

Climate-Related Financial Disclosures

Associated Electric & Gas Insurance Services Limited, Canadian Branch

Pursuant to OSFI Guideline B-15: Climate Risk Management

Reporting Entity: Associated Electric & Gas Insurance Services Limited, Canadian Branch (“AEGIS Canada” or “the Branch”)

Domicile: Associated Electric & Gas Insurance Services Limited (“AEGIS”) is a Bermuda domiciled mutual insurer.

OSFI Category: Foreign Insurance Branch

Lines of Business Written in Canada: Commercial property and liability insurance

Fiscal Year-End: December 31, 2025

Reporting Period: Fiscal year ended December 31, 2025

Date of Publication: June 25, 2026

This disclosure is made pursuant to the Office of the Superintendent of Financial Institutions (OSFI) Guideline B-15: Climate Risk Management (March 2025 version) and the Autorité des marchés financiers (AMF) Climate Risk Management Guideline. It covers the climate-related financial information relevant to the Branch’s Canadian operations only, for the fiscal year ended December 31, 2025. As a small foreign insurance branch writing commercial property and liability lines of insurance in Canada, the Branch’s Canadian activity is limited, and its disclosures are proportionate to that scale, consistent with Principle 5 (§26) of Guideline B-15. *Financial information regarding Associated Electric & Gas Insurance Services Limited, Canadian Branch can be found on the Government of Canada website [here](#).*

1. Governance

1a. Governance Body Oversight

All operations of AEGIS, including those of the Branch, are overseen by its Executive Team and its Board of Directors. Climate-related risks and opportunities, including those related to the Branch’s Canadian operations, are monitored and managed across the enterprise. Future updates in climate risk management and changes to strategy will be distributed to Canadian Branch management as required.

At the Branch level, Branch Management bears responsibility for ensuring that the enterprise risk frameworks (including those addressing climate-related risks) incorporate and are applied to Canadian operations in a manner consistent with OSFI expectations. Climate risk is considered as part of the Branch’s annual Own Risk and Solvency Assessment (ORSA) process. Given the Branch’s limited scale of operations in Canada, climate risk oversight at the branch level does not, at this time, require a dedicated committee or board-level subcommittee. Climate risk is not currently a factor in management remuneration at the branch level, given the Branch’s size and the nature of its Canadian activity.

1b. Management's Role

Branch Management, which includes the Branch Manager and the Branch Chief Agent, is the primary body responsible for monitoring and managing climate-related risks within the Branch. On a day-to-day basis, climate risk is managed through the Branch's integration into the AEGIS enterprise risk management (ERM) framework, with material changes in risk profile escalated to AEGIS's senior management as appropriate. The Branch Manager will continue to include climate risk considerations as part of the annual ORSA process.

2. Strategy

2a. Climate-Related Risks and Opportunities Identified

For the purposes of this disclosure, the Branch uses the following time horizons: short term (0–3 years), medium term (3–10 years), and long term (10+ years).

Physical risks are risks arising from more frequent or severe weather events (acute risks) or long-term shifts in climate conditions (chronic risks). Given that the Branch writes commercial property insurance in Canada, physical risks are a relevant category for the Branch's book of business. Wildfire risk is the most significant physical climate risk identified and ranks within the Branch's top ten risk events after mitigation. Acute risks such as increased frequency and severity of hurricanes, severe convective storms, and flooding are also relevant to the property lines written in Canada and are monitored as part of the ORSA and catastrophe risk assessment processes. These risks are assessed as potentially material across medium to long time horizons, with near-term impacts possible depending on weather-year experience.

Transition risks are risks arising from policy changes, technological shifts, or evolving market expectations as economies adjust to a lower-carbon future. The Branch may be indirectly exposed to transition risks to the extent that the financial health of counterparties or the insurability of certain assets is affected by climate-related regulatory or economic changes. These exposures are assessed as low to moderate across all time horizons, given the nature of the property and liability lines currently written.

