



Helping communities
thrive in a changing world

Report to our Members 2025

Wawanesa



Land acknowledgment

The Wawanesa Mutual Insurance Company is headquartered in Treaty 1 territory—the traditional land of the Anishinaabe, Inineew, Anis-Inineew, Dakota, and Dene Nations, as well as the homeland of the Red River Métis. Our organization was founded in the community of what is now known as Wawanesa, Manitoba. We recognize the collective history our organization shares with the Nēhiyaw, Oceti Sakowin, Niitsitapi, Anishinaabe, and the Métis Peoples who served as stewards of this land since time immemorial.

We are fortunate to live and work alongside First Nations, Métis, and Inuit colleagues and friends from coast to coast to coast. In the spirit of Treaty, which provides a framework for living together and sharing this land, and in the spirit of Truth and Reconciliation, Wawanesa is committed to learning from the rich history of Indigenous Peoples and acknowledging the ongoing impacts of colonization.





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Helping communities thrive in a changing world

As a mutual, community is at the heart of who we are. For more than 129 years, we've supported the places our members call home, creating meaningful, lasting impact that goes far beyond our products and services. We've always believed in helping people and communities in ways that empower them to rise above challenges, thrive with confidence, and lead happier, more resilient lives.

Now, as climate change accelerates and challenges grow more complex, we're elevating that promise. We're building on our proud legacy of mutuality and community, stepping forward with purpose to confront today's evolving risks.

Our intention is clear: we want to protect, strengthen, and enable communities to help them build a safer, healthier, more sustainable future.



Introduction

Welcome to Wawanesa's Report to our Members 2025. This is the second year we've published a report under this name, designed to help you get to know us better.





About this report

In previous years, alongside our annual financial report (or Report to our Members as you've come to know it), we've published a separate Sustainability Report. Recognizing the strong connections between our financial and sustainability performance, and how they intersect with the growing impacts of climate change, we've brought these publications together into a single, integrated report. This combined view reinforces our commitment to build a resilient company that can continue meeting the needs of our members and communities for generations to come.

This report has been informed by the following principles, standards, frameworks, and regulations:

- The Office of the Superintendent of Financial Institutions' (OSFI) Guideline B-15: Climate Risk Management
- Autorité des marchés financiers (AMF) Climate Risk Management Guideline
- United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI)

Reference indices can be accessed on [page 79](#) of this report.

Our environmental, social, and governance (ESG) performance data is included throughout this report. Detailed climate-related information can be found in our climate-related financial disclosures on [page 63](#).

The information presented in this report covers all operations of The Wawanesa Mutual Insurance Company, including our 100%-owned subsidiary The Wawanesa Life Insurance Company. Unless otherwise noted, it does not include Western Financial Group, a wholly owned subsidiary of Wawanesa.

This report covers the period from January 1 to December 31, 2025. All dollar amounts are in Canadian dollars (CAD). Numbers are rounded to the nearest whole number when reasonable.



Message from Kay Best

Chair, Board of Directors

Wawanesa entered 2025 facing a materially more complex, demanding, and volatile operating environment. Our Board of Directors and executive responded with decisive action that yielded improved operating performance while advancing important changes to how the business operates, reinforcing the company's ability to perform today while adapting for the future.

As a mutual insurer, resilience cannot be assumed; it must be deliberately built. In 2025, with oversight from the Board of Directors, management took tangible steps to reinforce Wawanesa's long-term health by strengthening core capabilities, investing in talent, improving key processes, and advancing a nationalized operating model. Apart from supporting improved financial results, these actions are enhancing consistency and execution across the organization, better reflecting the national scale and scope of Wawanesa's operations.

In 2025, the Board of Directors approved a new five-year strategy that sets a clear and disciplined direction, focused on strengthening core enterprise capabilities, maintaining financial resilience, and adapting to a more complex risk environment. That environment continues to evolve, shaped by more severe weather events, rising costs, and changing risk dynamics with direct implications for underwriting, pricing, capital, and the availability of insurance. The Board of Directors remains actively engaged in overseeing how these considerations are reflected in key business decisions across the organization, including those related to climate-related risk.

As a mutual insurer, Wawanesa measures success not only through financial performance, but through its ability to deliver enduring value and stability for members and communities. Wawanesa's Report to our Members 2025, our organization's first integrated report, reflects that long-term perspective. By bringing together our financial performance with our approach to sustainability, governance, and risk management, the report aims to provide a holistic and transparent view of

how Wawanesa creates value over time. While this represents an important step forward, it's also a starting point, and we're committed to continuously improving the quality, clarity, and completeness of our disclosures.

On behalf of the Board of Directors, I commend management for its focused execution and steady leadership in translating a demanding year into meaningful progress. I would like to acknowledge Wawanesa's employees for their continued commitment to our purpose and values. I also thank my fellow members on the Board of Directors for their thoughtful oversight and stewardship. I wish to recognize Bruce Jack, who retired from the Board of Directors following more than a decade of service, for his invaluable contributions through periods of significant change, and to welcome our newest members, Danielle Harrison and Hugh Moncrieff, who together bring deep experience across Canada's financial services sector.

Wawanesa enters the future from a position of strength. While the world around us continues to change, our commitment to serving our members and helping communities thrive remains unwavering.

Catherine (Kay) Best
Chair, Board of Directors



As I entered an arena-turned evacuation centre in the spring of 2025, the uncertainty amongst those inside was evident. It was the height of what would become one of the most disruptive wildfire seasons in Canadian history. Just days earlier, entire communities across Northern Manitoba, including one of the area’s largest cities, were told to pack up and flee as flames crept closer.

Now, hundreds of kilometres from home, families waited in that Winnipeg evacuation centre, wondering what they would return to, or when. Yet, amidst the anxiety and the unknown, the Wawanesa members I met had not lost their trust in us. That experience was a powerful reminder of why our work matters – and of the responsibility behind every decision we make.

Insurance has always been a promise about the future. Today, climate change is testing that promise. Wildfires, floods, and hailstorms are becoming more frequent, more unpredictable, and more severe. Between 2016 and 2025, the Canadian insurance industry absorbed \$37 billion in insured losses from natural catastrophes – roughly triple the previous decade. At the same time, the average number of claims has nearly doubled. These trends are already affecting the affordability and availability of insurance, with real implications for the people and communities who rely on it.

Climate change is a complex challenge with no single solution. But one critical step to address its growing impact is building stronger, more resilient communities – and that requires collective action. Wawanesa is doing its part by embedding climate resilience and adaptation directly into our enterprise strategy. This focus keeps climate considerations top of mind in decisions across product design, risk assessment, underwriting, and advanced analytics in our core insurance operations.

We’re also increasing investments in innovative solutions designed to strengthen resilience for our members. And, through our Wawanesa Climate Champions program, we provide \$2 million annually to support the people and organizations working on the front lines helping communities adapt to climate change. These efforts are anchored in a bold evolution of our purpose, reinforcing our commitment to build resilience in our communities and enable them to thrive through challenges.

Resilience, however, must be matched with responsible stewardship. As a 100% Canadian-owned and operated, purpose-driven mutual insurer, our people live, work, and play in the same communities as our members. We share the same concerns and believe deeply in being part of the solution. That’s why sustainability

is increasingly central to how we fulfil our responsibilities. But our actions alone are not enough. Sustainability, like resilience, is a whole-of-society effort. By taking steps to reduce our own environmental footprint and advance more sustainable practices, we’re helping to protect the promise of insurance for future generations.

Upholding our promise, today and over the long term, also depends on disciplined financial leadership. Our identity as a purpose-driven mutual allows us to take a long-term view, prioritizing resilience, stability, and responsible growth over short-term gains. That’s evident in the financial strength we’ve built over our 129-year history.

This Report to our Members demonstrates how we’re aligning performance with purpose, and accountability with ambition. By integrating financial results with sustainability considerations, we enhance our ability to create enduring value. It positions us to confront today’s challenges with confidence, protecting what exists, strengthening what’s vulnerable, and enabling what comes next so our promise for the future endures. Because in times of uncertainty, our role is unmistakable: to be there for our members and communities when it matters most.

Evan Johnston
President & CEO



Message from
Evan Johnston
President & CEO



Our organization

Wawanesa’s story as a mutual insurance company began September 25, 1896, when 20 farmers came together in the town of Wawanesa, Manitoba to create a better way to protect their livelihoods. They believed in looking out for one another, all sharing in the risk so no farmer would be left with nothing if a fire destroyed their equipment. In building this mutual support system, they also strengthened their community.





About us

Today, with assets of approximately \$12.5 billion and more than 1.8 million policies in force, Wawanesa is one of Canada's largest insurers – 100% owned by policyholders coast to coast, whom we proudly call our members. We provide a full range of coverages for business, homes, farms, automobiles, and life and group benefits. Our products are offered through Wawanesa for property and casualty (P&C) insurance and Wawanesa Life for life and health insurance. We're also the parent company of Western Financial Group, a leading national brokerage that distributes personal and business insurance solutions across Canada.

As a mutual insurance company, we have no shareholders. Every dollar we collect goes back into serving our members by paying claims, keeping rates fair, delivering dependable service, and investing in their communities to help them thrive.

2025 by the numbers



Wawanesa insures



935,000 vehicles



805,000 homes



135,000 businesses



49,000 farms



109,000 individuals through life insurance
300,000 employees and their dependents through group benefits

2,981 Independent broker locations coast to coast that offer our insurance products, with each Wawanesa policy issued helping to support thousands of jobs and power the economies of the communities we proudly serve.

[Find a broker](#)



Our purpose, vision, and values

Our purpose, vision, and values define who we are and guide every aspect of our work as a mutual insurance company. They ground us in every decision we make and every step we take.

We closed out 2025 by putting the final touches on our new five-year corporate strategy – a plan that lays out an integrated path to performance and resilience. It reflects our ambitions to meet the evolving needs of the members we serve today, as well as those we aspire to serve in the future, while positioning Wawanesa to thrive for another 129 years and beyond.

Across Wawanesa, from our frontlines to our senior leadership, we share a belief that helping individuals build resilience is essential to our collective future. Supporting the well-being of our membership has always been central to our identity as a mutual. That enduring legacy is the foundation of our new purpose statement: helping communities thrive in a changing world.

In many ways, our purpose hasn't changed for more than 129 years, even if the words we use to express it have. Embedding 'community' into our updated purpose statement affirms its importance to who we are and ensures our members and their needs remain at the heart of everything we do.

Purpose

Helping communities thrive in a changing world.

Vision

Together, we will build a safer, healthier, more sustainable future for our members and communities.

Values

Service

We strive to deliver exceptional service for our membership.

Performance

We bring our best in pursuit of our ambitious goals.

Teamwork

We pitch in, step up, and succeed as one team.

Respect

We are inclusive and treat others with fairness, empathy, and kindness.

Openness

We are clear and straightforward in how we communicate.



The world around us

2025 tested our industry’s ability to stay agile amid constant change. Throughout it all, Wawanesa never lost sight of its purpose. As the world continues to change, helping communities thrive isn’t just part of our role as a mutual – it’s fundamental to who we are.

Tariffs

The global trade war and the geopolitical volatility behind it created a challenging environment for Canadians. Inflationary pressures intensified, supply chains tightened, and broader economic headwinds mounted. While the direct financial impact on claims-related goods was incremental, the combined unpredictability of these forces affected auto parts and construction materials, pushing insurers to re-evaluate pricing strategies and operational decisions.

Tariffs also introduced uncertainty in two areas of our business: the commercial mid-market in Eastern Canada, given the segment’s concentration in manufacturing, and farms in Western Canada due to constraints on producer revenues. At the same time, heightened market volatility posed a material risk to the performance and stability of our investment portfolio.

Wawanesa acted early to stay ahead of tariff-related pressures by evaluating our supply chain to ensure the availability of materials, reviewing contracts to mitigate added costs, and prioritizing the use of Canadian suppliers and goods where possible. We continue to closely monitor potential impacts – not only on our business, but on all those we insure.

Natural catastrophes

While 2025 did not match the scale of natural catastrophes seen the previous year, climate-related disasters continued to disrupt lives across Canada, affecting communities from coast to coast. From flooding in British Columbia to a spring storm in Ontario and Québec, and wildfires in Manitoba, Saskatchewan, and Atlantic Canada, each event served as a powerful reminder that the places we live, work, and play are increasingly under threat.

Severe weather once considered rare is now routine. Numbers from the Insurance Bureau of Canada (IBC) show annual insured losses from natural catastrophes are trending toward \$3 billion as the new normal – before accounting for the broader social, economic, and environmental impacts. This reality underscores the need for a renewed focus on prevention and adaptation to strengthen community resilience.



Rise of AI

Artificial intelligence (AI) is transforming the insurance industry at a pace unmatched by recent technological change. Across our sector, significant resources are being directed towards AI as organizations seek to leverage it to drive greater value for customers and enhance operational performance.

At Wawanesa, our focus is on applying AI in ways that allow us to serve our members and brokers more efficiently, while safeguarding their information and the trust they place in us. We ensure responsible use through clear principles, robust governance, human oversight, and employee training, and we're working closely with industry partners to help advance thoughtful adoption across our sector. We also recognize that the growing use of AI brings environmental considerations, and we're actively evaluating how our integration of the technology aligns with our broader sustainability objectives.

While AI can improve speed and efficiency, insurance remains a people business. Industry professionals are seen as trusted advisors, valued for their judgment, empathy, and understanding of individual needs. Wawanesa's use of AI is designed to strengthen these roles, not replace them.

Regulatory changes

Industry regulators, including OSFI, introduced additional measures in 2025 to strengthen oversight and reinforce the resilience of Canada's financial system.

Looking ahead, our sector is entering a transformational period. Major auto insurance reforms are set to take effect in Ontario on July 1, 2026, and Alberta on January 1, 2027, marking one of the most significant periods of regulatory change the industry has faced in decades. Ontario's reforms are incremental in nature, focusing on affordability and flexibility by increasing consumer choice around accident benefits and coverage. Alberta, by contrast, is implementing a "care-first", or no-fault, model that shifts its system away from litigation and toward a benefits-based approach.

Wawanesa has been actively preparing for the transitions by readying our systems, engaging with stakeholders, and supporting education for our members and partners in advance of the reforms. This work will continue to be a major focus for us to ensure a smooth rollout in both provinces.

We're also working collaboratively with government and industry partners to help manage system costs amid rising cost pressures, such as new vehicle technology and litigation trends, to help keep auto insurance accessible and affordable.

Talent shortages

Attracting and retaining talent has long been a challenge for the insurance industry, shaped by intense competition for specialized skills and inaccurate perceptions of the sector. These days, it's being intensified by a wave of baby boomer retirements. The loss of institutional knowledge and long-standing relationships will impact both carriers and brokers, especially in the areas of claims, underwriting, and client service.

Now more than ever, our industry must position itself as a destination for top talent, offering modern work practices and a culture aligned with the values of today's workforce. Wawanesa is focused on identifying the critical skills needed for the future to attract and develop talent that strengthens our organization and enables us to continue delivering exceptional service to all our stakeholders. This work is reinforced through the advancement of our people strategy, alongside ongoing initiatives to create a workplace where our team feels supported, inspired, and proud of the impact they make.



Our members

As a member-owned organization, we strive to deliver reliable protection and meaningful support at every stage of the member journey.





Your experience

We build strong partnerships with independent brokers, working closely with them to ensure they are supported by knowledgeable, responsive underwriting teams - helping them deliver the right solutions to our members with confidence.

We prioritize fast, clear, and compassionate service, especially during claims. In 2025 we received nearly 200,000 claims calls, with 83% of them being answered in less than 40 seconds, helping members reach us quickly when they need support most. Throughout the claims process, we set expectations early, communicate through members' preferred channels, and continually strengthen our service model based on member feedback.

Listening to our members

In 2025, more than 26,000 members shared their experiences with us through surveys, focus groups, and feedback touchpoints. This insight helps guide improvements and highlights the exceptional service our people deliver every day. Most of that feedback comes from two key points in the claims journey: when a claim is first reported and when it's completed.

What we heard from members

1 in 3 told us about their experience

We maintained a strong net promoter score (NPS) of **58**, which measures customer satisfaction. Generally, a NPS above 50 is considered excellent.

Members highlighted **4,400+** moments of outstanding support from our teams

Compassion in action

Our We Care program supports members during difficult or meaningful life moments through simple, thoughtful gestures from our employees. In 2025, 740 members received a We Care gesture, including blankets, flowers, memory trees, or donations to charitable organizations made on their behalf. The program is most often used when members are experiencing illness, bereavement, surgery, cancer treatments, or welcoming a new child or grandchild.

Our Resolution with Flair program helps ensure members feel respected and supported when service challenges occur. The program provides employees with a clear, consistent approach to offer a sincere apology, a meaningful gesture, or appropriate restitution based on the situation.

"I was involved in a serious hit-and-run accident that left me and my car badly affected. It was a very stressful time for me and my family – but thankfully, Wawanesa made the claims process smooth and supportive. Their team handled everything quickly and professionally. They processed my claim with no unnecessary delays, kept me informed at every step, and treated me with care and respect during a very difficult moment. Their support really helped reduce the pressure and allowed me to focus on recovery."

Anonymous member testimonial

1.8+ million

Members who trust us to insure what matters to them

\$1.9 billion

Approximate claims paid in 2025

110,000

Total claims in 2025



Looking out for you

During Manitoba and Northern Saskatchewan’s devastating 2025 wildfires, which displaced upwards of 48,000 people, Wawanesa teams mobilized within 48 hours to support affected communities. We were the first insurer on the ground, bringing our Mobile Response Unit (MRU) directly into hard-hit areas so members could open claims, receive emergency funds, and access care kits during incredibly stressful days.

The scale of the wildfire crisis

Between May 13 and June 6, 2025, four wildfires across Manitoba and northern Saskatchewan were declared catastrophes. Our teams were on the ground supporting members through evacuations, losses, and the uncertainty that comes with wildfires.

- **1,489 claims** supported
- **85 residential homes** declared total losses
- Approximately **\$101 million** in total insured losses

Stats specific to Wawanesa’s response

At the same time, more than 120 Wawanesa employees volunteered at the RBC Convention Centre in Winnipeg, sorting and distributing essential supplies for evacuees. This hands-on support was complemented by a \$15,000 contribution to local recovery efforts, as well as additional emergency donations and local partnerships extended support across impacted communities in both Manitoba and Saskatchewan. Through rapid response, hands on service, and the dedication of our people, we were there for members and neighbours when they needed us most.



Acting first when it matters most

As soon as we’re notified about a wildfire, we take the lead, proactively reaching out to all members in affected areas before they need to contact us. Our teams initiate coverages and jumpstart the claims process right away, helping to reduce stress and uncertainty for our members during difficult moments.



Just weeks earlier, we responded to another major weather event: the Ontario ice storm, which swept across the province in late March. The storm caused extensive damage, widespread power outages affecting more than 400,000 households, and multiple municipal states of emergency. We mobilized immediately, deploying field adjusters within hours, and coordinating resources from across the country, including support arriving from as far as Prince Edward Island.

By the numbers: Ontario ice storm

- **722 claims** supported
- Nearly **\$15 million** in total insured losses
- **70% of members** said they would recommend us based on their experience

Stats specific to Wawanesa's response

Our response capacity is strengthened through our partnership with the Canadian Red Cross as part of the Disaster Response Alliance. This collaboration provides broad disaster response support across all appeals, enabling the Red Cross to mobilize immediately when catastrophes strike – often before public fundraising appeals are launched. Through this partnership, we help ensure rapid set up of emergency response centres and supports in the critical early hours of a disaster, complementing the on-the-ground service our teams deliver.



"I'm so impressed with how everyone stepped up and worked together as a team to support our members [during these catastrophes]. It's moments like these that highlight the real impact of collaboration and shared responsibility, and it gives me such pride to see our teams' compassion and commitment in action to deliver on Wawanesa's purpose."

Nelson Francisco

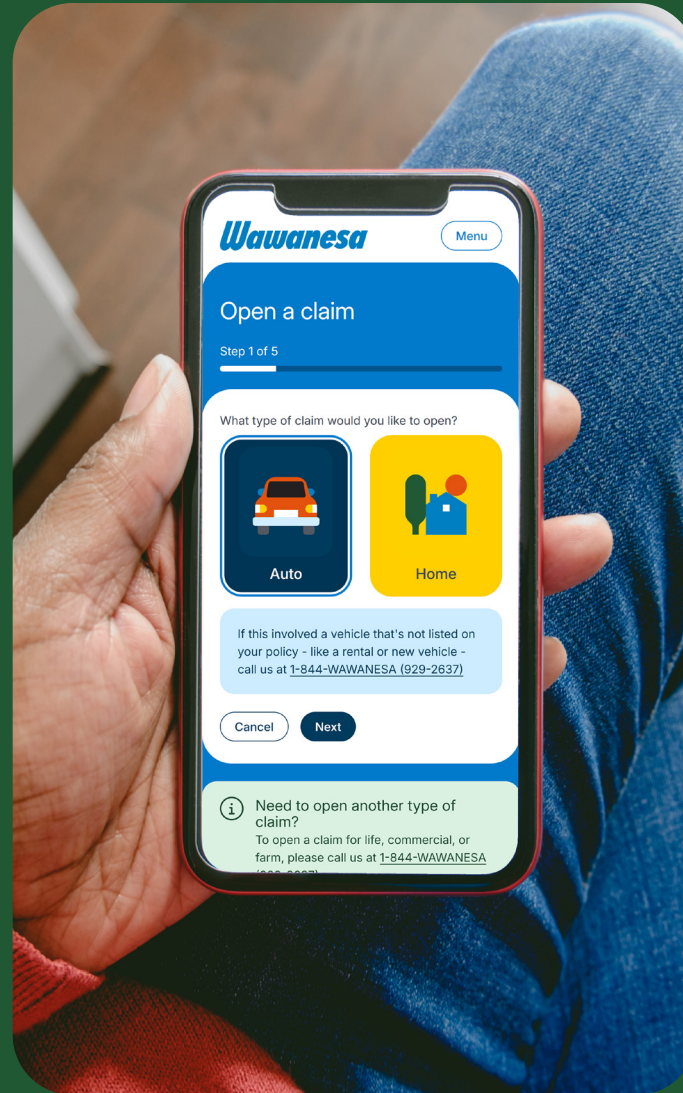
Supervisor, National Catastrophe Response Team



Evolving our offerings

We continue to strengthen the experience our members have with Wawanesa. In 2025, we introduced Member Centre, a secure, authenticated online portal that enables members with personal property and auto policies to easily access their policy and billing documents as well as make payments. Member Centre serves as the foundation for an entirely new, personalized digital claims experience going forward. This initiative marked a significant step toward delivering the seamless, secure, modern interface our members expect.

We also introduced Drive Change 2.0, a more dynamic version of our telematics program. With quarterly premium adjustments, stronger upfront discounts, and weekly feedback, members now have clearer insight into their driving habits and more control over their savings. Alongside these enhancements, we laid important groundwork to expand the program into Québec, which led to the launch of Bonne conduite in February 2026, bringing behaviour-based pricing and real-time driving insights to even more members.



Together with our members, we donated \$85,000 to the Traffic Injury Research Foundation (TIRF), transforming the wind-down of our previous rewards program into a meaningful community investment. Members chose to put their leftover points toward safer roads, helping fund new tools and education for young and new drivers.

