Climate Risk Management Report
Old Republic Insurance Company of Canada
December 31, 2025

1. Governance

a) Board Oversight

The Company's Board of Directors oversees climate-related risks in alignment with OSFI Guideline B-15,[1] including transition risks related to decarbonization policies and potential liability risks arising from climate-related events.

The Board's responsibilities include:

- Ensuring that risks, including climate-related risks, are appropriately identified, monitored, and disclosed in alignment with regulatory expectations.
- Reviewing risk implications, including any climate-related risks, in strategic planning, major transactions, and capital allocation decisions. This includes assessing alignment with the Company's risk appetite and monitoring progress against relevant metrics and risk indicators.
- Reviewing reporting from the Company's senior management on risks, as necessary.
- Applying OSFI's proportionality principle acknowledging that climate risk exposure varies based on the nature, scale, and geographic distributions of insured risks.

The Board of Directors oversees risks, including climate-related risks, through quarterly meetings and ad hoc reporting from senior management on risk developments, exposures, and mitigation strategies, as applicable.

The Board maintains awareness of risk developments, including climate-related risks, through management briefings, regulatory updates, and external industry publications.

The Board's compensation for outside directors is a fixed annual fee and does not contain performance-related components.

b) Senior Management Responsibilities

Senior management is delegated responsibility for overseeing and managing risks, including climate-related risks, within the Company's existing governance and risk-management frameworks. Consistent with the Company's management of other risks, climate-related considerations are integrated, where appropriate, into underwriting, pricing, investment, and reinsurance strategies.

The senior management responsible for oversight of risks, including climate-related risks, include the CEO/CRO, CFO, and CCO. Senior management meets monthly to review emerging risks and business

[1] The "Company" refers to Old Republic Insurance Company of Canada. References to the Board of Directors and senior management refer to the Company's directors and management, not those of its affiliates or ultimate parent company.

developments and has determined that the Company's current climate-risk exposure is low, primarily due to the absence of material concentration risk and the nature of the Company's underwriting portfolio. As a result, climate-related risks are currently assessed as being within the Company's low-risk appetite.

Senior management responsibilities include:

- Ongoing assessment of emerging risks, including climate-related risks and opportunities relevant to underwriting, pricing, investment, and reinsurance activities.
- Monitoring regulatory developments, including OSFI's updates to the B-15 Guideline and related climate-risk reporting requirements.
- Ensuring climate-related considerations are appropriately incorporated into strategic planning and potential new business initiatives on a proportional basis.
- Reviewing climate-risk exposures through the existing Own Risk and Solvency Assessment (ORSA) and Financial Condition Test process.
- Reporting material climate-risk developments to the Board, as applicable.

These responsibilities are carried out within the Company's existing governance and risk management framework and are applied on a proportionate basis consistent with the Company's low climate-risk exposure.

2. Strategy and Analysis

a) Climate-Related Risks

The Company's climate-risk profile is minimal, due to the following characteristics:

- Insureds are geographically dispersed across Canada and US with no heavy concentration in climate-sensitive regions, reducing the likelihood of large accumulation losses from a localized climate event.
- As the Company has low geographic concentration it has limited exposure to physical climate-related risks.
- Changes in supply chains could disrupt operations, but do not largely impact claim exposure.
- Policies can be repriced annually to mitigate any changing loss trends, including those driven by climate exposures
- Long-term health trends may evolve due to gradual climate impacts (e.g. air-quality changes), but such exposures are long-horizon and well below materiality threshold.
- OSFI notes that physical risks include health-related outcomes but may be limited depending on business lines and data availability. Potential policy-driven travel restrictions or localized disruptions, such as carbon-related travel restrictions, are not expected to result in catastrophe-level losses given the geographically dispersed nature of the Company's exposures.

The Company assesses climate-related risks across short (0-3 years), medium (3-10 years), and long-term (10+ years) horizons and considers potential impacts on underwriting performance, claims trends, investment valuations, and capital adequacy.

b) Climate-Related Strategy

Transition risks related to decarbonization policies remain limited but are monitored. These include:

- Potential cost impacts on trucking fleets from emissions policies or fuel standards.
- Market shifts toward low-emission logistics solutions.
- Monitoring of transition risk indicators across investment portfolios through potential changes in market valuations and issuer credit worthiness, which could lead to repricing or increased credit risk in certain sectors over time.

The Company continues to develop its capabilities to aggregate climate-related exposures across geographic regions and business lines to support enhanced risk monitoring and reporting. Based on current analysis, climate-related risks did not materially impact the Company's financial position, financial performance, or cash flows during the reporting period. Forward-looking assessments indicate that under plausible scenarios, financial impacts are expected to remain limited due to geographic diversification and low exposure to climate-sensitive risks. Where relevant, climate-related drivers may influence claims severity, investment valuations, and reinsurance costs, though such impacts are currently assessed as immaterial.

The Company continues to enhance its ability to quantify exposure to climate-related risk. At present, exposure to material physical risk concentrations is assessed as low and the quantitative measurement of exposure to transition risk within the investment portfolio will be developed as data availability and methodologies mature.

The Company will continue to monitor developments in its risk profile, regulatory expectations, and industry practices. Through this approach, the Company aims to maintain financial and operational resilience, fulfill its obligations to policyholders, and ensure ongoing alignment with OSFI Guideline B-15, while applying proportionality appropriate to its size, complexity, and risk exposure.

