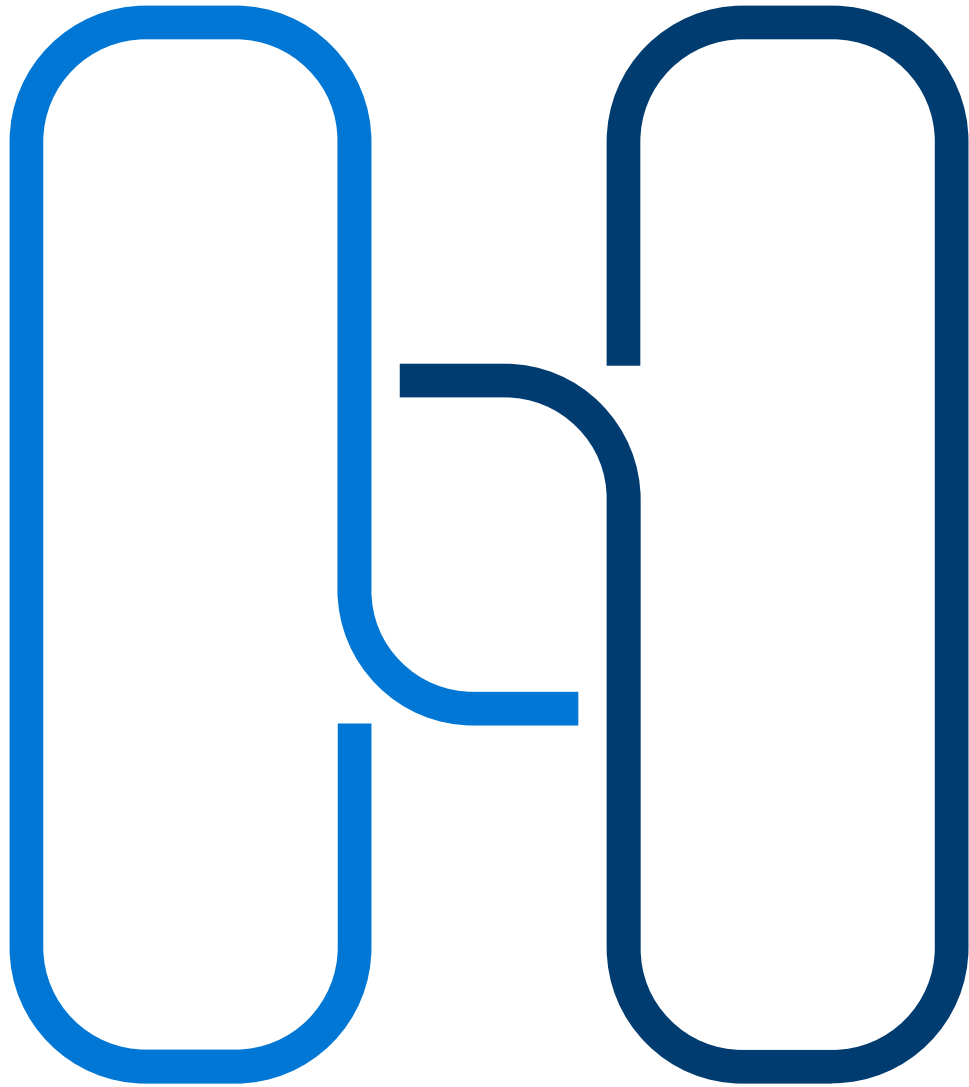




Hannover Rück SE Canadian Branch

Climate-Related Financial Disclosures

OSFI Guideline B-15

Climate change is a significant risk driver for the reinsurance industry, an emerging focal point in regulatory reporting and an integral consideration in Hannover Re's long-term risk and capital management. The Hannover Rück SE Canadian Branch (the "Branch") addresses climate-related risks and opportunities locally, by adopting the Hannover Re Group's sustainability strategy, governance framework and enterprise risk management system, applying these proportionately to the scale and risk profile of its Canadian operations. In addition, the Branch adheres to the risk reporting requirements regarding this important topic as requested by its parent company.

The disclosures below are prepared in accordance with OSFI Guideline B-15 and are consistent with the Hannover Re Group's public sustainability and risk reporting.

The statements below are to be considered a snapshot at the point in time when this disclosure is published, with acknowledgement that this area is continuously evolving.

1 Governance

1.1 Oversight

The Canadian Branch applies Hannover Re Group's established approach to setting, reviewing, and monitoring climate-related targets, aligning these targets with strategic objectives, risk appetite, and international climate frameworks while applying them proportionately to Canadian operations.

