ArundoRe
PARIS

Climate-related Financial Disclosure (Canadian Branch)

2026

Always around

Table of Contents

1: About Arundo Re (Canadian Branch) 2

2: Purpose and Structure of the Report 2

3: Governance and Oversight 3

- 3.A/ Board Oversight 3
- 3.B/ Socially Responsible Investment (SRI) Governance 3
- 3.C/ Committee Structure 3
- 3.D/ Local Governance – Arundo Re (Canadian Branch) 4

4: Strategy 5

- 4.A/ Climate-Related Risks and Opportunities 5
- 4.B/ Transition Risks and Opportunities 6
- 4.C/ Physical Risks and Opportunities 7
- 4.D/ Strategic Climate Priorities 8
- 4.E/ Geographic Focus 8
- 4.F/ Business Model Implications 8

5: Risk Management 9

- 5.A/ Overview 9
- 5.B/ Integration into the Enterprise Risk Management Framework 9
- 5.C/ Climate Risk Management Processes 10
- 5.D/ Three Lines of Defence 10
- 5.E/ Climate Risk Tools and Methodologies 11
- 5.F/ Third-Party and Operational Risk Considerations 11
- 5.G/ Continuous Improvement 11

6: Metrics and Targets 12

- 6.A/ Climate-Related Metrics and Targets 13
- 6.B/ Arundo Re (Canadian Branch) Carbon Inventory 14
- 6.C/ Investment-Related Emissions Metrics 15

7: Conclusion 15

1: About Arundo Re (Canadian Branch)

Arundo Re (the "Company" or "Group") is an international reinsurance group headquartered in Paris, with a long-standing presence of over 25 years in the Canadian market. Through its Canadian Branch ("Arundo Re (Canadian Branch)"), the Company underwrites a diversified portfolio spanning traditional property and casualty reinsurance as well as selected specialty lines, including accident and sickness, marine, and agriculture. In addition to its Canadian activities, Arundo Re (Canadian Branch) (the Branch") supports clients in the Caribbean region.

As a multi-regional and diversified reinsurer, Arundo Re delivers bespoke and innovative solutions aligned with its solvency, capital protection, and long-term profitability objectives. The Group is recognized for its enduring client relationships, disciplined underwriting approach, technological innovation, and commitment to long-term partnerships.

Arundo Re is the new name of CCR Re. The name "Arundo," meaning "reed" in Latin, is inspired by La Fontaine's fable The Oak and the Reed and reflects the Group's core values of humanity, resilience, clarity, and vitality.

The strength of Arundo Re is underpinned by the diversification of its underwriting and investment portfolios, the prudence of its reserving practices, robust balance-sheet protection against peak risks, and the continuous reinforcement of its governance, organizational structure, and internal control framework.

2: Purpose and Structure of the Report

The purpose of this report is to describe how Arundo Re (Canadian Branch) identifies, assesses, and manages climate-related risks and opportunities, how these considerations are integrated into strategy and decision-making, and the governance framework supporting this approach. The report is structured in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is organized as follows:

- Governance and Oversight
- Strategy
- Risk Management
- Metrics and Targets

3: Governance and Oversight

3.A/ Board Oversight

The Board of Directors of Arundo Re has ultimate responsibility for overseeing the strategic direction of the Group, including the consideration of climate-related risks and opportunities. Climate considerations are incorporated into Board-level discussions on strategy, major transactions, capital management, and the overall risk framework.

The Board and its committees are regularly informed of developments related to environmental, social, and governance (ESG) matters, including climate change and biodiversity. Climate-related risks and opportunities are assessed in the context of the Group's reinsurance activities and long-term sustainability.

3.B/ Socially Responsible Investment (SRI) Governance

The Group's Socially Responsible Investment (SRI) strategy is presented to and approved by the Board of Directors. The Board is consulted at least twice annually on ESG-related matters:

- **Ex-ante review**: Validation of the investment policy, upon recommendation from the Audit, Accounts, and Risk Committees.

- **Ex-post review:** Review of the annual SRI report prior to publication, including discussion of regulatory disclosures, implementation progress, and potential extensions of existing measures.

The SRI strategy integrates environmental, social, and governance criteria into investment decisions. This strategy is embedded in asset management agreements through defined non-financial investment constraints.

3.C/ Committee Structure

At Group level, ESG and sustainability matters are supported through dedicated governance forums, including:

- **ESG Committee**: Meeting to review ESG trends, regulatory developments, portfolio ESG ratings, and SRI policies, and to coordinate action plans across relevant functions.

- **Real Estate CSR Committee**: Reporting to the Chief Investment Officer within the Investment Department's governance structure.

3.D/ Local Governance – Arundo Re (Canadian Branch)

At the Canadian Branch level, the **Chief Agent** is responsible for overseeing the local implementation of climate-related practices and ensuring alignment with Group policies and Canadian regulatory expectations.

