Pacific Life Re International Limited – Canada Branch

ABN 91 601 822 431

OSFI B15 Climate Risk Management Report
For the year ended 31 December 2025

Pacific Life Re International Limited – Canada Branch
OSFI B15 Climate Risk Management Report
31 December 2025

1. Introduction

Management submits the climate-related disclosures of Pacific Life Re International Limited – Canada Branch (the Branch) for the year ended 31 December 2025.

The following terminology is used throughout the climate-related disclosures:

- Entity – Pacific Life Re International Limited (RIBM or the Company);
- Ultimate parent entity – Pacific Mutual Holding Company (PMHC); and
- Pacific Life Group (the Group) – PMHC and its controlled entities.
- Division – the reinsurance division of the Pacific Life Group

(a) Branch Particulars

Pacific Life Re International Limited - Canada Branch was established by Pacific Life Re International Limited and registered with the Office of the Superintendent of Financial Institutions Canada (OSFI) on November 7, 2022 to be effective January 1, 2023. PMHC, a Nebraska mutual holding company, is the Branch's ultimate parent. The Branch is licensed to conduct life reinsurance business in the Province of Ontario, Canada. The Branch is subject to the Insurance Companies Act (the "Act") and various relevant federal and provincial regulations.

The climate-related disclosures herein reflect the Branch's standalone position including governance and strategy components that are set at a Company level.

(b) Principal Activity

The Branch assumes risk from various cedents through Life and Health reinsurance contracts and transfers or retrocedes a portion of these risks to related parties.

Through the Protection and Savings & Retirement lines of business, the Branch writes protection and longevity business in the Canadian market. In the normal course of business, the Branch uses retrocession with related parties to mitigate its risk exposures.

(c) Basis of preparation

The climate-related disclosures present fairly all climate-related risks and opportunities that could reasonably be expected to affect the Branch's prospects.

The content and structure of the disclosures meet the requirement of the Office of the Superintendent of Financial Institutions (OSFI) B15 - Climate Risk Management Guideline, which the Branch is reporting for the first time for its annual reporting period ending 31 December 2025.

The Branch has considered different time horizons for the assessment of climate-related risks and opportunities. The different time horizons have been defined as:

Time Horizon	Short term Up to 5 years	Medium term 5 -10 years	Long term Over 10 years
	Aligned with Branch's strategic planning horizon.	Aligned with the expected timing of transition risks and chronic physical risks	Aligned with the long-term nature of the Group's business

(d) Materiality

The Branch evaluates materiality for its climate-related disclosures by considering the extent to which a risk could influence stakeholder assessments of the Branch, the Branch's solvency and liquidity, and financial statement materiality thresholds. In addition, the Branch considers qualitative factors that may indicate the significance of certain climate-related risks or opportunities beyond purely quantitative measures.

Emissions reporting includes all material Scope 1 and 2 emissions.

The assumptions and estimates underlying the identification of material climate risks are subject to change. Given the longer time horizons applied in these disclosures relative to other financial disclosures, any assessment of materiality is inherently more uncertain.

