



Report

Task Force on Climate- Related Financial Disclosures

Calian Report 2025

A blurred background image of a modern office interior with large windows. In the foreground, a man and a woman are seated at a white table, looking at a tablet together. In the background, other people are visible, including a man standing and another person seated.

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1. Executive Summary

The Task Force on Climate-related Financial Disclosures (TCFD) provides a framework for companies to assess and disclose climate-related financial information. The TCFD is a key contributor to the International Financial Reporting Standards (IFRS)/International Sustainability Standards Board (ISSB) disclosure standards announced in June 2023, established to create consistent and comparable standards for disclosing sustainability and climate-related information.

IFRS standard one (S1) sets out general requirements for the disclosure of information about all material sustainability-related financial risks and opportunities and other general reporting requirements. IFRS standard two (S2) sets out disclosures specific to climate-related matters, including climate-related risks and opportunities (physical and transition).

The ISSB S2 standard is based on the TCFD framework and also meets the disclosure requirements of the Canada Net-Zero Challenge (NZC). The NZC is designed for both public and private sectors to achieve net-zero emissions by 2050, and is led by the Government of Canada, to encourage organizations across all industries to take steps towards reducing greenhouse gas emissions and addressing climate-related issues. The Government of Canada has committed to reducing Canada's emissions by 40-45 per cent from 2005 levels by 2030, putting Canada on a path to reach net-zero emissions by 2050.

In 2023, Calian worked with a third party to conduct a TCFD gap analysis to evaluate its current state of climate-related disclosures and identify areas for improvement. This TCFD report incorporates the recommendations of the analysis conducted to provide the company's stakeholders with an overview of its climate reporting aligned to the four TCFD pillars:

- **Governance:** Calian's governance and oversight on climate-related risks and opportunities.
- **Strategy:** The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning, where such information is material.
- **Risk Management:** The Calian process of identifying, assessing and managing climate-related risks.
- **Metrics and Targets:** Metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.

In 2024, Calian conducted a climate scenario analysis, prioritized material climate-related risks and opportunities—both physical and transition—across its operating segments, established interim greenhouse gas emission reduction targets for 2030 and 2040, and explored high-level decarbonization options across Scope 1, Scope 2, and Scope 3 emissions.

In 2025, Calian continued to advance its decarbonization strategy in alignment with industry best practices and regulatory standards, formalized a multi-year decarbonization roadmap, further refined the identification of the most material climate-related risks and opportunities across its operations and supply chain, and integrated these material climate-related risks and opportunities into its enterprise risk management (ERM) system to enhance visibility, governance, and oversight across operating segments.

The TCFD report supplements our annual ESG Report, which contains key Calian ESG activities, metrics and indicators.

2. Terminology

Acute Risk: Event-driven impacts, such as from extreme weather events and the increased frequency of such events, (including wildfires, droughts and hurricanes, among others).

Canadian Sustainability Standards Board (CSSB): An organization established to develop and maintain high-quality sustainability disclosure standards in Canada, aligning with global standards while addressing Canadian-specific needs.

Carbon Footprint: The total amount of greenhouse gases emitted directly and indirectly by an organization, typically measured in carbon dioxide equivalents (CO₂e).

Climate-Related Opportunities: Potential positive impacts of climate change on an organization. These can include resource efficiency, new markets, and resilience.

Climate-Related Risks: Potential negative impacts of climate change on an organization. These can be physical risks (e.g., extreme weather events) or transition risks (e.g., policy changes, market shifts).

Climate Scenario Analysis: A process for identifying and assessing the potential impact of different climate-related scenarios on an organization's business, strategy and financial performance.

Canadian Sustainability Disclosure Standards (CSDS): Standards developed by the Canadian Sustainability Standards Board (CSSB) to ensure high-quality, consistent and comparable sustainability disclosures in Canada, aligned with global standards but tailored to Canadian needs.

ESG (Environmental, Social and Governance): A set of criteria used to evaluate an organization's performance in areas related to environmental sustainability, social responsibility and governance practices.

Governance: The processes and structures used to oversee climate-related risks and opportunities, including board oversight and management's role.

