



Antigonish Farmers' Mutual Insurance Company

OSFI B-15 Climate Risk Management Report

For the period ending December 31, 2025

About Antigonish Farmers' Mutual Insurance Company

Antigonish Farmers' Mutual Insurance Company ("the Company") is a federally incorporated mutual insurance company, without share capital, governed under the Insurance Companies Act and domiciled in Canada. The Company is a general property and casualty insurer operating in the province of Nova Scotia, providing insurance coverage primarily to individuals and businesses. Antigonish conducts its operations through its head office in Antigonish, Nova Scotia, and includes a wholly owned subsidiary, Farmers' Mutual Insurance Agency Limited, which is consolidated in the Company's financial statements.

About this Report

This report has been prepared by the Company in response to the Office of the Superintendent of Financial Institutions' (OSFI) *Guideline B-15: Climate Risk Management*. The disclosures included in this report relate to the reporting period ended December 31, 2025, and are intended to describe the Company's governance, strategy, risk management practices, metrics, and targets related to climate-related risks, in alignment with OSFI's expectations for federally regulated financial institutions.

Governance

Governance of climate-related risks and opportunities

The Board of Directors has ultimate oversight over climate related risks and opportunities at Antigonish Farmers' Mutual Insurance Company (the "Company"). It has delegated the oversight of climate-related risks and opportunities to the Audit Committee, including the compliance with relevant disclosure requirements. The identity, responsibilities and frequency of meetings of those charged with governance are outlined in Table 1 below. The Audit Committee assists the Board in overseeing the Company's financial reporting processes, internal controls, and the independence and performance of the external auditor, including review of actuarial reports, reinsurance treaty recommendations, regulatory filings, Financial Condition Testing results, and related correspondence. The Committee also oversees the Company's Reinsurance Risk Management Policy and Investment Policy, providing oversight of key financial and risk management practices. The Board continues to develop its climate-related skills and competencies. For example, in 2025, the Board and the senior leadership team received a climate risk education and training session.

Currently, there is no formal climate-related target or monitoring of such target for the Company. Currently, climate-related considerations are not factored into the Company's remuneration. However, the Company is looking at incorporating these factors in the future.

Management's role

Management's role in monitoring and managing climate-related risks and opportunities is carried out through the OSFI B-15 management working group and operational risk management functions. The working group, which includes the CEO and CFO/CRO, coordinates climate-risk assessments, supports climate reporting, and presents regular updates to the Board, inclusive of ERM updates on climate-related risks and opportunities. This working group is responsible for reviewing internal governance processes, controls, and risk-assessment procedures, including investment-risk analysis, actuarial modelling, and physical-risk evaluation.

Management has implemented processes and controls to support the identification, assessment, and management of climate-related risks and opportunities, including defined review procedures, cross-functional oversight, and integration within existing risk management and control frameworks. These processes are designed to evolve over time as climate-related data and regulatory expectations mature.

Oversight of the OSFI B-15 working group's climate-related responsibilities is exercised by the Board through delegated oversight to the Audit Committee, which reviews management reporting on significant climate events and regulatory developments as they arise.

Governance level	Mandate	Meeting frequency
Board of Directors	Ultimate oversight of risk management programs, including risk appetite, and endorsing risk management frameworks and policies, which includes climate-related risks and opportunities. The Board has oversight over significant climate events.	Annually
Audit Committee	Oversees climate-related risks through its regular review of the Company's risk registry, which is reviewed semi-annually, and through quarterly discussions of significant risk matters, including physical climate risks, severe weather events, and related claims impacts. The Committee also oversees regulatory compliance, including compliance with OSFI Guideline B-15, and reviews reinsurance structures and catastrophe retention levels designed to manage losses arising from climate-related events, while oversight of climate-related opportunities remains at an early, qualitative stage.	Quarterly basis, with climate related agenda discussions being held at minimum on a twice per year basis
Management OSFI B-15 working group CEO, CFO/CRO	Coordination and support for climate-related risk assessment and OSFI B-15 implementation activities. Additionally, the working group is responsible for core internal management responsible for climate-related governance and risk assessments.	As needed.
Management risk team	Event-driven monitoring of physical climate risks, including response to catastrophic claims and review of hurricane and severe weather forecasts.	As needed.

Risk management

Identifying climate-related risks and opportunities

The Company identifies climate-related risks and opportunities through its existing Enterprise Risk Management (“ERM”) framework. Identification activities leverage established ERM processes, including structured management workshops, review of historical claims experience, analysis of underwriting, investment, and operational data, and consideration of external environmental, regulatory, and market developments. The identification of climate-related risks considers potential impacts across the underwriting portfolio, operations, investments, and the enterprise more broadly, and focuses on both physical risks (acute and chronic weather-related events) and transition risks (including regulatory, technological, and market developments). Climate-related opportunities are identified in parallel, including opportunities related to products and services, responsible investing, and operational efficiencies. Identification activities consider potential impacts across short, medium, and long term time horizons.

