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**Everest Insurance Company of  
Canada**  
OSFI B-15 Climate Risk  
Management Report



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## Cautionary Note Regarding Forward-Looking Statements and Intentional Scope Limitations

This disclosure may contain forward-looking information, including statements related to future climate-related risks, scenario analysis, and risk management practices. Forward-looking information is based on current assumptions and expectations and is subject to inherent uncertainties, which change over time. Actual results may differ materially due to changes in climate conditions, regulatory developments, market dynamics, data availability, and other factors.

### **Notes on Intentional Scope Limitation:**

As required, the Office of the Superintendent of Financial Institutions ("OSFI") Guideline B-15 Climate Risk Management is applicable to Everest Insurance Company of Canada's reporting period ending December 31, 2025, for specific disclosure elements. This standalone report provides disclosures expected by OSFI for federally regulated financial institutions' management of climate-related risks. It includes information regarding our climate-related governance, risk management, strategy and metrics.

## About Everest Canada

Everest Insurance Company of Canada ("Everest Canada" or the "Company") is a Canadian property and casualty insurance company domiciled in Canada and a wholly owned subsidiary of Everest Underwriting Group (Ireland) Limited, rolling up into ultimate parent company, Everest Group, Ltd ("Group"). As a global underwriting leader, Everest provides best-in-class property, casualty, and specialty reinsurance and insurance solutions.

## Governance

The Board of Directors of Everest Canada has ultimate oversight responsibility for the Company's approach to climate-related risk management and strategy. The Company's governance structure enables agility while ensuring the Board retains adequate oversight. Key outputs from climate risk activities are incorporated into regular reporting cycles and escalated through existing committee structures.

To ensure appropriate competencies and knowledge regarding the oversight of climate risk, the Everest Canada Board of Directors has received targeted training regarding climate risks and their obligations regarding same. Additionally, each of the governance bodies and individuals described below received targeted and appropriate training regarding climate risk and the management of same and are involved in the ongoing climate risk management process established within Everest Canada.

## Summary of Climate Risk Governance and Committee Roles

<b>Governance Body / Role</b>	<b>Purpose and Responsibilities</b>
<b>Board of Directors</b>	Provides ultimate oversight of climate risk governance and strategy. Approves climate risk appetite, ensures understanding of climate risks, allocates resources, and receives periodic updates on emerging regulatory expectations.
<b>Risk and Compliance Committee</b>	Oversees climate risk management activities, reviews management reports, and oversees the framework for identifying, assessing, and managing material climate risks. Provides regular updates to the Board.
<b>Climate Risk Management Working Group</b>	<p>Chaired by the Chief Compliance Officer (CCO). Cross-functional group (actuarial, finance, underwriting, claims, legal, investments) that advises on strategies, conducts periodic materiality assessments, and oversees climate scenario analysis. Meets approximately once every two months.</p> <p>Sensitive and/or strategic climate-related decisions regarding investments, critical vendors and underwriting are escalated to the Climate Risk Management Working Group and to the Risk and Compliance Committee as appropriate.</p>
<b>Chief Executive Officer (CEO)</b>	Provides overall strategic leadership for integrating climate risk into the business strategy and ensures resources are dedicated to climate risk management.
<b>Chief Financial Officer (CFO)</b>	Integrates climate risk factors into financial planning and capital allocation, and oversees climate-related financial disclosures.
<b>Chief Risk Officer (CRO) (or their delegate)</b>	Oversees the climate risk management framework, defines risk appetite/tolerance, and oversees climate scenario analysis and stress testing.
<b>Chief Compliance Officer</b>	Oversees the local ESG/Sustainability reporting; ensures that climate policies and procedures meet regulatory requirements and monitors same; chairs the Climate Risk Working Group.
<b>Appointed Actuary</b>	Incorporates climate risk factors into actuarial models, loss reserving, and product pricing frameworks.

Climate-related considerations are not currently factored into remuneration for any individuals at Everest Canada.

## Board Skills Matrix

The Board of Directors prioritizes selecting Director nominees that have diverse and complementary skills and perspectives and whom can contribute meaningfully to the oversight of the Company. Please see below the skills of each Director based on self-identification.

