI-220a.4	Root does not disclose this information.
		List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or sensing	Discussion & Analysis	n/a	TC-SI-220a.5	Root's operations are in the U.S. only.
	Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Quantitative	Number, Percentage (%)	TC-SI-230a.1	Root does not disclose this information.
		Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion & Analysis	n/a	TC-SI-230a.2	Root Inc. has designed and implemented an Information Security Program to protect the confidentiality, integrity, and availability of Root information systems and data (including nonpublic information in Root's possession, custody, or control), as well as ensure compliance with Information Security Program requirements for insurers as set forth in applicable state laws and regulations. Root performs annual information security risk assessments to identify any necessary changes to the design and implementation of the Information Security Program in order to appropriately mitigate the identified risks (commensurate with the size and complexity of the organization, the nature and scope of the organization's activities including its use of third-party service providers, and the sensitivity of the nonpublic information used by the organization or in the organization's possession, custody, or control). Where appropriate, Root leverages the National Institute of Standards and Technology's (NIST) approach to managing information security related risks defined in the NIST Cybersecurity Framework.

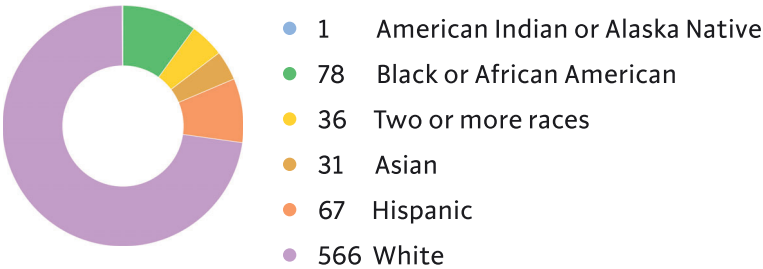
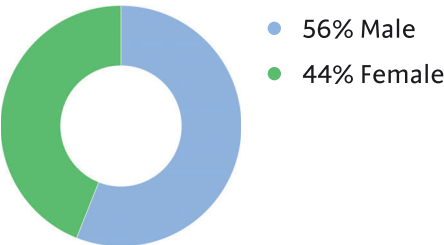
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SICS	Topic	Accounting Metric	Category	Unit of Measure	Code	ROOT Disclosure
Software & IT Services	Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	Percentage (%)	TC-SI-330a.1	Total Headcount as of 10/14/22: 957 Foreign National (all full-time employees): 22 (2.3%) Based in U.S.: 956 (99.9%) Based in Cayman Islands: 1 (.1%)
		Employee engagement as a percentage	Quantitative	Percentage (%)	TC-SI-330a.2	82% (as of Q3 2022 Engagement Survey)
		Percentage of gender and racial/ethnic group representation for (1) management (2) technical staff and (3) all other employees	Quantitative	Percentage (%)	TC-SI-330a.3	All employees: 56% Male/44% Female 29% Racial/Ethnic minorities Senior management (Director +): 72% Male/28% Female 13% Racial/Ethnic minorities Board of Directors: 60% Male/40% Female 10% Racial/Ethnic minorities All roles are considered technical staff.
	Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting Currency	TC-SI-520a.1	Root does not disclose this information.
	Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues (2) service disruptions and (3) total customer downtime	Quantitative	Number, Days	TC-SI-550a.1	Root occasionally experiences minor performance issues and service disruptions that affect the use of its products. These issues are rare, and the performance issues and service disruptions that Root did experience in the 2021 fiscal year did not have a material impact on the business.
		Description of business continuity risks related to disruptions of operations	Discussion & Analysis	n/a	TC-SI-550a.2	Risks of service disruptions to our operations can lead to lack of policy binds and lower customer satisfaction scores.