Greenhouse Gas (GHG): Gas that traps heat in the atmosphere, contributing to global warming. Key GHGs include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

International Panel on Climate Change (IPCC): An international body established by the United Nations to assess scientific information related to climate change, its impacts and potential future risks, as well as to propose adaptation and mitigation strategies.

International Sustainability Standards Board (ISSB): A global body established by the International Financial Reporting Standards (IFRS) Foundation to develop and maintain high-quality sustainability disclosure standards, providing a consistent and comparable framework for companies worldwide.

Market Risk: Risk shifts in supply chain and consumer demand for products.

Metrics and Targets: The tools and benchmarks used to assess and manage relevant climate-related risks and opportunities, including performance indicators and goals.

Net Zero: Achieving a balance between the amount of greenhouse gases emitted and the amount removed from the atmosphere.

Net Zero Challenge: Initiative by the Government of Canada encouraging businesses to develop and implement credible plans to transition their operations to net-zero emissions by 2050.

Operating Segment(s): Defined as the four operating segments at Calian: IT & Cyber Solutions, Health, Advanced Technologies and Learning.

Physical Risks: Physical impacts of climate change, such as increased frequency and severity of extreme weather events (e.g. wildfires, cyclones, hurricanes, floods).

Policy and Legal Risk: Policy changes (e.g., carbon taxes, permit restrictions, etc.) and legal risks (e.g., liabilities, lawsuits, etc.).

Reputational Risk: Risk changing public perceptions of products or companies.

Risk Management: The processes used to identify, assess and manage climate-related risks.

Sustainability Accounting Standards Board (SASB): A non-profit organization that develops and maintains industry-specific standards for companies to disclose financially material sustainability information to their stakeholders.

Strategy: The approach an organization takes to address climate-related risks and opportunities, including the impact on business, strategy and financial planning.

Sustainability: The practice of meeting current needs without compromising the ability of future generations to meet their own needs, often encompassing environmental, social and economic dimensions.

Task Force on Climate-related Financial Disclosures (TCFD): An international initiative established by the Financial Stability Board to develop recommendations for more effective climate-related disclosures, helping organizations understand and manage financial risks and opportunities related to climate change.

Transition Risks: Transition risks arise from changes in policy and new technologies, such as the growth of renewable energy.

3. Introduction

The Task Force on Climate-related Financial Disclosures (TCFD) provides a framework for companies to assess and disclose climate-related financial information. The TCFD is a key contributor to the International Financial Reporting Standards (IFRS)/International Sustainability Standards Board (ISSB) disclosure standards announced in June 2023, which have been established to create consistent and comparable standards for disclosing sustainability and climate-related information. ISSB also incorporates the Sustainable Accounting Standards Board (SASB) standard focused on industry-specific requirements most relevant to investors. This includes climate-related risks and opportunities most likely to affect an entity's prospects, including cash flows, access to finance and cost of capital.

The purpose of this report is to provide the company's stakeholders with a view of the work Calian is engaged in to develop its climate-related disclosure, aligned to the TCFD framework. As Calian prepares to meet expected future reporting regulations, it is focused on continuously improving the transparency of its disclosures and aligning with global best practices on climate reporting. This analysis covers the company's activities to date, including relevant data, targets and strategies related to climate risks and opportunities, which are reported on an annual basis.

The ISSB focuses on various aspects of sustainability reporting including climate, environmental and social factors. While the TCFD focuses on climate disclosure standards, SASB provides industry-specific disclosure requirements. Calian will consider SASB industry-specific requirements in future years as the company works towards the more comprehensive ISSB disclosure standards.

Calian is also following progress of the Canadian Sustainability Standards Board (CSSB) in advancing the adoption of sustainability disclosure standards in Canada and, as a publicly traded Canadian company, Calian will meet any future required reporting obligations under Canadian Sustainability Disclosure Standards (CSDS) 1 and CSDS 2.

