



**Blumont Annuity Company**

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OSFI B-15 Climate Risk Management Report  
For the year ended December 31, 2025

## About Blumont Annuity Company

Blumont Annuity Company (the “Company” or “BAC”) is a Canadian life insurance company that is primarily focused on providing group annuity solutions to defined benefit pension plans and associations that facilitate retirement savings arrangements for their members.

The Company is an indirect wholly-owned subsidiary of Brookfield Wealth Solutions Ltd. (“BWS”). BWS is focused on securing the financial futures of individuals and institutions through a range of retirement services, wealth protection products and tailored capital solutions.

## Governance

### Board of Directors

The Company’s Board of Directors (the “Board”) is responsible for overseeing the business and affairs of the Company, including climate risk, which are conducted by the Company’s officers and employees. Oversight is carried out directly and through the Board’s Risk, Investment, and Audit Committees. Board members have the skills and experience necessary to oversee the Company’s operations through briefings and Committee reports by management on the Company’s performance and other relevant matters. The Board is comprised of 50% independent directors and 50% affiliated directors. The Board and its committees meet quarterly, at a minimum.

Board Committees	Purpose and Climate Risk Related Activities
<b>Risk Committee</b>	<ul style="list-style-type: none"> <li>Oversee, review and where appropriate, recommend for approval to the Board, the Company’s Enterprise Risk Management (ERM) Framework, risk appetite and risk management practices.</li> <li>Reviews climate risk, which is a component of the ERM framework.</li> </ul>
<b>Investment Committee</b>	<ul style="list-style-type: none"> <li>Oversee, review and where appropriate, recommend for approval to the Board, the Company’s investment strategy and Investment policy, sets risk tolerances and monitors performance and compliance.</li> <li>Climate-related risk is integrated into broader multi-factor investment decisions and considered alongside all key factors as part of the Company’s investment decision making to balance risk and returns.</li> </ul>
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>Review and where appropriate, recommend for approval to the Board, financial information, financial statements and regulatory disclosures. Oversee the work of the external and internal auditor.</li> <li>Reviews climate-related disclosures and documents.</li> </ul>

### Management

Management is responsible for implementing the Board’s business strategy and directing operations.

Executive Leadership Oversight: Climate Risk Related Matters	
<b>Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>Provides executive leadership for strategy and risk management for the Company</li> <li>Provides strategic updates to the Board, including updates on climate matters, as appropriate.</li> </ul>
<b>Chief Risk Officer</b>	<ul style="list-style-type: none"> <li>Oversees the ERM framework, including climate risks, while monitoring key and emerging risks.</li> <li>Provides updates to the Risk Committee.</li> </ul>
<b>Chief Investment Officer</b>	<ul style="list-style-type: none"> <li>Oversees the investment strategy for the Company, including identifying, assessing and managing climate-related risks for investment portfolios, as appropriate.</li> <li>Provides updates to the Investment Committee.</li> </ul>
<b>Chief Financial Officer</b>	<ul style="list-style-type: none"> <li>Oversees climate risk reporting prepared for regulatory purposes.</li> <li>Provides updates to the Audit Committee.</li> </ul>

### Executive Accountability and Performance

At present, climate-related risks are not incorporated into individual executives’ objectives or remuneration, as such risks have not been currently assessed as material to the Company.

## Strategy

In developing and executing its strategy, the Company considers climate-related risks and financially material climate factors relevant to its long-term performance.

**Insurance:** Research and analysis on the possible climate pathways and potential impacts of higher global temperatures on longevity continues to be in the early stages. The Company continues to monitor this research.

**Investments:** The Company manages risks and opportunities in the investment portfolio, with the aim of investing to deliver acceptable risk-adjusted returns over the long term. Many of the Company's infrastructure and real estate loans represent climate opportunities as they support energy systems and supply chains. The Company outsources investment management to reputable managers who consider climate-related risks in their investment decisions.

Upon considering the impact to insurance, and investments, climate-related risks and opportunities have not currently been assessed as material to the Company's financial position, performance, or cash flows.

## Risk Management

Climate risk is identified within the Company's risk classification. Within the Company's ERM framework, climate-related risk exposures have been identified as currently immaterial through a combination of qualitative and quantitative analyses. The Company's Climate Risk Management Policy (the "Policy") articulates the principles guiding the Company's approach to climate risk and sets out the necessary requirements for its effective management. Climate-related risks are monitored as part of the Company's ongoing risk management processes and reported to the relevant Board Committees (Risk, Investment and/or Audit), as applicable. These practices will evolve, and may include scenario analysis in the future.