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Team member, management, and board demographics

Full workforce: 985 (919 total that shared racial/ethnicity data)



Generational Makeup

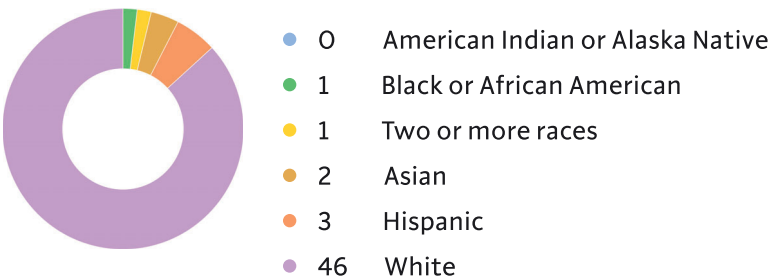
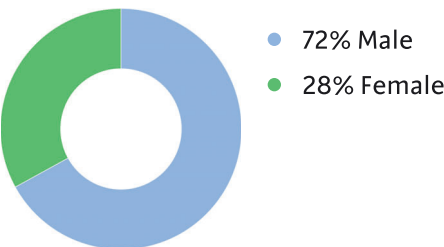
3% Baby Boomers
(1946–1964)

23% Generation X
(1965–1980)

67% Gen. Y/Millennials
(1981–1996)

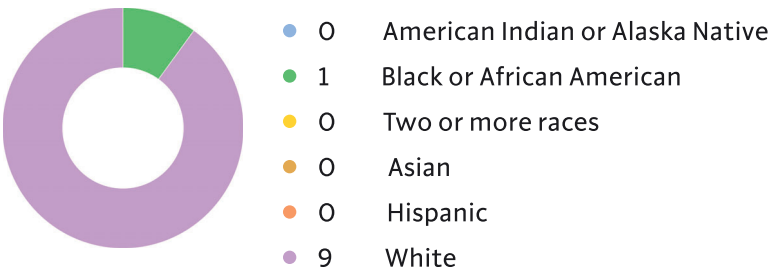
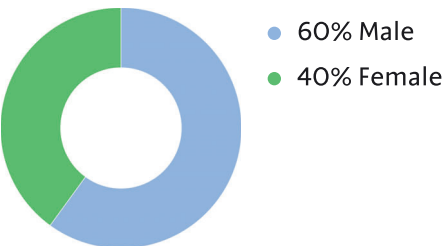
7% Generation Z
(1997 and onwards)

Senior management (Director +): 67



Senior Management is defined as the following levels: Director, Senior Director, Vice President, Senior Vice President, and Chief.

Board of Directors



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Investments

The amortized cost and fair value of short term investments and available-for-sale fixed maturity securities as of June 30, 2022 are as follows:

FN-IN-420a.1 Total invested assets, by industry and asset class	Amortized Cost	Allowance for Expected Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
(dollars in millions)					
Fixed maturities:					
U.S. Treasury securities and agencies	\$23.3	\$—	\$—	\$ (0.8)	\$22.5
Municipal securities	\$20.0	\$—	\$—	\$ (0.9)	\$19.1
Corporate debt securities	\$48.5	\$—	\$—	\$ (1.9)	\$46.6
Residential mortgage-backed securities	\$2.7	\$—	\$—	\$ (0.2)	\$2.5
Commercial mortgage-backed securities	\$27.9	\$—	\$—	\$ (0.8)	\$27.1
Other debt obligations	\$2.5	\$—	\$—	\$ —	\$2.5
Total fixed maturities	\$124.9	\$—	\$—	\$ (4.6)	\$120.3
Short-term investments	\$0.5	\$—	\$—	\$ —	\$0.5
TOTAL	\$125.4	\$—	\$—	\$ (4.6)	\$120.8



This document contains forward-looking statements within the meaning of federal securities laws regarding Root, Inc. These forward-looking statements relate to, among other things, expectations about our future business results. Such forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the company's control and are difficult to predict. We have based our forward-looking statements on our current expectations, estimates and projections about our industry and our company. We caution that these statements are not guarantees of future performance and you should not rely unduly on them, as they involve risks, uncertainties and assumptions that we cannot predict and many of which are beyond our control. Accordingly, our actual results may differ materially from the future performance that we have expressed or forecast in our forward-looking statements. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we have included in Root's Form 10-K for the year ended Dec. 31, 2021, and other SEC filings, cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements. Copies of Root's Form 10-K and other SEC filings are available on the SEC's website, Root's website at <https://ir.joinroot.com/investor-relations> or by contacting Root's Investor Relations office.