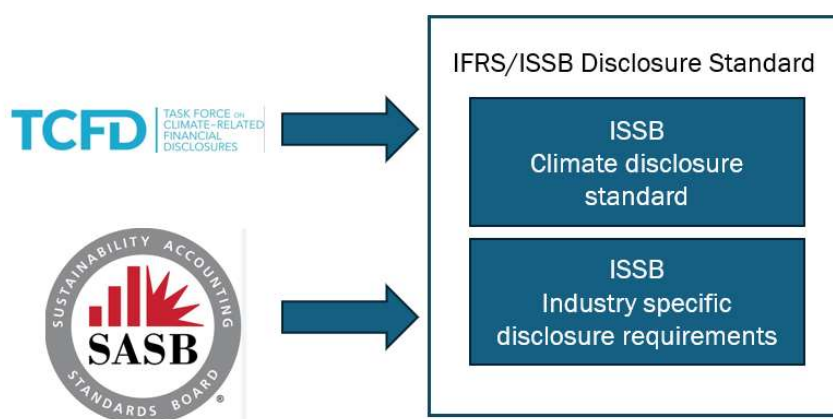


Diagram 1: TCFD and SASB relationship to IFRS/ISSB standard

4. TCFD Categories

The following table provides a high-level overview of the disclosure requirements organized by the four TCFD pillars of governance, strategy, risk management, and metrics and targets. This report is organized by these categories.

Governance	Strategy	Risk Management	Metrics and Targets
G1. Describe the board's oversight of climate-related risks and opportunities.	S1. Describe the climate-related risks and opportunities the company has identified over the short, medium and long term.	RM1. Describe the company's processes for identifying and assessing climate-related risks.	MT1. Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.
G2. Describe management's role in assessing and managing climate-related risks and opportunities.	S2. Describe the impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning.	RM2. Describe the company's processes for managing climate-related risks.	MT2. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
	S3. Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	RM3. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	MT3. Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.

5. TCFD Roadmap

In 2022, Calian focused on developing its emissions inventory process and accounting for its emissions profile as a crucial input to its inaugural annual ESG report.

Calian also registered for the Canada Net-Zero Challenge which requires companies to commit to achieving net-zero by 2050. To meet the requirements of the challenge, Calian performed a TCFD readiness assessment to develop a TCFD road map, including action plans to implement.

Calian finalized its TCFD roadmap at the end of 2022 which outlines Calian's objectives between 2022 and 2025 to:

- Prepare and publish its inaugural 2022 ESG report and publish future annual ESG reports
- Prepare and publish its first TCFD report in 2023 and publish future annual TCFD reports
- Register for the Canada Net-Zero Challenge
- Set up processes to improve Calian climate-related disclosures going forward
- Prepare for upcoming climate disclosure regulations (i.e., requirements of the ISSB)

In 2023, Calian prepared and published its second annual ESG Report and first TCFD report, including a climate-related risk and opportunity list.

In 2024, Calian completed the following activities:

- Conducted a climate scenario analysis
- Refined and prioritized material climate-related risks and opportunities (both physical and transition) across Calian's different business operating segments
- Established interim emission reduction targets for 2030 and 2040, aligned to the NZC requirements
- Explored high-level decarbonization options across Scope 1, 2 and 3 emissions
- Initiated engagement with the business operating segments and supported the initial development of their individual decarbonization plans

In 2025, Calian completed the following activities:

- Continued to advance Calian's decarbonization strategy, ensuring alignment with industry best practices and regulatory standards
- Formalized multi-year decarbonization roadmap and the identification of the most material risks and opportunities across Calian operations and supply chain
- Integrated material climate-related risks and opportunities into Calian's ERM system to enhance visibility and governance across operating segments

