

# Climate Risk Management Report



2025

## Cautionary Note Regarding Forward Looking Statements

This *Climate Risk Management Report* (the “Report”) contains forward-looking information. Forward looking information includes statements that are predictive in nature and depend upon or refer to future events or conditions or include words such as “achieve”, “ambition”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “opportunity”, “plan”, “potential”, “project”, “target”, and “will” (or the negative thereof) and other similar expressions.

Forward-looking statements in this report are based on a number of assumptions, including, but not limited to, assumptions regarding climate science, regulatory developments, technological advancements, policy measures, availability of data, and the evolution of physical and transition risks. These statements may also be informed by scenario analysis, including pathways aligned with global temperature goals, which are inherently uncertain and based on hypothetical constructs rather than forecasts of actual outcomes.

By their nature, forward-looking statements are subject to significant risks and uncertainties, many of which are beyond the Company’s control. These risks include, but are not limited to: changes in climate-related laws, regulations, and supervisory expectations (including OSFI Guideline B-15); evolving market and industry responses to climate change; availability and reliability of climate data and methodologies; the pace of technological change and decarbonization; policy coordination across jurisdictions; and the frequency and severity of extreme weather events. Additional risks may arise from the Company’s ability to implement its climate strategy, integrate climate considerations into business processes, and achieve stated targets and commitments.

Actual results may differ materially from those expressed or implied in the forward-looking statements contained in this report. The Company cautions readers not to place undue reliance on these statements, as there can be no assurance that the expectations, plans, or projections described will be achieved.

Further, many of the metrics disclosed—particularly those related to greenhouse gas emissions, financed emissions, and scenario analysis—are subject to estimation uncertainty, evolving standards, and methodological limitations. As industry practices and regulatory expectations continue to develop, these metrics may be restated or refined over time.

Except as required by applicable law, the Company undertakes no obligation to update or revise any forward-looking statements contained herein, whether as a result of new information, future events, or otherwise. Readers are encouraged to consider this information in conjunction with other public disclosures and risk factors filed by the Company

### Additional Disclaimers

As required, OSFI Guideline B-15 - Climate Risk Management and AMF Climate Risk Management Guideline is applicable to Ecclesiastical’s reporting period from 1 September 2024 to 31 August 2025 for specific disclosure elements. This standalone report provides disclosures expected by OSFI and AMF for federally regulated financial institutions’ management of climate-related risks. It includes detailed information regarding our climate related governance, risk management, strategy and metrics.

While certain matters discussed in this report may be of interest and importance to our stakeholders, the information in this report (and the use of the terms “material”, “significant” or similar words) should not be read as necessarily rising to the level of materiality of disclosure required in our securities law filings and should not be considered to be incorporated by reference into any such filings.

The terms “sustainability”, “net zero”, “sustainable investing”, “ESG”, “carbon neutral”, “climate-related”, “decarbonization”, “transition” and similar terms, taxonomies, methodologies, criteria and standards are evolving in terms of both meaning and scope. As a result, our use of such terms may vary over time to reflect such evolution. Any references to such terms in this Report are intended as references to internally defined criteria and not to any jurisdiction-specific regulatory definition or voluntary standard that may exist.

Unless otherwise indicated, the information contained in this Report has not been audited.

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## About Ecclesiastical Insurance Office

Ecclesiastical Insurance Office (“EIO”) is a specialist insurance company committed to protecting the needs of organizations that enrich the lives of others.

Operating as part of a broader international insurance group, Ecclesiastical provides tailored property and casualty insurance solutions to meet the unique needs of our customers. With four offices located across Canada, we bring local expertise where our customers need it most.

We are proud to be part of the Benefact Group – a charity owned, international family of financial services companies that exist to donate available profits to good causes. We're built on the idea that better business, can better lives.

### Our Climate Commitment

At Ecclesiastical, we recognize our shared responsibility in addressing the global challenge of climate change.

We are committed to understanding, addressing, and reducing our current and historic environmental impact while supporting our customers and communities in their own climate initiatives and goals.

As a member of the Benefact Group, we are committed to our Group goal of Net Zero by 2040 – an ambitious target that reflects our dedication to climate action. We have established an environmentally responsible business strategy aligned with our goals and core values, with the vision that better business can help build a better world.