2. Governance

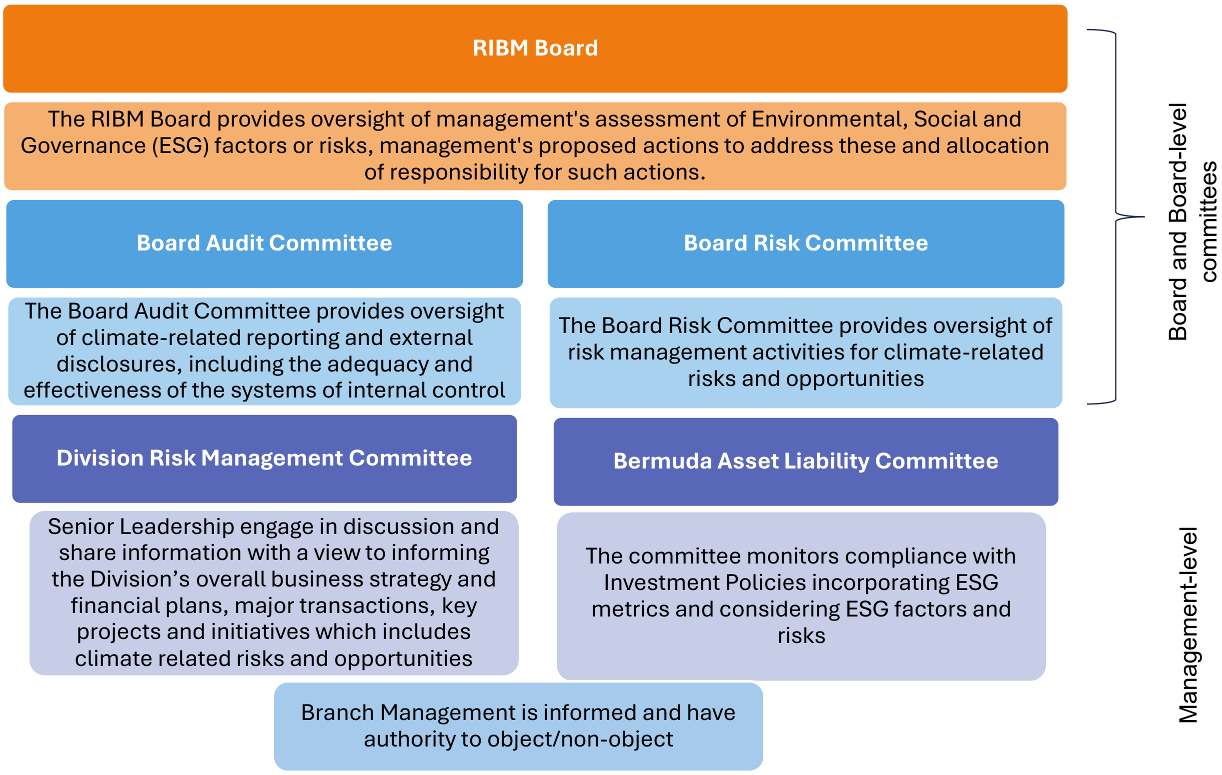
The Branch's responsibilities for sustainability and the management of climate-related risks and opportunities are defined within the Division's system of governance. The Division's Risk Management Framework sets out risk appetites and the management of climate-related risks. Together, the Division's system of governance and Risk Management Framework, covering the Branch, provide the governance framework for how the Branch identifies, assesses and manages climate-related risks and opportunities.

The RIBM Board is responsible for the oversight of the Company's climate-related risks and opportunities. The Board Audit Committee and the Board Risk Committee structures facilitate and assist in the discharge of the Board's responsibilities through delegations, within approved terms of reference. Oversight responsibilities for climate-related risks and opportunities are included in the terms of references of RIBM's Board, Board Risk Committee and Board Audit Committee.

In addition, the following senior management-level committees, the Division Risk Management Committee (DRMC) and Bermuda Asset and Liability Committee (ALCO), have specific roles for the management of climate-related risks and opportunities. The Board, DRMC and ALCO have the relevant skills and experience needed to discharge their responsibilities in relation to climate-related risks and opportunities. This includes:

- Training from internal Sustainability experts, including insights on risks from external providers.
- Research and recommendations from the Division's medical analytics team in relation to the impacts on mortality and morbidity; and
- Research and recommendations from the Group's investment risk team in relation to transition risks, including insights on risks from external providers.

The system of governance in relation to climate-related risks and opportunities is set out below. The Committees meet at least four times per calendar year to execute their duties and responsibilities.



Senior management have individual goals that align to the Company's objectives and priorities, however there is no explicit consideration for climate-related factors within their remuneration, particularly as we assess climate-related risks to be limited.

3. Strategy

(a) Climate-related risks and opportunities

The RIBM Board considers climate-related risks and opportunities when overseeing the Company's strategy. The table below summarises the Branch's residual climate-related risks and opportunities.