"The road environment is constantly evolving and donations like this help us respond to persistent and emerging issues to create safe roads home for all Canadians."

Robyn Robertson
President & CEO of TIRF



Our people

Our people power everything we do. As a proudly Canadian mutual insurer, we continue to strengthen our workplace with flexible work, modern spaces, leading benefits, and a deep commitment to diversity, equity, inclusion, and belonging.





Employee experience

We're building a workplace where people feel connected, supported, and equipped to do great work – wherever they are.

Flexible work that works. Our hybrid approach balances focus and collaboration, giving employees the autonomy to do their best work while staying connected.

Modern, healthy workplaces. Across Canada, employees work in updated, tech-enabled spaces, including our LEED Gold national headquarters in Winnipeg designed for well-being and sustainability.

Connected to the communities we serve. Our national footprint enables employees to work close to home and where we do business, bringing local understanding to how we support our members.



Learning and development

We invest in long-term growth so employees can build meaningful careers.

We grow talent. We support employee and leadership growth through development opportunities that build skills and enable career progression.

We build capability at scale. We offer national training, supported by a learning library of courses spanning technical, leadership, and inclusion topics.

We invest in learning. We average over \$500 per employee in annual development, plus additional investment in premium content and education reimbursements.



Health, wellness, and safety

We offer benefits and accessible wellness resources that help employees thrive.

Comprehensive, employer-paid coverage. Employees and their families receive premium-free health, dental, life, disability, and mental-health benefits, plus enhanced supports like gender affirmation, family-building benefits, and expanded in-home nursing care.

Accessible care, anywhere. We offer 24/7 telemedicine, virtual mental-health services, and a national wellness platform.

Safe, wellness-oriented workplaces. Many of our office locations offer amenities such as fitness facilities, healthy food options, and dedicated wellness spaces, supported by national health and safety standards.



Diversity, equity, inclusion, and belonging

At Wawanesa, diversity, equity, inclusion, and belonging (DEIB) are central to how we support our people, serve members, and strengthen our communities. As a mutual insurer, cultivating inclusive environments helps us understand the diverse needs of our employees and members, so we can strive to deliver services with care and empathy.








Building an inclusive employee experience

Our DEIB approach is embedded across the employee experience, from how we lead and hire to how we shape workplace practices. These data-informed efforts help us build a workforce that reflects our communities and supports inclusive decision-making across the company.

This focus on inclusion is reflected in how our employees feel, and it continues to be a strong and consistent part of the employee experience. In our employee engagement survey, we achieved an 86% score on diversity and inclusion, showing that employees feel respected, supported, and able to be themselves at work.

Employee Groups: Strengthening belonging and community connection

Employee Groups play a key role in building inclusion and connection across Wawanesa. With seven active groups representing diverse communities and lived experiences, about a quarter of our employees participate in these networks. Through learning events, mentorship, and community engagement, these groups deepen understanding, build leadership capability, and strengthen connections with the communities we serve.

Employee Group	Represented group or community
 Pride at Wawanesa	2SLGBTQIA+ employees and allies
 ADAPT (Able and Disabled Allies Partnering Together)	Employees with diverse abilities and allies
 Women+ of Wawanesa	Employees who identify as women and allies
 Pan-Asian Community (PAC)	Pan-Asian employees and allies
 Indigenous at Wawanesa	Indigenous employees and allies
 Environment and Climate Action (ECA)	Employees interested in sustainability and climate resilience
 BLACC (Black Leaders and Allies Creating Change)	Black employees and allies



Investing in equity and community resilience

Our commitment to DEIB extends beyond our workplace and into the communities where we live and work. In 2025, our approach was reflected through a range of community-based actions and partnerships.

Community-led equity initiatives

Our Employee Groups directed \$70,000 through our Diversity Fund to 11 organizations across Canada, supporting initiatives that advance equity, remove systemic barriers, and create opportunities for belonging in the communities we serve.

Economic reconciliation through collaboration

In partnership with Treaty One Nations, we provided space in our former executive office for the Wiitahnookiinitaw Tahshkayzing Entrepreneurship Centre (WTEC), Canada's first Indigenous-led entrepreneurship hub, supporting Indigenous entrepreneurs through place-based investment, mentorship, and collaboration. We're also providing executive mentorship through WTEC in the areas of finance and insurance.

Inclusive community infrastructure

We contributed \$100,000 to the Rainbow Resource Centre's Place of Pride campus, Canada's first purpose built 2SLGBTQIA+ community hub, helping create safe, affirming spaces and improve access to inclusive services.

Broad-based community support with United Way

Our annual United Way campaign raised funds that support United Way's network of partner agencies, many of which work to advance accessibility, youth mentorship, newcomer support, family safety, and culturally grounded programming.

Creating social value through inclusion

By integrating DEIB into our people practices and community investments, we continue to strengthen the social fabric of our organization. This work supports our employees, enhances our service to members, and contributes to more inclusive and resilient communities – reflecting our long term commitment as a mutual dedicated to shared prosperity.



Our sustainability and community approach

As a mutual insurer, sustainability and community are central to how we create long-term value for our members. We continue to strengthen how we show up for our members in ways that keep insurance available, affordable, and meaningful in a changing world.





Key terms

Greenhouse gas emissions

Greenhouse gas emissions are categorized into three groups:

- **Scope 1** emissions are direct emissions from sources owned or controlled by Wawanesa.
- **Scope 2** emissions are indirect emissions associated with the generation of energy consumed by Wawanesa.
- **Scope 3** emissions represent emissions arising across Wawanesa’s value chain.

Financed emissions

Financed emissions are attributed greenhouse gas emissions resulting from Wawanesa’s investments falling under Scope 3 downstream emissions, Category 15 (Investments), in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Throughout this report, these emissions may be referred to as “investment emissions” or “investment-associated emissions” or “financed emissions”.

Carbon credits

Carbon credits are units that represent a metric tonne of CO₂e that has been reduced, avoided, or removed from the atmosphere through a verified project. Reduction and avoidance credits prevent emissions from occurring by avoiding or reducing greenhouse gases relative to a business as usual scenario, while removal credits reflect the physical extraction of CO₂ from the atmosphere and its storage in a durable carbon sink.

Impact investing

Investments that are intended to generate competitive financial returns while supporting measurable environmental or social outcomes over time.



“From wildfire and flooding to more severe weather, climate change is intensifying risks across our country, making resilience more critical than ever. Our responsibility is to act through our business activities and community investments to ensure insurance remains a reliable foundation in a changing world.”

James Bond
SVP, Chief Risk & Legal Officer



2025 highlights

Social



\$4M in total contributions to community organizations and initiatives across Canada, including **\$2M** directed to climate-related projects



\$1.6M contributed to United Way, supported by donations from **52%** of employees

Environment



23% reduction in absolute Scope 1 and 2 (location-based) GHG emissions, relative to the 50% by 2030 target from 2019 levels



5,169 tCO₂e of carbon offset certificates retired from the Great Bear Forest Carbon Project in relation to 2025 Scope 1 and 2 (location-based) GHG emissions



14% reduction in Scope 3 investment emissions measured by carbon intensity, relative to the 25% reduction by 2030 target from 2021 baseline



6% of total investment portfolio meets criteria for impact investments as of December 31, 2025, relative to the 10% target by 2030 or earlier

Living our purpose together

To close out 2025, we made a special \$500,000 community investment aligned with our purpose of helping communities thrive in a changing world. Funding was directed through a blend of strategic purpose-driven grants and employee-led giving, ensuring support reached both national organizations advancing long-term resilience and local charities meaningful to our people.

- **Employee guided giving (\$200,000):** Employees voted to direct funding to 24 charities across Canada.
- **Strategic purpose grants (\$300,000):** Six national charities received \$50,000 each to advance safer, healthier and more sustainable communities – supporting areas such as youth programs, women’s safety, Indigenous education, mental health, and community level climate resilience.



Sustainability in action

Climate change affects our business through increasing physical and transition risks. These risks influence claims, pricing, reinsurance, and, ultimately, the availability and affordability of coverage.

We respond to these impacts across three thematic areas:

Protect: Managing today's risks through disciplined underwriting, risk transfer, and governance

Strengthen: Reducing losses where intervention can meaningfully improve resilience

Enable: Supporting broader system-level resilience through investment, partnerships, and innovation

These are not separate initiatives, but complementary ways we manage and respond to risk. This approach reflects two realities:

Insurers play roles as risk managers, risk carriers, and institutional investors. Our actions enable economic activities that have environmental and societal impacts, and in turn, climate change directly and indirectly affects our business.

We cannot address these challenges alone. Progress depends on coordinated action across sectors.

Our role is to manage risk responsibly, reduce losses where we can, and support longer-term resilience, while continuing to adapt as conditions evolve.



Wawanesa is a signatory to both the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) – both of which help to inform our sustainability activities across our operations.

The UNEP FI PSI serves as the global framework guiding the insurance industry's response to environmental, social, and governance risks and opportunities. It represents the largest collaborative initiative between the UN and our sector.

Our commitment to the PRI demonstrates our dedication to incorporating the six Principles for Responsible Investment in the PRI framework, aligns with our sustainability strategy, and complements our role as a signatory of the UNEP FI PSI.

We are also members of the UNEP FI Forum for Insurance Transition (FIT), where we support the design, testing, and advancing of voluntary climate-aligned insurance practices, such as helping to develop and review global guidance on transition planning for insurers.





Protect: Managing today's risks

Why this is important

Climate change is reshaping the risk landscape. Across our portfolios, we are seeing increases in claims frequency and severity, as well as greater variability in loss patterns.

Our priority is to manage these risks responsibly so we can continue to provide stable, reliable coverage that meets the needs of our members. We are strengthening our approach across several areas.

Enterprise risk management and governance:

In 2025, we strengthened our sustainability governance by streamlining oversight into a structured three-tier model, enhancing strategic alignment, embedding sustainability into enterprise risk management, and enabling coordinated execution.

Risk transfer and capital management:

We use reinsurance, diversification, and disciplined capital allocation to manage volatility and maintain financial resilience.

Data, modelling, and risk insight:

We're enhancing our understanding of evolving risks through improved data, modelling, and scenario analysis.

Operational emissions and transparency:

In 2025, we strengthened our processes through improved data coverage, implementation of a new carbon accounting system, and limited third-party assurance of Scope 1 and 2 (location-based) emissions.

As loss trends evolve, these capabilities are increasingly important to maintaining both the availability and affordability of insurance.

Sustainability governance





Integrating climate risk into our enterprise risk management approach

Climate change is affecting communities across Canada, and we take this risk seriously. Climate-related risks are built directly into our broader risk management processes to ensure we remain prepared for a changing environment and continue supporting our members when severe weather strikes. These processes are informed by industry standards, best market practices, and regulatory guidance, such as OSFI's Guideline B-15: Climate Risk Management.

Our governance structure supports oversight of climate-related risks at every level. The Board of Directors oversees and challenges sustainability-related strategies and frameworks, while the Executive Risk and Compliance Committee reviews and endorses the Climate Risk Management Policy. The ELT, ESC, and SMC support coordination and execution of climate-related activities.

Managing climate-related risk

Our risk appetite guides how much risk we take on. In areas where climate-related risks are increasing or harder to model, we may adjust underwriting approaches or enhance reinsurance protection to maintain long-term stability.

Climate-related risks can be broadly categorized as:

- **Physical risks** (acute or chronic) from wildfires, floods, hailstorms, and other severe weather
- **Transition risks** from the shift toward a low-carbon economy, including new regulations, evolving building standards, emerging technologies, and changing member expectations.

These risks influence how we design products, set prices, plan capital needs, and manage investments. Climate considerations are increasingly incorporated into aspects of underwriting, catastrophic exposure assessments, and long term business planning. While integration continues to advance, we're evolving our approach as improved climate data and modelling become available.

We use scenario analysis tools to assess our resilience under a range of possible climate futures, whether gradual or rapid transitions. This helps inform contingency planning and supports long-term financial stability.

Climate considerations also shape how we invest. We measure the greenhouse gas emissions attributable to our investment portfolio to better understand carbon exposure, and we've established a defined impact investing target that guides the allocation of our portfolio toward investments supporting climate resilience.

Preparing for the unexpected: Risk transfer

Risk transfer is one of the tools insurers use to manage exposure to large, unpredictable losses. For Wawanesa, it plays a key role in protecting our financial strength and ensuring we can support members during severe weather events. This means that when catastrophic events occur, losses are shared rather than borne by Wawanesa alone. By spreading risk in this way, reinsurance helps stabilize financial results, limit the impact of extreme events on capital, and safeguard our long-term ability to pay claims.

Catastrophe modelling supports this approach by helping us understand how severe weather could impact our portfolio and informing the structure and coverage levels of our reinsurance arrangements.

We further strengthen resilience through portfolio diversification, spreading risk across geographies and lines of business so no single area carries disproportionate exposure.

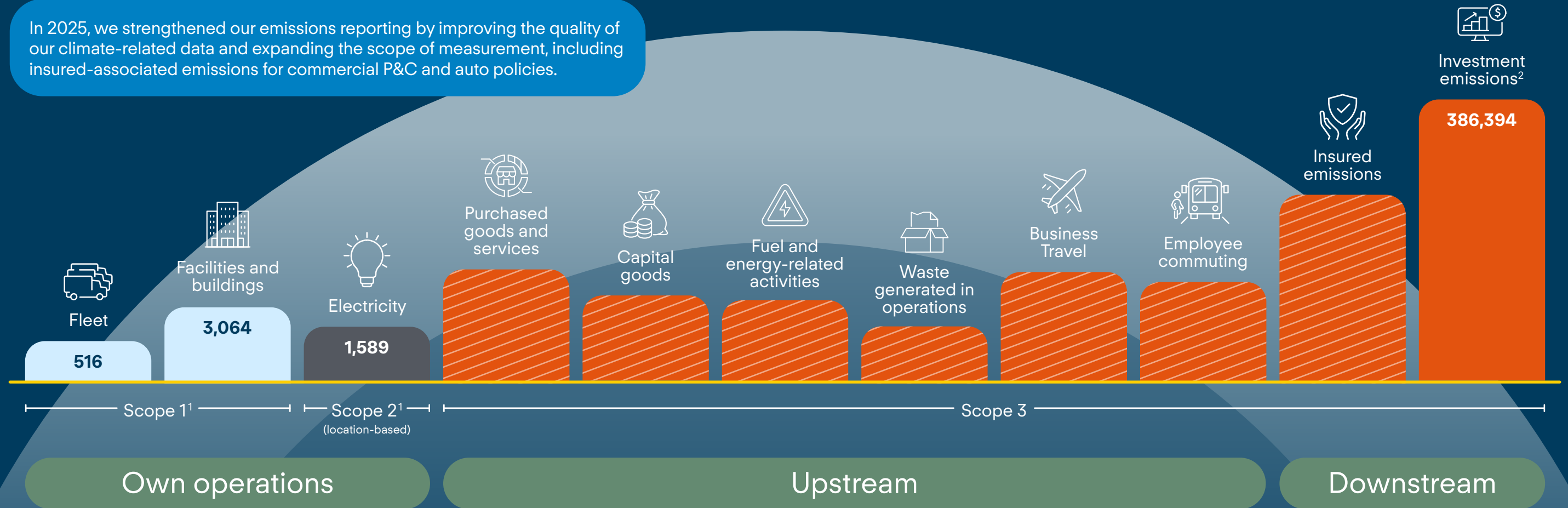
For further details on climate governance, scenario analysis, emissions, and climate-related metrics and targets, please see our 2025 climate-related financial disclosures.



Emissions footprint and related targets

2025 absolute emissions tCO₂e (visualization of emissions are not to scale)

In 2025, we strengthened our emissions reporting by improving the quality of our climate-related data and expanding the scope of measurement, including insured-associated emissions for commercial P&C and auto policies.



1 Scope 1 and 2 (location-based) targets: 50% reduction by 2030 from 2019 levels
 2 Scope 3 investment emission target: 25% reduction by 2030 or sooner across listed equities, corporate bonds, and corporate securitizations, as measured by the carbon intensity of the enterprise investment portfolio

Sources of emissions for Wawanesa

Relevant emission sources not yet quantified to date



Our operational emissions footprint

In 2025, we expanded and improved the measurement of our greenhouse gas footprint by:

- Retroactively incorporating Western Financial Group’s 2019–2025 emissions into our operational emissions footprint.
- Implementing a new carbon accounting system to enhance accuracy and governance.
- Completing limited third-party assurance of our FY25 Scope 1 and 2 emissions for the first time.

Scope 1 and 2 (location-based) emissions (tCO₂e)

	2025	2024	2023	2022	2021	2020	2019 (baseline)
Scope 1	3,580 ¹	3,919	3,675	4,144	3,861	3,749	4,396
Scope 2 (location-based)	1,589 ¹	1,623	1,552	1,577	1,962	1,963	2,322
Total Scope 1 and 2 (location-based)²	5,169	5,541	5,228	5,721	5,823	5,712	6,717

The measurement of our Scope 1 and 2 (location-based) operational emissions footprint includes emissions from material sources within Wawanesa’s organizational and operational boundary and is aligned with our internal methodology, which follows the Greenhouse Gas Protocol. For more information, including the fulsome disclosure informed by OSFI’s Guideline B-15: Climate Risk Management, please refer to our climate-related financial disclosures on [page 63](#).

¹ Limited assurance has been provided over the 2025 figures (see Independent practitioner’s limited assurance report on The Wawanesa Mutual Insurance Company’s select performance metrics on [p. 77](#)).

² Totals may not add up due to rounding.

Progress toward our 2030 target

We have set a target to reduce our Scope 1 and 2 emissions 50% by 2030 from a 2019 baseline. After re-baselining and retroactively restating our 2019 footprint to include Western Financial Group, the total reduction in Scope 1 and 2 (location-based) emissions as of fiscal year-end 2025 since the baseline year is 23%.

The exercise of re-baselining and restating historical year emissions to include Western Financial Group has provided our organization with the opportunity to update our operational emissions carbon management approach. To provide ongoing oversight of greenhouse gas emissions, key stakeholders at Wawanesa and Western Financial Group regularly meet to review progress, manage decarbonization levers, and respective trade-offs.

Since 2019, intentional operational choices have reduced absolute Scope 1 and 2 emissions by 23%. For example, tightening fleet vehicle eligibility and improving fuel efficiency, resulting in halving fleet emissions through fewer, more efficient vehicles. Further, the facility footprint has decreased due to the implementation of energy-efficient design standards and space optimization efforts.



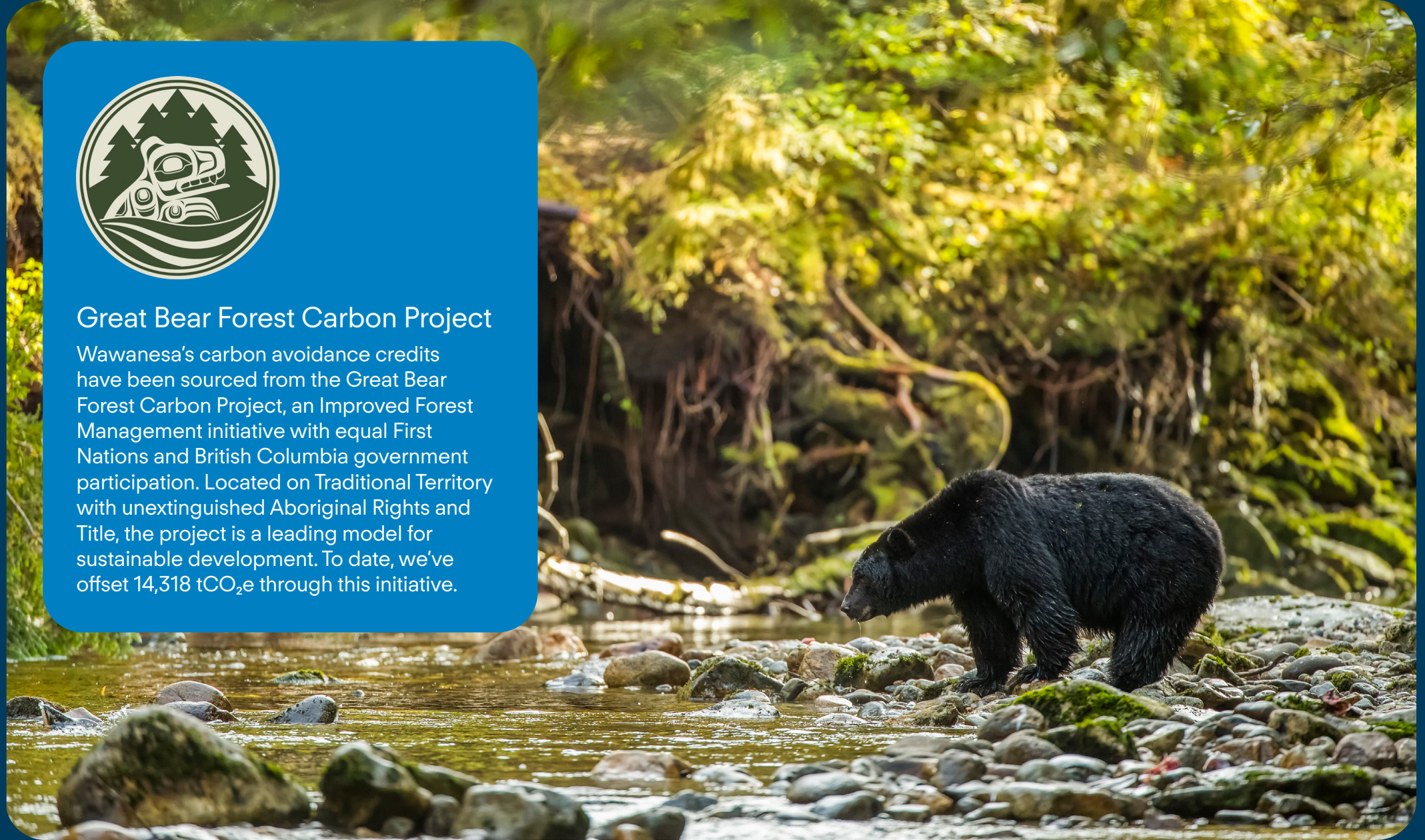
Voluntary carbon credits

Since 2022, we have purchased high-quality carbon avoidance credits to compensate for annual Scope 1 and 2 operational emissions, including Western Financial Group beginning in 2025. This year, we retired 5,169 tCO₂e in credits. These credits support climate action but do not contribute to achieving our absolute emissions reduction target.



Great Bear Forest Carbon Project

Wawanesa's carbon avoidance credits have been sourced from the Great Bear Forest Carbon Project, an Improved Forest Management initiative with equal First Nations and British Columbia government participation. Located on Traditional Territory with unextinguished Aboriginal Rights and Title, the project is a leading model for sustainable development. To date, we've offset 14,318 tCO₂e through this initiative.





Investment emissions

Investment emissions remain a significant part of our climate impact. Using a third-party software and data provider, we measure attributable Scope 1 and 2 emissions on an absolute and intensity basis across our equity, corporate bond, and preferred share holdings.

2025 progress

We aim to reduce financed emissions intensity (tCO₂e/\$M invested) at least 25% by 2030 from a 2021 baseline. By 2025, we've achieved a 14% reduction.