## Governance

Our governance framework is designed to support sound oversight of climate-related risks and opportunities. The Board of Directors oversees our overall approach, while senior management is responsible for implementation, monitoring, and reporting. Climate-related matters are considered alongside other material risks within our enterprise risk management framework and are escalated through established governance channels where appropriate.

### Board Oversight

The Board of Directors oversees climate-related risks as part of its responsibility for enterprise risk and long-term strategy.

Climate-related risks are incorporated into:

- Enterprise Risk Management (ERM)
- Strategic planning
- Capital and solvency considerations

The Board reviews climate-related issues at least annually, with updates provided as part of risk reporting.

### Management Oversight

Senior Management is responsible for managing climate-related risks within day-to-day operations.

Key functions involved include:

- Risk Management – integration into ERM and ORSA
- Underwriting – exposure management and pricing
- Actuarial – reserving and catastrophe modelling
- Investments – alignment with responsible investment practices

We leverage Group-level expertise and frameworks from Benefact Group where appropriate, ensuring consistency while tailoring to our scale.

### Accountability

Climate considerations are embedded into:

- Risk policies and governance frameworks
- Business planning processes
- Remuneration framework for executives and senior leadership

## Roles and Responsibilities

Committee	Purpose and Responsibilities
<b>Environment and Climate Forum</b>	<p><b>Purpose:</b> To monitor compliance with Guideline B-15, providing oversight of the development and delivery of our climate change strategy as outlined in the guideline.</p> <p><b>Activities:</b> Oversee climate risk management practices, including quantifying and reporting on emissions (with outside consultation where applicable), monitoring climate transition plans, and organizing climate positive volunteer events.</p>
<b>Canadian Risk Meeting</b>	<p><b>Purpose:</b> To provide oversight and governance over all aspects of risk.</p> <p><b>Activities:</b> Review, monitor and recommend changes to current risk appetite, tolerance and strategy; monitor legal and regulatory developments; and review all recommendations and escalations from sub-committees.</p>
<b>Canadian Executive Leadership Committee</b>	<p><b>Purpose:</b> To oversee the management of all strategic and operational aspects and risks that could impact the Canadian business objectives.</p> <p><b>Activities:</b> Develop and lead the overall direction of the business, making recommendations to the Branch Management Committee.</p>
<b>Branch Management Committee</b>	<p><b>Purpose:</b> Operational management committee responsible for overseeing the activities, performance, governance, and risk management of the Canadian branch, including the approval of Branch strategy.</p> <p><b>Activities:</b> Oversee day-to-day branch operations, ensuring compliance with local regulatory requirements, fair treatment of customers, and implementation of broader Benefact Group strategy and policies and a branch level.</p>
<b>Ecclesiastical plc. Board</b>	<p><b>Purpose:</b> Govern and oversee the company as a regulated insurance entity, ensuring it is managed prudently, complies with regulatory obligations, protects policyholders, and delivers the strategic objectives of the wider Benefact Group.</p> <p><b>Activities:</b> Setting and overseeing overall company strategy, overseeing management of risk and compliance with relevant regulation, while safeguarding policyholder interests and approving major business decisions and capital matters.</p>
<b>Benefact Group Management Board</b>	<p><b>Purpose:</b> Provide strategic leadership, oversight, and coordination across the wider Benefact Group and its businesses, while ensuring the Group delivers on its charitable and ethical purpose.</p> <p><b>Activities:</b> Setting the Benefact Group's overall strategy and long-term direction, supervising sustainability and responsible business initiatives, aligning all Group businesses around shared purpose and supporting growth that enables greater charitable giving.</p>

## Strategy

Ecclesiastical insurance Office underwrites property and casualty insurance risks across Canada. We provide specialist coverage for faith communities, charities and non-profits, educational institutions, retirement living organizations, and arts, culture, and heritage properties. We do not underwrite heavily polluting industries and are committed to supporting our customers in their own climate and sustainability goals.

We have an investment portfolio of assets to back liabilities and provide regulatory and working capital. All assets are managed by the Benefact Group's sustainable investment management subsidiary, EdenTree.

Climate change is considered at all levels and functions within the business, as outlined in the table below.