AEGIS at an enterprise level has identified potential opportunities arising from the energy transition, including diversification into renewable energy risks such as battery storage, solar and on/offshore wind. At the Branch level, climate-related opportunities have been identified in similar sectors.

2b(i). Effects on Business Model, Strategy, and Financial Position

Wildfire risk and other natural catastrophe perils represent the most direct channels through which identified climate risks could affect the Branch's business model and financial position. The Branch's property portfolio has exposure to catastrophe-driven loss, and evolving climate patterns (particularly in regions susceptible to wildfire and severe weather) which may affect underwriting outcomes over the medium to long term.

In response to these risks, the Branch relies on the AEGIS enterprise catastrophe modeling and actuarial capabilities to inform underwriting decisions, pricing, and reinsurance purchasing. Specialized software and tools are utilized to analyze concentration and geographic risks that could be affected by changing weather patterns. Reinsurance purchasing is used as a key risk mitigation tool for catastrophe-related exposures.

No significant changes to the Branch's strategy are planned at this time solely in response to climate risk; however, the Branch will continue to monitor its risk profile and adjust its approach as warranted by changes in climate conditions, underwriting experience, or regulatory expectations. Climate risk is not expected to have a material effect on the Branch's financial position,

performance, or cash flows in the near term, though tail-risk scenarios involving severe or correlated catastrophe events could affect results over the medium to long term.

3. Risk Management

3a. Identifying, Assessing, Prioritizing, and Monitoring Climate Risks

The Branch identifies and assesses climate-related risks through its annual ORSA process, conducted in alignment with AEGIS's enterprise risk framework and consistent with OSFI Guideline B-15 and its underlying principles. Climate risks are considered within the broader risk identification exercise and wildfire risk is evaluated separately, drawing on internal guidance provided by risk management function at the enterprise level.

Wildfire risk is identified as a standalone climate-related risk and ranks within the top ten risk events after mitigation on an enterprise level, reflecting its relevance to the Branch's commercial property book in Canada. Other climate-related risks (including those arising from severe convective storms, hurricane activity, and flooding) are incorporated within the broader underwriting, catastrophe, and insurance risk categories in the ORSA, rather than tracked as separate line items.

Risks are assessed qualitatively, taking into account the nature, scale, and complexity of the Branch's operations. Monitoring and prioritization of risks is conducted on an annual basis as part of the ORSA cycle, with interim escalation if material changes in risk profile are observed. The AEGIS Catastrophe Modeling and Actuarial teams support the ongoing assessment of catastrophe-related climate risks.

3b. Identifying Climate-Related Opportunities

The Branch considers potential climate-related opportunities as part of the broader strategic review conducted through the ORSA process. At this time, no material opportunities specific to the Branch's Canadian operations have been identified. Renewable energy risks continue to be relevant to the Branch now and in the future and will be further assessed if the Branch's business scope expands.

3c. Integration with Overall Risk Management

Climate risk is integrated into the Branch's overall risk governance framework as a recognized risk category within the ORSA process. Specifically, wildfire risk is carried as a named item on the Enterprise Risk Register. Other climate-related perils are embedded within the catastrophe, underwriting, and insurance risk categories. The Branch's risk management approach follows the AEGIS enterprise wide ERM framework, which includes underwriting guidelines, investment guidelines, actuarial pricing and reserving that reflects the impact of climate change on loss frequency and severity.

That ERM framework is adapted to reflect the regulatory requirements and operating context of the Branch as a Canadian foreign insurance branch regulated by OSFI. Should the Branch's Canadian operations grow materially, the integration of climate risk into a more formalized risk appetite statement at the branch level will be revisited.

4. Metrics and Targets

4a. Climate-Related Metrics

Given the Branch's commercial property insurance exposure in Canada, the primary metrics used to assess climate-related risk exposure are the volume and nature of in-force property business,

including the geographic distribution of insured risks, concentration of exposure in weather-sensitive regions (particularly areas with elevated wildfire or severe weather risk), and the use of catastrophe models to inform pricing and underwriting decisions.