TCFD Road Map

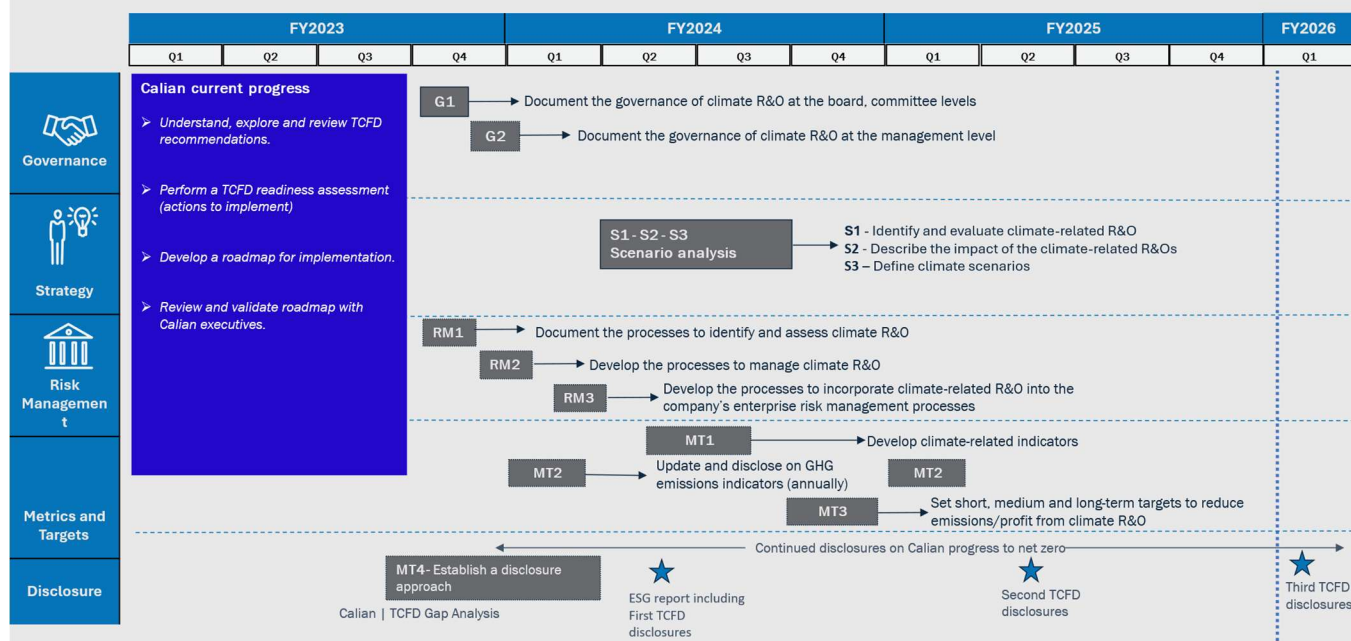
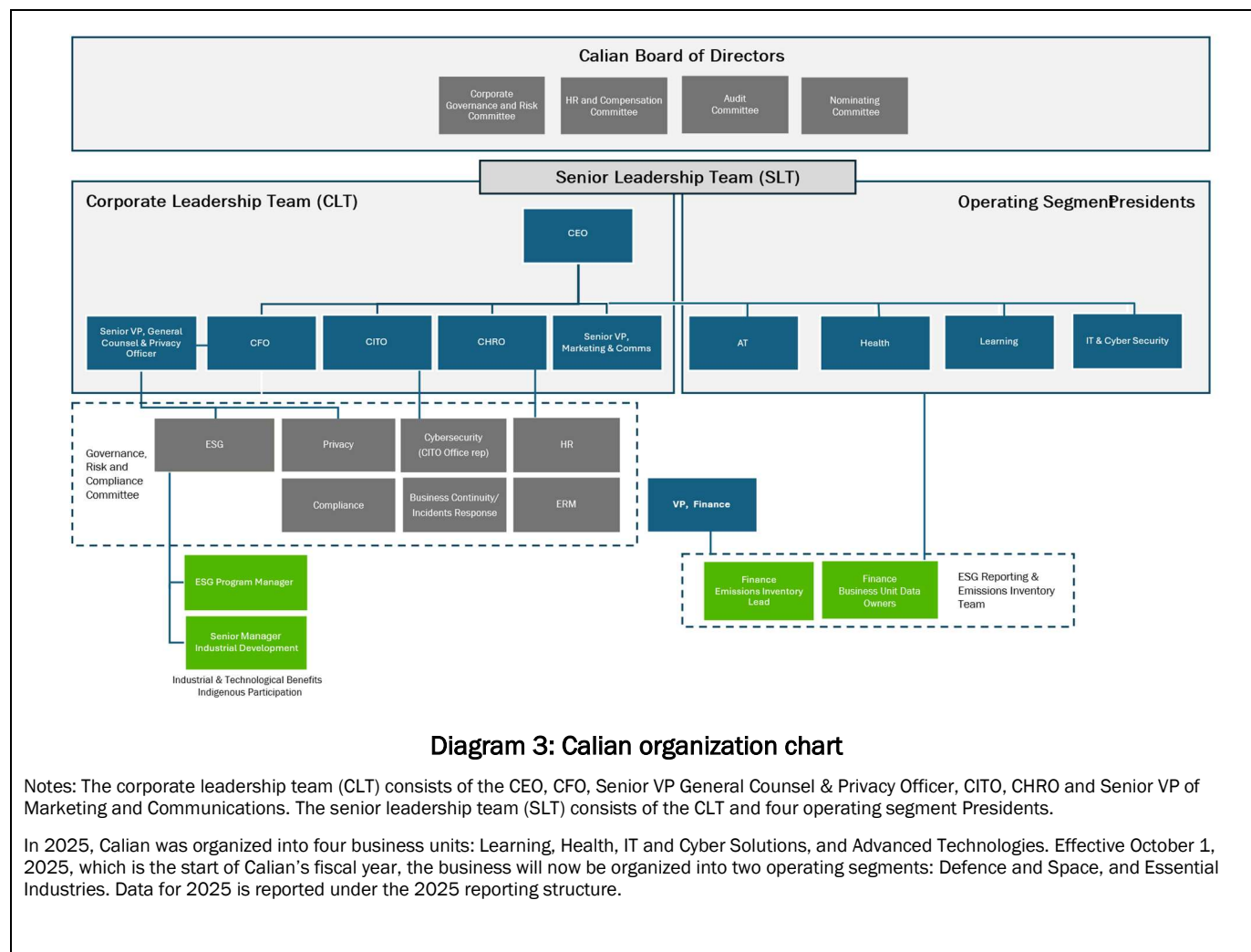