Responsibility for climate-related risks and opportunities at the Canadian Branch lies with the Branch Management Team which operates within the Hannover Re Group governance framework. The Branch applies the Hannover Re Group sustainability and Environmental, Social and Governance ("ESG") framework locally and in line with Canadian regulatory expectations.

At Group level, climate-related oversight is exercised through established governance structures, including the Group Sustainability Function, Group Risk Management and the ESG Management Team. These functions support the identification, assessment and monitoring of climate-related risks and opportunities and report regularly to the Executive Board and relevant committees, including Risk Committee.

Climate-related considerations are embedded in underwriting and investment decision-making through Group-wide ESG criteria. Oversight covers strategy, risk management processes including scenario analyses, monitoring against climate-related metrics and targets and alignment with long-term decarbonisation objectives. These activities are integrated within the Group-wide Internal Control System (ICS) and are subject to Compliance and Internal Audit review.

In line with OSFI expectations, the Branch exercises management discretion to avoid disclosure of proprietary or commercially sensitive information throughout this report. Though no material omissions have been made on this basis, remuneration and compensation policies as set by Hannover Re Group are not discussed in detail, given the confidential nature of such policies, and the availability of appropriately detailed information elsewhere in the public domain.¹ Similarly, climate change targets and internal metrics are discussed in line with the

¹ The Hannover Re Annual Report 2025 discusses the 'Integration of sustainability-related performance in incentive schemes'.

information most recently published on these topics without additional forward-looking detail provided. This is seen as appropriate given the reporting focus for such topics may vary as strategic priorities evolve beyond the current 2024-2026 cycle.

The Branch maintains its own OSFI-compliant Own Risk and Solvency Assessment (“ORSA”), which explicitly incorporates climate-related risks. ORSA outcomes are reviewed by the Branch management Team at least annually, with material findings formally documented and escalated to the Branch Steering Board, and where required, to Group functions. In addition, the Branch management considers local liquidity needs and ensures alignment with Group contingency and liquidity planning, which operate under Group liquidity risk management frameworks that consider severe but plausible stress events, including those which may have climate-related drivers.

To enhance transparency around local accountability, the Branch maintains the following governance structure for climate-related matters:

Body / Role	Key responsibilities	Frequency	Key inputs	Outputs / decisions	Escalation
Branch Management Team	Oversight of climate risks in underwriting, ORSA, capital and strategy	Quarterly / ORSA cycle	ORSA results, risk indicators, portfolio analytics	Risk decisions, underwriting steering, capital considerations	Escalate material issues to Branch Steering Board / Group functions
Local ESG / Sustainability function	Coordination of ESG reporting and alignment with Group Sustainability Function	Periodic	Group ESG policies, regulatory requirements	ESG disclosures, internal reporting	Escalation to Group Sustainability Function
Chief Risk Officer	Identification, assessment and monitoring of climate risks	Quarterly / ORSA cycle	Scenario analysis, stress tests, exposure metrics	Risk reporting, ORSA inputs	Escalation to Branch Management and Group Risk Management
Branch Steering Board	Oversight of material risks, including climate-related exposures and ORSA conclusions	At least annually	ORSA, escalation reports, strategic risk summaries	Strategic direction, risk validation	Escalation to Group Executive Board if required

1.2 Role of management

Management of the Canadian Branch is responsible for implementing the Hannover Re Group’s climate and sustainability strategy in the context of local Canadian operations. Climate-related risks and opportunities are monitored through established underwriting, investment and portfolio-steering processes using Group-defined policies and metrics, with reference to the data available to and from the Branch.

Climate-related information is reported to Group Risk Management and the Sustainability Function. Group Risk Management oversees sustainability key risk indicators and reports quarterly to the Risk Committee and Executive Board. Oversight of Branch-level climate-related activities is maintained through established reporting and governance channels linking the Branch with Group-level committees and functions. These internal channels ensure consistency, transparency and alignment with overall Group-wide governance and strategy and operate in compliance with the regulatory requirements of each governed territory in the reporting chain.

While the Branch does not operate a standalone executive compensation framework, compensation policies, including the incorporation of sustainability and climate-related considerations, are established at the Hannover Re Group level, with Executive Board remuneration also including sustainability goals. The Branch aligns with the intent of such policies and ensures that climate-related expectations relevant to Canadian operations are embedded in local management decision-making, consistent with OSFI's proportionality expectations for branches.

2 Strategy

2.1 Climate-related risks and opportunities

The Canadian Branch has identified physical and transition climate-related risks, as well as related opportunities, that could be reasonably expected to affect underwriting results, cash flows and long-term capital resilience. These assessments are aligned with the Branch risk management framework, ORSA and Group climate methodologies.