As the underlying companies in which we're invested improve their emission disclosures, the data coverage and quality of our emissions measurement improve in tandem. Data coverage for the 2025 emissions quantification was greater than 75% of our corporate securities.

Understanding the emissions impact of our commercial insurance policies

We play a role in supporting a low carbon, climate-resilient future. In 2025, we measured the greenhouse gas emissions associated with our 2024 commercial lines portfolio (farm, property, and auto) for the first time, representative of over 200,000 policies and over \$800M gross written premiums (GWP), using the Partnership for Carbon Accounting Financials (PCAF) standard for insurance associated emissions. The exercise was undertaken as a preliminary sample to identify data gaps and inform future improvements.

This initial measurement gave us a clearer view of where emissions sit across our business and highlighted opportunities to enhance data quality, completeness, and granularity sufficient to improve the accuracy of emissions quantification. We'll continue to mature our measurement capabilities using our 2025 portfolios in 2026.

Looking ahead

We continue improving our data quality, strengthening assurance processes, and exploring relevant climate metrics to better assess, prioritize, and manage risks and opportunities across our business. Our work will remain focused on reducing emissions, improving actionable insights, and supporting a resilient, lower carbon future for our members.



Strengthen: Reducing losses where we can

Why this is important

While climate change influences the severity of hazards, losses are also shaped by exposure and vulnerability. Reducing these is one of the most effective ways to manage risk over time.

We are focused on strengthening resilience where it's practical and effective, helping to reduce losses before they occur.

Community investment and resilience:

In 2025, we increased our support to communities to \$4 million, up from \$3.5 million the previous year. Delivered through targeted grants and partnerships, these investments support locally led solutions that reduce disaster risk, strengthen natural systems, and improve overall community resilience.

Loss prevention and adaptation:

We're expanding our focus on prevention through risk education, support for safer

rebuilding practices, and exploration of how resilience can be reflected in our products and services over time.

Employee and community engagement:

Through initiatives such as our My Community Day program, which gives employees a paid day off to support a charity or non-profit organization, our team members contributed to community resilience through volunteering and local activities, extending our impact across the regions we serve.

Over time, these efforts are expected to contribute to reduced loss severity, faster recovery, and more stable insurance outcomes for our members.

Community wildfire clean-ups

As part of a targeted climate resilience pilot with FireSmart™ in late summer 2025, we supported the Ste. Rita community in Eastern Manitoba by clearing dead brush and vegetation around key structures and sharing practical wildfire prevention strategies. Eleven employees helped remove 15 truckloads of debris, creating safe zones around community buildings and strengthening local preparedness for future wildfires.

My Community Day impact

350 employees

joined community cleanups

200+ bags

of waste removed through community cleanups

15,700+ hours

spent volunteering in our communities

Equivalent to

2,093 workdays

600+ employees

participated in tree planting events

3,300+ trees planted

Across 12 sites

My Community Day employee **usage rate of 66%**

1,054 employees donated their \$100 Community Impact gift card



Wawanesa Climate Champions

Through our Wawanesa Climate Champions program, we directed \$2 million to 25 climate-resilience projects in 2025, delivered in partnership with organizations across the country. These initiatives spanned diverse landscapes, including wetlands, peatlands, forests, watersheds, and farmlands, and applied a mix of mitigation and adaptation solutions designed to reduce climate-related risks. Together, they impacted more than 1.3 million acres of land across Canada.

These investments are grounded in a simple principle: when natural systems are healthy and communities are prepared, they are better able to reduce exposure to extreme weather, limit damage, and recover more quickly.

Key pillars of the program



Environmental guardians

Supporting conservationists, farmers, and Indigenous partners in advancing nature-based solutions that restore critical ecosystems, helping absorb floodwaters, reduce wildfire risk, and strengthen natural defenses.



Community protectors

Supporting disaster preventers, responders, and rebuilders who help communities reduce risk, respond to extreme weather, and recover after events.



Youth stewards

Supporting youth-led climate innovation, education, and mentorship to help build long-term resilience for future generations.





Distribution of Wawanesa Climate Champions contributions in 2025

Youth Climate Innovation Grants

- 1 British Columbia Institute of Technology
- 2 Southern Alberta Institute of Technology
- 3 Saskatchewan Polytechnic
- 4 New Brunswick Community College
- 5 Holland College

Wawanesa Climate Champions Partner Projects

- 1 Nature Force
- 2 TRU Wildfire
- 3 ALUS
- 4 Center for Indigenous Environmental Resources
- 5 Nature Conservancy Canada
- 6 World Wildlife Fund Canada
- 7 Tree Canada

Community Wildfire Prevention Grants

- 1 Witset First Nation
- 2 Little Red River Cree Nation
- 3 Lac Ste. Anne County
- 4 Rural Municipality of Rockwood
- 5 Rural Municipality of Alexander
- 6 Municipality of Sioux Lookout
- 7 Keewaytinook Okimakanak Tribal Council
- 8 Township of Limerick
- 9 Scouts Horizon Boréal
- 10 City of Fredericton
- 11 Western Woodlot Services Cooperative
- 12 Wasoqopa'q First Nation

Wawanesa Climate Champions: Local Grants

- 1 Long Point Biosphere Region
- 2 Hamilton Conservation Foundation
- 3 The Couchiching Conservancy
- 4 Living Lakes Canada
- 5 Société de conservation et d'aménagement du bassin de la rivière Châteauguay

National Wawanesa Climate Champion partner programs

- Canadian Red Cross
- Farmers for Climate Solutions
- FireSmart™ Canada
- Institute for Catastrophic Loss Reduction
- International Institute for Sustainable Development
- Youth Climate Lab





Examples of Wawanesa Climate Champions partnerships

Institute for Catastrophic Loss Reduction (ICLR)

Our partnership with the Institute for Catastrophic Loss Reduction, a multi-disciplinary disaster prevention research organization established by Canada's property and casualty insurance industry, includes support for the new ICLR Resilience Display Centre in Winnipeg. The facility serves as a destination for insurance professionals, community leaders, and building professionals to learn through hands-on exhibits showcasing various practical, cost-effective, and proven tools and techniques to help better protect homes from extreme weather damage.



World Wildlife Fund (WWF)

Through WWF Canada's Regenerate Canada program, we're supporting nature-based flood mitigation projects in Edmundston, New Brunswick, where flooding is a high and recurring risk for the community. Efforts include restoring floodplains, enhancing natural water storage, and incorporating urban sponge park designs to slow the flow of water and increase absorption during floods.

"The cool thing about nature-based solutions is that even though it takes a bit longer to stabilize, once it does, it can have an indefinite life cycle with reduced maintenance over the years."

Stéphanie Paradis-Léger
Project Lead



Wawanesa's Community Wildfire Prevention Grants

In partnership with FireSmart™ Canada and ICLR, Wawanesa offers \$150,000 in Community Wildfire Prevention Grants to communities across Canada to engage, education, and inspire their residents to take proactive actions to reduce their risk of wildfire-related loss.

In 2025, one of the grant recipients was Little Red River Cree Nation in Alberta. The grant supported Kayas Cultural College in training local youth to engage with the community, educating residents on ways to reduce wildfire risk and helping remove vegetation and other flammable materials from around the homes of Elders.

"Through FireSmart™ Canada training and participation in the National Indigenous Fire Safety Council's Indigenous Youth Wildfire Training program, youth gained valuable skills and certifications for future employment. The initiative also provided equipment for ongoing community use, blending cultural knowledge, youth engagement, and practical action to build lasting resilience."

Hayley Williams
Kayas Cultural College Manager



Loss prevention and adaptation

We play an active role in helping our members prepare for and recover from the growing impacts of climate-related events. Through proactive risk assessments and resilient rebuild options, we help households and businesses strengthen safety, reduce future vulnerability, and come back stronger after a loss.

How we support prevention

Our Prevention and Risk Services team provides a consultative approach in offering solutions to lessen hazards and impacts of potential losses. Building trust with our members as an active partner in risk management measures creates a mutual benefit for all.

During risk surveys, our Prevention and Risk Services team use advanced tools, such as infrared cameras and digital inspection

platforms, to assess properties and identify fire, liability, and crime hazards that could lead to a loss. In 2025, we were able to conduct over 3,200 of these surveys on the farm and commercial properties we insure.

How we support stronger recovery

Our Stronger Home and Eco-Friendly coverages help our members rebuild with more durable, efficient materials after a claim, supporting safer and more resilient reconstruction following extreme weather. These options not only enhance long-term protection but also give members greater confidence that their homes are better equipped to withstand future climate-related events.



Thompson Rivers University

In 2025, Wawanesa initiated and funded new wildfire research with Thompson Rivers University, supporting a study into what drives community adoption of FireSmart™ Canada practices. These insights have the potential to strengthen future prevention efforts and reduce the likelihood and severity of wildfire-related losses in communities.

Looking ahead

Strengthening resilience to extreme weather and climate change will remain a critical part of managing climate-related risks and opportunities. We will continue to focus on practical actions that reduce exposure and vulnerability, while working with partners to scale solutions over time. These efforts are expected to support lower losses, faster recovery, new business opportunities, and more stable insurance outcomes for our members and communities.



Enable: A shared responsibility

Why this is important

Addressing climate-related risks requires coordinated action across multiple sectors. Insurers play an important role, but we're one part of a broader system. Climate resilience cannot be achieved by one organization alone. It requires a whole-of-society approach that aligns the roles of industry, financial services, and governments at all levels to drive systemic, long-term solutions.

We contribute by supporting resilience and transition through our investments, partnerships, and innovation efforts.

Sustainable and impact investments:

We continue to integrate climate considerations into our investment approach, including measuring financed emissions and improving data coverage across asset classes. We have set a target for at least 10% of our portfolio to qualify as impact investments by 2030, and as of 2025, 6% has been achieved.

Value chain influence:

We're improving how we understand climate-related risks and opportunities in our business activities. Our influence is indirect and shared, and we continue to focus on improving transparency and decision-making.

Innovation and pilots:

In 2025, we advanced pilot initiatives and partnerships to explore how resilience can be integrated into our business, including new approaches to prevention, recovery, and member support.

Cross-sector partnerships and policy engagement:

Through partnerships, government engagement, and participation in global and national forums, we seek to strengthen market credibility, elevate accountability, and support broader adoption of resilience solutions. In 2025, this included participating in a panel at the International Cooperative and Mutual Insurance Federation's Sustainability & Resilience Summit in London, England and testifying in Ottawa for the House of Commons Standing Committee on Environment and Sustainable Development on Protecting Canadian Residents from Extreme Weather Events.

These efforts supports broader system-level progress, while helping our business to respond to evolving risks over time.



CLIMATE PROOF CANADA

Building a Resilient Tomorrow

Engaging with government through Climate Proof Canada

Wawanesa is a member of Climate Proof Canada, a national coalition of Canadian business representatives, disaster relief organizations, municipalities, Indigenous organizations, environmental non-governmental organizations and think tanks that believe Canada must prepare for the present and growing effects of climate change through building a more disaster-resilient country.

In 2025, Wawanesa participated in Climate Proof Canada's lobby day in Ottawa to meet with federal officials on climate-related risks, including resilient infrastructure, climate-proof housing, Indigenous resilience, and extreme heat action.



Sustainable and impact investments

Wawanesa invests with a long-term perspective to protect our financial strength and support a more sustainable future for our members and communities. Our internal Sustainable Investment Policy guides how environmental considerations are incorporated into investment decisions, including stewardship expectations and objectives for reducing the emissions associated with our portfolio.

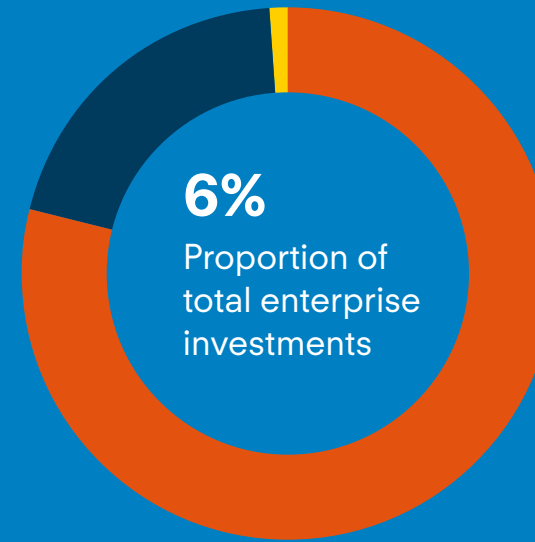
We benchmark our approach against best market practices, using internationally recognized methodologies and third-party tools to estimate emissions associated with our investment activities. These measurements currently apply to Scope 1 and Scope 2 emissions from corporate bonds, preferred shares, and equities, and exclude asset classes where usable data is not yet available.

A core focus is allocating capital toward impact investments – assets that align with Wawanesa’s sustainability priorities and that support the transition to a sustainable, resilient, low-emissions society. This may include investments that enable positive impacts, including green, social, and sustainability-linked bonds, as well as renewable energy and community infrastructure investments. Wawanesa has set a goal for at least 10% of our P&C and Life investment portfolios to qualify as impact investments by 2030 or earlier, measured as-at each fiscal year end. These investments are expected to deliver competitive financial returns while supporting environmental and social outcomes aligned with long-term community resilience.

Impact investments

We have set a target to allocate 10% of our P&C and Life investment assets to impact areas by 2030 or earlier. As at fiscal year-end 2025, 6% of our portfolio qualified as impact investments, defined as investments that are intended to generate competitive financial returns while supporting measurable environmental or social outcomes over time.

At Wawanesa, these investments focus on areas such as climate resilience, environmental stewardship, and community development.



Sustainable Bonds	\$433.7
Green	\$299.9
Social	\$35.7
Sustainability and Sustainability-Linked	\$98.1
Deemed Sustainable Bonds	\$106.2
Renewable Energy Producers	\$80.6
Other Impact Investments	\$25.6
Infrastructure	\$3.4
Total	\$543.3

As at December 31 (in millions of dollars)



Value chain influence

As an insurer, our influence extends across our operations, our investment portfolio, and the broader value chain that supports underwriting, claims, and recovery.

We work with suppliers, partners, and service providers to encourage more resilient and lower-emission practices, particularly in areas such as procurement, claims supply chains, and rebuilding activities. This includes supporting improved transparency, strengthening expectations over time, and integrating relevant considerations into how we operate and deliver services to members.

Within our investment portfolio, our influence over value chain (Scope 3) emissions is indirect and shared with other investors. Where feasible, we engage with investment managers and counterparties to encourage improved climate-related disclosure and performance, and to better understand transition-related risks.

As data quality and methodologies continue to evolve, we're refining how we assess and use value chain information across our business. This supports more informed decision-making over time, while recognizing current limitations and the collaborative nature of influencing outcomes across complex systems.

Innovation and pilots

Wawanesa is exploring climate-related opportunities that support member resilience and long-term competitiveness. Through existing business processes, these efforts include improving resource efficiency, exploring low-emission and resilience-focused products and services, and assessing transition-aligned markets. These initiatives are in the early stages and continue to evolve as part of our broader decarbonization and resilience objectives.



Supporting electric transport in our communities

In 2025, we installed an electric-vehicle fast charger (Level 3) in the town of Wawanesa, Manitoba, supporting improved access to high-speed EV charging for the local community and surrounding region.

The pilot also gave us valuable insights into what it takes to bring electric-vehicle infrastructure to communities. From installation to day-to-day use, we learned how users charge in real-world conditions, helping shape our future thinking around programs and partnerships that can make sustainable transportation more accessible.

Looking ahead

Climate change will continue to shape the risk landscape in the years ahead.

We are focused on strengthening our capabilities, improving insights, and advancing practical solutions that support resilience across our business and the communities we serve.

This work will continue to evolve over time. By managing risk responsibly, reducing losses where possible, and contributing to broader resilience, we aim to ensure that insurance remains a reliable and accessible foundation for our members in a changing world.

Insurance exists to support recovery after a loss. Rebuilding homes, businesses and communities can involve trade-offs, including environmental impacts. Our approach is to manage these trade-offs responsibly, through transparency, informed decisions, and a long-term focus on resilience and insurability.



Our financial performance

Throughout 2025, Wawanesa delivered record financial results driven by disciplined execution and a long-term approach to building resilience, strengthening our organization's ability to support our members and communities as risk, complexity, and expectations continue to evolve in a changing world.





Year in review

The year marked a significant milestone for our organization, with consolidated premiums reaching \$4.1 billion and consolidated net income of \$556 million – the highest amounts ever recorded in our 129-year history. Reported equity rose to \$5.5 billion, an increase of \$1.5 billion over the past three years, demonstrating sustained earnings strength and prudent capital management. Performance across our insurance operations supported a return on equity of 10.9%, underpinned by responsible financial stewardship, exceptional investment performance, and improved underwriting results.

We finished the year with an undiscounted combined operating ratio of 97.8%, a significant improvement from 111.6% in 2024, which was the costliest year industry-wide for insured losses tied to climate-related catastrophes and severe weather. Achieving this level of progress underscores the effectiveness of the actions taken throughout 2025 to restore performance and adapt to an increasingly complex risk landscape. As a mutual, results like these expand our capacity to generate capital for strategic acquisitions - such as our announcement in early 2026 to acquire

Everest Canada, which will enhance our commercial insurance capabilities and support our growth ambitions in that segment - while also creating more opportunities to help our communities thrive and deliver lasting value for our members.

Growth across our broader organization also remained strong, with Wawanesa Life delivering a 9.5% year-over-year increase in gross written premiums. Alongside another year of industry-leading performance in our investment portfolio and continued favourable contributions from Western Financial Group, these results reinforce our strength as a stable, reliable, and well-diversified company.

Capitalization remains robust across both our Property and Casualty and Life portfolios, with our Minimum Capital Test (MCT) ratio increasing by 18 points to 290%. Supported by a solid asset base of \$12.5 billion, both Wawanesa Mutual and Wawanesa Life maintained A (Excellent) financial strength ratings from AM Best, solidifying our organization's long-term financial health and strong positioning for the future.

“Our 2025 financial results reflect a year of disciplined performance across our organization, reinforcing our capital base. This strength enhances our resilience, positioning us well to navigate uncertainty in an ever-evolving insurance environment while supporting responsible, long-term growth so we can continue delivering value to our members.”



Gord Dowhan
SVP, Chief Financial Officer



Summary consolidated financial statements

Independent auditor’s report on the summary consolidated financial statements

To the Policyholders of The Wawanesa Mutual Insurance Company

Our opinion

In our opinion, the accompanying summary consolidated financial statements of The Wawanesa Mutual Insurance Company and its subsidiaries (together, the Company) are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in the note to the summary consolidated financial statements.

The summary consolidated financial statements

The Company’s summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2025 comprise:

- the summary consolidated balance sheet as at December 31, 2025;
- the summary consolidated statement of comprehensive income for the year then ended; and
- the related note to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). Reading the summary consolidated financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor’s report thereon. The audited consolidated financial statements, and the summary consolidated financial statements, do not reflect the effect of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 25, 2026.

Management’s responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in the note to the summary consolidated financial statements.

Auditor’s responsibility for the audit of the summary consolidated financial statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Winnipeg, Manitoba
May 8, 2026

Appointed actuary’s report

To the policyholders of The Wawanesa Mutual Insurance Company

I have valued the policy liabilities of the Company for its financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the year ended December 31, 2025.

In my opinion, the amount of policy liabilities is appropriate for this purpose. The valuation conforms to accepted actuarial practice in Canada and the financial statements fairly present the results of the valuation.

M. Dos Santos

Maja Dos Santos
Fellow, Canadian Institute of Actuaries
Winnipeg, Manitoba
February 25, 2026



The Wawanesa Mutual Insurance Company

Summary consolidated balance sheet

As at December 31 (in thousands of dollars, except as otherwise noted)

	2025	2024
Assets		
Cash and cash equivalents	\$ 357,653	\$ 280,327
Accrued investment income	59,490	58,375
Investments, including securities on loan	9,104,191	8,377,837
Intangible assets	321,485	350,382
Goodwill	698,637	698,637
Other assets	1,969,282	1,774,239
Total assets	\$ 12,510,738	\$ 11,539,797
Liabilities		
Insurance contract liabilities	\$ 5,608,383	\$ 5,398,613
Other liabilities	1,446,990	1,353,379
Total liabilities	7,055,373	6,751,992
Equity	5,455,365	4,787,805
Total liabilities and equity	\$ 12,510,738	\$ 11,539,797

Note to the summary consolidated financial statements

These summary consolidated financial statements have been derived from the audited consolidated financial statements of the Company for the year ended December 31, 2025, which are prepared in accordance with IFRS.

The criteria developed by management for the preparation of the summary consolidated financial statements is as follows: that the information included in the summarized consolidated financial statements is in agreement with the related information in the complete consolidated financial statements, and that the summarized consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete consolidated financial statements, including the notes thereto, in all material respects.

Summary consolidated statement of comprehensive income

For the year ended December 31 (in thousands of dollars, except as otherwise noted)

	2025	2024
Insurance revenue	\$ 4,100,450	\$ 3,915,232
Insurance service expense	(3,651,700)	(4,046,378)
Net insurance service result before reinsurance	448,750	(131,146)
Net insurance service result from reinsurance contracts held	(151,657)	(36,428)
Net insurance service result	297,093	(167,574)
Net investment income	719,712	973,446
Finance expense from insurance contracts issued	(183,400)	(242,692)
Finance income from reinsurance contracts held	7,156	27,893
Net insurance finance expense	(176,244)	(214,799)
Revenue from service contracts and other revenue	292,247	264,099
Other expenses incurred	(400,568)	(400,732)
Profit before income taxes, continuing operations	732,240	454,440
Provision for income taxes	176,417	86,961
Profit for the year from continued operations, net of tax	555,823	367,479
Profit for the year from discontinued operations, net of tax	-	75,872
Profit for the year	\$ 555,823	\$ 443,351
Other comprehensive gain (loss)	111,737	(33,371)
Total comprehensive income for the year	\$ 667,560	\$ 409,980
Total comprehensive income for the year attributed to:		
Policyholders of the Company	\$ 661,525	\$ 401,320
Participating policyholders	6,035	8,660
	\$ 667,560	\$ 409,980

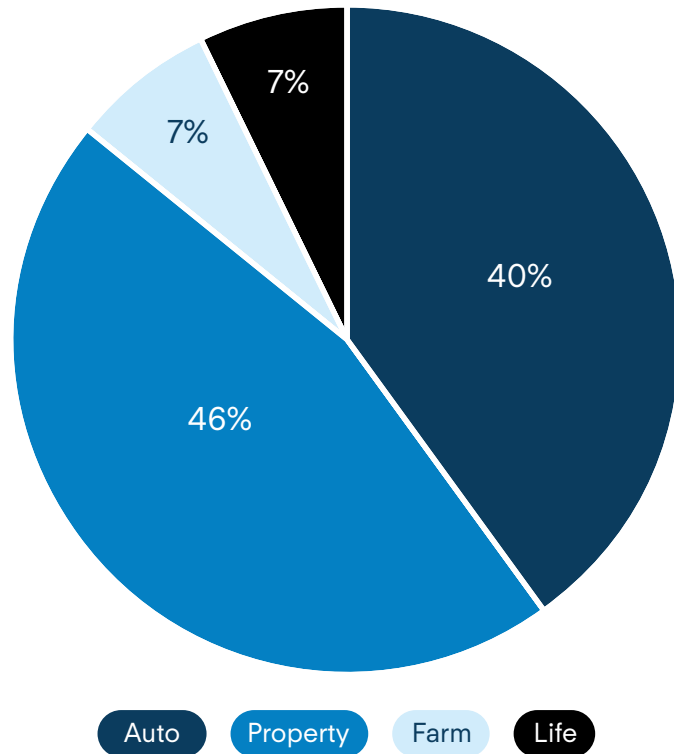
A full set of the audited consolidated financial statements is available from the Company or at wawanesa.com.