Climate Change Consideration	How it is considered
<b>Strategy</b>	Our corporate strategy includes a key initiative on climate. This gives climate focus, impetus and regular scrutiny. Performance against this strategic initiative is assessed monthly and results feed into our bonus schemes.
<b>Business planning and management</b>	Our business has developed plans incorporating external factors including the impact of climate change. Our risk function monitors and evaluated potential climate impact as part of its strategy, incorporating climate risk management into all functional areas of the business.
<b>Solvency – Own Risk Solvency Assessment and Ratings</b>	Our ORSA is updated to reflect climate considerations. It will continue to reflect our increasing understanding of climate risk.
<b>Change</b>	Climate change is being increasingly incorporated into business cases for change programmes. For large or Benefact Group-wide change (for example new systems providers) the Benefact Group Impact team is consulted and the climate change impact of the supplier considered.
<b>Remuneration</b>	An element of bonus the bonus scheme for all employees is performance against our strategic plan which includes a climate initiative. Specific climate objectives are included in the Long-Term Incentive Plan for senior leaders and specific individuals have climate objectives which are assessed as part of annual performance management.
<b>Supply chain</b>	A Supplier Code of Conduct was launched in 2024 to set clearer expectations of climate commitment and performance. We require that all suppliers have relevant policies, procedures and processes in place to identify, control and mitigate their environmental impact.

## Risk Management

### Risk Management Framework



### Climate Related Risks and Opportunities

Climate change presents material risks to our business, customers, suppliers, and strategic objectives. These risks fall into three key categories – physical, liability and transitional. Physical risks arise from increased exposure of our property insurance portfolio and investments to severe weather events. Transitional risks stem from evolving climate policies, regulatory requirements, and market shifts that may affect asset valuations and business models. Liability risks emerge from potential litigation or claims related to climate impacts, including inadequate disclosure or failure to meet regulatory obligations. While the most significant impacts are expected over the medium to long term, early effects are already evident. Proactive action is critical to address these interconnected risks to society, the environment, and our operations.

<b>Physical risk</b>	increased flooding, severe weather, and changing climate patterns affecting insured assets and operations.
<b>Transition risk</b>	policy, regulatory, technological, and market changes associated with the transition to a low-carbon economy.
<b>Liability risk</b>	potential legal or reputational exposure connected to climate-related claims and disclosures.

## Material Climate Risks and Opportunities

The table below outlines what we have determined to be the most material climate risks and opportunities at this time. Risks have been considered and scaled based on the size and nature of our operations. We continue to monitor and consider emerging climate risks as a part of our overall risk management framework.

Risk or Opportunity	Type	Time horizon	Potential effect on EIO	Actions taken to understand and mitigate impact on business
More frequent severe weather events	Physical	Short to medium term	Potential for higher claims frequency and severity, earnings volatility, and pressure on reinsurance costs and availability.	<ul style="list-style-type: none"> <li>We have partnered with third-party vendors to quantify exposures on our insured portfolio based on a range of scenarios. This is used to inform capital, pricing and underwriting strategy.</li> <li>Mapping technology has also been used to monitor any concentration of risks in areas prone to natural perils both now and in the future.</li> <li>We continue to work with our reinsurance partners to ensure that our risk mitigation remains appropriate for our current risk exposures and to learn from their expertise.</li> </ul>
Changes in building standards, repair practices, and operating conditions	Transition	Medium term	Potential implications for underwriting approach, product design, pricing, and repair or replacement costs.	<ul style="list-style-type: none"> <li>We track inflationary metrics and building indices monthly, feeding into ongoing pricing and exposure monitoring.</li> </ul>
Changing investment market conditions	Transition	Short to long term	Potential impacts on asset values, portfolio resilience, and investment oversight.	<ul style="list-style-type: none"> <li>Our funds are invested with a responsible and sustainable policy which excludes fossil fuel exploration and production, thermal coal extraction and eschews investment in high carbon emitters (automotive, aviation and heavy industry).</li> <li>Investment portfolio is footprinted annually, to understand both physical and transitional risks, inform investment strategies and understand energy performance.</li> </ul>
Support for customer resilience and risk prevention	Opportunity	Medium term	Opportunity to strengthen customer outcomes through clearer risk communication, risk selection, and resilience-focused practices.	<ul style="list-style-type: none"> <li>We have a designated, ESG Certified Risk Control Specialist to better advise customers on sustainable initiatives and climate-friendly business practices.</li> <li>We have introduced “GreenAssist” – a cost-free, value add for all Ecclesiastical customers to receive sustainability guidance, including how to set emissions targets and defining reduction and mitigation strategies.</li> </ul>