The Branch's operations and business model remain largely unchanged. The Branch has not set any specific sustainability targets, as its residual climate-related risks and opportunities have been assessed to have no material impact across each of the time horizons considered. Climate risks and Scope 1 and 2 emissions continue to be monitored, and target-setting will be revisited as circumstances evolve. The Branch has identified and assessed the following climate related risks and opportunities:

Risks / Opportunities			Time Horizon	Assessment
Insurance Risks	Acute Physical Risks	Increased mortality/morbidity from acute events (e.g. sudden severe events such as floods and wildfires).	S M L	Limited exposure to acute physical risks based on the demographic profile and the types of products.
	Chronic Physical Risks	Increased mortality/morbidity from chronic changes (e.g. long-term changes in climate patterns such as rising temperatures, sea-level rise, heatwaves) including risks to profitability or the ability of the insurance market to sustain affordable pricing.	M L	The Branch recognises that a moderate amount of chronic physical risk is unavoidable given the nature of the business. The Branch's internal analysis across a range of material health outcomes does not consider the increases in mortality/morbidity to be material, and well within the amount of capital that the Branch holds. Should chronic physical risks from climate change emerge over time, consideration will be given to factoring these into best estimate assumptions and the associated impacts would be monitored.
Investment Risks	Physical Risks – Assets	Devaluation of certain assets susceptible to physical risks.	S M L	Limited exposure based on the Branch's investment portfolio.
	Transition Risks	Devaluation of certain assets susceptible to price volatility due to policy (carbon transition, carbon tax and labour costs), technology or market changes.	S M	Limited transition risk based on the Branch's investment portfolio. Climate-related-risks are factored into the Branch's investment analysis.
		Systemic market shifts due to decarbonisation.	L	

Risks / Opportunities			Time Horizon	Assessment
	Investment Risks	Volatility in carbon-intensive sectors, ESG screening challenges and repricing of climate-sensitive assets.	S M	Limited investment risk. Climate-related risks are factored into the Branch's investment analysis.
		Sectoral shifts in investment strategy and structural changes in global markets.	L	
Legal/Litigation Risks	Legal Risks	Legal exposure from greenwashing or misrepresentation, litigation from policyholders or investors over climate disclosures and evolving legal standards around fiduciary duty and climate risk.	S M	Limited legal risks as the Branch has integrated climate-related risks into the Risk Management Framework. The Branch deals solely with authorized insurers and retrocessionaires and is not a consumer-facing business.
Operational Risk	Operational Risks	Operational disruptions due to floods, storms etc.	S M L	Limited operational risk due to the location of the Branch's operations and business continuity plans in the event of such disruption.
Opportunities	Products	The Branch does not identify any climate-risk opportunities due to climate risk within its products.	N/a	N/a
	Investments	Investment in climate-resilient assets.	S M L	Climate-related opportunities are factored into the Branch's investment analysis including the United Nations-supported Principles for Responsible Investment (UN PRI), to which the Group is a signatory.

(b) Business model and value chain

The Branch's current and anticipated effects of climate-related risks and opportunities on the Branch's business model and value chain are limited.

(c) Strategy and decision-making

The Branch considers climate-related risks and opportunities in its strategy and decision making. The analysis conducted to date shows that climate-related risks and opportunities are not currently material (see Section 4. Risk Management for details of analysis conducted), and therefore the Branch, has not set any specific climate-related targets nor developed a climate-related transition plan.

The Branch measures and seeks to minimise its carbon footprint. Additionally, the Company assesses the climate-related risks and opportunities of products and services procured by third-party suppliers, which are fourth parties to the Branch.

The Branch, under the Group's Responsible Investing Policy, looks to achieve sustainable, long-term returns in a balanced and responsible manner, by acknowledging the evolving materiality of climate-related-risks and opportunities.

(d) Financial position, financial performance and cash flows

The Branch does not believe that the effects of climate-related risks and opportunities have had a material impact on its financial position, financial performance and cash flows for the reporting period.