Assessing climate-related risks and opportunities

Identified climate-related risks and opportunities are assessed using qualitative and semi-quantitative criteria consistent with the Company’s ERM practices. Assessments consider potential financial and operational impacts, likelihood, and relevance to the Company’s business model. Physical risks are assessed primarily in relation to insurance losses, reinsurance arrangements, operational resilience, and investment exposures, while transition risks are assessed at an enterprise level with consideration given to regulatory compliance costs, market behaviour, and emerging technologies. Management has begun evaluating how climate scenario analysis and more structured assessment methodologies may be incorporated into the ERM framework as practices mature.

Prioritizing climate-related risks

Climate-related risks are documented within the Company’s risk universe and evaluated as part of the ERM risk evaluation and prioritization process. Using the outcomes of the qualitative and semi-quantitative assessments, climate-related risks are prioritized relative to other enterprise risks to support management focus and decision-making. This prioritization informs risk treatment activities and resource allocation and is integrated into the Company’s broader ERM processes, which includes five elements: risk identification, risk assessment, risk evaluation and prioritization, risk treatment, and risk monitoring.

Monitoring climate-related risks

Climate-related risks and opportunities are monitored through existing management oversight and ERM processes, including periodic risk discussions, metrics analysis, and monitoring of investment and operational indicators. The Company updates its risk registry and risk assessments, including climate-related risks, on a semi-annual basis. Key outputs supporting the monitoring of climate-related risks and opportunities include the ERM Summary Report and related risk assessment materials, which are reviewed by senior management and the Audit Committee, with oversight provided by the Board. *Please refer to the Governance section of this report for additional details on climate risk and opportunity oversight.*

Integration into overall risk management process

The Company’s processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into existing business practices and are being progressively embedded into the Company’s overall risk management approach. Climate considerations are currently reflected in underwriting decision-making where they relate to direct physical loss or damage. Antigonish maintains an Enterprise Risk Management (ERM) framework that provides high-level visibility over key insurance,

investment, operational, and emerging risks through a defined risk universe, risk register, and heat map. In 2026, Antigonish began integrating climate-related risks and opportunities into this framework in the same manner as other enterprise risks, including assessing how climate drivers will be mapped to existing risk categories and reflected in the risk register and risk assessment outputs over time.

Strategy

Climate related risks and opportunities

The Company has identified climate-related risks that could reasonably be expected to affect its operations, financial performance, and financial condition over time. These risks have been classified as physical risks and transition risks, consistent with OSFI Guideline B-15. The Company’s assessment considers potential impacts across its insurance underwriting activities and operations.

The Company identified physical risks related to climate, including acute risks arising from extreme weather events. Chronic risks related to longer-term changes in climate patterns were considered but not deemed material as they were not applicable to the Company over longer term time horizons. All of the Company’s insured assets and operations are located in Nova Scotia. As a result, the Company’s exposure to physical climate risks reflects region-specific climate characteristics and hazard profiles relevant to Atlantic Canada. The Company has also identified transition risks related to policy and legal developments. As part of this process, the Company considered technological change and market behaviour transition risks, but they were deemed not material at this time. Climate-related opportunities were considered; however, no material opportunities were identified. The Company will continue to review exposure to climate related risks moving forward.

The climate-related risks identified, including their classification, expected time horizons, potential events, and potential financial impacts, are summarized in the tables below.

Risks		Key Risk Type	Definition	Potential events	Time Horizon	Potential financial impacts
Physical Risk	Acute	Insurance	Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as storms.	Increase in the number and severity of storms (wind and heavy precipitation), hurricanes and wildfires.	Short/ Medium Term	<ul style="list-style-type: none"> Increase in insurance claims (number and cost) due to the increased frequency of extreme events impacting loss ratios
		Operations				<ul style="list-style-type: none"> Disruption to critical operations impacting profitability Decrease in the value of insured assets/businesses

Risks		Key Risk Type	Definition	Potential events	Time Horizon	Potential financial impacts
Transition Risk	Policy & Legal	Enterprise	Risks related to new regulations designed to reduce the negative effects of climate change or promote adaptation	Enhanced emissions reporting; Mandates on and regulation of existing services	Short Term	<ul style="list-style-type: none"> Higher operating/ compliance cost Increased costs and/or reduced demand for services resulting from fines and judgements

Time horizons

For the purposes of strategic planning and assessment of climate-related risks and opportunities, the Company applies the following time horizons:

- Short term: One to two years.
- Medium term: Three to five years.
- Long term: Five+ years (potentially extending up to 25 years, with a limit of 2050)

These time horizons align with the Company's business planning processes and are applied consistently in the assessment of climate-related risks.