### Transition Plan

We are continuing to develop our transition planning approach in a manner proportionate to our size and complexity. Our current focus is on understanding material exposures, improving data and governance, embedding climate considerations into underwriting, claims, reinsurance, investments, and operations, and monitoring relevant targets where practical. Where elements of our transition approach remain under development, we intend to enhance them over time as our methods, data, and governance mature.

## Metrics and Targets

### Methodology

The table below provides details of the carbon associated with the direct operation of the business. All other Kyoto gases are included (methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride) with the final figures reported in tonnes of carbon dioxide equivalent gases (tCO<sub>2</sub>e). The emissions reporting year runs from 1 September 2024 to 31 August 2025. These emissions are measured and reported according to GHG protocols, SECR regulations and are in line with the ISO 14064-1:2018 Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals standard. Calculated emissions followed the ISO 14064-1 principles of relevance, completeness, consistency, accuracy and transparency. DEFRA's emissions factors are used to produce this calculation. Figures have been rounded for ease.

### Commentary

Our operational footprint comprises:

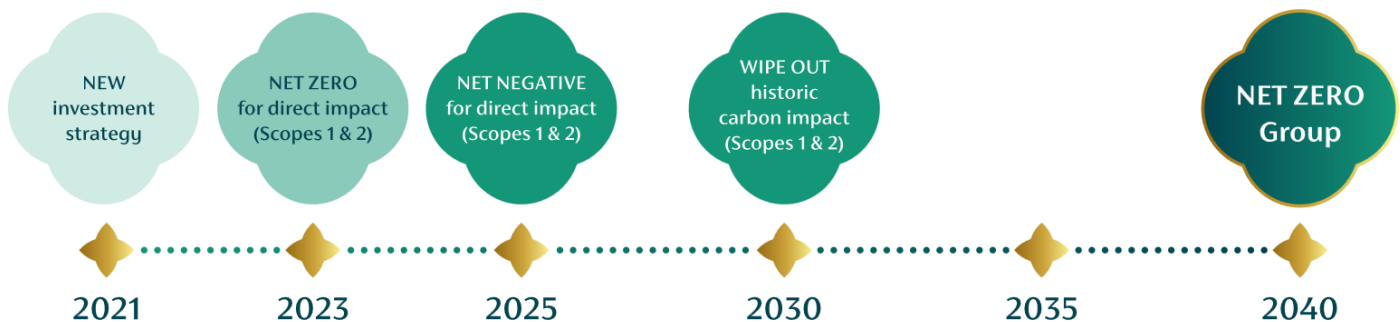
- **Scope 1 emissions:** office gas and oil use, company cars, refrigerant leaks in office air conditioning units
- **Scope 2 emissions:** purchased and self-generated electricity; purchased heat and steam from district heating systems, all used in our offices
- **Scope 3 emissions:** business travel, office waste and water use in our offices.

### Emissions Reporting

Category	Emissions (tCO <sub>2</sub> e)
Scope 1 – office gas use	25.56
Scope 2 – electricity	78.44
Scope 2 – heat and steam	47.35

### Targets

As a member of The Benefact Group, we have committed to Net Zero targets over the short and long-term. We are achieving Net Zero for direct impact through decarbonisation and offsetting. We are offsetting with the most highly assured and charitable offsetting but recognise it is no substitute for decarbonization, but it has a role in the short term. Net Zero progress is integrated into our long-term incentive plan for senior leaders to ensure climate has sufficient focus and commitments.



### Additional Information

Additional regulatory financial information about federally regulated property and casualty insurers in Canada, including the Canadian operations of Ecclesiastical Insurance Office plc, is available on OSFI's Financial Data website at <https://www.osfi-bsif.gc.ca/en/data-forms/financial-data/financial-data-property-casualty-companies>. Additional information on Benefact Group climate initiatives and strategy is available in the [2025 TCFD Report](#).



# Better business building better lives.

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