Skills & Experience	Renato Rodrigues	Luke Lichty	Lorne Folick	Noel Walpole	Jeanmarie Giordano	Dwight Lacey	Mark Horgan
<b>Insurance &amp; Reinsurance (P&amp;C)</b>	●	●	●	●	●	●	●
<b>Financial Acumen &amp; Capital Management</b>	○	●	●	●	●	●	●
<b>Risk Management &amp; Governance</b>	●	●	●	●	●	●	●
<b>Regulatory &amp; OSFI Supervision Experience</b>	●	●	●	●	●	●	○
<b>Climate Risk Governance Oversight</b>	○	○	●	●	●	●	○
<b>Physical Climate Risk (Insurance Impacts) + Transition Risk &amp; Market Change</b>	●	●	●	●	○	●	○
<b>Strategic Planning &amp; Business Model Resilience</b>	●	●	●	●	○	●	●
<b>ESG / Sustainability Oversight</b>	●	○	●	●	○	●	○
<b>Complex Business Transactions</b>	●	●	●	●	●	●	●

### Skills & Experience Legend

- **Insurance & Reinsurance (P&C):** Experience with underwriting, claims, reserving, catastrophe exposure, and reinsurance strategy relevant to property and casualty insurance operations.
- **Financial Acumen & Capital Management:** Understanding of capital adequacy, reserving, stress testing, Own Risk and Solvency Assessment (“ORSA”), and investment oversight.
- **Risk Management & Governance:** Experience with enterprise risk management (“ERM”), risk appetite frameworks, and board oversight of material and emerging risks.
- **Regulatory & OSFI Supervision Experience:** Familiarity with prudential regulation of federally regulated financial institutions, including engagement with OSFI and compliance requirements.
- **Climate Risk Governance Oversight:** Ability to oversee management’s approach to climate risk, including roles, responsibilities, and governance structures.
- **Physical Climate Risk (Insurance Impacts) and Transition Risk & Market Change:** Understanding of physical risks (e.g., catastrophe events such as flood and wildfire) and transition risks arising from policy, legal, technological, and market developments impacting underwriting, claims, and investments.
- **Strategic Planning & Business Model Resilience:** Experience overseeing strategy under a range of scenarios, including long-term resilience of the business model.
- **ESG / Sustainability Oversight:** Oversight of sustainability-related risks, objectives, and disclosures in alignment with enterprise strategy.
- **Complex Business Transactions:** Experience with mergers and acquisitions, divestitures, integrations,

and other significant strategic initiatives.

## Risk Management

### Integration into the Overall Risk Management Process

Climate-related risks are managed as part of Everest Canada's overall Enterprise Risk Management (ERM) framework and are not treated as a standalone risk category. Management and oversight are structured around the Three Lines of Defence framework, ensuring identification, assessment, and mitigation of climate risks alongside other material risks (e.g., underwriting, pricing, financial, and operational risks).

Climate-related risks are identified through periodic cross-functional assessments that consider physical, transition, and liability risk drivers relevant to the Company's underwriting, investment, and operational activities. Identified physical and transition risks are assessed using the Company's established risk taxonomy, considering their potential impact on insurance liabilities, investments, operations, liquidity, and capital adequacy across short-, medium-, and long-term horizons. Risks are prioritized based on management judgement informed by scenario analysis, portfolio characteristics, geographic and peril exposure, and the potential to affect cash flows, financial performance, or operational resilience.

Climate-related risks (physical and transition) are monitored over time through the Risk Register and existing governance processes, using a set of qualitative and quantitative indicators, including exposure trends in climate-sensitive perils and geographies, claims and loss experience, regulatory and transition-policy developments, and operational resilience indicators related to critical vendors. These indicators support ongoing oversight and reporting to management, the Board and its Risk and Compliance Committee, with enhancements made as data availability and methodologies evolve.

Key climate-related indicators used for monitoring include exposure concentrations in climate sensitive perils and geographies, trends in catastrophe losses and claims severity, investment exposure to carbon intensive sectors, developments in climate related regulation and transition policy, and operational resilience indicators for critical vendors and business continuity.

Management and oversight are structured in accordance with the Three Lines of Defence model. Business functions are responsible for managing climate-related risks within their activities, while risk management and compliance provide oversight and challenge. Internal audit provides independent assurance over the effectiveness of the framework.

Climate-related risks are integrated into key risk management processes, including the Own Risk and Solvency Assessment ("ORSA"), and are considered in capital and strategic planning. The Branch also undertakes climate scenario analysis periodically, with results used to inform risk assessment and management processes.

The Climate Risk Management Working Group prepares quarterly reports for the Company's Risk and Compliance Committee, summarizing key risk indicators relevant to climate risk, enabling comprehensive risk monitoring. The Company continuously monitors relevant internal metrics, limits, and indicators to assess the effectiveness of its climate risk management.