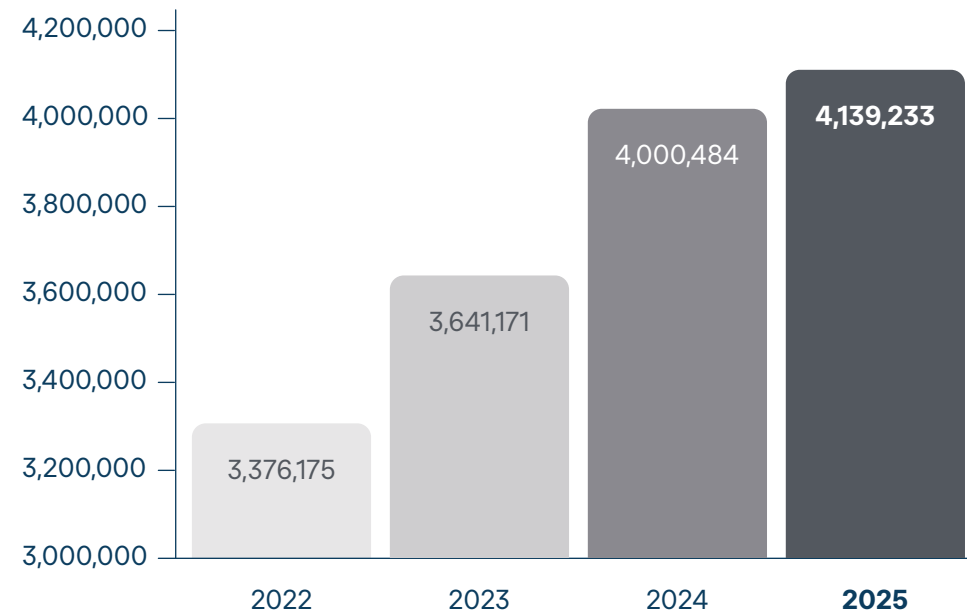
Canadian consolidated operations

in thousands of dollars, except as otherwise noted

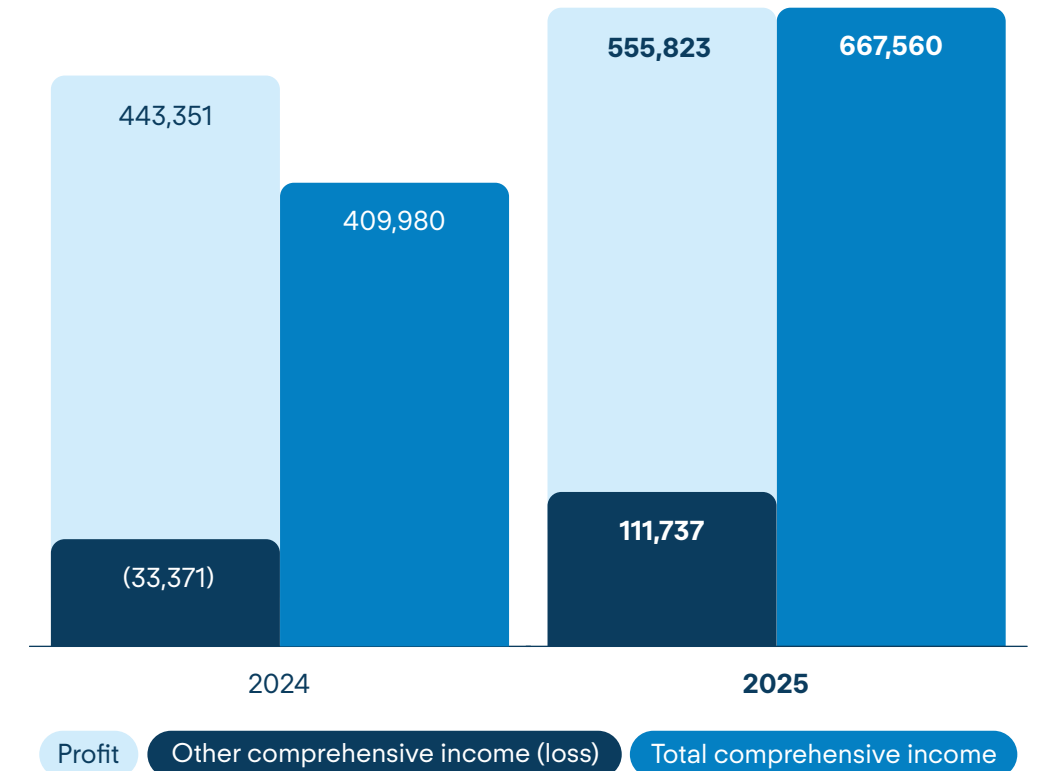
Gross written premiums



Gross written premiums 4-year history



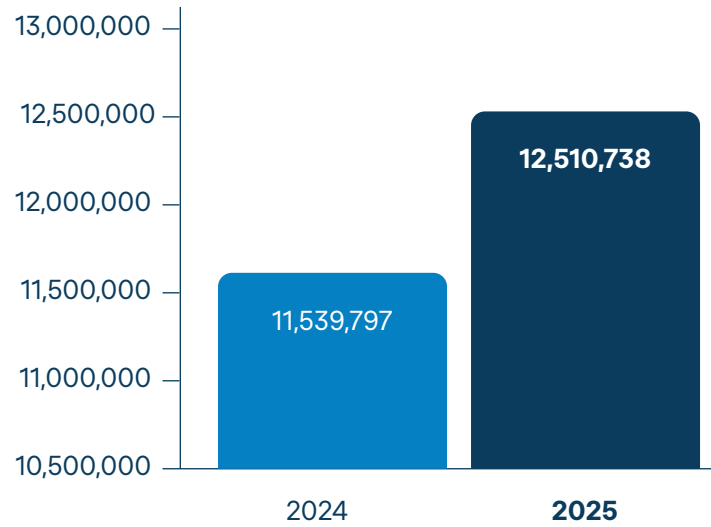
Total comprehensive income



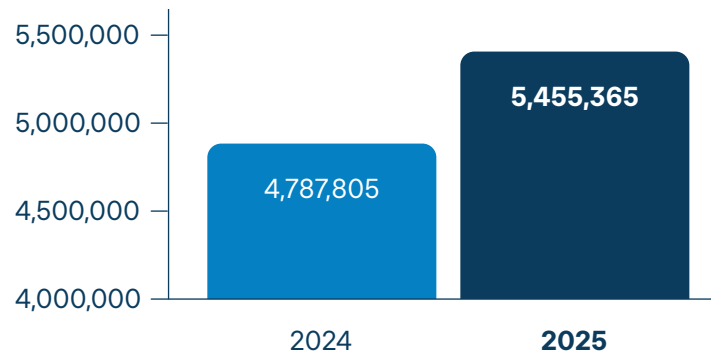


in thousands of dollars, except as otherwise noted

Total assets



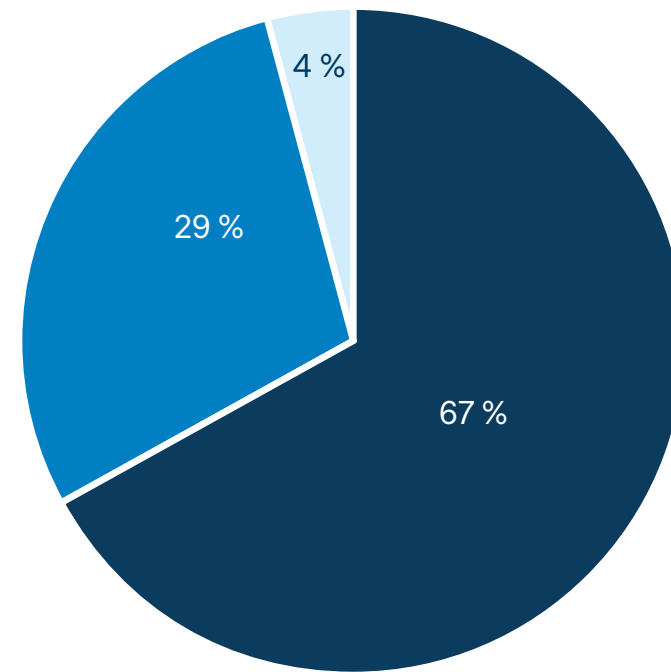
Equity



Investments

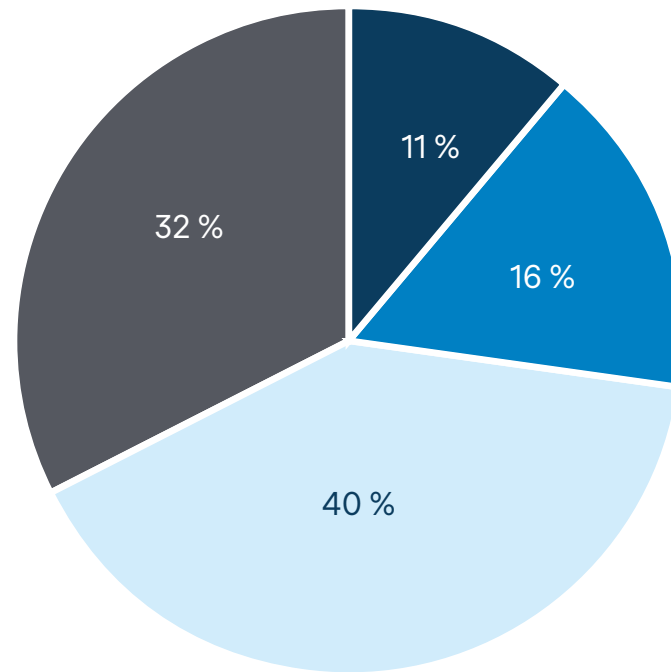
Investments are managed in a conservative manner to provide steady, consistent investment income to support the cash flow and liquidity needs of the Company

Fixed income securities	6,143,358
Stocks	2,594,903
Other	365,930



Fixed income securities credit quality

AAA	704,734
AA	997,044
A	2,449,304
BBB and other	1,992,277





P&C operations profile

P&C operations consist of The Wawanesa Mutual Insurance Company and Trimont Financial Ltd.

P&C operations provide automobile, personal and commercial property, and farm insurance products in all major areas of Canada. Wawanesa's P&C insurance products are distributed by independent insurance brokers.

Trimont Financial Ltd. is dedicated to supporting and strengthening the insurance broker channel in Canada and includes Western Financial Group.

Key Facts

- Total assets of \$10.7 billion
- Strong financial position with equity of \$5.4 billion
- Over 3.8 billion in annual policy premiums
- Over 5,200 employees across Canada

Key financial measures

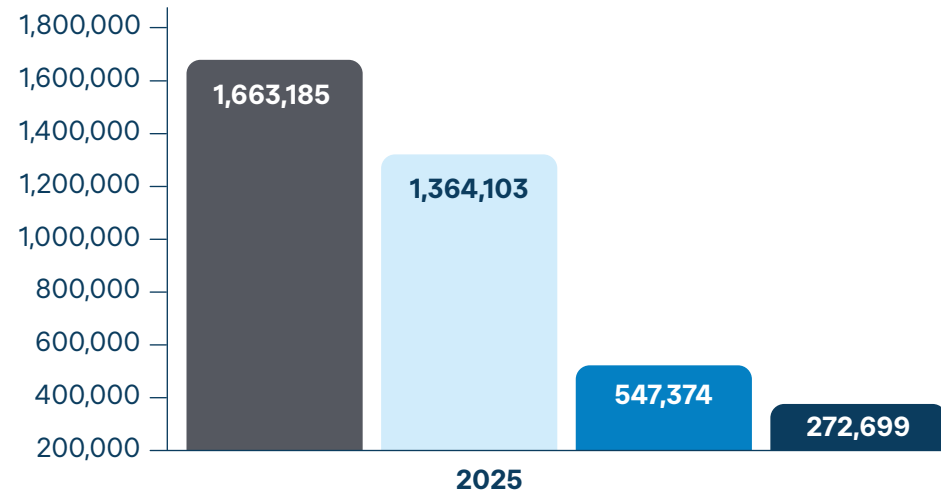
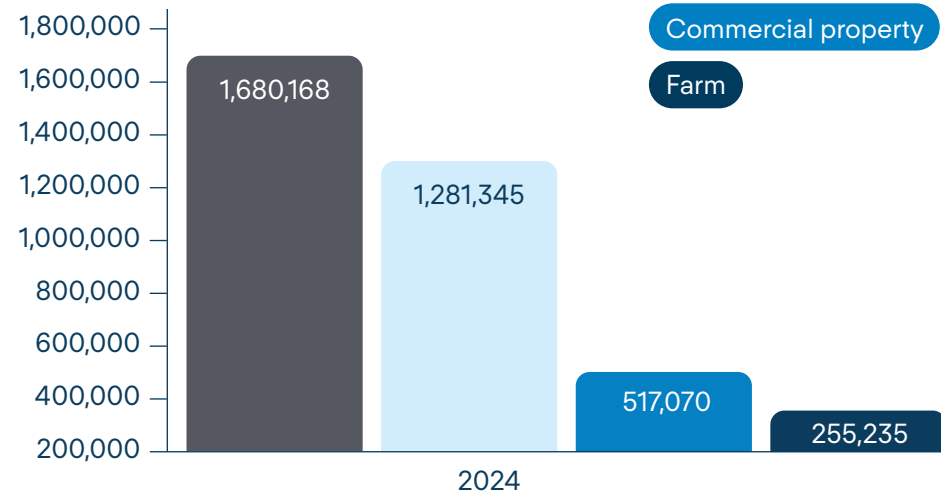
The following information and charts may not be IFRS measurements, but are derived from elements of the financial statements and are consistent with financial measures used in the P&C insurance industry.

P&C operations

in thousands of dollars, except as otherwise noted

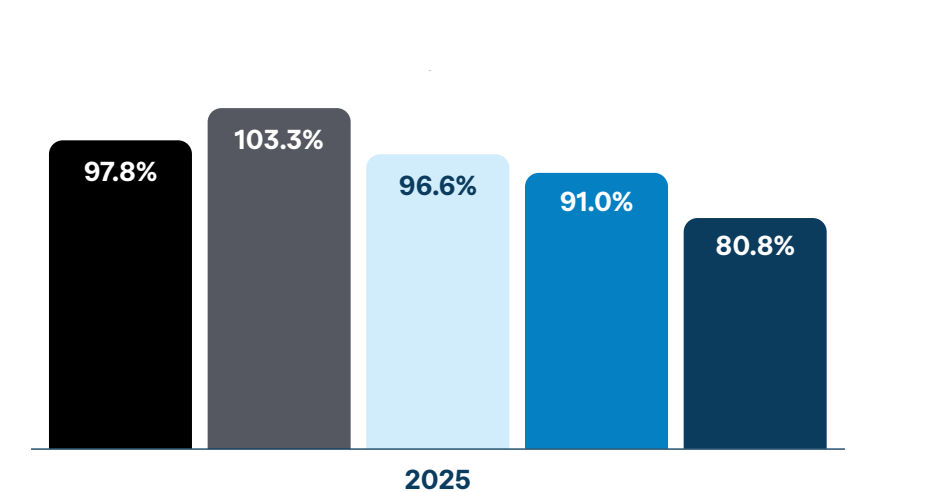
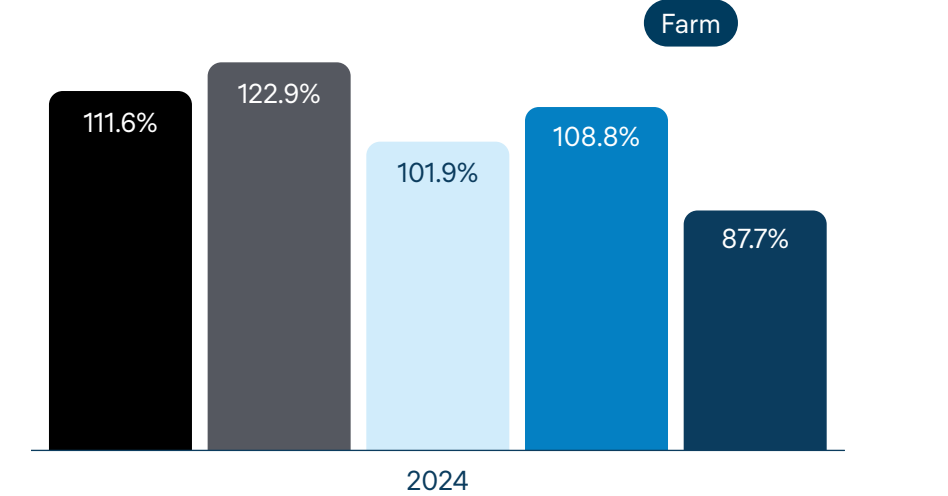
Gross written premiums

Gross written premiums are the premiums for all insurance policies placed during the period, including new policies and renewals.



Undiscounted combined ratio

The combined ratio is a measure of the underwriting performance. It is the relationship between claims and other expenses incurred and premiums earned for the year expressed as a percentage. When there is an underwriting profit, the combined ratio will be less than 100%. When there is an underwriting loss, the combined ratio will be greater than 100%.

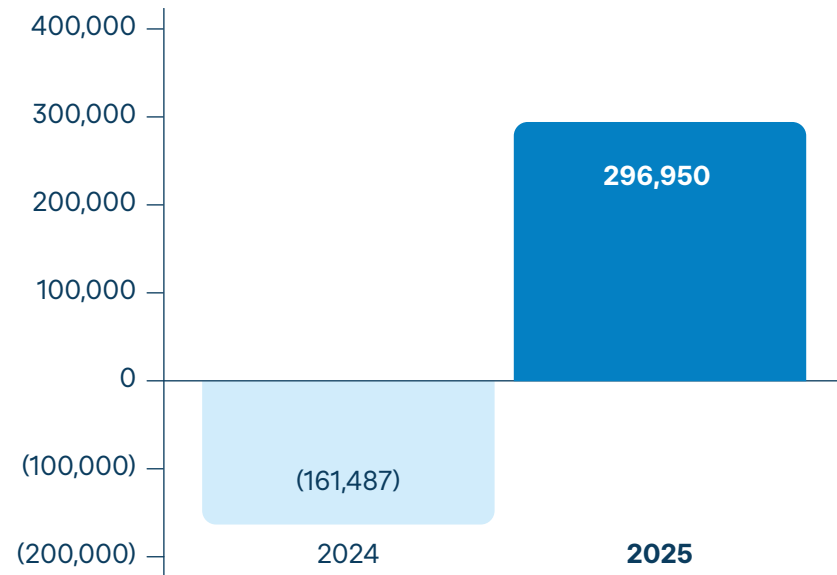




in thousands of dollars, except as otherwise noted

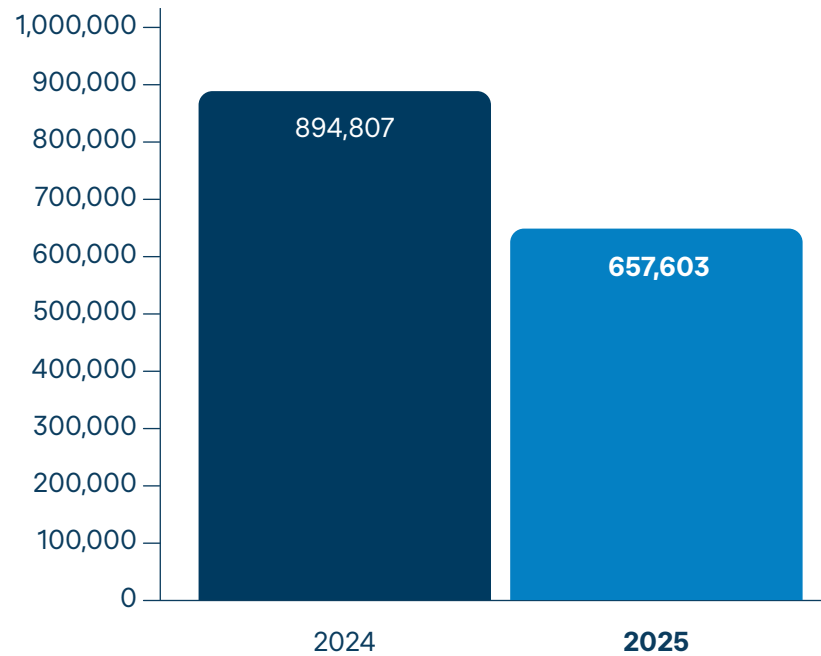
Net insurance service result

Net insurance service result represents the profit (loss) from insurance operations net of reinsurance.



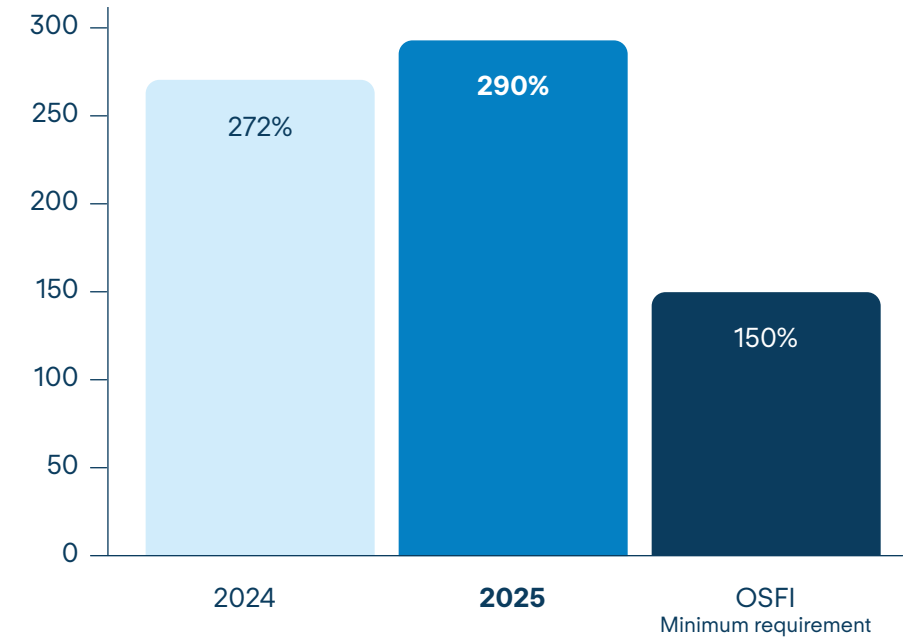
Net investment income

Net investment income is primarily comprised of the market value return on the company's investment portfolio less related expenses.



Capital ratio MCT

The minimum capital test (MCT) is a calculation established by OSFI to measure the financial strength of P&C insurance companies. The MCT ratio is determined by dividing capital available by capital required, expressed as a percentage.