Diagram 2: Calian TCFD Road Map

6. Governance

The objective of climate-related financial disclosures on governance is to enable users of general-purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities.

For reference below, Diagram 3 outlines Calian's organizational chart, which highlights the environmental, social and governance oversight including climate change. The role of the board and the Governance, Risk and Compliance Committee in reference to climate-related risks and opportunities is described in section G1 and G2.



G1. Describe the board's oversight of climate-related risks and opportunities:

Calian has a board Governance and Risk Committee, which meets a minimum of four times a year and more often as required. The committee mandate includes overseeing the ESG strategy, monitoring and ensuring compliance with legal requirements and best practices relating to corporate governance, and material risks inherent in Calian's strategy and business models. The chair of the committee is responsible for ensuring that mandates are followed.

Climate-related risks and opportunities are part of the broader Calian risk registry which reflects risks for both corporate and operating segments. The risk registry is reviewed by the board quarterly to assess material risks, potential impacts and mitigation plans.

As indicated in the diagram below, other board committees have various ESG responsibilities as the company continues to embed ESG elements within the business:

Level of Priority	ESG Factor	Governance and Risk Committee	HR and Compensation Committee	Audit Committee	Nomination Committee
Core ESG Factor	ESG Governance	✓	Compensation tied to ESG		Members with ESG expertise
	Environmental Impact	✓			
	Data Security	✓		✓	
	Employee Health & Safety		✓		
Enhanced ESG Factor	Climate Change/GHG Emissions	✓		Future ESG regulation	
	DEI (including Indigenous)		✓		
	STEM Workforce		✓		
	Business Ethics	✓			
Emerging ESG Factors	Human Capital Management		✓		
	Supply Chain Management			✓	
	Client Social/Environmental Reqs	✓			
	Community Relations	✓			

Note: Other committees may be consulted as required

Diagram 4: ESG Governance Framework

G2. Describe management's role in assessing and managing climate-related risks and opportunities:

Management role in assessing climate-related R&O:

Working with a third party, a climate-related risk and opportunity (R&O) evaluation framework was developed. The CLT, SLT and members of the operating segment teams participated at various stages of the process to identify and assess most material R&Os to the company as a whole and at the operating segment level.