Climate-related risks and opportunities below could reasonably affect BAC's financial position, performance, or cash flows.

### Climate-Related Risks

Driver	Type & time frame	Potential impact
<b>Physical</b>	Insurance (Medium to Long term)	Higher temperatures may have impacts on underlying longevity with possible effects to longevity experience.
	Investments (Short to Medium term)	Increased frequency and severity of weather events may cause a decrease in issuer credit quality and/or lower collateral asset valuations for investments.
<b>Transition</b>	Investments (Medium to Long term)	The Company's investment portfolios are exposed to transition risks impacted by counterparties not adapting to a lower carbon economy.

**Note:** BAC assesses climate-related risks over the short term (0-5 years), medium term (5-15 years) and long term (15+ years).

### Risk Mitigation

**Insurance:** Research on the possible impact of climate change to longevity continues to be in the early stages. The Company mitigates this climate-related risk through longevity reinsurance.

**Investments:** Information on climate-related risks is integrated into broader multi-factor investment decisions and considered alongside all key factors as part of the Company's investment decision making to balance risk and returns. Climate-related risks are considered over three time periods (short, medium and long terms), as the nature of these risks can differ depending on the time period considered. Time periods are set to reflect the fact that climate impacts are expected to occur over decades, extending beyond BAC's typical risk assessment time frames. The primary risk mitigant of the current portfolio is to maintain a well-diversified investment portfolio by sector, industry, geography, and issuer.

**Business/Strategy:** The Company monitors the legal and regulatory environment for emerging changes that could impact the Company's operations and/or strategy.

### Climate-Related Opportunities

Driver	Type & time frame	Potential impact
<b>Physical</b>	Insurance (Medium to Long term)	Higher temperatures may have impacts on underlying longevity with possible effects to longevity experience.
<b>Transition</b>	Investments (Medium to Long term)	Investment opportunities in renewable energy projects (e.g., wind, solar, infrastructure) and energy transition opportunities.

**Targets and Metrics**

BAC has not established greenhouse gas emission targets.

BAC applies the operational control approach to define its organizational boundary and emissions consolidation approach. Under this approach, BAC accounts for 100% of Scope 1 and Scope 2 emissions from activities over which it has operational control. The office space leased by the Company is considered within its operational control. BAC follows industry standard carbon accounting practices to understand, measure and report scope 1 and 2 emissions based on leased floor area in line with the *GHG Protocol Corporate Accounting and Reporting Standard* with its GHG inventory being assured annually to the *AA1000 Assurance Standard (v3)<sup>ab</sup>*. Scope 1 and 2 emissions are sourced from building management.

Scope 1 and Scope 2 emission increase in 2025 was due to the BAC moving to a larger office space.

Greenhouse gas emissions (tCO2e)	2025	2024
<b>Scope 1</b> – Direct emissions (heating and fuel consumption at BACs leased office space)	8	7
<b>Scope 2</b> – Indirect emissions, energy (purchased electricity, steam and cooling water at BACs leased office space)	24	17

- a) **Scope 1 emission factors have been sourced from:** Global Warming Potential (GWP) values used to calculate carbon equivalents: Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), as follows: Carbon dioxide (tCO2 /unit): 1; Methane (tCH4 /unit): 27; Nitrous Oxide (tN2 O/unit): 273. GHG emission conversion factors for Canada: National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada Part 2. (Ottawa: Environment and Climate Change Canada, 2025.) GHG emission factors for Natural Gas in Canada: National Inventory Report 1990–2023. Environment Canada. 2025. Part 2, Annex 6.1, Table A6.1-1..
- b) **Scope 2 emission factors have been sourced from:** Global Warming Potential (GWP) values used to calculate carbon equivalents: Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), as follows: Carbon dioxide (tCO2 /unit): 1; Methane (tCH4 /unit): 27; Nitrous Oxide (tN2 O/unit): 273. GHG emission conversion factors for Canada: National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada Part 3. (Ottawa: Environment and Climate Change Canada, 2025.) GHG emission factors for steam: Enwave email communications.