Life operations profile

Our life insurance operations are conducted by The Wawanesa Life Insurance Company (Wawanesa Life), a Canadian life and health insurance company that has been in operation since 1961.

Wawanesa Life provides term, permanent, and critical illness insurance, as well as investment product options, including segregated funds, to individuals through its independent broker channel. Group life and health insurance products are designed to service the needs of employers, associations, and unions by working with group benefit brokers. Wawanesa Life maintains a network of Regional Managers across the country to support its many broker and client relationships.

Key Facts

- Total assets in excess of \$2 billion.
- Individual life insurance volume of \$31 billion insured through over 109,000 policies.
- Insures over 138,000 employees through group benefit plans.

Key Financial Measures

The following information and charts may not be IFRS measurements, but are derived from elements of Wawanesa Life's financial statements and are consistent with financial measures used in the life insurance industry.

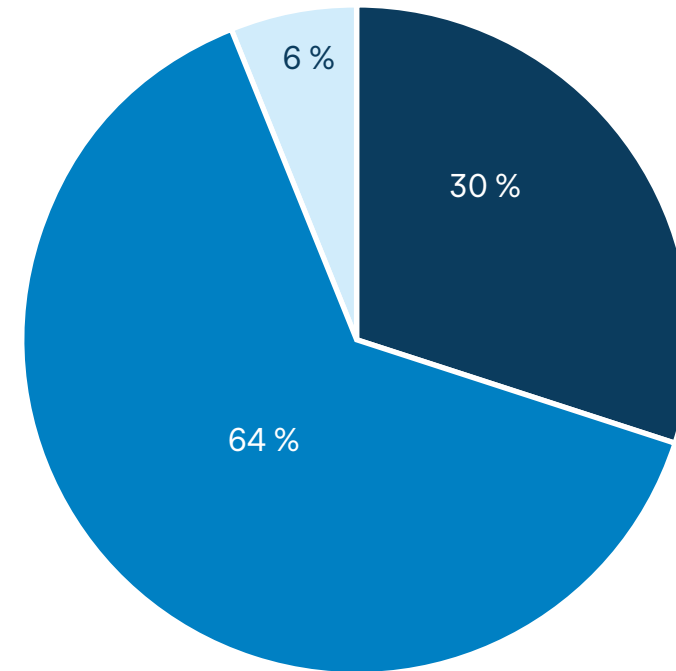
Life operations

in thousands of dollars, except as otherwise noted

Net premiums and equivalents

Net premiums and equivalents are the sum of billed insurance premiums, contributions received for investment in annuities or segregated funds, management fees earned on segregated fund balances, and fee income earned from the administration of group business where the policyholder retains the insurance risk.

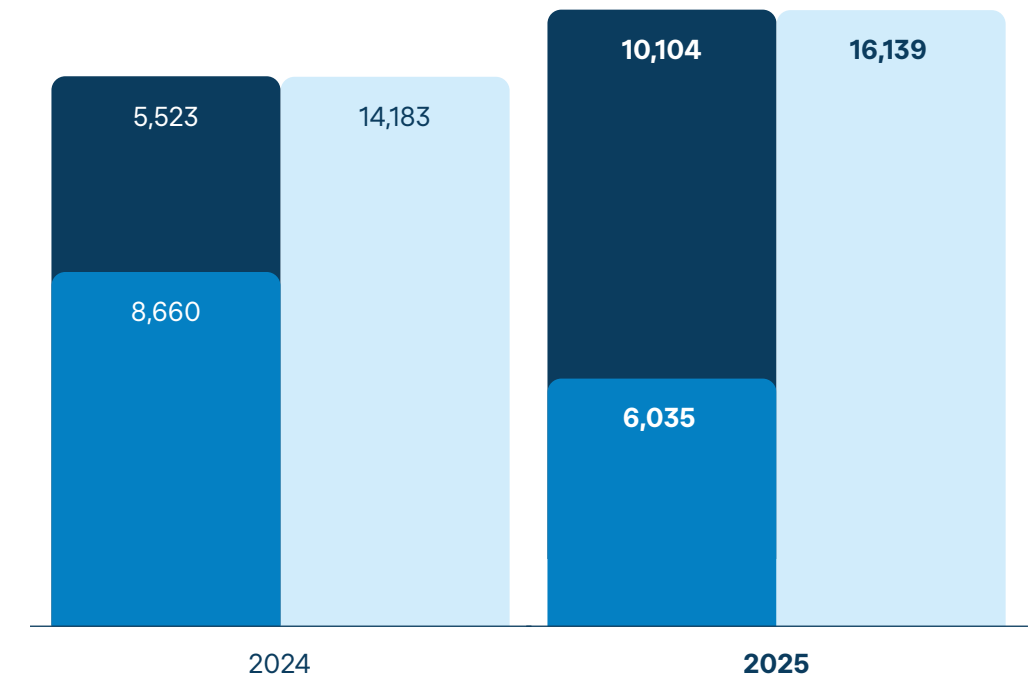
Individual	69,200
Group	145,093
Annuity	13,509



Total comprehensive income

Total comprehensive income (loss) attributed to the participating policyholders (PAR account) and the shareholder is shown in the following chart.

- Shareholder profit
- Participating account profit
- Total comprehensive income



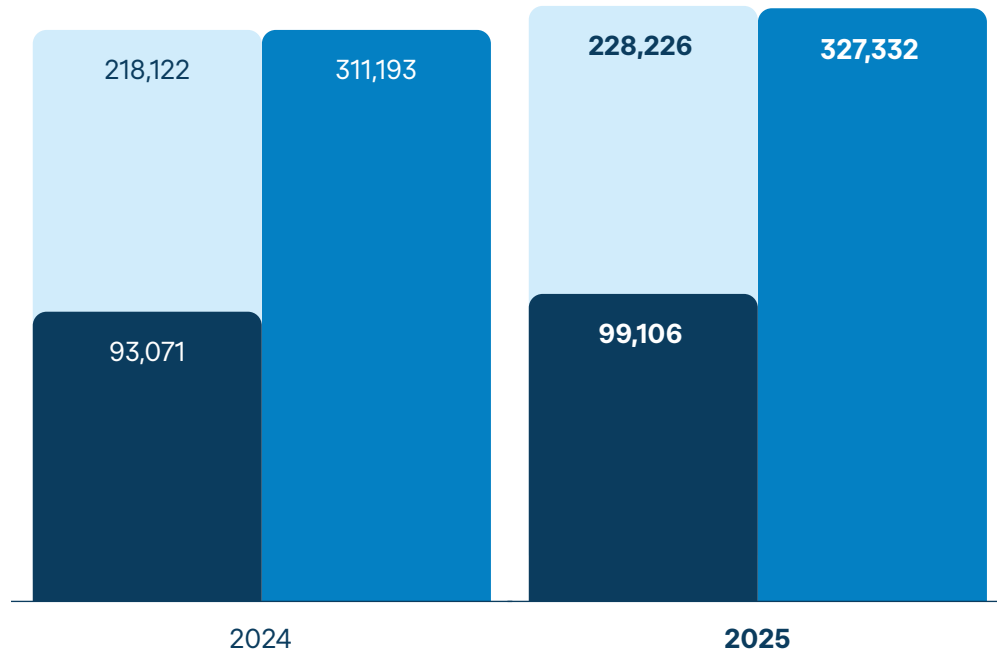


in thousands of dollars, except as otherwise noted

Equity

Equity includes amounts related to the shareholder account and the participating account. Shareholder equity supports the non-participating business and participating equity supports participating business. A summary of Wawanesa Life's participating account management policy and participating policyholder dividend policy can be found on [page 54](#).

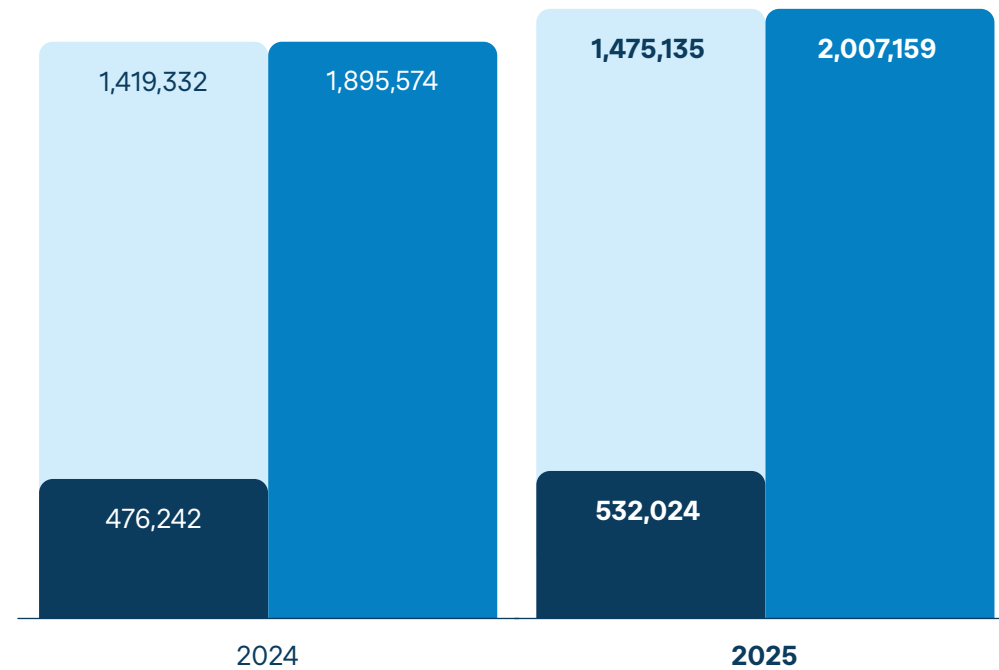
- Shareholder account
- Participating account
- Total equity



Total assets

Total assets managed by Wawanesa Life include its general fund assets and annuity contractholder contributions to the segregated funds that are held separate and apart from the general fund assets.

- General fund assets
- Segregated funds net assets
- Total assets



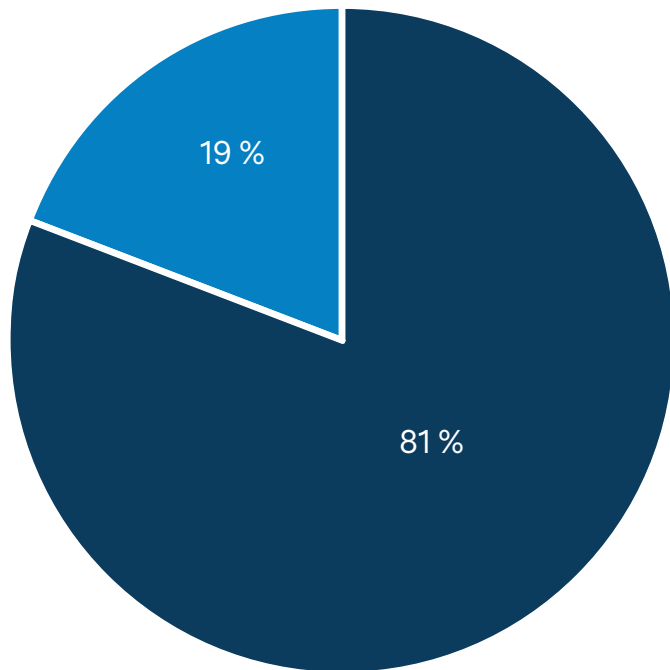


in thousands of dollars, except as otherwise noted

Investments

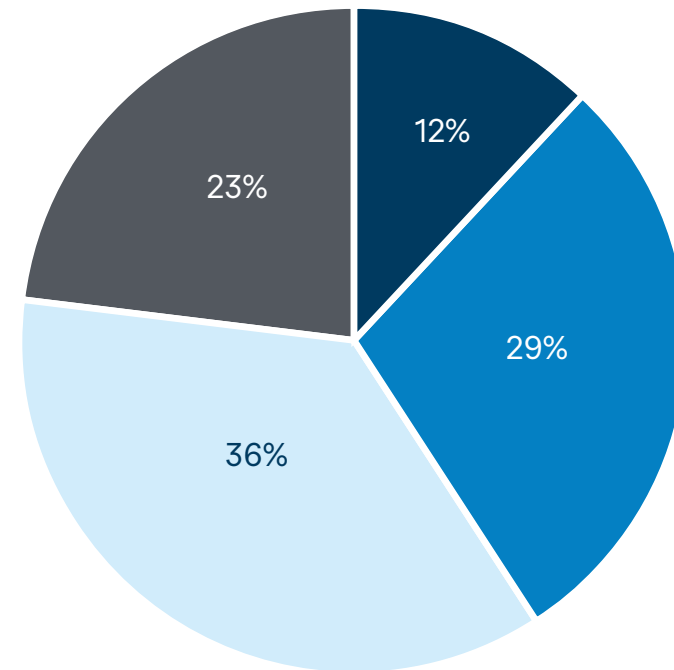
Investments are managed in a conservative manner to support the insurance policies of our members and the cash flow and liquidity needs of the Company.

Fixed income securities	1,019,113
Stocks	238,503



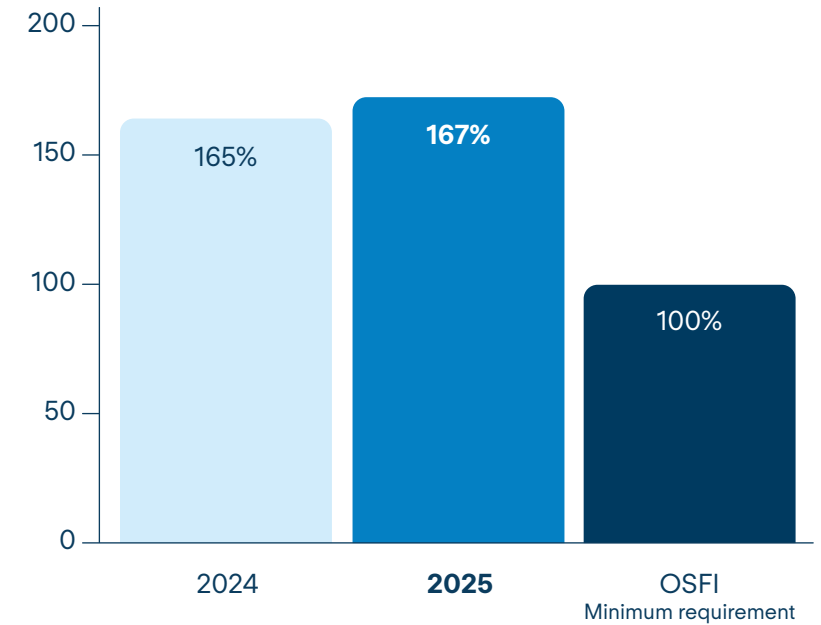
Fixed income securities credit quality

AAA	119,952
AA	292,583
A	366,038
BBB and other	240,540



Capital ratio LICAT

The Life Insurance Capital Adequacy Test (LICAT) guidelines defines regulatory capital resources and base solvency buffer or required capital. The LICAT ratio is calculated by dividing the total capital resources by the base solvency buffer. OSFI expects life insurance companies to establish internal target ratios above the supervisory target ratios.





Independent auditor’s report on the summary financial statements

To the Shareholder and Policyholders of The Wawanesa Life Insurance Company

Our opinion

In our opinion, the accompanying summary financial statements of The Wawanesa Life Insurance Company (the Company) are consistent, in all material respects, with the audited financial statements, on the basis described in the note to the summary financial statements.

The summary financial statements

The Company’s summary financial statements derived from the audited financial statements for the year ended December 31, 2025 comprise:

- the summary balance sheet as at December 31, 2025;
- the summary statement of operations for the year then ended; and
- the related note to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). Reading the summary financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor’s report thereon. The audited financial statements, and the summary financial statements, do not reflect the effect of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 25, 2026.

Management’s responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements on the basis described in the note to the summary financial statements.

Auditor’s responsibility for the audit of the summary financial statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Winnipeg, Manitoba
May 8, 2026

Appointed actuary’s report

To the policyholders and Wawanesa Mutual Insurance Company shareholder of Wawanesa Life Insurance Company:

I have valued the policy liabilities of Wawanesa Life Insurance Company for its financial statements prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2025.

In my opinion, the amount of policy liabilities is appropriate for this purpose. The valuation conforms to accepted actuarial practice in Canada and the financial statements fairly present the results of the valuation.

Graham Kent
Fellow, Canadian Institute of Actuaries
Waterloo, Ontario
February 25, 2026



The Wawanesa Mutual Insurance Company

Summary balance sheet

As at December 31 (in thousands of dollars, except as otherwise noted)

	2025	2024
Assets		
Cash and cash equivalents	\$ 26,216	\$ 35,684
Investments, including securities on loan	1,257,616	1,226,324
Other assets	191,303	157,324
General fund assets	1,475,135	1,419,332
Segregated funds net assets	532,024	476,242
Total assets	\$ 2,007,159	\$ 1,895,574
Liabilities		
Other liabilities	\$ 36,986	\$ 40,924
Insurance contract liabilities	1,110,817	1,067,215
General fund liabilities	1,147,803	1,108,139
Segregated funds contract liabilities	532,024	476,242
Total liabilities	1,679,827	1,584,381
Equity	327,332	311,193
Total liabilities and equity	\$ 2,007,159	\$ 1,895,574

Note to the summary consolidated financial statements

These summary consolidated financial statements have been derived from the audited consolidated financial statements of The Wawanesa Life Insurance Company (the Company) for the year ended December 31, 2025, which are prepared in accordance with IFRS as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The criteria developed by management for the preparation of the summary consolidated financial statements is as follows: that the information included in the summarized consolidated financial statements is in agreement with the related information in the complete consolidated financial statements, including the notes thereto, in all material respects.

Summary statement of operations

For the year ended December 31 (in thousands of dollars, except as otherwise noted)

	2025	2024
Insurance revenue	\$ 294,939	\$ 264,200
Insurance service expense	(273,110)	(273,422)
Net insurance service result before reinsurance	21,829	(9,222)
Net income (loss) from reinsurance contracts held	(17,931)	5,663
Net insurance service result	3,898	(3,559)
Net investment income	62,109	78,639
Finance expense from insurance contracts issued	(35,568)	(38,659)
Finance income (expense) from reinsurance contracts held	4,071	(2,440)
Net investment result, excluding segregated funds	30,612	37,540
Net investment result insurance contracts on account of segregated fund policyholders		
Investment income related to segregated funds net assets	97,174	96,143
Finance expense related to segregated funds net assets	(97,174)	(96,143)
Revenue from service contracts and other revenue	2,376	1,854
Other expenses incurred	(18,439)	(18,762)
Profit before income taxes	18,447	17,073
Provision for income taxes	2,308	2,890
Profit for the year	\$ 16,139	\$ 14,183
Profit for the year attributed to:		
Shareholder	\$ 10,104	\$ 5,523
Participating account	6,035	8,660
	\$ 16,139	\$ 14,183

A full set of the audited Life financial statements is available from the Company or at wawanesa.com.



Drivers of Earnings

The Drivers of Earnings (DOE) provides an alternate presentation of income focusing on the key drivers of earnings. The DOE is constructed using the underlying components within the IFRS 17 Statement of Operations.

The terminology included in the discussion of DOE is outlined below:

Risk adjustment release

The risk adjustment is the compensation an entity requires for bearing the uncertainty of the amount and timing of cash flows arising from non-financial risk as it fulfils the insurance contract obligations. The risk adjustment is released into profit as insurance service is fulfilled.

Contractual service margin amortization

IFRS 17 introduces the contractual service margin (CSM) liability, which prevents profit associated with future service from being realized at initial contract recognition. Profits are released as insurance service is fulfilled through the amortization of the CSM over the contract period.

Insurance experience gains and losses

Experience gains and losses occur when actual results differ from expected assumptions within the liabilities.

Impact of new insurance business

Represents the impact of onerous new business at initial recognition within the period. Note that contracts identified as onerous at issue are not necessarily unprofitable over the life of the contract.

Expected investment earnings

Equals the expected investment income net of interest accretion on liabilities.

Revenue from service contracts

Represents administration service only (ASO) fees earned on group insurance business.

Other expenses incurred

Includes costs that are not clearly incurred for the purpose of either issuing insurance contracts or fulfilling obligations under insurance contracts

Other revenue

Earnings from sources other than insurance operations and fee income.

Financial market experience gains and losses

Equals the fair value gain or loss on assets less the insurance finance expense net of reinsurance, which primarily reflects the change in liabilities due to interest rate movements.

Drivers of Earnings

For the year ended December 31 (in thousands of dollars, except as otherwise noted)

	2025	2024
Risk adjustment release	\$ 10,736	\$ 9,075
Contractual service margin amortization	7,084	6,314
Insurance experience gains and losses	(6,892)	(14,003)
Impact of new insurance business	(7,030)	(4,945)
Net insurance service result	3,898	(3,559)
Expected investment earnings	17,753	15,474
Revenue from service contracts	2,376	1,854
Other expenses incurred	(18,439)	(18,762)
Profit (loss) before income taxes - underlying	5,588	(4,993)
Provision for (recovery of) income taxes	699	(845)
Profit (loss) after income taxes - underlying	4,889	(4,148)
Other revenue	-	-
Financial market experience gain and losses	11,250	18,331
Profit for the year	\$ 16,139	\$ 14,183



Summary of the participating account management policy*

A Participating Account is maintained in respect of the Company's participating business, which is separate from the Shareholder Account. Revenue and expenses that are directly related to participating business are recorded to the Participating Account. Allocation methods are also used to record certain expense and revenue items to the Participating Account.

The Expense Allocation Method is designed to allocate general, corporate, system, individual, and investment expenses and taxes fairly and equitably between the Participating Account and the Shareholder Account.

The Investment Income Allocation Method is designed to allocate investment income fairly and equitably between the Participating Account and the Shareholder Account.

The Investment Policy Statement (IPS) governs the investment activities of the Company. Assets have been segmented into funds to facilitate managing assets with liabilities. The IPS specifies the investment objectives, investment risks, and management of these risks for each of the funds.

Surplus exists in the Participating Account for the needs of the current inforce business and future new business. Surplus is managed to meet the continuing financial stability of the Participating Account and to exceed any minimum regulatory requirements.

Participating policyholders are eligible to receive distributions from the Participating Account when experience justifies their payment. The Board of Directors determines the level of dividends to be paid in accordance with the Company's Dividend Policy.

The Insurance Companies Act allows companies to transfer an amount from the Participating Account to the Shareholder Account each year. The Company will not transfer policyholder funds to shareholders.

*The complete policy is available upon request.

Summary of the participating policyholder dividend policy*

Participating individual life insurance

Participating Earnings are generated when collective experience related to investment, mortality, lapse, expenses, and taxes is more favourable than assumed in developing the premiums. The Company may distribute a portion of the Participating Account earnings to the participating policyholders. The distribution is in the form of dividends payable to the policyholders. The amount available to be paid as dividends is determined based on various factors, including the Company's earnings, any regulatory requirements, and the amount of surplus required to ensure the continuing financial stability of the Participating Account.

The dividend scale sets out a formula for the allocation of distributable earnings to the participating policies. The primary factors used to distribute earnings are investment earnings, mortality, and expense experience. The dividend scale allocates distributable earnings among policies in the same proportion as the policies are considered to have contributed to distributable earnings. Dividends are credited to the policies on their policy anniversary date. The distribution of dividends is designed to maintain reasonable equity between classes of participating business.