The Risk and Compliance Committee is responsible for reviewing the results of climate scenario analysis, Financial Condition Test, ORSA as well as other management reports on climate risks and opportunities in determining the appropriateness of setting internal targets. These targets, which relate to the Company's exposure to physical and transition risks, are tracked and measured regularly, and updated as necessary to reflect evolving risk profiles and strategic priorities. The Risk and Compliance Committee oversees climate-related risk exposures and reporting, and provides updates to the Board as appropriate.

## Climate-Related Risks & Opportunities

Everest Canada employs an enterprise-wide approach to all risk-taking, risk appetite, and risk management activities. This integration ensures systematic identification, assessment, and mitigation of physical and transition climate-related risks alongside other material risks including but not limited to underwriting and pricing risks, insurance risks, data and model risks, financial risks, business continuity risks and third-party risks.

These risks are consolidated within the Risk Register and combined with the ORSA process to enable capital and strategic planning decisions. Everest Canada's strategic direction is intrinsically linked to its overall climate risk appetite, and the Company is dedicated to aligning climate-related risk-taking activities with established risk management principles, ensuring that climate-related risks are consistently evaluated throughout the Company. The Company anticipates that its objectives and approaches will continue to evolve as its understanding of climate-related risks grows and internal capabilities strengthen.

Everest Canada identified a longlist of climate risks and opportunities ("CRROs") with a team of cross-functional internal stakeholders. To narrow the longlist and identify CRROs of particular relevance to Everest Canada, internal stakeholders were engaged to score various CRROs to better understand the business impact. The below table outlines the climate-related risks the Company determined could reasonably be expected to affect the Company's cash flows, access to debt financing, or cost of capital.

The materiality of these exposures is evaluated through scenario analysis and ongoing monitoring (including monitoring of Key Risk Indicators through the risk management framework) to understand how climate-related risks impact the Company's risk profile, solvency targets, strategy and business model. These risks are assessed over short-, medium-, and long-term horizons, consistent with the time horizons applied in the Company's climate scenario analysis. While the Company did identify climate opportunities, they were not analyzed further due to the prioritization process and results. However, it is possible that climate-related opportunities may be analyzed further in the future.

<b>Risk Area</b>	<b>Risk Type</b>	<b>Impact / Vulnerability</b>
<b>Liabilities (Insurance)</b>	Physical Risk	Increased frequency and severity of climate-related events (storms, cyclones, wildfires, floods) could result in more frequent claims and associated losses.
<b>Liabilities (Insurance)</b>	Transition Risk	Increasing stringency of climate policies (e.g., carbon pricing) could lead to increased costs to repair and replace client assets (e.g., buildings with bitumen roofing, auto parts), driving claims cost inflation.
<b>Investments (Corporate Securities)</b>	Physical & Transition Risk	Sectors facing climate risks (e.g., Consumer Cyclical, Financials) may incur losses or asset damage, weakening borrower income-generating capacity and increasing default risk, which could reduce corporate bond valuations.
<b>Direct Operations &amp; Critical Vendors</b>	Physical Risk	Extreme weather events (e.g., winter storms, heatwaves) can disrupt critical vendor operations (e.g., IT, payroll, claims handling) through power outages, and drive higher claims volumes that increase Everest's internal processing demands and operating costs.

Based on the assessment of these climate-related risks, the Company has not identified any material financial or strategic impacts on its operations for the current reporting period. Accordingly, no material impacts on

the Company's financial position, financial performance, or cash flows were identified for the reporting period ended December 31, 2025.

## Climate Scenario Analysis

### Purpose and Scope

Everest Canada uses climate scenario analysis as a forward looking tool to enhance its understanding of how climate-related risks could evolve under different plausible future conditions. Scenario analysis is used to inform risk identification, governance discussions, and strategic awareness, including consideration of potential impacts across multiple time horizons, rather than to predict exact future financial outcomes. Everest Canada identified and prioritized climate-related risks across liabilities, investments, operations, and critical vendors using internal expertise and its Enterprise Risk Management framework, and assessed these risks under multiple plausible climate scenarios and time horizons using a combination of external scenario data and Everest-specific information. Where feasible, exposures were translated into indicative financial impacts; results are exploratory and intended to support risk understanding, governance, and strategic planning rather than to predict specific future financial outcomes.

### Scenario Design

The analysis evaluated physical and transition risk drivers over multiple time horizons (2030s, 2040s, 2050s) to reflect short, medium, and long-term evolution.