Step 1 Conduct a Climate Scenario Analysis: Calian explored three climate scenarios, including high (1.5 °C), moderate (2.4 °C) and low (>4 °C) energy transition scenarios to assess key trends, signals and signposts relevant to Calian, across operating segments, towards 2030 (transition risks and opportunities) and 2050 (physical risks).

Key output: Scenario narratives aligned to Calian at a group level as well as operating segment level.

Step 2 Develop R&O Evaluation Framework: A climate-related R&O framework was developed to evaluate identified risks and their associated impacts. A preliminary list of R&Os was derived from Calian's 2023 TCFD report. With expert input from the third party, the list was revised, adjusted and then validated by Calian. The framework assessed:

- The potential extent and likelihood of a risk and/or opportunity occurring (scored and informed by the scenarios)
- The potential financial impact of each R&O on the organization as scored by Calian

Key output: Climate-related R&O evaluation framework for each operating segment

Step 3 Impact Evaluation and Scoring: The impact evaluation utilized Calian's ERM criteria maintaining consistency with the company-wide approach to risk assessment. Workshops were conducted with each operating segment for transition R&Os where participants provided inputs and feedback for the impact score. For physical risks, impact evaluations were conducted at the corporate level with input from Calian experts on physical risks on the company's assets.

Key output: R&O potential impact score and inputs on additional R&Os to be included in the framework

Step 4 Analyze and Collate Data:

Transition Risks: Following the transition risk workshops with the operating segments, survey scores were adjusted in two ways:

- Quantitative adjustment using a weighted average calculation
- Qualitative adjustment to reflect participant inputs and comments, where quantitative adjustments did not reflect participant discussions

Feedback from the workshops was used to compile a prioritized list of climate-related R&Os most material to each operating segment.

Physical Risks: Scoring and rationale provided for the physical assessment were consolidated with no adjustments required.

Key output: Adjusted potential financial impact scores for the transition and physical R&Os.

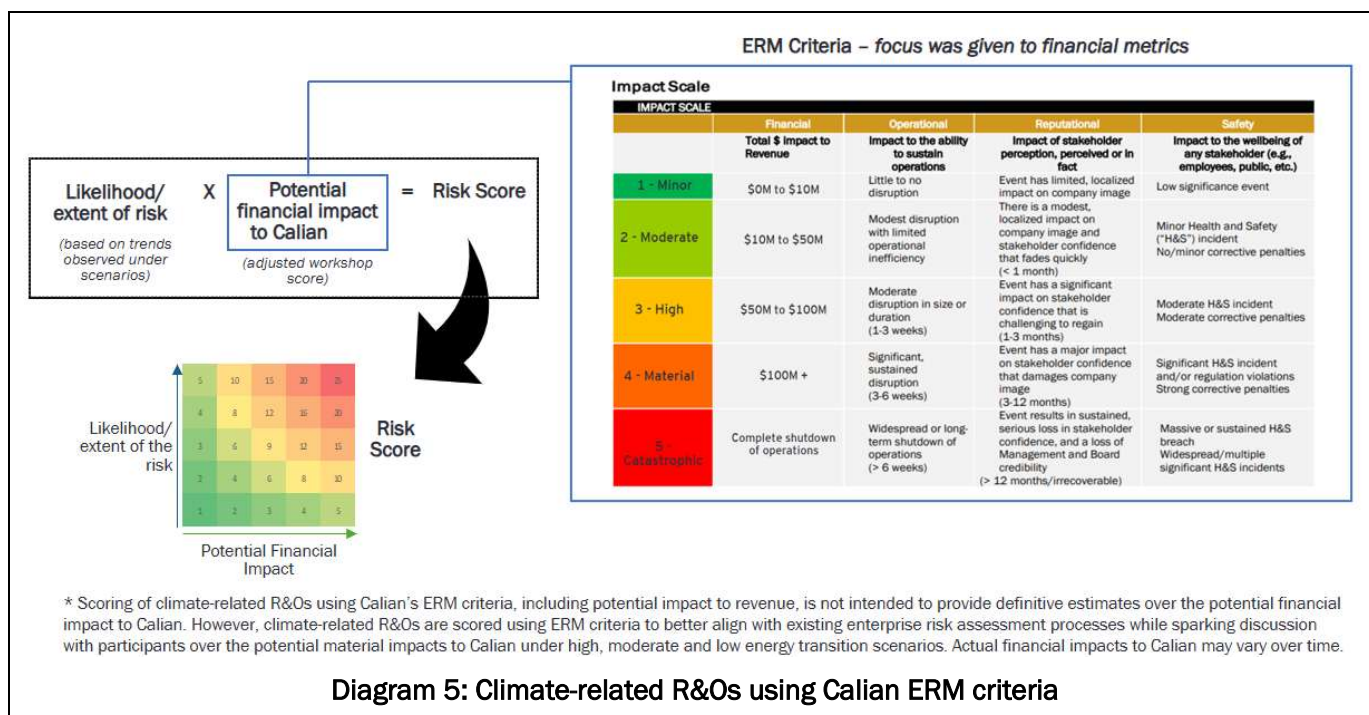
Step 5 Overall Risk Scoring Prioritization: The overall risk score was obtained by multiplying the "likelihood/extent of the risk" and the "potential financial impact" score. The R&Os with the highest scores were shortlisted for prioritization. For the transition-related R&Os, the results from various operating segments were aggregated to obtain a company-wide shortlist.