Investment Committee

Objectives: monitoring the investment policy, as approved by the ALM Committee.

Members: Chief Executive Officer and Deputy Chief Executive Officer, SMABTP Investment Department, Finance Department, Risk and ALM Department, Chief Investment Officer

ESG Committee

Objectives: development of the SRI policy, regular monitoring of key indicators, portfolio SRI fund strategy analysis, etc.

Members: SMABTP Investment Division, SMABTP ESG Coordinator

The Chief Agent is supported by branch management, including underwriting, finance and compliance functions, to monitor climate exposures, accumulation risks, and compliance with applicable requirements.

4: Strategy

4.A/ Climate-Related Risks and Opportunities

Arundo Re (Canadian Branch) evaluates both transition risks and physical risks associated with climate change across its underwriting and investment portfolios.

- **Transition risks** arise from the adjustment to a lower-carbon economy, including regulatory change, carbon pricing, market shifts, and technological disruption.
- **Physical risks** arise from climate-related events and trends, including both chronic risks (e.g., gradual temperature increases, rising sea levels) and acute risks (e.g., hurricanes, floods, wildfires, and severe storms).

Climate-related risks and opportunities are assessed across three time horizons aligned with the Company's strategic and business planning cycles:

Time Horizon	Definition
Short term	0–3 years, aligned with the three-year business and financial planning cycle
Medium term	3–10 years, aligned with operational and strategic planning horizons
Long term	Greater than 10 years, reflecting longer-term structural impacts

4.B/ Transition Risks and Opportunities

Set out below are potential material transition risks and opportunities for Arundo Re (Canadian Branch), along with our approach to addressing these risks.

Risks	Description of risks	Opportunities	Arundo Re (Canadian Branch) Management Approach	Time Horizon
Asset depreciation and lower investment returns	Potential reduction in investment returns from exposure to carbon-intensive sectors that fail to transition to a lower-carbon economy. Climate change may also contribute to market volatility, credit deterioration, and reduced yields.	Enhanced returns from investments aligned with credible low-carbon transition strategies.	Monitor and manage exposure to high-emitting sectors; integrate climate risk into investment analysis; increase allocation to sustainable and transition-aligned assets; engage with investee companies on transition planning and disclosure.	Short to medium term
Shifting market demand	Market shifts away from high-emitting industries may reduce demand for certain products and services, affecting insured portfolios and investment performance.	Growth in emerging low-carbon industries and demand for innovative insurance and reinsurance solutions.	Develop and support lower-carbon insurance solutions; adapt underwriting appetite to reflect evolving sectoral risks; support clients transitioning to more sustainable business models.	Medium to long term
Third-party and supply chain risk	Disruption to suppliers, service providers, and claims networks due to climate transition pressures, potentially increasing claims costs and operational complexity.	Ability to influence suppliers and partners to adopt sustainable practices and science-based climate targets.	Engage with suppliers and service providers on climate practices; encourage sustainable claims handling; integrate ESG considerations into third-party risk assessments.	Short to medium term

4.C/ Physical Risks and Opportunities

Set out below are potential material physical risks and opportunities for Arundo Re (Canadian Branch), along with our approach to addressing these risks.

Risks	Description of risks	Opportunities	Arundo Re (Canadian Branch) Management Approach	Time Horizon
Increased frequency and severity of extreme weather events	Rising frequency and severity of wildfires, floods, hurricanes, and severe storms leading to higher catastrophe losses and volatility in underwriting results.	Development of advanced analytics, modelling tools, and risk mitigation solutions for clients.	Invest in climate-adjusted catastrophe modelling; enhance accumulation monitoring; refine pricing and underwriting guidelines; support client resilience initiatives.	Short term Medium term Long term
Affordability and availability of coverage	Higher loss activity may result in increased premiums or reduced availability of reinsurance capacity, potentially increasing protection gaps.	Collaboration with industry and stakeholders to improve resilience and maintain affordable coverage.	Re-pricing where appropriate; participation in industry adaptation initiatives; product innovation focused on resilience and loss prevention.	Short to medium term
Risk exposure accumulation	Concentration of exposure to climate-sensitive perils may result in large aggregate losses from single events.	Improved exposure management and identification of unmet market needs.	Monitor accumulation using catastrophe models; adjust aggregate limits; utilize reinsurance and retrocession structures; maintain adequate capital buffers.	Medium to long term

4.D/ Strategic Climate Priorities

Arundo Re (Canadian Branch)'s climate strategy is aligned with Group-level objectives and tailored to regional realities in Canada and the Caribbean. Key strategic priorities include:

- Integrating climate considerations into underwriting appetite, treaty design, and pricing assumptions.
- Enhancing catastrophe modelling for perils whose frequency and severity are influenced by climate change.
- Strengthening data quality and cedant-level reviews, particularly for property, marine, and catastrophe-exposed risks.
- Assessing long-term financial impacts, including capital adequacy, reinsurance protections, and retrocessional strategies.