- The short-term time horizon (2030s) informs existing planning and supports the identification of early warning signals for Everest Canada business units. Additionally, 2030 represents a significant target year for many transition activities and policies regarding greenhouse gas ("GHG") emissions reduction in Canada.
- The medium-term time horizon (2040s) captures emerging physical risks and opportunities that could impact priorities of Everest Canada. It also represents a "middle ground" between two significant target years.
- The long-term time horizon (2050s) reflects long-term trends that may appear moderate in the short term but become increasingly consequential to Everest Canada's business by this period. This also represents the most common target for net zero transition across peers in the insurance industry as well as most other industries.

Overall, the use of three time horizons allows Everest Canada to understand how different physical and transition risks and opportunities may evolve over time, enabling near-term and longer-term planning.

#### Two primary pathways were utilized:

- **Higher Emissions Scenario:** Assumes no policies beyond those currently in place are implemented. Uses Intergovernmental Panel on Climate Change ("IPCC") SSP5-8.5 for physical risks and the International Energy Agency ("IEA") Stated Policies Scenario for transition risks.
- **Lower Emissions Scenario:** Aligns with Paris Agreement objectives to limit warming to 1.5°C. Uses IPCC SSP2-4.5 for physical risks and the IEA Net Zero by 2050 Scenario for transition risks.

## Results of Climate Scenario Analysis and Associated Financial Impact

Based on the scenario analysis performed, Everest Canada did not identify impacts that would be expected to materially impair its financial position, liquidity, or capital adequacy over the short, medium, or long term. That said, the analysis highlighted potential areas of increased risk under longer-term, higher-emissions scenarios. For example, more severe physical risk outcomes could contribute to increased claims volatility and higher loss costs over time, while transition risks could contribute to claims cost inflation in certain lines of business. However, these impacts are mitigated by the Company's diversified underwriting portfolio, conservative reserving practices, reinsurance program, and investment risk management framework.

The scenario analysis highlights the importance and criticality of the following mitigation actions that are already implemented at Everest Canada:

- Repricing and restructuring based on high-loss geographies and hazard types;
- Evaluating adjustments to reinsurance to address any projected loss growth;
- Stress-testing capital reserves to evaluate whether capital strategy adjustments are needed to maintain solvency and rating threshold;
- Embedding carbon pricing related transition costs into pricing models; and,
- Assessing resiliency of critical vendors and mapping vendor concentration risk.

Additionally, the scenario analysis presented Everest Canada with several areas for consideration in the near term to reduce exposure to climate-related risks.

## Climate Metrics and Monitoring

Everest Group, Ltd. has a goal to achieve net zero across operations by 2050. Everest Canada’s ambitions are assessed and operate at a group-wide level (and not an operating entity or divisional level). Everest Canada’s emissions are included in Everest Group Ltd.’s aggregate emissions which were most recently disclosed in Everest Group Ltd.’s 2025 Corporate Responsibility Report. Please refer to the Cautionary Note Regarding Forward-Looking Information related to Everest Group Ltd.’s climate ambitions.

### Greenhouse Gas Emissions

While the Company’s operational footprint is modest, the Company monitors its operational emissions to better understand its environmental impact. Everest Canada aligns with the GHG Protocol Standard methodology and reviews emission factors annually.

Everest Insurance Company of Canada’s emissions for the year to 31 December 2025 are set out in the 2025 Everest Insurance Company of Canada GHG Emissions table.

There are no Scope 1 emissions for Everest Insurance Company of Canada’s operations as there are no owner-occupied offices or company owned (or leased) modes of transportation. Scope 2 emissions from the Toronto office have been sourced from energy bills, and in the case of the Montreal office (where energy was included in rent), the emissions have been estimated based on typical office energy use per square foot in region.

<b>Risk or Opportunity Measured</b>	<b>Metric</b>	<b>Description</b>	<b>Coverage</b>	<b>How it is Measured</b>	<b>Current Ambition</b>
Operational Emissions: Carbon impact	Emissions from operations	Emissions from operations where the company has financial control, such as electricity used in corporate real estate.	Operational emissions captured in scopes 1 and 2.	tCO2e	Operational ambition: Net Zero Operations by 2050

**2025 Branch Facilities GHG Emissions:**

<b>Emissions Category</b>	<b>Metric</b>	<b>2025 Total</b>
<b>Scope 1</b> (Direct emissions)	tCO <sub>2</sub> e	0
<b>Scope 2</b> (Purchased heat & electricity - location based)	tCO <sub>2</sub> e	16.71
<b>Total GHG Emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>16.71</b>

### Data Limitations and Ongoing Enhancements

Everest Canada recognizes that climate-related risk data, external scenario models, and methodologies continue to evolve. Current metrics and analyses are subject to data gaps, reliance on third-party proxy assumptions, and modelling limitations. The Company continues to enhance its climate-related data and processes over time, consistent with regulatory expectations.