4. Risk management

(a) Risk identification

The Branch's Risk Strategy is underpinned by a Risk Appetite Statement for each of its material risks. The Branch has integrated climate-related risks into its Risk Appetite Statements and Risk Management Framework.

The Branch treats climate risk as a cross-cutting risk type and has set its climate risk appetite in terms of preferred outcomes, with a low appetite for transition risks and a moderate appetite for physical risks. The Branch has set a moderate appetite for physical risks as it recognises that a moderate amount of climate-related physical risks is unavoidable given the nature of the business.

The Division's Risk Management Framework, which has been adopted by the Branch, is supported by a Climate Change Risk Management Standard, which sets out the approach to climate change risk management and defines related roles and responsibilities that align with its stated risk appetite. The Company and the Branch's investment strategy is guided by the Group's Responsible Investing Policy.

These documents support a structured and consistent approach to identifying, assessing, and managing climate-related risks and opportunities, and help ensure the business remains well-managed and aligned with its strategic objectives.

Understanding climate-related risks and opportunities is important for underwriting new business and the accurate identification of changes to the Branch's risk profile. The Branch will continue to assess and integrate climate-related assumptions and factors into pricing and valuation models as appropriate.

(b) Risk assessment

Strategic assessment

The Branch incorporates climate-related considerations into its strategic initiatives and business planning process. Reviews of the Branch's Business plan consider the changes to the strategy and risk profile which would include climate-related risks and opportunities. The Branch considers climate-related risks and opportunities in the selection of its Financial Condition Testing within its Own Risk Solvency Assessment process to inform capital adequacy.

Transition and physical risks

The Branch utilises third-party providers and internal analysis to conduct periodic asset scenario analysis to assess exposure to a range of transition and physical scenarios over short-, medium- and long-term horizons (as set out in section 1(c)). This analysis is used to evaluate potential impacts on solvency and liquidity.

The Branch also monitors the Environment Social and Governance (ESG) ratings of its investment portfolio and integrates these factors into the analysis of its investments and decision-making process.

Together, these assessments support informed investment decisions and alignment with risk appetite.

For physical risks, the Branch also evaluates a range of health-related outcomes of climate change using external studies and has developed forward-looking liability scenarios. This analysis is used to evaluate potential impacts on solvency and liquidity and are expected to influence best estimate assumptions over time.

Additional assessments for physical risks include an assessment of the physical risk exposure at the Branch's office location, using the Notre Dame Global Adaptation Initiative Index, business continuity planning for climate-related disruptions, and ESG-related due diligence on third-party suppliers to assess supply chain vulnerabilities.

(c) Risk monitoring and reporting

The Branch's climate-related risks and opportunities are reported periodically to the Board and relevant committees. Key Risk Indicators for credit ratings of invested assets and ESG trends are tracked periodically through dashboards and are reported to the Bermuda Asset Liability Committee to inform investment actions.

5. Metrics and targets

(a) Climate-related metrics

The Branch is evolving its processes to measure and manage the impacts of climate-related risks and opportunities. Existing risk limits (e.g. relating to solvency or liquidity) are utilised when considering climate impacts aligned to our view of climate risks being a cross-cutting risk type. Limitations remain in the quality and coverage of data used in our analysis from which several of the metrics are derived, and best practice methodologies are still evolving. The metrics quoted in this report have been prepared using the best available data and our current methodologies.

Greenhouse gas emissions

GHG Emissions (MTCO2e)	FY 2025	FY 2024
Scope 1	2.04	6.26
Scope 2	19.17	13.04

Scope 1 and Scope 2 emissions are calculated annually using a baseline of 2019 and emission quantification methodologies drawn from the Greenhouse Gas Protocol developed by the World Resources Institute and World Business Council for Sustainable Development (GHG Protocol). The Company has not set limits for its GHG Scope 1 and 2 exposures given the limited risk. Emissions are calculated in Metric Tons of Carbon Dioxide emissions (MTCO2e).

(b) Climate-related targets

The Branch has not set any specific climate-related targets.