4.E/ Geographic Focus

Canada

- Wildfire risk, particularly in Western Canada.
- Flood and severe storm risk across multiple provinces.
- Increasing variability in winter storm risk.

Caribbean

- Hurricane and tropical cyclone risk with increasing severity.
- Coastal flooding and storm surge affecting commercial and tourism-related infrastructure.

4.F/ Business Model Implications

Climate change considerations influence underwriting strategy, pricing, exposure limits, and reinsurance structures. This includes adjustments to aggregate exposure thresholds, reassessment of catastrophe accumulations, and the use of reinsurance and retrocession to mitigate climate-driven volatility.

5: Risk Management

5.A/ Overview

Climate-related risks are embedded within Arundo Re's Enterprise Risk Management (ERM) framework and are managed in a manner consistent with other material risks faced by the organization. This integrated approach ensures alignment between the Company's articulated risk appetite, capital management framework, underwriting strategy, investment activities, and operational decision-making.

Climate change has been identified as a long-term top and emerging risk due to its potential impact on underwriting performance, catastrophe exposure, capital adequacy, investment returns, operational resilience, and the availability and affordability of insurance and reinsurance solutions. Climate-related risks are therefore considered within regular risk assessments, Own Risk and Solvency Assessment (ORSA) processes, and senior management and Board reporting.

Climate-related risk management is implemented in accordance with the Group's enterprise risk management framework and governance processes. Significant progress has been made in assessing and managing physical climate risks, particularly exposure to natural catastrophes, and through the integration of climate considerations into investment risk management. The Company continues to strengthen its approach to transition risks through the ongoing development of methodologies, data, monitoring capabilities, and scenario analysis, in alignment with the Group's sustainability initiatives and evolving regulatory expectations.

5.B/ Integration into the Enterprise Risk Management Framework

Climate-related risks are identified, assessed, quantified, monitored, and reported through Arundo Re's established ERM processes. These processes operate on a continuous cycle of risk identification, assessment, mitigation, monitoring, and reporting, allowing the organization to respond to changes in climate science, regulatory expectations, and market conditions.

Climate considerations are incorporated into:

- Underwriting risk assessments and pricing decisions.
- Catastrophe modelling and exposure accumulation monitoring.
- Investment risk analysis and portfolio construction.
- Capital planning, stress testing, and solvency assessments.

Climate-related risks and mitigation actions are reviewed regularly by senior management and reported to the Risk Committee and the Board of Directors.

5.C/ Climate Risk Management Processes

Risk Management Component	Description
Risk identification	Identification of climate-related physical and transition risks across underwriting, investments, operations, and third-party relationships, informed by catastrophe models, scientific data, regulatory developments, and market intelligence.
Risk assessment	Qualitative and quantitative assessment of climate risks, including analysis of frequency, severity, and aggregation impacts across portfolios, geographies, and lines of business.
Risk mitigation	Application of underwriting guidelines, pricing adjustments, exposure limits, reinsurance and retrocession strategies, investment constraints, and operational controls to manage climate-related risk exposures.
Risk monitoring	Ongoing monitoring of exposure accumulations, catastrophe model outputs, loss experience, investment portfolio sensitivities, and emerging climate trends.
Risk reporting	Regular reporting to senior management, the Risk Committee, and the Board, including dashboards, stress-testing results, and key risk indicators.

5.D/ Three Lines of Defence

Arundo Re applies a three-lines-of-defence model to manage climate-related risks, ensuring clear accountability, effective challenge, and independent assurance.

Line of Defence	Roles and Responsibilities
First Line – Business Functions	Underwriting, investment, claims, and operational teams identify and manage climate-related risks within

Line of Defence	Roles and Responsibilities
	their activities; ensure adherence to risk appetite, underwriting guidelines, and delegated authorities; and implement mitigation measures.
Second Line – Oversight Functions	Independent oversight functions, including Risk Management, Actuarial, Compliance, Legal, and Finance, provide guidance, challenge first-line activities, establish policies and limits, and monitor adherence to climate-related risk controls.
Third Line – Assurance	Internal and external audit functions provide independent assurance to senior management and the Board on the effectiveness of governance, risk management, and controls related to climate risks.

5.E/ Climate Risk Tools and Methodologies

Area	Tools and Methodologies
Underwriting risk	Climate-adjusted catastrophe models for windstorm, and hurricane risks; incorporation of updated hazard data and scientific insights into underwriting guidelines.
Exposure and accumulation management	Portfolio-level aggregation analysis to identify concentration risks and support limit setting, treaty structuring, and capital allocation decisions.
Stress testing and scenario analysis	Climate-related stress testing and scenario analysis reflecting moderate and severe outcomes, including increased frequency and severity of catastrophe events.
Investment risk management	Monitoring of carbon intensity, transition risk indicators, and sectoral exposures; application of ESG integration and exclusion criteria for high-emission activities.