3. Risk Management

a) Risk Identification, Assessment, and Mitigation

The Company embeds climate-risk monitoring into its ORSA in alignment with OSFI's B-15 Guideline expectations. This involves considering the potential impact of climate change and extreme weather events (e.g. floods, wildfires, hurricanes) on the Company's ability to manage claims and underwriting. It includes both immediate physical risks (catastrophic events) and long-term transition risks (regulations and market changes due to climate policies).

Key practices include:

- Annual review of climate-related physical and transition risks affecting the business.
- Monitoring climate-related regulatory or technological developments that could affect all lines of business.

If the business model changes and/or material risk is identified, mitigation measures could include underwriting adjustments, reinsurance optimization, and monitoring perils using OSFI-aligned definitions.

The Company has established processes to identify, assess, and manage risks, including climate-related risks. These processes include:

- Analyzing historical claim data to ensure risk is factored into underwriting and pricing practices.
- Use of geographic exposure data to assess physical risk concentrations.

- Reinsurance programs that provide protection against accumulation risk.
- Underwriting approaches are flexible enough that if material climate risk arose, it could be factored into risk appetite.

b) Opportunity Identification, Assessment and Monitoring

The Company also monitors climate-related opportunities, including potential demand for products aligned with climate resilience and evolving risk mitigation needs. Given the Company's current business mix, such opportunities are not material but may be evaluated in future strategic planning cycles.

4. Metrics & Targets

a) Climate-Related Risk Metrics

As part of the Company's evolving climate risk management framework, the Company is committed to identifying and measuring and reporting greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3 categories to support the assessment and management of climate-related risks and opportunities.

Scope 1 – Direct Emissions

- Scope 1 emissions represent direct GHG emissions from sources that are owned or controlled by the institution. These emissions primarily arise from operational footprint, including fuel combustion (e.g., natural gas boilers or furnaces used for building heating) at corporate facilities and emissions from company-owned or controlled vehicles.

Scope 2 – Indirect Energy Emissions

- Scope 2 emissions consist of indirect GHG emissions associated with the generation of purchased energy consumed by the institution, such as electricity, heating, and cooling. While these emissions occur at the energy supplier level, they are attributable to the Company's operational activities.

Scope 3 – Value Chain and Financed Emissions

- Scope 3 emissions encompass all other indirect GHG emissions across the institution's value chain that are not captured under Scope 2. For Federally Regulated Financial Institutions (FRFIs), this primarily includes financed emissions, including those associated with lending, underwriting, investing, and asset management activities. Scope 3 also includes emissions related to upstream and downstream operations within the value chain, though our analysis shows no material exposure. Guideline B-15 acknowledges that Scope 3 emissions are typically the most material source of climate-related risk for FRFIs, yet also the most complex to measure. As a result, OSFI has introduced transition periods, delaying mandatory Scope 3 disclosures until fiscal year 2028, with an additional phase-in period for asset management activities extending to 2029, to align with CSSB (Canadian Sustainability Standards Board) and allow institutions time to mature data and methodologies. While recognizing the complexity associated with Scope 3 measurement, the Company continues to enhance its methodologies in preparation for phased disclosure in line with regulatory timelines.

Across all three scopes, OSFI's objective is not solely to facilitate industry-wide emissions reporting, but to ensure FRFIs understand how emissions translate to financial risk, strategy, governance, and risk management, and support resilience under climate transition and physical risk scenarios. In alignment with B-15 expectations, Scope 1 and Scope 2 emissions are measured and reported annually and remain low. Scope 3 emissions are monitored on a proportional basis as methodologies evolve and OSFI's phased deadlines approach.

b) Absolute Gross Scope 1 and Scope 2 GHG Emissions

EMISSIONS	TOTAL ($mtCO_2e$)	CO_2 (mt)	CH_4 (mt)	N_2O (mt)	HFCs (mt)
Scope 1	12.7686	12.7207	0.0006	0.0001	0.0002
Scope 2	191.3657	190.4882	0.0031	0.0030	

Emissions disaggregated by source types

Scope 1: Direct Emissions from Owned/Controlled Operations	
a. Direct Emissions from Mobile Combustion	12.7653
b. Direct Emissions from Fugitive Sources	0.0032
Scope 2: Indirect Emissions from the Use of Purchased Electricity, Steam, Heating and Cooling	
a. Indirect Emissions from Purchased/Acquired Electricity	27.0044
b. Indirect Emissions from Purchased/Acquired Heating	164.3612

c) Operational Boundaries, Data Sources, Estimates, and Assumptions

GHG emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and applies the operational control approach for emissions consolidation.

The GHG emissions are calculated using available operational data and up-to-date publicly available emission factors.

Estimates are subject to limitations related to data availability and granularity but are considered reasonable for the size and nature of the Company's operations. Assumptions include estimated fuel consumption and electricity usage based on available records.

d) Climate-Related Targets

Based on its current business profile, emissions footprint, and low exposure to climate-related risks, the Company has not established emissions reduction targets. Management has determined that formal targets would not provide decision-useful information at this time.

The Company continues to monitor regulatory developments, industry practices, and changes in its risk profile, and will reassess the appropriateness of establishing climate-related targets as expectations evolve.