Dividends are declared at the discretion of the Board of Directors.

Reporting responsibilities

The consolidated financial statements and accompanying notes of The Wawanesa Mutual Insurance Company and its subsidiaries (together, the Company) are the responsibility of management. They are prepared in accordance with IFRS as issued by the IFRS Accounting Standards.

The external auditors of the Company are required to conduct an examination in accordance with Canadian generally accepted auditing standards to enable their reporting to the policy holders as to whether the consolidated financial statements present fairly, in all material respects, the financial position and financial performance of the Company in accordance with IFRS Accounting Standards.

The Appointed Actuary (the Actuary) is appointed by the Board of Directors pursuant to the Insurance Companies Act. The Actuary is responsible for ensuring that the assumptions and methods used in the valuation of policy liabilities are in accordance with accepted actuarial practice, applicable legislation, and associated regulations or directives. The Actuary is also required to provide an opinion regarding the appropriateness of the policy liabilities at the balance sheet date to meet all policy obligations of the Company. Examination of supporting data for accuracy and completeness, and the analysis of Company assets for their ability to support the amount of policy liabilities, are important elements of the work required to form this opinion.



Our governance

Our business is built on trust. By holding ourselves to the highest standards of governance, compliance, and ethical conduct, we work every day to earn and maintain your trust.





Governance, ethics, and fair treatment of members

Governance structure

Our Board of Directors sets the broad direction of Wawanesa, working within a corporate governance framework designed to promote a culture of ethical conduct, accountability, compliance, and sound decision-making.

The Board of Directors is ultimately accountable to you, our members, for Wawanesa's overall performance. It provides strategic oversight across our organization, ensuring alignment with our corporate strategies and policies, including those related to climate change.

Board of Directors committees

To help fulfill its responsibilities, our Board of Directors has five standing committees, each with a clearly defined mandate and terms of reference to guide its work.

Audit Committee

Ensures the integrity of financial reporting, internal controls, and risk management processes critical to understanding and managing Wawanesa's economic, environmental, and social impacts.

Risk Committee

Provides oversight of enterprise risk management, including climate-related and social risks.

Investment Committee

Directs the organization's investment strategy, including sustainable investing practices that integrate environmental, social, and governance considerations.

Human Resources Committee

Oversees human capital strategy, executive compensation, diversity and inclusion, and workforce well-being.

Governance Committee

Stewards corporate governance practices, Board of Directors effectiveness, and corporate citizenship.



Our Board of Directors

Wawanesa’s Board of Directors is made up of experienced Canadian leaders who draw on their wide-ranging expertise to guide the organization and make sure we stay true to our purpose, vision, and values.

Elected by our members at our Annual Meeting held in our company’s birthplace of Wawanesa, Manitoba, the Board of Directors is currently composed of our President & CEO and 11 independent Directors. Terms for Directors range up to three years in length.



Evan Johnston, BComm (Hons), MBA, LLB, CFA, CIP
Director since: 2025
Winnipeg, MB

Areas of expertise

Corporate leadership | Corporate governance | Insurance/financial service | Legal and regulatory | Mergers and acquisitions | Mutuality/cooperation | Strategic planning



Katherine Bardswick, BSc, MBA, CIP
Chair, Human Resources Committee
Committee membership:
Human Resources and Risk
Director since: 2018
Burlington, ON

Areas of expertise

Corporate leadership | Insurance/financial services | Distribution | Finance/accounting | Innovation/customer focus | Mutuality/cooperation | Strategic planning | Talent management | Sustainability



Peter Dinsdale, O Ont, BA, MA, ICD.D
Committee membership:
Audit, Governance, and Investment
Director since: 2024
Ottawa, ON

Areas of expertise

Corporate leadership | Corporate governance | Enterprise risk management | Technology/cybersecurity | Mergers and acquisitions | Talent management | Government/public affairs | Strategic planning | Diversity and inclusion | Executive compensation



Catherine Best, BID, FCPA, FCA, ICD.D
Chair, Board of Directors
Committee membership:
Ex officio for each
Director since: 2012
Calgary, AB

Areas of expertise

Corporate leadership | Corporate governance | Finance/accounting | Legal and regulatory



Chris Couture, BComm (Hons), FCPA, FCA
Chair, Audit Committee
Committee membership:
Audit and Investment
Director since: 2022
Winnipeg, MB

Areas of expertise

Corporate governance | Corporate leadership | Finance/accounting | Insurance/financial services



Ashleigh Everett, BA, MBA
Chair, Investment Committee
Committee membership:
Investment and Human Resources
Director since: 2018
Winnipeg, MB

Areas of expertise

Corporate leadership | Corporate governance | Strategic planning | Insurance/financial services | Sustainability



Scott Penman, BComm (Hons), CFA, ICD.D
Chair, Risk Committee
Committee membership:
Investment and Risk
Director since: 2015
Winnipeg, MB

Areas of expertise

Corporate leadership | Finance/accounting | Insurance/financial services | Investment management | Corporate governance | Talent management | Innovation/customer focus | Strategic planning



Marcella Szel, KC, BA, LLB
Committee membership:
Governance and Human Resources
Director since: 2017
Vancouver, B.C.

Areas of expertise

Corporate leadership | Corporate governance | Legal and regulatory | Government/public affairs | Strategic planning | Innovation/customer focus



Danielle Harrison, BMath (Hons), FCIA, FCAS, ICD.D
Director since: 2026
Oakville, ON

Areas of expertise

Actuarial science and financial modeling | Corporate leadership | Climate risk and sustainability governance | Enterprise risk management | Innovation and transformation | Data and analytics | Insurance/financial services | Executive compensation



Paul Soubry, BComm (Hons), ICD.D
Committee membership:
Audit and Human Resources
Director since: 2020
Winnipeg, MB

Areas of expertise

Corporate leadership | Corporate governance | Finance/accounting | Talent management | Innovation/customer focus | Strategic planning | Sustainability



David Weyant, KC, BA, MBA, JD, ICD.D
Chair, Governance Committee
Committee membership:
Governance and Risk
Director since: 2023
Calgary, AB

Areas of expertise

Corporate leadership | Corporate governance | Insurance/financial services | Legal and regulatory | Mutuality/cooperation



Hugh Moncrieff, BA, ICD.D
Director since: 2026
Winnipeg, MB

Areas of expertise

Corporate leadership | Corporate governance | Distribution and channel strategy | Regulatory engagement | Strategic transformation | Talent management | Sales and marketing | Mergers and acquisitions | Insurance and financial services

* Listings as of May 28, 2026



Our Executive Leadership Team

Evan Johnston, BComm (Hons), MBA, LLB, CFA, CIP
President & Chief Executive Officer

Kimberly Palatnick, FCIA, FSA
SVP, Chief Personal Lines Officer

Anna McCrindell, BA, FCIP
SVP, Chief Commercial Lines Officer

Mike Brisebois, FCIA, FSA, IC.D
SVP, Chief Claims & Life Co. Officer

Lambert Morvan, FCIA, FCAS
SVP, Chief Distribution Officer

Jocelyne Prefontaine, MBA, IC.D
SVP, Chief Strategy Officer

James Bond, KC, BA, JD, IC.D, CCEP-I
SVP, Chief Risk & Legal Officer

Gord Dowhan, FCPA, FCA, IC.D
SVP, Chief Financial Officer

Randy Dhillon, BA, MBA, CIP
SVP, Chief People Officer

Michael Lin
SVP, Chief Information & Technology Officer

* Listings as of May 28, 2026

Code of Conduct

Anchored in our values, our Code of Conduct is the starting point for all other policies and procedures. More than a set of rules, the Code guides our individual and collective behaviours so that we always act ethically, fairly, and with integrity. Responsibilities outlined in the Code include:

- Comply with applicable laws, regulations, and company policies
- Act in a manner that is honest, fair, and trustworthy
- Treat others with respect
- Hold one another accountable
- Avoid or declare conflicts of interest

The Code applies to our employees, senior executives, and Board of Directors, all of whom are required to complete annual training and confirm their understanding of and compliance with this key policy.

As part of the Code, we expect employees to challenge behaviours that don't align with our values. We've adopted a Speaking Up Policy and established various channels, including an independent service for those wishing to remain anonymous, for reporting any concerns. Here are some of the other policies that guide our conduct:

- Anti-Money Laundering and Anti-Terrorist Financing Policy
- Fair Treatment of Customers Policy

- Gifts and Entertainment (Business Accommodations) Policy
- Regulatory Compliance Management Policy
- Respectful Workplace Policy
- Human Rights Policy

Fair treatment of members

Fair treatment of our members is an integral part of our business practices and culture. We consider their interests whenever decisions are made involving our product or service design, pricing, sales, underwriting, claims, and complaints handling procedures.

Our Fair Treatment of Customers Policy establishes a consistent approach for treatment of our members across the organization. Detailed provisions within the policy are designed to ensure we achieve the following objectives:

- We put our members at the centre of everything we do, including strategic decisions and our daily conduct and activities.
- We establish and implement policies and procedures, and we assess and monitor them to ensure that members are treated fairly as an integral part of our business culture.
- We act with due skill, care, and diligence when dealing with members, intermediaries, and regulatory authorities.
- We comply with applicable laws, regulations, and guidelines.
- We develop products in a way that puts members' interests first.

- We provide our members with accurate, clear, sufficient, and not misleading information to allow them to make informed decisions and be aware of their rights and obligations.
- We work with brokers who uphold our fair treatment of members' principles, and we have contractual arrangements with them to ensure they have policies and procedures in place to achieve fair treatment of member outcomes.
- We share our strategies, policies, and procedures related to the fair treatment of members with regulatory authorities and report major operational incidents that may jeopardize the interests or rights of our members or our reputation.
- We work toward achieving the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) expectations for fair treatment of customers for our members.

In keeping with our Fair Treatment of Customers Policy, we post relevant information to our website, such as:

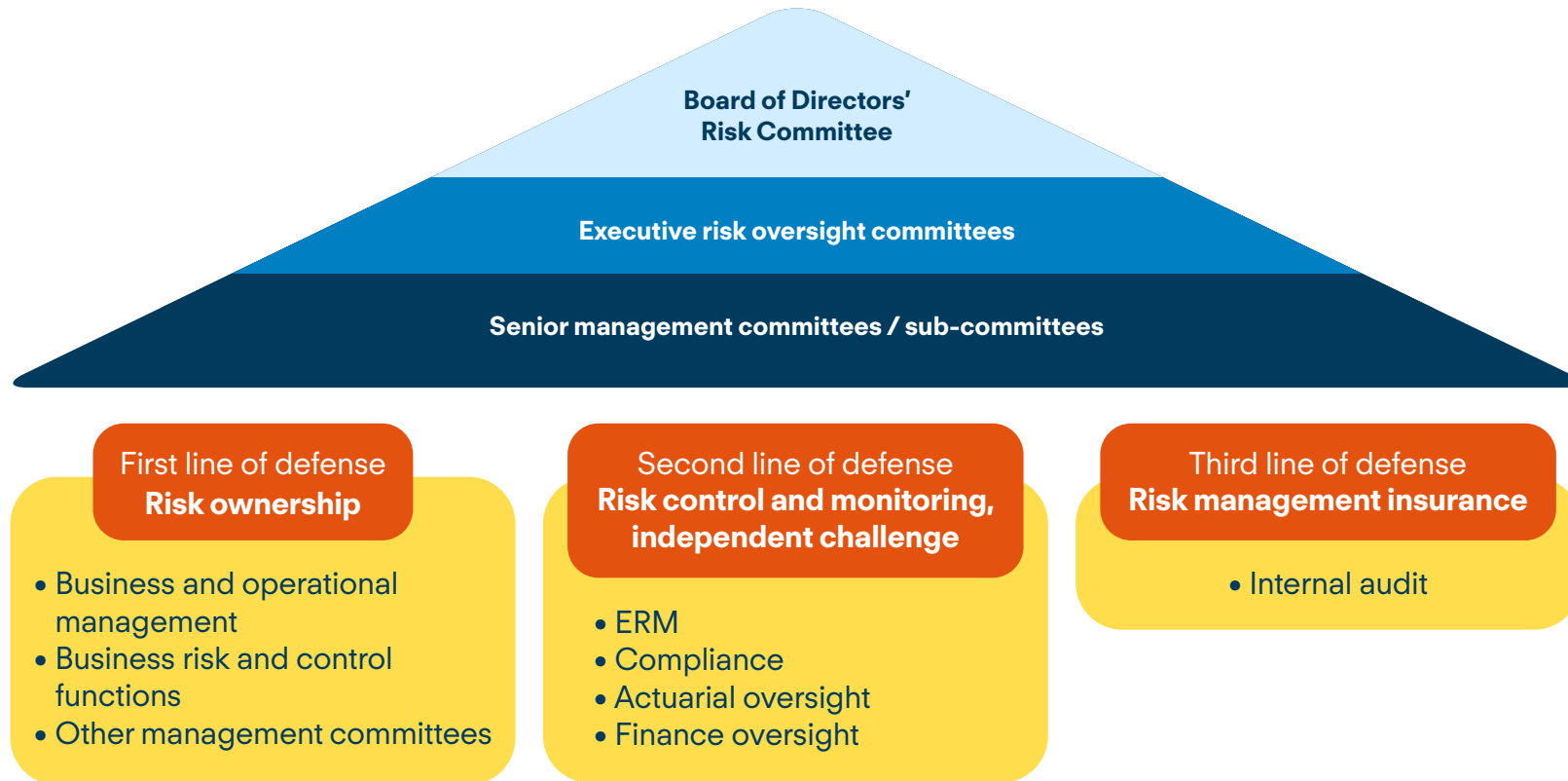
- Our [Personal Information Protection Policy](#)
- Access to [policy wordings](#)
- [Claim information](#) and guides
- How to file [concerns and complaints](#)



Risk management

Wawanesa’s Enterprise Risk Management (ERM) Policy and Framework enable us to identify, assess, and manage risks that could impact our strategy, financial strength, and ability to support our members. Strong Board oversight and the implementation of the three lines of defense model embed risk management, accountability and oversight throughout

the organization. The ERM team develops risk policies and frameworks, promotes a strong risk culture, monitors risks, and guides Wawanesa’s risk appetite which outlines the amount and types of risk we are willing to accept in pursuing our business interests that guides decision-making.



Regulatory compliance

Our Compliance team helps ensure that we comply with all laws and regulations that apply to us. Its responsibilities include:

- Engaging with regulators on our behalf.
- Developing policies, frameworks, and controls to address compliance risks and monitoring adherence with them.
- Providing compliance-related education and advice to the Board of Directors and senior management, and training to all employees on compliance obligations and best practices.
- Ensuring that compliance requirements are part of all major strategic and operational business decisions.
- Ensuring that significant, new or emerging compliance risks are brought to the attention of the Board of Director’s Risk Committee and senior management.



Privacy and data security

We're committed to protecting the personal information of our members, employees, business partners, and third-party providers. As data and technology continue to reshape how people live and work, cyber threats are becoming more sophisticated, increasing the importance of strong privacy, data, and information security practices. Our members expect us to safeguard their information, and our reputation depends on doing so responsibly and in compliance with provincial and federal requirements.

To meet these expectations, we take a comprehensive, three-pillar approach:

- Our Privacy Program governs how personal information is collected, used, shared, and stored.
- Our Data and AI Governance Program establishes the required accountabilities, processes, and tools.
- Our Information Security Program protects information from unauthorized access, breaches, and theft.

Supported by clear policies, strong governance, and safeguards such as encryption, access controls, employee training, and breach response protocols, these programs work together to ensure personal information is handled securely and consistently across the organization.

Privacy Program

Wawanesa's Privacy Program includes the following elements that help define the relevant principles and governance documents necessary to assist in the mitigation of privacy-related risks when collecting, using, storing, and disclosing the personal information of our members.

Framework

The intent of the Privacy Framework is to clearly define Wawanesa's overarching principles for the processing and handling of personal information.

Policies

The Privacy Framework is supported by two core management policies:

- Internal Privacy Policy (complimented by the external member-facing privacy notice on our website)
- Employee Privacy Policy

Procedures

- In support of both the Privacy Framework and policies, Wawanesa has established internal operational procedures to provide direction on a variety of privacy topics, including guidance and requirements on data protection safeguards.
- Strict privacy policies and procedures govern the collection, use, and disclosure of personal information, and are published on our website to promote transparency and accountability.

- We use a range of safeguards to protect personal information, including physical and technological controls, employee training, incident and breach response processes, and agreements and controls with third-party service providers, requiring them to safeguard any personal information we provide and use that information only for the requested service.

Data and AI Governance Program

Our Data and AI Governance Program is designed to ensure that the Privacy Program's expectations are consistently applied throughout the data and AI lifecycle.

Our Data Policy provides clear requirements and guiding principles for all employees as they interact with data in their roles. It's supported by standards and procedures that clarify data stewardship responsibilities and provide guidance on the proper handling of personal information. We also continue to build data literacy across the organization through ongoing initiatives, including mandatory annual training on the Data Policy.



Information Security Program

Our Information Security Program is benchmarked to industry-leading practices, and we continually update our technology and processes to ensure their ongoing effectiveness. Security measures include access controls, integrity controls to maintain data accuracy, and continuous monitoring to promptly detect and respond to unusual activity.

The Employee Security Awareness and Training Program adds another layer of protection. All employees are required to complete annual security awareness training, and role-specific training is provided to those working in critical or at-risk areas.

We regularly run information campaigns and simulated exercises to create a culture of cyber awareness that aligns with our cybersecurity strategy.

Working together, the Privacy Program, Data and AI Governance Program, and Information Security Program are all required in order to adequately protect the personal information of our members. Our Chief Privacy Officer, Chief Information & Technology Officer, and Chief Information Security Officer provide regular updates to the Board of Directors on our programs and the adequacy of the controls in place.

For more information on our Privacy Program, please visit our [Personal Information Protection Policy](#) or contact privacy@wawanesa.com

Our website also offers [online security tips](#) to educate members and the general public on how they can protect their money and identity.



Appendices

Climate-related financial disclosures

This section presents our climate-related financial disclosures for fiscal year 2025 (ending December 31, 2025), informed by the reporting expectations of the OSFI's Guideline B-15: Climate Risk Management and AMF's Climate Risk Management Guideline.

This section is organized into four parts that outline our approach towards managing climate risk:

Governance – Oversight and management of climate-related risks and opportunities.

Strategy – Climate-related impacts on our business model, financial planning, and resilience.

Risk management – Processes for identifying, assessing, and managing climate-related risks.

Metrics and targets – Quantitative indicators and goals used to monitor our performance and progress.

Consolidated reporting

This section covers The Wawanesa Mutual Insurance Company, which includes one operating insurance subsidiary, the Wawanesa Life Insurance Company, and a brokerage investment subsidiary, Trimont Financial Ltd. (Trimont). Through its subsidiary, Western Financial Group (Network) Inc. (Western Financial) and investments in associates, Trimont offers financial services and personal and commercial insurance through a network of brokerages across Canada. Western Financial Group is not a Federally Regulated Financial Institution and, for the purposes of this report, is only included within our operational emissions reporting (Scope 1 and 2, location-based), as Wawanesa has operational control over the subsidiary.

Governance

Ultimate accountability for Wawanesa's overall performance resides with our Board of Directors, which provides oversight of sustainability across the organization. The Board of Directors ensures alignment with Wawanesa's corporate strategies and policies, including those related to climate change. The Board of Directors' Risk Committee holds specific responsibility for overseeing the management of climate-related risks.

In 2025, the governance structure was enhanced by streamlining oversight into a structured three-tier model: ESC, SMC, and Working Groups, strengthening strategic alignment, risk integration, decision-making clarity, and coordinated execution across sustainability priorities.

At the Management level, climate governance is supported by the ESC, comprised of the President & CEO and Senior Vice Presidents, and the SMC, including select Vice Presidents from businesses and enabling functions.

Wawanesa's senior management governance for sustainability operates through a three-tier model:

- ESC: Sets direction, approves targets and external commitments, and provides strategic guidance aligned to risk appetite and strategy.
- SMC: Coordinates cross-functional delivery, approves initiatives relating to climate-related risks and opportunities, monitors performance, and prepares issues for ESC decision.
- Time-bound Working Groups: Execute defined mandates and report to the SMC.

Remuneration

Executive and Board of Directors compensation is tied to overall company performance, which is influenced in part by how effectively the organization manages climate-related risks and opportunities as components of financial results.



Board of Directors climate training and orientation

During 2025, Wawanesa’s Board of Directors and Audit Committee participated in periodic orientation sessions focused on climate-related developments within the organization and across the industry. These sessions provided updates on emerging regulations, evolving best practices, and strategic implications for the company. Notably, training included a deep dive into OSFI’s Guideline B-15: Climate Risk Management and considerations for multi-year emissions reporting, including the temporary Scope 3 reporting relief. Specifically, seven Board of Directors meetings and 21 Board of Directors committee meetings occurred, respectively, of which six of these meetings included climate-related topics. In 2026, we are building on the 2025 climate-related sessions and ensuring ongoing updates relating to regulatory requirements, transition planning, reporting and assurance, and community impact.

Board of Directors

[Please refer to the Governance section of this report for the composition and biographies of the Board of Directors.](#)

Strategy

Our approach to managing climate risks

Wawanesa’s approach to climate-related risks and opportunities is embedded within its broader business strategy and risk management practices, consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), OSFI’s Guideline B-15: Climate Risk Management, and AMF. Climate considerations are incorporated across key areas of the organization, including insurance operations, underwriting and pricing, claims management, investments, and business continuity planning. These considerations are informed by ongoing analysis, evolving data, and internal expertise, recognizing the inherent uncertainty associated with climate-related impacts.

As climate patterns continue to evolve, Wawanesa is taking steps to adapt its practices over time, drawing on tools such as scenario analysis, actuarial insights, and risk segmentation to better understand potential implications for our business. In our investment portfolio, climate-related factors, including portfolio emissions characteristics and transition considerations, are assessed to inform our broader investment decision-making processes. This strategic approach is intended to support organizational resilience and regulatory alignment, while remaining responsive to emerging guidance, industry developments, and member expectations.

Industry escalation of climate-driven catastrophe losses

Climate-related natural catastrophes in Canada continue to increase in frequency, severity, and financial impact, reshaping domestic risk landscapes in recent years. Industry analyses and national loss records show that:

- Canada has experienced escalating economic losses from natural perils, with wildfire, flooding, and severe convective storms driving multiple multi-billion dollar disaster years and placing sustained pressure on insurers.
- Insured losses from climate-related events now routinely exceed the \$2-3 billion range annually, reflecting long-term growth driven by intensifying hazards, expanding exposure, and development in high-risk areas.
- The first half of several recent years has produced historically high insured losses, heavily influenced by extreme wildfire seasons in Western Canada, atmospheric river events in British Columbia, and destructive hailstorms across the Prairies.

Collectively, these indicators underscore a structural shift toward more volatile climate-related catastrophe patterns in Canada, characterized by higher loss severity, greater exposure sensitivity, and growing uncertainty for insurers operating across the country.



Wawanesa's identification of climate-related catastrophic risk as a material financial exposure

Given the accelerating loss trends observed across North America and globally, Wawanesa has determined that climate-driven catastrophic events represent a material financial risk to our P&C insurance portfolio.