In addition, the operational implications on activities such as investment, reporting and the underwriting of such risks (including continued insurability) remains part of the discourse regarding how to best capture climate-related risk considerations in existing processes and frameworks, and how to identify opportunities in this space.

Physical risks arise primarily from the increasing frequency and severity of natural catastrophes in Canada, including wildfires, floods and severe convective storms. These, and associated risks may lead to elevated claims volatility and pricing pressure in the short to medium term and are likely to influence modelling assumptions, underwriting activities and capital requirements over the medium to long term.

Transition risks relate to evolving climate policies, regulatory and disclosure requirements, and market dynamics affecting carbon-intensive sectors. These factors may affect compliance costs, insurability and portfolio composition across short, medium and long-term horizons. Additional consideration is given to management of the transition risks faced by Hannover Re and limiting any potential reputational risk as the requirements for (re-)insurers across many global regulatory environments continue to evolve.

Climate-related opportunities include increased demand for catastrophe reinsurance capacity, resilience-focused solutions and coverage for renewable energy and sustainable infrastructure, primarily over the medium to long term.

For strategic planning purposes, short term is defined as up to three years, medium term as three to ten years and long term as beyond ten years. These definitions are consistent with ORSA and strategic planning horizons.

2.2 Business model and value chain

Climate-related risks and opportunities affect the Canadian Branch primarily through underwriting, pricing, accumulation management, catastrophe modelling and capital deployment.

Physical climate risks are concentrated in the Property & Casualty reinsurance portfolio, influencing risk selection, pricing discipline and retrocession strategies. Transition risks mainly affect underwriting and investment decisions for carbon-intensive sectors as well as

governance and reporting processes. Ensuring visibility of the evolution of underwriting best practice to anticipate transition and physical risk impacts will also facilitate monitoring and management of reputational and strategic risks. This focus will become increasingly important as sustainability practices become more engrained in cedant operations, and the Branch continues to engage with potential new clients and existing partners to offer valuable solutions.

Opportunities are concentrated in climate-aligned underwriting solutions, catastrophe risk transfer and advanced analytics that support long-term competitiveness.

2.3 Strategic response

The Canadian Branch implements the Hannover Re Group Strategy and Environmental Strategy at local level and continues to refine its business model and decision-making processes to address climate-related risks and opportunities. Measures include adjustments to underwriting appetite, enhanced accumulation controls for catastrophe-exposed regions and selective investment portfolio steering away from higher-risk carbon-intensive exposures.

Climate considerations are integrated into underwriting, pricing, treaty structuring, scenario analysis and ORSA. The Branch also looks to support client transition and resilience through tailored reinsurance solutions, drawing on insights from Hannover Re Group expertise and global sustainability initiatives.

The Branch engages with key stakeholders including clients, brokers, regulators and the Hannover Re Group. Their expectations are reflected in underwriting practices, disclosure processes and product development.

Stakeholder considerations are embedded through Group governance structures and are incorporated into risk assessments, strategic planning and ORSA processes.

2.4 Financial position and performance

In the 2025 financial year, climate-related impacts on the Branch were reflected primarily in underwriting volatility associated with severe weather events observed at Group level. Transition risks were managed through underwriting discipline and investment steering aligned with Group ESG policies.

Furthermore, climate-related risks were explicitly considered in capital steering decisions, including retrocession strategy using the observations after the 2024 losses. This ensures that peak exposures remain aligned with risk appetite and available capital under severe but plausible climate scenarios.

Over the short to medium term, continued earnings volatility and incremental modelling and governance costs are expected. Over the long term, alignment with the Group's decarbonisation strategy is expected to support portfolio resilience and continued access to capital. Quantitative impacts are assessed through ORSA and disclosed qualitatively in line with proportionality expectations.

2.5 Transition planning and resilience

The Branch does not maintain a standalone climate transition plan. It operates under the Hannover Re Group Climate and Environmental Strategy, which defines decarbonisation pathways, underwriting restrictions, investment targets and engagement priorities through

2030, with the key environmental strategic priorities reviewed and revised in line with the Group strategy.

Strategy resilience is assessed through climate-related scenario analysis embedded in the Branch ORSA and Group stress-testing frameworks. Scenarios include pathways aligned with international climate objectives as well as higher-warming outcomes. The results indicate increased short-term volatility under adverse physical risk scenarios, while the overall strategic outlook remains resilient across plausible climate pathways.