At the enterprise level, *specialized catastrophe modeling software is utilized to assess climate-related concentration and geographic risks*. At the branch level, more granular metrics (such as premium concentration by climate-risk zone) are referenced through the enterprise tools and systems. The Branch acknowledges that its current standalone metric set is basic and proportionate to its size; additional metrics will be considered as the Branch's activity evolves.

4b(i). Scope 1 and Scope 2 GHG Emissions

Scope 1 emissions are direct greenhouse gas (GHG) emissions from sources owned or controlled by the Branch. Scope 2 emissions are indirect GHG emissions from the consumption of purchased electricity, heat, steam, or cooling.

The Branch has no owned or leased premises in Canada and no employees based permanently in Canada. All operational functions are conducted from the offices of AEGIS's wholly owned subsidiary, AEGIS Insurance Services, Inc. ("AEGIS Services"), based in Jersey City, New Jersey, in the United States, with certain functions outsourced in Canada. Accordingly, attributable Scope 1 and Scope 2 GHG emissions (both market-based and location-based) are zero for the fiscal year ended December 31, 2025.

Canadian Branch GHG Emissions Metrics
2025 GHG Scope 1 emissions (metric tons CO ₂ e): 0
2025 GHG Scope 2 emissions (location-based) (metric tons CO ₂ e): 0

The GHG Protocol Corporate Accounting and Reporting Standard has been used as the reference methodology. The boundary applied is operational control. No allocation of emissions from AEGIS's operations has been made, as no portion of the AEGIS Services's physical operations in the United States is attributable to the Branch's Canadian activities. No data limitations are identified in relation to this disclosure.

4c. Climate-Related Targets

The Branch has not set formal climate-related targets specific to its Canadian operations. This reflects the Branch's limited scale of Canadian activity and the fact that its Scope 1 and Scope 2 GHG emissions are zero.

The Branch will consider whether to establish branch-level climate targets in the future, particularly if the volume or nature of its Canadian business changes materially or if AEGIS establishes enterprise-wide targets with explicit application to Canadian operations.

Elements Not Yet Applicable

The following Annex 2-2 elements are not yet required for this institution's category and have therefore been omitted from this disclosure:

- Strategy b)(ii) — Climate Transition Plan: Implementation date is TBD. This element will be addressed when OSFI establishes the applicable implementation date.
- Strategy c) — Resilience of Strategy / Scenario Analysis: Implementation date is TBD. This element will be addressed when OSFI establishes the applicable implementation date.
- Metrics b)(ii) — Scope 3, Financed, and Insurance-Associated GHG Emissions: Implementation date is fiscal year 2028, consistent with the February 20, 2025 OSFI update aligning with CSSB standards.

Important Information About These Climate-Related Financial Disclosures

These Climate-Related Financial Disclosures have been prepared to describe the AEGIS Canadian Branch's approach to climate-related financial risks and opportunities in accordance with OSFI Guideline B-15: Climate Risk Management. The report contains forward-looking information, including statements about climate-related risks and opportunities, metrics, targets, strategy, underwriting, investments, and risk management. Forward-looking information is based on assumptions, judgments, estimates, models, scenarios, methodologies, and data available as of the date of this report and is subject to significant uncertainty. Actual results may differ materially because of changes in climate science, regulation, public policy, technology, market conditions, claims experience, reinsurance conditions, investment performance, insured and counterparty behavior, data availability, and methodology.

Climate-related information, including greenhouse gas emissions, financed emissions, insurance-associated emissions, exposure metrics, and scenario analysis, may rely on third-party data, estimates, proxies, sector averages, and evolving methodologies. Such information may not be directly comparable across reporting periods or with information disclosed by other insurers. The Branch may update, refine, or restate climate-related information in future periods as data quality improves, methodologies evolve, reporting boundaries change, or regulatory expectations develop.

Unless expressly stated otherwise, the information in this report has not been subject to independent external assurance. Certain proprietary, confidential, privileged, or commercially sensitive information may be omitted or presented at an aggregated level. This report is provided for informational and regulatory disclosure purposes only and does not constitute investment, financial, legal, actuarial, insurance, underwriting, or other professional advice.