This conclusion is reinforced by the increasing frequency of billion-dollar events and the continued expansion of exposure in high-risk areas combined with climate-amplified weather patterns, which has driven premium and claims pressure across the industry.

As a result, Wawanesa recognizes climate-related catastrophe risk as a key driver of underwriting volatility, reinsurance dependency, capital requirements, and long-term business sustainability.

Strategic management of climate-related catastrophe risk

To address this material risk, catastrophe risk is defined within Wawanesa's risk appetite framework, and Wawanesa employs a multi-layered strategy integrating risk avoidance, risk reduction, pricing sophistication, and portfolio optimization.

Underwriting and exposure management

- Enhanced underwriting criteria in high-risk wildfire, flood, and convective storm zones.
- Deployment of geospatial hazard tools to evaluate parcel-level exposure and aggregation of hotspots.
- Product adjustments and coverage enhancements designed to manage affordability pressures while maintaining risk discipline.

Reinsurance strategy

- Maintenance of a diversified, stable reinsurance program to protect earnings against peak loss years identified by global reinsurers.
- Use of scenario-based reinsurance purchasing to ensure resilience under tail risk events (e.g., events exceeding US \$300 billion global insured losses, as projected under high-severity 2025 scenarios).

Adaptation and mitigation actions

Supporting climate resilience

- Promotion of risk mitigating building standards (e.g., FireSmart™ Canada, supporting federal flood mitigation projects).
- Programs such as the Stronger Home and Eco-Friendly coverages support reconstruction with more durable, efficient materials, enhancing resilience to future extreme weather and climate risks.

Collaborations and community initiatives

- Engagement with municipal and provincial partners to promote community climate preparedness.
- Partnership with ICLR to open the Resilience Display Centre in Winnipeg, which provides education, research, and hands-on demonstrations to help members, communities, and industry stakeholders reduce losses from climate-driven hazards, such as flooding, wildfire, extreme wind, and hail.

Operational preparedness

Strengthened catastrophe response planning and enhanced claims triage protocols to manage high-severity, multi-event seasons.

Preparing for the future: Scenario Analysis and improved climate data integration

Recognizing the evolving nature of climate risk, Wawanesa is committed to continual improvement in how climate-driven catastrophes are assessed, modeled, and managed.

We intend to leverage scenario analysis to better assess portfolio sensitivity under varying global warming pathways and hazard shifts, while aligning with regulatory, strategic, and capital planning requirements.

Adoption of higher quality climate and hazard data

Wawanesa is investing in improved catastrophe models that incorporate updated wildfire, flood, and severe storm projections, alongside the integration of satellite, remote sensing, and high-resolution climate datasets to strengthen hazard intelligence. These efforts are supported by partnerships with academic and industry research bodies to advance climate insight and enhance analytical capabilities. In parallel, Wawanesa is embedding these climate insights directly into enterprise strategy through long-term capital planning that reflects climate adjusted loss expectations, portfolio diversification initiatives aimed at reducing concentration risk under future climate scenarios, and ongoing updates to risk appetite to account for shifting hazard behavior and evolving loss trends.



Climate transition and resilience plan

The record insured losses from catastrophes and extreme weather in recent years has underscored the importance of strengthening climate resilience where risks can be mitigated, reducing emissions aligned with the best available climate science, and of supporting a shared responsibility for long-term physical and transition risk preparedness. At the same time, a broad set of drivers including evolving regulation, technological shifts, changing market expectations, and emerging competitive pressures are accelerating the transition toward a low-carbon, climate-resilient economy.

In this context, credible climate transition plans have become essential to prudence and forward-looking risk management. A credible plan follows established global frameworks, such

as Glasgow Financial Alliance for Net Zero (GFANZ), the Transition Plan Taskforce, and UNEP FI FIT guidance, grounded in actionable steps, clear trade-offs, transparent assumptions, and measurable progress.

Against this backdrop, we are developing our inaugural internal Climate Transition & Resilience Plan to position the organization to act with urgency, clarity, and accountability.

Managing climate risk in our business

Climate-related risk is a transverse risk, a broad systemic factor, that drives an increase in many different risk types, including financial (e.g., market, insurance) and non-financial (e.g., strategic, operational, reputational, legal, and regulatory) across major risk categories. These resulting risks can be classified as either physical or transition risks.

Physical risks refer to risks from the increasing severity and frequency of climate-related events (i.e. acute physical risks), longer-term gradual shifts of the climate (i.e., chronic physical risks); and indirect effects of climate change such as public health implications (e.g., morbidity and mortality impacts). Failure to adapt to climate change will further aggravate physical risk.

Transition risks refer to the risks related to the process of adjustment towards a low-GHG economy economy. These risks can emerge from current or future government policies, legislation, and regulations to limit GHG emissions, as well as technological advancements, and changes in market and customer sentiment towards a low-GHG economy.

The table below provides an overview of the physical and transition risks and potential impacts for our business, within the timeframes set out in our enterprise risk management framework.

Risk category	Risk type		Specific risk	Timeframe*	Risk category	Risk type		Specific risk	Timeframe*
Insurance Risk	Physical Risk	Acute	More frequent climate-related events across Canada resulting in increased claims and premiums	Short	Insurance Risk	Transition Risk	Policy/Market	Need to develop new climate specific insurance products due to long term regulatory, market and customer expectations	Long
Insurance Risk	Physical risk	Chronic	Trends in changing weather patterns are unpredictable, and there is a limited peril modelling for how climate change will specifically impact longer term losses due to a lack of data on loss of information, loss patterns, and severity.	Medium & Long	Insurance Risk	Transition Risk	Technology / market	Potential challenges and uncertainties associated with insuring new or evolving products such as electric vehicles, or green construction methods, which may lack historical loss data or have unpredictable risk profiles.	Medium & Long
Insurance Risk	Physical risk	Acute	Uncertainty and potential financial impact due to changes in climate patterns affecting ability to accurately price premiums for policies covering properties and assets exposed to climate-driven hazards, such as floods, wildfires, hurricanes, and other extreme weather events.	Medium & Long	Insurance Risk	Transition Risk	Market	Disorderly transition to low carbon economy may increase the frequency and severity of certain risks (e.g., climate-related natural disasters), making them harder for reinsurers to model and price. This uncertainty may cause reinsurers to reduce their capacity.	Medium & Long
Insurance Risk	Physical Risk	Acute	Increased heat-related mortality due to more frequent and severe heatwaves across Canada	Medium & Long	Operational Risk	Physical Risk	Acute	Claims handling resource constraints due to increased frequency and severity of events	Short
Insurance Risk	Physical Risk	Chronic	Increase on respiratory morbidity due to worsening air quality from long term climate changes.	Long	Operational Risk	Physical Risk	Acute	Risk to employee physical or mental well-being due to climate-related events such as a climate catastrophe striking a region where staff or family live	Short
Insurance Risk	Physical Risk	Acute	Increase in mental health claims due to sudden, severe climate related events such as wildfires, storms	Medium	Regulatory Risk	Transition Risk	Policy	New regulations aimed at addressing climate change or sustainability may require insurers to hold more capital, disclose more information, or restrict underwriting in certain sectors	Medium & Long
Insurance Risk	Physical Risk	Chronic	Chronic mental health impacts due to ongoing climate change (decline in air quality, increase in heat and humidity)	Long	Financial Risk	Transition Risk	Market	Rapid changes in asset valuations, especially for investments linked to carbon-intensive industries or sectors vulnerable to new environmental regulations resulting in declining values in certain portfolios, reduced liquidity, or increased volatility, which can impact overall financial stability and capital adequacy.	Medium & Long
Insurance Risk	Physical Risk	Chronic	Anti-selection driven by climate related physical impacts (e.g. individuals in regions with worsening heat, air quality or climate-related health risk seeking more coverage)	Long	Strategic Risk	Transition Risk	Reputational	While the transition to a low carbon economy represents opportunities for leaders in sustainability, failure to adapt can expose companies to reputational risks.	Medium & Long

* Short term: 0 to 3 years | medium term: 3 to 5 years | long term: > 5 years



Scenario analysis and climate risk

Wawanesa’s Climate Transition & Resilience Plan focuses on managing climate risks and opportunities that impact material areas of our business.

Scenario analysis:

With catastrophes increasing in both frequency and severity in recent years, climate-related risks are becoming a more prominent consideration. We continue to leverage multiple scenario-based tools and processes to assess the impact of adverse events, including climate change, on our strategic business plan. The two critical tools are the Canadian regulatory Financial Condition Testing (FCT) and the Own Risk Solvency Assessment (ORSA). Both involve projecting forward Wawanesa’s strategic business plan and then applying adverse events to better understand the financial impact, capital resiliency and possible management actions in response to the events. These include natural catastrophe related shocks, including testing the

impact of various severities of earthquakes, and climate-related increases in other catastrophic events. We will continue assessing the impact of these shocks going forward.

We are carrying out more specific Climate Risk Scenario Analysis which assesses the impact on our strategic business plan of various climate pathways. These pathways represent potential future states of the world with varying degrees of climate-related interventions and therefore different degrees of anticipated temperature warming compared to pre-industrial levels. Our scenarios take inspiration from the following standardized scenarios:

- Network of Central Banks and Supervisors for Greening the Financial System (NGFS) Current Policies, Delayed Transition and Net-Zero 2050
- Intergovernmental Panel on Climate Change (IPCC) RCP 2.6 and RCP 8.5

Climate risk is inherently long-term and uncertain, requiring flexibility as impacts materialize over time. Under different climate scenarios, there are multiple pathways—ranging from orderly to disorderly transitions—that influence the pace and nature of change. Our ability to adapt will depend on which pathway emerges. In an orderly transition, regulatory frameworks and market signals evolve predictably, enabling timely adjustments to pricing and underwriting. In a disorderly transition, rapid shifts or regulatory constraints could delay corrective actions, leaving the company exposed to underpriced or overextended positions for longer than intended. These dynamics may compound otherwise manageable climate risks and, if withdrawal from high-risk segments becomes necessary, could create coverage gaps for members. By integrating scenario analysis into our planning, we aim to anticipate these pathways and adapt our business strategy accordingly.



Exploring climate-related opportunities for our business

Climate change presents opportunities for Wawanesa to support members and communities adapt and to become more resilient, while remaining competitive through innovations. Climate-related opportunities arise from Wawanesa’s businesses and value chain, and can vary by region and markets. As outlined by the TCFD, opportunities can emerge through resource efficiency, adopting low-emission energy sources, offering new products and services, and expanding access to new markets.

Wawanesa identifies, prioritizes and executes on climate-related opportunities through normal business processes. These opportunities will emerge from our operations and business lines, supporting decarbonization and climate resilience efforts of our company and members.

While still in the early stages of defining our approach, the Company is exploring areas as outlined in the table below that includes select examples of climate-related opportunities applicable to Wawanesa:

TCFD climate-related opportunity type	Opportunities	Business lines
Resource efficiency	<p>Improving energy efficiency, such as in facilities, equipment, transportation, and materials efficiency, such as water and waste management.</p> <p>Examples:</p> <ul style="list-style-type: none"> - Implemented initiatives and changes to internal policies that aims to reduce paper consumption through digitalization. - Established new building criteria and consolidated office spaces with a focus on integrating building efficiency measures aligned with best market practices, such as Wawanesa’s Winnipeg headquarters achieving LEED Gold certification. - Launched initiatives and policy changes to optimize and reduce the size of our owned vehicle fleet. 	Information Services, Facilities, Strategic Sourcing
Products & services	<p>Innovate and develop new low-emission or resilience products and services may improve our competitive position and capitalize on shifting preferences.</p> <p>Looking forward:</p> <ul style="list-style-type: none"> - Leveraging insights from our existing climate adaptability coverages (Stronger Home and Eco-Friendly) to enhance the resilience and efficiency of homes after a claim, paving the way for future product and service innovations. 	Personal Lines, Commercial Lines, Life, Claims, Western Financial Group
Markets	<p>New markets or business models that can support the diversification of business activities and better position for the transition to a resilient, lower-carbon economy.</p> <p>Looking forward:</p> <ul style="list-style-type: none"> - Identifying and assessing opportunities to insure and invest in key industries that are pivotal to the transition to a low-carbon and resilient economy, with a focus on geographic regions and markets that Wawanesa considers strategic for future growth. 	Personal Lines, Commercial Lines, Life, Claims, Western Financial Group



Risk management

Our climate risk management and governance approach

Wawanesa identifies, assesses, and manages climate-related risks. At Wawanesa, climate change is treated as a transverse risk and we consider the integration within each relevant business function as a key step in our risk management process.

The Board of Directors approves Wawanesa’s Climate Risk Management Policy that describes how climate-related risks are managed. It also oversees and approves the company’s Risk Appetite and risk management framework, including the Enterprise Risk Management Framework. The Board of Directors provides feedback on the company’s responses to specific climate-related risks and is ultimately responsible for Wawanesa’s response to climate change.

The ELT is the executive management committee coordinating and overseeing these business functions under the CEO. The Executive Sustainability Committee (ESC), which includes members of the ELT and other senior leaders, provides direction on sustainability topics.

The Enterprise Risk & Compliance Committee (ERCC) is the executive management committee responsible for risk and compliance issues broadly.

Wawanesa climate risk governance structure

Governance body	Key responsibilities
Board of Directors	<ul style="list-style-type: none"> Oversees the organization’s strategic direction and ensures that appropriate policies and practices are in place to address climate-related risks.
Executive Leadership Team (ELT)	<ul style="list-style-type: none"> Coordinates climate risk responses across business functions Operates under CEO guidance May request additional climate plans
Executive Sustainability Committee (ESC)	<ul style="list-style-type: none"> Responsible for strategic leadership of sustainability, climate resilience, and community impact. Ensures alignment with enterprise risk appetite, long-term strategy, and regulatory expectations.
Enterprise Risk & Compliance Committee (ERCC)	<ul style="list-style-type: none"> Endorses Climate Risk Management Policy Oversees risk and compliance matters. Complements other committees (e.g., Reinsurance Committee)
Oversight functions	<ul style="list-style-type: none"> Oversight functions play a critical role in strengthening climate risk management and reporting by evaluating the effectiveness of strategies, policies, and controls to ensure risks are appropriately mitigated.

Additional information on our risk management process is contained on [page 60](#) of our Report to our Members 2025.



Metrics and targets

Wawanesa has implemented several metrics and targets to help understand and manage the organization’s climate-related risks and opportunities and set direction and ambition for improvement. Wawanesa’s interim targets are aligned with longer-term objectives of reducing Wawanesa’s exposure to climate-related physical and transition risks over time, informed by climate science and evolving best practices. In 2025, we made significant strides towards quantifying our entire emissions

footprint by calculating a sample of our commercial insurance portfolio using PCAF’s Part C Insurance-associated emissions methodology. Learnings and insights from the sample calculation will inform and influence Wawanesa’s transition and resilience efforts, as well as the development of the capabilities required to execute on those efforts such as strong data infrastructure and governance.

Scope 1 and 2 GHG emissions footprint

Wawanesa’s GHG Inventory is prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol).

Wawanesa’s organizational boundary comprises Wawanesa Mutual Insurance Company and its subsidiaries. Wawanesa reports on its Scope 1 and 2 GHG emissions following the operational control approach under the GHG Protocol.

In 2025, Wawanesa implemented a new enterprise carbon accounting SaaS platform to strengthen GHG data management, streamline emissions quantification, and enhance the accuracy, transparency, and auditability of its inventory. Wawanesa engaged an independent third party to conduct a limited assurance engagement over our FY25 Scope 1 and 2 GHG emissions.

In the previously reported baseline year (2019), Wawanesa’s organizational boundary did not include the subsidiary Western Financial Group Inc. (Western) due to data limitations. In 2025, Wawanesa completed an inaugural quantification of Western’s 2019-2025 Scope 1 and Scope 2 GHG emissions. Applying Wawanesa’s base year recalculation policy in accordance with the GHG Protocol Corporate Standard, Western’s emissions have been incorporated retroactively into the 2019 baseline and onwards.

Metric type	Targets	Base year	Target year	Metric	Progress in 2025
Operational emissions	Reduce Scope 1 and Scope 2 (location-based) emissions 50% by 2030 from 2019 levels ¹	2019	2030	% reduction absolute Scope 1 and Scope 2 (location-based) GHG emissions	23% reduction in absolute Scope 1 and Scope 2 (location-based) GHG emissions, from 2019 levels.
Investment emissions	Reduce Scope 3 investment emissions across listed equities, corporate bonds, and corporate securitizations by 25% by 2030 from 2021 levels. Success in achieving this target is dependent upon the underlying companies, in which we’re invested, reducing their Scope 1 and Scope 2 GHG emissions.	2021	2030	% reduction in Scope 3 investment emissions across listed equities, corporate bonds, and corporate securitizations as measured by the carbon intensity of the enterprise investment portfolio.	14% reduction in Scope 3 investment emissions, as measured by carbon intensity, from 2021 baseline.
	Allocate at least 10% of our combined P&C and Life investment assets to impact investments by 2030 or earlier, as-at each fiscal year-end date.		2030	% of impact investments in our investment portfolio	6.0% of enterprise investments are allocated to impact investments

¹ We have rebaselined our GHG emissions inventory retroactively from the 2019 baseline to include Western Financial Group, and our operational emissions target to reduce Scope 1 and Scope 2 (location-based) emissions 50% by 2030 from 2019 levels now applies to the consolidated group.



Wawanesa’s approach to calculating operational GHG emissions

Reporting standards

Wawanesa’s operational GHG emissions footprint is prepared in accordance with the Greenhouse Gas Protocol (GHG Protocol): A Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance.

Organizational boundary

The scope of Wawanesa’s operational GHG emissions follows the operational control approach under the GHG protocol and includes owned and leased assets where we can influence the operational policies of the facilities and fleet.

Sources of emissions:

- Scope 1 emissions – direct emissions from stationary combustion, diesel generators, fugitive emissions, and mobile combustion
- Scope 2 emissions – indirect emissions from the consumption of purchased energy, such as electricity, heat, steam and/or chilled water

Reporting period

The reporting period for operational GHG emissions spans January 1 to December 31, aligned with the fiscal year.

Data sources

Primary activity data, such as utility bills and meter readings, serve as the foundation to calculating Wawanesa’s operational GHG emissions, and where primary data is not available, Wawanesa leverages the carbon accounting SaaS platform to estimate utility consumption and quantify emissions. The estimation methodology is aligned with the GHG Protocol and applies standardized approaches to estimate based on available inputs (e.g. square footage), historical consumption patterns, facility

characteristics, and industry-accepted benchmarks. Estimation may be applied in circumstances such as partial-year utility data availability, missing invoices, or unavailable consumption records.

GHG types, global warming potential, GHG emission factors

- All applicable GHGs identified by the Kyoto Protocol including carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons (HFCs) are included in emissions measurement.

- IPCC AR6 GWPs are utilized in Wawanesa’s 2025 GHG measurement.
- For the 2025 operational GHG emissions footprint measurement, the latest GHG emission factors data published were utilized. For example, for stationary natural gas combustion and grid electricity consumption emission factors, Canada’s 2026 National Inventory Report (NIR) (1990-2024) is applied.

Scope 1 and 2 (location-based)	Units	2025	2024	2023	2022	2021	2020	2019 (baseline)
Scope 1	tCO ₂ e	3,580 ¹	3,919	3,675	4,144	3,861	3,749	4,396
Scope 2 (location-based)	tCO ₂ e	1,589 ¹	1,623	1,552	1,577	1,962	1,963	2,322
Total Scope 1 and 2 (location-based)²	tCO₂e	5,169	5,541	5,228	5,721	5,823	5,712	6,717

¹ Limited assurance has been provided over the 2025 figures (see Independent practitioner’s limited assurance report on The Wawanesa Mutual Insurance Company’s select performance metrics on [p.77](#))
² Totals may not add up due to rounding.

We have restated the figures from the baseline year 2019 to 2023 (inclusive) for Scope 1 and Scope 2 (location-based) emissions to reflect the inclusion of Western Financial Group Inc. in Wawanesa’s organizational boundary. We have also restated the figures from the baseline year 2019 to 2023 (inclusive) for Scope 1 and Scope 2 (location-based) emissions to reflect the inclusive of fugitive emissions from refrigerants as a material source. Lastly, the Scope 1 and 2 (location-based) emissions figures from 2022 and 2023 have been restated for emissions factors included in Canada’s 2026 National Inventory Report (NIR) (1990-2024). The figures previously presented are as follows:

Scope 1 and Scope 2 location-based operational GHG emissions, 2019-2023, previously presented in the 2023 Sustainability Report, in absolute tonnes of CO₂e

Scope 1 and 2 (location-based)	Units	2023	2022	2021	2020	2019 (baseline)
Scope 1	tCO ₂ e	2,089	2,455	2,365	2,338	2,973
Scope 2 (location based)	tCO ₂ e	621	740	770	736	879
Total Scope 1 and 2 (location based)	tCO₂e	2,710	3,195	3,135	3,074	3,852



	2025	2024	2023	2022	2021	2020	2019 (baseline)
Scope 1							
Mobile combustion	516	642	775	750	794	709	1,188
Stationary combustion	2,650	2,851	2,550	3,072	2,793	2,806	2,980
Refrigerants	414	426	350	322	274	234	228
Total Scope 1	3,580¹	3,919	3,675	4,144	3,861	3,749	4,396
Scope 2 (location-based)							
Purchased electricity	1,589	1,623	1,552	1,577	1,962	1,963	2,322
Total Scope 2 (location-based)	1,589¹	1,623	1,552	1,577	1,962	1,963	2,322
Total Scope 1 and 2 (location-based)²	5,169	5,541	5,228	5,721	5,823	5,712	6,717

¹ Limited assurance has been provided over the 2025 figures (see Independent practitioner's limited assurance report on The Wawanesa Mutual Insurance Company's select performance metrics on [p. 77](#))

² Totals may not add up due to rounding.

Scope 1 and Scope 2 absolute emissions reductions

In 2024, Wawanesa set a target to reduce Scope 1 and Scope 2 emissions 50% by 2030 from 2019 levels as part of our overall emissions reduction approach. Setting the target was a cross-functional effort, with engagement from our real estate, facilities management, and fleet teams, with engagement from Senior leadership and the Board of Directors.

In 2025, following the retroactive inclusion of Western Financial Group in our GHG inventory from the 2019 baseline onwards, we re-forecasted our emissions reduction pathway and have decided to maintain the 50% by 2030 reduction target for Scope 1 and 2 consolidated emissions.

Wawanesa's Scope 1 and 2 footprint is primarily driven by fuel and electricity used to operate office spaces and brokerages and use of company fleet vehicles. From 2024 to 2025, absolute

location-based Scope 1 and 2 emissions decreased by 6.7%. This reduction is attributable to several factors:

- A decrease in Scope 2 (location-based) emissions from purchased electricity, primarily reflecting lower provincial grid electricity emission intensity (gCO₂e/kWh) emission factors per Canada's National Inventory Report (2026) for Alberta, driven by reduced reliance on coal-based generation and increased clean energy generation.
- On overall reduction in kilometres driven by the company fleet vehicles alongside improved fuel efficiency due to the addition of 40 hybrid vehicles (~20% of the portfolio)
- A decrease in overall fuel consumption at certain Western brokerages in Alberta, Saskatchewan, and Manitoba due to decreased heating demand from occupants.