Business model and value chain

Climate-related risks are primarily concentrated within the Company's insurance underwriting activities, where increases in the frequency and severity of extreme weather events may affect claims experience through increased insurance coverage, and within operations, where physical disruption to critical activities may occur.

The Company has assessed both current and anticipated effects of climate-related risks across its business model and value chain. Historical claims data, industry insights, news, climate reports, and other relevant sources have been periodically reviewed for emerging climate-related trends. At present, these risks have not resulted in fundamental changes to the Company's business model.

Strategy and decision-making

The Company's approach to managing climate-related risks is focused on risk identification, monitoring, and maintaining operational and financial resilience. At this time, the Company has not implemented material changes to its business model or resource allocation specifically in response to climate-related risks.

Current and anticipated actions include direct measures, such as monitoring claims trends and planning for operational continuity in the event of extreme weather, as well as indirect measures, including compliance with applicable regulatory requirements and consideration of climate-related risks within investment oversight processes.

The Company will continue to monitor developments related to climate change and transition dynamics and will assess the need for further strategic actions as these risks evolve.

Financial position, performance, and cash flows

For the reporting period, climate-related risks did not have a separately identifiable impact on the Company's financial position, financial performance, or cash flows beyond impacts already reflected in insurance claims and operating results.

Two climate-related scenario tests have been developed in the Financial Condition Testing (FCT) report required by OSFI to evaluate the impact of climate-related risks on the Company's financial position. The analysis incorporates assumptions derived from catastrophe models and the Intergovernmental Panel on Climate Change (IPCC) report. Through its impact assessment, the report examines outcomes across a range of possible climate scenarios, offering a thorough perspective on potential climate risks and the Company's financial performance.

Results from the FCT indicate that, even under these challenging climate scenarios, the Company maintains sufficient capital to remain financially resilient and meet its obligations. As the industry embraces evolving best practices, the methods for climate scenario analysis and stress testing for insurers will continue to advance to address various requirements.

Over the short, medium, and long term, the Company expects that physical climate risks, particularly acute risks, may contribute to increased claims frequency and severity, which could affect underwriting profitability. Over the longer term, climate-related risks may also affect investment values and operating costs. These potential impacts will continue to be evaluated as part of the Company's ongoing risk management and financial planning activities.

Metrics and targets

Climate-related metrics

Results

The Company uses greenhouse gas (GHG) emissions metrics to assess and monitor climate-related risks and opportunities. Scope 1 GHG emissions refer to direct emissions from sources owned or controlled by the Company, while Scope 2 GHG emissions refer to indirect emissions from the generation of purchased electricity consumed by the Company. For the reporting period ended December 31, 2025, the Company’s absolute gross Scope 1 GHG emissions were 97 metric tonnes (MT) CO₂e, and its location-based Scope 2 GHG emissions were 37 MT CO₂e. The Company monitors its Scope 1 and Scope 2 emissions on a year-over-year basis.

Methodology

GHG emissions are calculated in accordance with the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)’s Greenhouse Gas Protocol: A Corporate Accounting Standard (2004), using purchased electricity consumption (kWh) for owned office facilities, gasoline consumption (litres) for Company-owned vehicles, and refrigerant system data for air conditioning and heat pumps (installed charge and equipment counts). Emission factors are sourced from *Environment and Climate Change Canada (ECCC), Emission Factors and Reference Values (Version 3.0, October 2025)*, aligned with Canada’s National Inventory Report (NIR), including a location-based electricity grid emission factor for Nova Scotia and combustion emission factors for gasoline and diesel. Refrigerant global warming potentials (GWPs) are based on GHG Protocol (2024) values aligned with IPCC Sixth Assessment Report (AR6). Key assumptions include the use of a financial control approach limited to owned assets. Where actual refrigerant losses are unavailable, fugitive emissions are estimated using installed refrigerant charge and a default annual leakage rate (3%).

These methodological choices reflect data availability and are intended to support consistent, decision-useful assessment of climate-related risks.

Greenhouse gas emissions

GHG emissions	Unit	2025
Scope 1 emissions	MT CO ₂ e	97
Scope 2 emissions (location based)	MT CO ₂ e	37
Total gross scope 1 and 2 emissions	MT CO ₂ e	134

Climate-related targets

The Company has not established formal climate-related targets, including greenhouse gas emissions reduction targets. The Company continues to monitor relevant regulatory developments, industry standards, and market practices in the jurisdictions in which it operates and may consider establishing climate-related targets in the future as its data, methodologies, and governance processes continue to mature.