INIC CANADA BRANCH

2025 Climate - Related Financial Disclosure

Pillar	INIC Canada Branch Approach
GOVERNANCE	**Oversight:** The INIC Senior Management Risk Forum oversees the identification and management of climate and transition-related risks and opportunities. Matters affecting business strategy or approved risk appetite are reported to the Board of Directors. **Management role:** Senior Management identifies, monitors, and manages climate and transition-related risks through scheduled risk discussions and Board reporting. Reporting includes portfolio sector concentration and diversification metrics. **Remuneration:** Climate-related considerations are not currently directly linked to Board or Senior Management remuneration. The Board aims to align management incentives with business objectives, which may include managing climate-related risks.
STRATEGY	**Risks and timeframes:** Identified climate-related risks include business model impacts due to ESG concerns and fossil fuel use decelerating below base case. Both are transition risks. The expected timeframe is medium to long term for business model impacts and long term for fossil fuel use decelerating below base case. **Planning horizons:** Short term is defined as 1-3 years, medium term as 3-10 years, and long term as 10+ years. **Business model and value chain:** Physical risks may affect short-term production outcomes but are not expected to create or amplify surety bond liabilities. Transition risks are treated as macroeconomic and sector-specific factors affecting principal creditworthiness and asset attractiveness. **Underwriting treatment:** Climate risks are considered through the underwriting framework, including credit and technical assessments, collateral, repricing, bond limits, environmental authority, principal and reinsurance arrangements, and commodity limits and sub-limits. **Current impact:** No changes to the business model, resource allocation, direct or indirect mitigation efforts, financial position, financial performance, or cash flows have been identified for the reporting period.
RISK MANAGEMENT	**Risk process:** Climate and transition risks are regular agenda items for Quarterly Canada Branch SteerCo and Board of Directors meetings. Identified risks are assessed by impact and likelihood and managed within the Board-approved risk appetite. **Opportunities and scenario analysis:** Given the Branch was authorized to insure Canada risks in December 2025 and no insurance business was underwritten in fiscal 2025, climate-related opportunity and scenario analysis will be undertaken for the 2026 reporting period. **Integration:** Processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into the Branch's overall risk management process.
METRICS AND TARGETS	**Current metrics:** Current metrics include Sector Exposure % and Probable Maximum Loss (PML). Additional metrics will be considered as the Branch launches operations in 2026. **GHG measurement:** 2025 Scope 1 GHG emissions (metric tons CO_2e): **7.32** 2025 Scope 2 GHG emissions (location-based) (metric tons CO_2e): **1.46** **Targets:** Quantitative and qualitative climate-related targets will be reviewed as operations and data availability mature.