- Further, for Western, stronger data pipelines in 2025 expanded invoice availability, improving data accuracy and resulting in an overall decrease in reported fuel consumption and partially offsetting an increase in electricity consumption. Variance can occur because estimates are based on square footage and benchmark energy use intensities based on a building archetype, while true consumption may be higher or lower based on operational behaviour and occupancy.
- These reductions were offset partially by increased space utilization and heating demand resulting from increased office occupancy in 2025 at Wawanesa.

To date, we have reduced absolute Scope 1 and Scope 2 emissions by 23% from a 2019 baseline. Notably, emissions from mobile combustion arising from Wawanesa's company fleet vehicles has effectively halved since 2019 due to the introduction of more stringent eligibility standards and a vehicle replacement strategy improving fuel efficiency, reducing the number of vehicles from 235 to 201 and total mileage driven by 48% over that period. From a facilities perspective, Wawanesa's facilities envelope has condensed by ~55% since 2019, reflecting space optimization efforts, resulting in an overall decrease in stationary combustion and purchased electricity emissions. Since 2019, Western has observed reduced energy use and related emissions, supported by branch optimization activities, the application of energy efficient lighting and appliance standards in renovated and new locations, and ongoing enhancements to data collection accuracy and transparency.

Between now and 2030, operational emission reduction efforts will be driven by a combination of energy-efficiency improvements, building electrification, and low-carbon energy sourcing, supported by operational changes such as refined fleet policies, further facility space optimization, reduced natural gas reliance, and targeted retrofits.



Scope 3, Category 15 - Investment emissions

Investment emissions continue to represent a significant portion of Wawanesa’s environmental footprint, highlighting the importance of decarbonizing our portfolio through responsible investment and improved quantification of our portfolio’s carbon footprint. The approach to GHG Emission reduction of the enterprise investment portfolio, as measured by the carbon intensity of the portfolio, is to increase exposure to companies aligned with reducing carbon emissions.

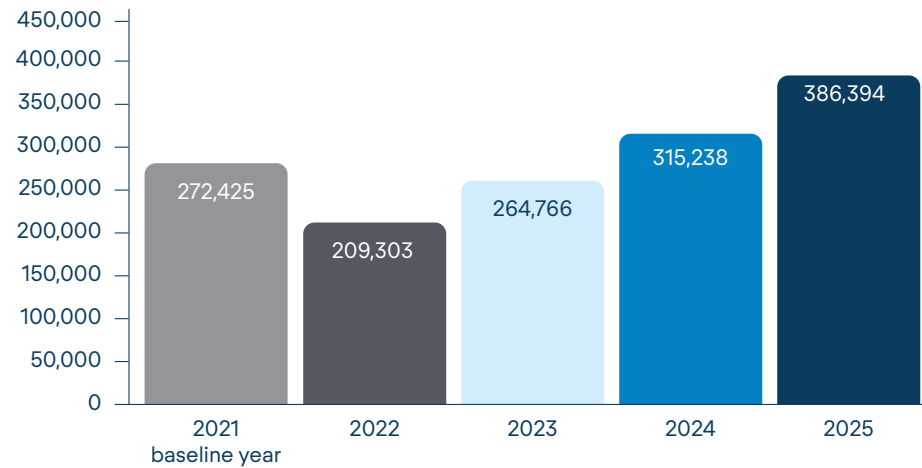
We currently use a third-party software from MSCI ESG Research for collecting greenhouse gas emissions data for our investments. MSCI ESG Research collects carbon emissions data for companies through corporate sources, such as annual reports and sustainability reports, or through CDP or government databases when reported data is not available through direct corporate disclosure. When companies do not disclose data, MSCI ESG Research uses proprietary methodologies to estimate Scope 1, Scope 2 and Scope 3 emissions. Carbon emissions are classified per the GHG Protocol. If a company’s reporting does not align with the GHG Protocol framework, MSCI estimates emissions by applying their proprietary models to ensure consistency.

A company’s most recent Scope 1 and Scope 2 total financed carbon emissions are calculated using the company’s most recent reported or estimated Scope 1 and Scope 2 carbon emissions normalized by the most recently available enterprise value including cash (EVIC), taken at the end of the fiscal year. MSCI apportions emissions based on the market value of the portfolio’s positions in a company’s debt or equity as a proportion of its EVIC.

$$\sum_n^t \left(\frac{\text{current value of investment}_t}{\text{issuer's EVIC}_t} \times \text{issuer's Scope 1 and scope 2 GHG emissions}_t \right)$$

Total absolute investment emissions, as reflected below, will be influenced by the size of the investment portfolio. As the market value of the investment portfolio increases, keeping all else equal, the total investment emissions would be expected to increase.

Total absolute investment emissions (tonnes of CO₂e)



Year	Total absolute investment emissions (tonnes of CO ₂ e)
12/31/2021	272,425
12/31/2022	209,303
12/31/2023	264,766
12/31/2024	315,238
12/31/2025	386,394

Note: Includes corporate bonds, listed equities, and corporate securitizations, as measured by MSCI One.

Scope 3, Category 15 - Investment emissions intensity target

In line with our Sustainable Investment Policy, we have set a target to reduce our Scope 3 investment emissions by at least 25% by 2030 or earlier across listed equities, corporate bonds, and corporate securitizations, as measured by the carbon intensity of the enterprise investment portfolio. Success in achieving this target is dependent upon the underlying companies, in which we are invested, reducing their scope 1 and scope 2 GHG emissions. By the end of 2025, we achieved a 14% reduction compared to our 2021 baseline, excluding the divested U.S. P&C portfolio. This progress reflects improved data coverage, with the proportion of securities covered increasing from 55.7% in 2021 to 82.0% in 2025.

Investment emissions intensity (tonnes of CO ₂ e/\$M invested)	2025	2024	2023	2022	2021 (baseline)
Investment emissions/\$M invested	47.7	42.8	43.1	44.4	55.7

We are also exploring other climate-related metrics to better understand risks and opportunities across our investment portfolio. Through our third-party investment software, we have access to metrics such as portfolio temperature ratings, exposure to companies aligned with net-zero targets, renewable energy revenue, fossil fuel-based revenue, thermal coal exposure, and classification of companies as “low carbon solutions” or “low carbon transition risk” which we plan to assess for effectiveness and decision-usefulness.



Impact investing target

Recognizing the opportunity to drive positive change, we have set a target to invest, by 2030 or earlier, at least 10% of our enterprise investments to Impact Investments: investment opportunities that align with Wawanesa’s sustainability priorities and principles and that support the transition to a sustainable, resilient, low-emissions society. As of December 31, 2025, \$544M or 6% (5.3% at December 31, 2024) of our total investment portfolio met the criteria for Impact Investments.

Impact investments (December 31, 2025, millions of dollars)	
Sustainable Bonds	\$433.7
Green	\$299.9
Social	\$35.7
Sustainability and Sustainability-Linked	\$98.1
Deemed Sustainable Bonds	\$106.2
Renewable Energy Producers	\$80.6
Other Impact Investments	\$25.6
Infrastructure	\$3.4
Total	\$543.3
Proportion of total enterprise investments	6%

Carbon credits

Since 2022, Wawanesa has voluntarily purchased carbon avoidance credits¹ to compensate for our location-based Scope 1 and 2 emissions each year. Beginning in 2025, this also includes emissions from Western Financial Group following our rebaselining exercise. These credits are not used to achieve our Scope 1 and 2 emissions reduction target. Wawanesa continues to prioritize direct emissions reductions across our operations.

While carbon credits can play a complementary role, they do not substitute emissions reductions within an organization’s own operations and value chain. The purchase of high-quality credits can help to direct private capital toward the growth of the clean-energy, nature-based climate solutions, and carbon-removal sectors, enabling the development of and scaling of projects.

Wawanesa continues sourcing carbon avoidance credits from the Great Bear Forest Carbon Project, an Indigenous-led Improved Forest Management initiative with strong legal foundations and ecological integrity. To date, we have offset 14,318 tonnes of CO₂e through this project.

¹ Carbon credits are units that represent metric tonne of CO₂e that has been reduced, avoided, or removed from the atmosphere through a verified project. Reduction/avoidance credits prevent emissions from occurring by avoiding or reducing greenhouse gases relative to a business as usual scenario, while removal credits reflect the physical extraction of CO₂ from the atmosphere and its storage in a durable carbon sink.

Carbon credit retirement schedule, 2022-2025, in absolute tonnes of CO₂e (rounded up to the nearest tonne)

	Units	2025 ²	2024 ^{3,4}	2023 ^{4,5}	2022 ^{4,5}
Emissions from heating, cooling, building electricity, refrigerants, and mobile combustion	tCO ₂ e	5,169	2,963	2,749	3,340
Total carbon credits retired	tCO ₂ e	5,169	3,060	2,749	3,340

² Including Western’s Scope 1 and 2 GHG Emissions in 2025, following inaugural quantification and voluntarily purchased carbon avoidance credits in 2025.

³ Applying Canada’s 2026 National Inventory Report (NIR) (1990-2024) emission factors resulted in a reduction in 2024 emissions compared to the initial measurement values that carbon avoidance credits were purchased to offset.

⁴ Excluding Western’s Scope 1 and 2 GHG emissions in 2022-2024 as carbon avoidance credits for those years were not purchased for Western as it pre-dates the inaugural quantification of the entity’s emissions footprint.

⁵ 2022 and 2023 values shown in this table reflect historical emissions values disclosed in the 2023 Sustainability Report and do not reflect the retroactive restatement inclusive of Western nor revised fugitive emissions due to methodological enhancements arising from the new enterprise carbon accounting SaaS platform, which has enhanced the accuracy of this measurement, nor the restated figures for emission factors included in Canada’s 2026 National Inventory Report (NIR) (1990-2024).

Climate metrics

We are in the process of building our climate risk metrics, which are intended to be developed with the relevant business functions. The following climate-related metrics are in use or being assessed for effectiveness and decision-usefulness:

Metric type	Description	Examples of climate risk metrics
Broad risk appetite metrics	These metrics are used to monitor performance and risk and will reflect any adverse climate-related impacts on Wawanesa's business.	<ul style="list-style-type: none"> • Underwriting concentration risk measure • Catastrophe exposure
Investment-related metrics	Several climate-related metrics are available through our third-party investment software. Use of these metrics will be developed as advancement of scenario analysis and targets are undertaken.	<ul style="list-style-type: none"> • Portfolio temperature rating • The percentage of the portfolio with companies aligned with decarbonization and net-zero targets • The percentage of revenue a company has derived from renewable energy • The stressed market value of portfolio under a specific scenario • Exposure to green revenue and renewable energy
Other sustainability-related metrics	Metrics to assess climate-related risks and opportunities in line with Wawanesa's Climate Transition & Resilience Plan are in development. The following examples are under consideration:	<ul style="list-style-type: none"> • Adaptation & resilience indicators • Investments in community organizations or partnerships • Engagement, participation and sentiment from employees and policyholders regarding climate resiliency • Value chain GHG emissions and relevant intensity metrics

Striving for continuous improvement

Wawanesa looks to continuously enhance the quality, transparency, and reliability of our climate-related disclosures. In alignment with leading practices observed across the financial sector, we have embedded climate data governance into our broader financial reporting control framework. This includes the development of robust internal controls, process documentation, and cross-functional collaboration among teams.

To mitigate the risk of greenwashing and ensure the integrity of our climate disclosures, we have adopted a multi-layered assurance approach. This includes periodic cross-functional reviews of climate-related metrics and controls, informed by internationally recognized standards such as the TCFD, ISSB, and the GHG Protocol. We have begun the phased introduction of third-party assurance, beginning with limited assurance over 2025 Scope 1 and 2 (location-based) emissions completed.



Independent practitioner’s limited assurance report on The Wawanesa Mutual Insurance Company’s select performance metrics as presented in the Report to our Members 2025

To the Board of Directors of The Wawanesa Mutual Insurance Company

We have undertaken a limited assurance engagement of the select performance metrics that are part of the greenhouse gas statement, as detailed in Exhibit 1, of The Wawanesa Mutual Insurance Company and its subsidiaries (Wawanesa) included in the Report to our Members 2025 (the select performance metrics), for the year ended December 31, 2025.

Responsibility for the select performance metrics

Management is responsible for preparation of the select performance metrics in accordance with the criteria, applied as explained in Exhibit 1 (criteria). Wawanesa is also responsible for the design, implementation and maintenance of internal control relevant to the preparation of the select performance metrics that are free from material misstatement, whether due to fraud or error.

Inherent limitations in preparing the select performance metrics

Non-financial data are subject to more limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

We have complied with independence and other ethical requirements of the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner’s responsibilities

Our responsibility is to express a limited assurance conclusion on the select performance metrics based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the Auditing and Assurance Standards Board.

This standard requires that we plan and perform this engagement to obtain limited assurance about whether the select performance metrics are free from material misstatement.

A limited assurance engagement undertaken in accordance with CSAE 3410 involves assessing the suitability in the circumstances of Wawanesa’s use of the criteria as the basis for the preparation of the select performance metrics, assessing the risks of material misstatement of the select performance metrics whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the select performance metrics. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.



Given the circumstances of the engagement, in performing the procedures listed above we:

- obtained an understanding of the process for collecting and reporting the data included in the select performance metrics by:
 - making inquiries of the relevant personnel responsible for the select performance metrics; and
 - inspecting relevant documentation relating to Wawanesa’s reporting processes.
- evaluated whether all material information identified by management has been considered for reporting on the select performance metrics;
- performed inquiries of relevant personnel and analytical procedures on selected information in the select performance metrics;
- performed substantive assurance procedures on selected information in the select performance metrics;
- evaluated the appropriateness of quantification methods and reporting policies;
- evaluated the methods, assumptions and data for developing estimates; and
- considered the disclosure and presentation of the select performance metrics.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Wawanesa’s select performance metrics have been prepared, in all material respects, in accordance with the criteria.

Exhibit 1

Select performance metrics and criteria

Select performance metrics	Unit of measure	Criteria	2025 results	Report page numbers
Scope 1 absolute gross GHG emissions	Metric tonnes of CO ₂ e	Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition	3,580	29, 72, 73
Scope 2 location-based absolute GHG emissions	Metric tonnes of CO ₂ e	Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition	1,589	29, 72, 73

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Wawanesa’s select performance metrics for the year ended December 31, 2025 is not prepared, in all material respects, in accordance with the criteria.

Other matter

The comparative select performance metrics of Wawanesa as at December 31, 2019 to 2024, and for the years then ended were not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Restriction on use

Our report has been prepared solely for the Board of Directors of Wawanesa for the purpose of assisting management in reporting to the Board of Directors on its select performance metrics. The select performance metrics therefore may not be suitable, and are not to be used, for any other purpose. Our report is intended solely for Wawanesa.

We neither assume nor accept any responsibility or liability to any third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Toronto, Ontario
May 25, 2026



TCFD, OSFI's Guideline B-15: Climate Risk Management, and AMF Climate Risk Management Guideline indices

The following shows the requirements of OSFI's Guideline B-15: Climate Risk Management and where within Wawanesa's Report to our Members 2025 the requirement is / to be met.

Disclosure category	OSFI's Guideline B-15: Climate Risk Management description	Report section	Page number
Governance	Describe the governance body(ies) (e.g., board of directors, committee, other) or individual(s) responsible for oversight of climate-related risks and opportunities, including their identity, responsibilities, skills and competencies, process around staying informed, oversight of strategy, major transactions, risk management processes, target setting and monitoring progress towards those targets, and a description of whether and how climate-related considerations are factored into their remuneration	Governance	55
	Describe management's role in monitoring, managing, and overseeing climate-related risks and opportunities, including the identity of the management-level position or committee as applicable, its governance processes, controls, and procedures, and how oversight is exercised over that position or committee	Governance	63-64
Strategy	Describe the climate-related risks and opportunities the federally regulated financial institution (FRFI) has identified that could reasonably be expected to affect its cash flows, access to finance or cost of capital including: <ul style="list-style-type: none"> • The classification of each climate-related risk as either physical or transition risk; • The expected timeframe for the occurrence of effects associated with each risk and opportunity (short, medium, or long term); • The FRFI's definitions of 'short term,' 'medium term,' and 'long term' in relation to strategic decision-making planning horizons 	Managing Climate Risk Business in Our Business	64-69
Strategy	<p>Business model and value chain Describe the current and anticipated effects of climate-related risks and opportunities on the FRFI's business model and value chain;</p> <ul style="list-style-type: none"> • where in the FRFI's business model and value chain the climate-related risks and opportunities are concentrated. <p>Strategy and Decision making Disclose information about current and anticipated changes to the FRFI's business model, including its resource allocation, to address climate-related risks and opportunities;</p> <ul style="list-style-type: none"> • direct mitigation and adaptation efforts; • indirect mitigation and adaptation efforts. <p>Financial position, financial performance, and cash flows</p> <ul style="list-style-type: none"> • Describe how climate-related risks and opportunities have affected the FRFI's financial position, financial performance, and cash flows for the reporting period; • how the FRFI expects its financial position, financial performance, and cash flows to change over the short, medium, and long term, given its strategy to manage climate-related risks and opportunities 	Our approach to managing climate risks	64-65



Disclosure category	OSFI's Guideline B-15: Climate Risk Management description	Report section	Page number
Strategy	Describe the resilience of the FRFI's strategy, taking into consideration different climate-related scenarios, including a scenario which limits warming to the level aligned with the latest international agreement on climate change	Scenario analysis and climate risk	68
		Climate transition and resilience plan	66
Risk Management	Disclose information about the FRFI's processes and related policies for identifying, assessing, prioritizing, and monitoring climate-related risks	Our Climate risk management and Governance approach	70
	Disclose information about the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related opportunities including information about whether and how the FRFI uses climate-related scenario analysis to inform its identification of climate-related opportunities	Exploring climate-related opportunities for our business	69
	Disclose information about the extent to which, and how the FRFI's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the FRFI's overall risk management process	Protect: Managing today's risk	26
Metrics and Targets	Disclose the metrics used by the FRFI to assess climate-related risks and opportunities in line with its strategy and risk management process	Climate Metrics	76
	Disclose separately the FRFI's Scope 1 and location-based Scope 2 greenhouse gas (GHG) emissions (absolute basis) for the period Disclose the reporting standard used by the FRFI to calculate and disclose the GHG emissions	Scope 1 and 2 GHG Emissions Footprint	71
	Disclose the FRFI's Scope 3 greenhouse gas (GHG) emissions for the period (absolute basis), and the related risks	Scope 3 Category 15 – Investment Emissions	74
	Climate-related targets	Metrics and Targets	71, 74



AMF Climate Risk Management Guideline

Disclosure category	AMF Climate Risk Management Guideline description	Report section	Page number
Climate-Related Risks and Opportunities	Institutions are expected to consider both physical risks (acute and chronic climate events) and transition risks arising from policy, legal, market, technological, and reputational changes associated with the transition to a lower-carbon economy. Climate-related opportunities may also be considered where relevant to strategy.	Exploring climate-related opportunities for our business	66-69
Governance Expectations	Boards of directors and senior management are expected to clearly define roles and responsibilities for overseeing climate-related risks. Climate considerations should be integrated into strategic planning, risk appetite, and organizational policies, consistent with the institution's size, complexity, and risk profile.	Governance	63-64
Strategy	Institutions should consider how climate-related risks and opportunities may impact their business model and strategy over short-, medium-, and long-term horizons. This includes assessing the resilience of strategies under different climate scenarios, while recognizing uncertainty and data limitations.	Our approach to managing climate risks	64-69
Integrated Risk Management	Climate-related risks should be embedded within existing enterprise risk management frameworks. Expectations include processes for identifying, assessing, mitigating, monitoring, and reporting on climate-related risks across business activities.	Our Climate Risk management and Governance approach	70
		Integrating climate risk into our enterprise risk management approach	27
Scenario Analysis and Stress Testing	Institutions are encouraged to use climate scenario analysis and stress testing, where appropriate, to assess potential impacts on financial condition and operations. The sophistication of analysis should be proportionate to the institution's risk exposure and capabilities.	Scenario analysis and climate risk	68
Capital and Liquidity Considerations	Climate-related risks should be considered within capital and liquidity planning processes to support financial resilience, where material.	Industry escalation of climate-driven catastrophe losses	64-66
Fair Treatment of Clients	For insurers and other customer-facing institutions, climate-related considerations should be reflected in product design, underwriting, disclosures, and communications to support fair treatment of clients.	Your Experience	13-17
		Loss prevention and adaptation	36
Disclosure	Institutions are expected to provide climate-related financial disclosures, aligned with TCFD and ISSB principles, that are clear, balanced, and decision-useful.	Climate-related Financial Disclosures	63

UNEP FI PSI disclosures

UNEP FI PSI: Annual disclosure of progress



The PSI, developed by UNEP FI, provide a global framework for the insurance industry to address ESG risks and opportunities. These principles aim to guide the insurance industry in contributing to sustainable development by integrating ESG considerations into their core business strategies and operations.

As a signatory to the PSI, Wawanesa is actively working to advancing them within our business and advocating for the principles within the insurance industry. Since signing on, we have advanced our participation with the PSI by joining working groups relevant to our business and strategic priorities. We are also members of the UNEP FI FIT.

Our progress in advancing the principles in this framework is discussed throughout this Report to our Members and on our website, and is identified through page references or hyperlinks.

Principles	References
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Principle 1:

We will embed in our decision-making environmental, social, and governance issues relevant to our insurance business.

Message from Evan Johnston, President and CEO, page 7
Sustainability in action, page 25
Sustainability governance, page 63

Principle 2:

We will work together with our clients and business partners to raise awareness of environmental, social, and governance issues, manage risk, and develop solutions.

Managing today's risks, page 26
Greenhouse gas emissions, pages 28-31, 71-76
Voluntary carbon credits, pages 30, 75
Strengthen: Reducing losses where we can, pages 32-36
Enable: A shared responsibility, pages 37-39
Value chain influence, pages 39
Innovation and pilots, pages 39
Fair treatment of members, pages 13-16, 59

Principle 3:

We will work together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social, and governance issues.

Enable: A shared responsibility, pages 37-39
Sustainable and impact investments, pages 38, 75
Regulatory compliance, page 60

Principle 4:

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Wawanesa's annual sustainability report demonstrates our accountability and transparency in publicly disclosing our progress toward implementing the Principles. Wawanesa also presents public disclosures [on our company website](#).

As a signatory of the UNEP FI PSI, our Report to our Members 2025 can also be found [on the UNEP FI website](#).



Forward-looking information

Certain information in this Report to our Members may constitute forward-looking information within the meaning of applicable securities legislation. Generally, forward-looking information can be identified by use of words such as "may", "will", "expect", "believe", "plan", "would", "could", "remain", and other similar terminology. All the forward-looking information in this report is qualified by this cautionary statement. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates, and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks,

uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results, or events to be materially different from those expressed or implied by the forward-looking information.

Inherent in the forward-looking information are known and unknown risks, uncertainties, and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance, or achievements expressed or implied by such forward-looking information. Given these risks, uncertainties, and other factors, investors should not place undue reliance on forward-looking information as a prediction of actual results.

The forward-looking information reflects management's current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated, or intended. The forward-looking information contained herein is current as of the date of this Report to our Members and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances.



Report to our Members 2025