3 Risk management

Climate-related risks and opportunities are integrated into the Branch's enterprise risk management framework, the Branch's risk register and are aligned with the Group's management standards, methodologies and governance. Oversight is exercised by Branch management, with defined reporting lines and escalation to relevant Group functions.

Climate-related risks are identified through portfolio reviews, emerging-risk monitoring, regulatory scanning, Group research and client interaction. These include both physical risks and transition risks. Identified risks are assessed using qualitative analysis, scenario analysis and stress testing, prioritised based on materiality; and monitored through defined indicators, limits and management reporting on a periodic basis.

On a biennial basis, stress testing is conducted at a Group level, considering 2°C and 4°C increase in global average surface temperature compared to the pre-industrial level. Allowing for the increase in global temperatures already observed, these scenarios capture an increase of 1°C and 3°C respectively. Although the scenarios are defined for 2050, the shock is applied instantaneously, with reference to the current portfolio status at the year end prior to the analysis. Given this analysis is conducted every two years with reference to the portfolio at the prior year end, the results offer reliable internal time series data for comparison of changes arising between periods.

Risk management measures include defined limits, underwriting guidelines, risk selection and risk mitigation actions. Exposure to climate-related risks is monitored through key risk indicators and regular management reporting and is considered as part of the overall risk profile of the Branch.

Climate-related opportunities are identified through market analysis, client engagement and exchange across the Group and are considered alongside climate-related risks in strategic planning and decision-making.

4 Metrics and targets

The Branch applies climate-related metrics and targets established at Hannover Re Group level, adapted as appropriate to the scale and risk profile of its Canadian operations. These metrics support the monitoring and management of climate-related risks and opportunities across underwriting, investments and operations. Key metrics include catastrophe loss and hazard exposure indicators, measures of exposure to carbon-intensive sectors and greenhouse gas (GHG) emissions.

4.1 Scope 1 and Scope 2 GHG emissions

In accordance with OSFI Guideline B-15, the Branch discloses its Scope 1 and Scope 2 GHG emissions separately.

- **Gross Scope 1 GHG emissions (tCO₂e): 0**
- **Gross location-based Scope 2 GHG emissions (tCO₂e): 28.85**

These emissions relate to the Canadian operational footprint for Hannover Re Group in Canada and reflect its limited physical infrastructure and reliance on leased office space. Note that emissions data is based on office premises, which are shared between both L&H and P&C operations.

4.2 Measurement methodology

The Branch measures GHG emissions from its own operations using a standardised Group-wide process with appropriate internal controls.

For emission sources attributable to own operations, primary data are used, including electricity and heating consumption. These data are supplemented by information obtained from landlords and external service providers where required.

The organisational boundary for emissions reporting includes office space, associated infrastructure and operations in which Branch employees perform their activities. Data collection, consolidation and processing are performed centrally by a specialised team within Hannover Re to ensure consistency, quality assurance and methodological alignment.

For the reporting year, emissions data were collected as at 31 October 2025. In line with established internal processes, the remaining two months were estimated using extrapolation techniques based on available consumption data, intended to allow for seasonal fluctuations in energy consumption figures or travel patterns.

Emission factors applied in the calculation are sourced from the UK Government DEFRA database, which is widely recognised and regularly updated.

4.3 Reporting standard

GHG emissions are calculated and disclosed in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This ensures consistency with internationally recognised measurement and reporting practices and supports comparability with Group-level disclosures.

4.4 Scope 3 emissions

Scope 3 emissions, including those related to underwriting and investment-related emissions, are managed and monitored at Group level. The Canada Branch contributes to these processes through its integration into Group data collection and risk management frameworks.

Disclosure of Scope 3 emissions will continue to evolve in line with OSFI Guideline B-15 phased implementation expectations and the availability of reliable methodologies and data.

4.5 Targets

Group-level climate targets applied to the Branch include purchase of green electricity globally for the Hannover Re Group, 70% reduction in the greenhouse gas intensity of the liquid asset portfolio by the end of 2029 and a phased reduction to exposure from thermal-coal-related underwriting by 2038². Progress is monitored through established governance, risk management processes and sustainability reporting and is achieved primarily through actual emissions reductions rather than offsets.

5 Forward-looking statement

The Canadian Branch will continue to enhance its climate-related financial disclosures in line with OSFI Guideline B-15 and evolving sustainability reporting standards, applying a risk-based and proportionate approach consistent with its role within the Hannover Re Group.

² Additional detail regarding climate targets is discussed in the 2025 Annual Report, with climate change subtopics covering mitigation, adaptation and fulfilment of reporting requirements.