The implementation of climate risk management tools reflects the progressive integration of sustainability considerations into the Company's risk management framework. Proven methodologies and established governance processes support the assessment and management of natural catastrophe exposures and climate-related investment risks.

5.F/ Third-Party and Operational Risk Considerations

Climate-related risks associated with third parties, including brokers, service providers, claims partners, data vendors, and asset managers, are incorporated into Arundo Re's third-party risk management processes. ESG and climate considerations are factored into due diligence, contractual arrangements, and ongoing monitoring where relevant.

Operational resilience considerations include business continuity planning, data quality management, model risk management, and reliance on external climate and catastrophe modelling providers. These considerations are critical to ensuring the robustness and reliability of climate-related risk assessments and decision-making.

5.G/ Continuous Improvement

Arundo Re (Canadian Branch) continues to enhance its climate risk management capabilities by refining models, improving data quality, strengthening governance, and responding to evolving regulatory expectations. Climate risk management practices are reviewed periodically to ensure they remain effective, proportionate, and aligned with the Company's strategic objectives and risk appetite.

6: Metrics and Targets

Arundo Re recognizes the importance of measuring and monitoring climate-related risks and opportunities. The Group has established metrics and targets covering both operational emissions and investment-related impacts, supporting resilience and the transition to a low-carbon economy.

6.A/ Climate-Related Metrics and Targets

Metric	Description	Long-Term Target	Interim Target	Base Year
Operational GHG emissions]	Scope 1, Scope 2, and selected Scope 3 emissions from operations	Net zero by 2050	50% reduction by 2030	2020
Financed emissions (investments)	Absolute and intensity-based emissions associated with investment portfolios	Achieve net-zero financed GHG emissions by 2050 across the investment portfolio	Reduce financed emissions intensity by 25–50% from baseline year	2020
Investments aligned with climate transition	Percentage of assets invested in impact, resilience, or climate transition strategies	Increase over time toward net zero objectives	Interim allocation targets set periodically	2020
Weather-related catastrophe losses	Losses attributable to climate-driven weather events	Managed within risk appetite	Ongoing monitoring	N/A

6.B/ Arundo Re (Canadian Branch) Carbon Inventory

The following table summarizes our absolute gross greenhouse gas emissions:

Emissions from operations	Metric (tonnes CO2e)	2025
Scope 1	Natural gas consumption	7
Scope 2	Electricity consumption	3
	District cooling	1
Scope 3	Water consumption	0.08
Waste	Waste to Landfill	0.19
	Waste Diverted	0.02
	Total emissions from waste	**0.21**

Emissions from investments	Metric (tonnes CO2e)	2025
Corporate bonds portfolio	Absolute GHG emissions	422
	GHG intensity	2.35
Sovereign Debt	Absolute GHG emissions	66,054
	GHG intensity	359.17
Total emissions from investments		**66,476**

Other metrics		2025
Catastrophe losses	Catastrophe losses—total	$20.23M
	Catastrophe losses —weather	$20.23M
	Catastrophe loss ratio—weather	14.84%

Emissions Category	Metric	Reporting Year
Scope 1	Natural gas consumption	Reported annually
Scope 2	Electricity and district cooling	Reported annually
Scope 3	Water consumption and waste	Reported annually

6.C/ Investment-Related Emissions Metrics

Portfolio Segment	Metric	Measurement Approach
Corporate bonds	Absolute GHG emissions and intensity	PCAF-aligned methodology
Sovereign debt	Absolute GHG emissions and intensity	PCAF-aligned methodology
Total investments	Aggregate financed emissions	Consolidated reporting

Targets and metrics are reviewed periodically to ensure alignment with evolving regulatory expectations, data availability, and methodological best practices. Progress against these targets is monitored through internal reporting and governance processes.

7: Conclusion

Through governance oversight, strategic integration, disciplined risk management, and transparent metrics, Arundo Re (Canadian Branch) seeks to responsibly manage climate-related risks and opportunities. This approach supports the resilience of the Company, its clients, and the broader communities in which it operates, while remaining aligned with regulatory expectations and the Group's long-term sustainability objectives.

PARIS

6, rue Favart
75002 Paris
FRANCE

TORONTO

150 York Street, Suite 1010
Toronto, Ontario M5H 355
CANADA
(+1) 416 644 0821

BEIRUT

Beirut Symposium Bldg.
Wardieh Street, Sin El-Fil
Beirut 1100 2190
LEBANON
(+961) 1 49 36 01