Key output: Prioritized list of climate-related R&Os at corporate and operating segment level.

Impact Scale

The climate-related R&O evaluation framework allows for a structured prioritization of transition and physical R&O's considering different climate scenarios and potential financial impacts across Calian's businesses. In the first stage of the work R&Os were scored based on trends and scientific data observed under the scenarios for both: physical and transition risks and opportunities. Subsequently R&Os were scored based on potential financial impact.

The evaluation of climate-related R&Os relied on Calian's ERM criteria for potential financial impacts as described in Diagram 5.



Management role in managing climate-related R&Os:

All levels of Calian management are engaged in supporting the management of climate-related R&Os through corporate and operating segment committees and regular leadership update meetings and reviews as outlined below:

Corporate Governance Risk and Compliance Committee:

In 2022, an internal governance, risk and compliance (GRC) committee was established under the leadership of the general counsel to provide ongoing oversight to the corporate leadership team and board on corporate risks. Each GRC element has an assigned leader, and the team members come together as required outside of formal meetings to review plans and coordinate activities. ESG is a core element of the broader GRC committee as depicted in Diagram 6 below:



Diagram 6: Governance, Risk and Compliance Committee

Quarterly Operating Segment Reviews

The senior leadership team (SLT) includes material climate-related risks and opportunities in their quarterly financial reviews with the corporate leadership team. The ERM process guide is used by the SLT to validate the risk landscape. The corporate ESG team and the SLT each completed an objective-centric risk analysis, in accordance with the ISO 31000:2018 Standard on Risk Management. In 2023 both ESG physical transition risks were considered and refined through the 2024 risk and opportunity exercise. The company also considered environmental management practices and duty of care, working and safety conditions, respect for human rights, anti-bribery and corruption practices, and compliance with relevant laws and regulations.

Operating Segment ESG Executive committees

In 2025, the ESG Executive Committees were temporarily paused to allow for a strategic realignment of our sustainability priorities. A new framework will be reinstated to help drive progress toward our 2030 emissions reduction target and our long-term goal of achieving net-zero by 2050.

Monthly ESG Executive Review

Every month, the CEO, CFO and General Counsel to review ESG-related activities which, as required, may include a review of actions taken to address climate-related risks and opportunities.

Incident Response Process

In 2019, at the outset of COVID-19 pandemic, a formal incident response process was instituted. As necessary, incident response teams are formed at the management level to manage key incidents, including climate-related risks. Situation reports (SITREPS) are used to highlight material risks to the company by operating segment and geography. Mitigation plans are discussed and revised as necessary. The SITREP tracks designated individuals from the corporate and/or individual operating segment to take ownership and be a point of contact for key impacts and tasks. Since 2022, the Calian SLT/board has been trained in tabletop exercises to bolster corporate resilience in the face of potential disruptions.

7. Strategy

The objective of climate-related financial disclosures on strategy is to enable users of general-purpose financial reports to understand the entity's strategy for managing climate risks and opportunities and their related impacts.

The four Calian operating segments include:

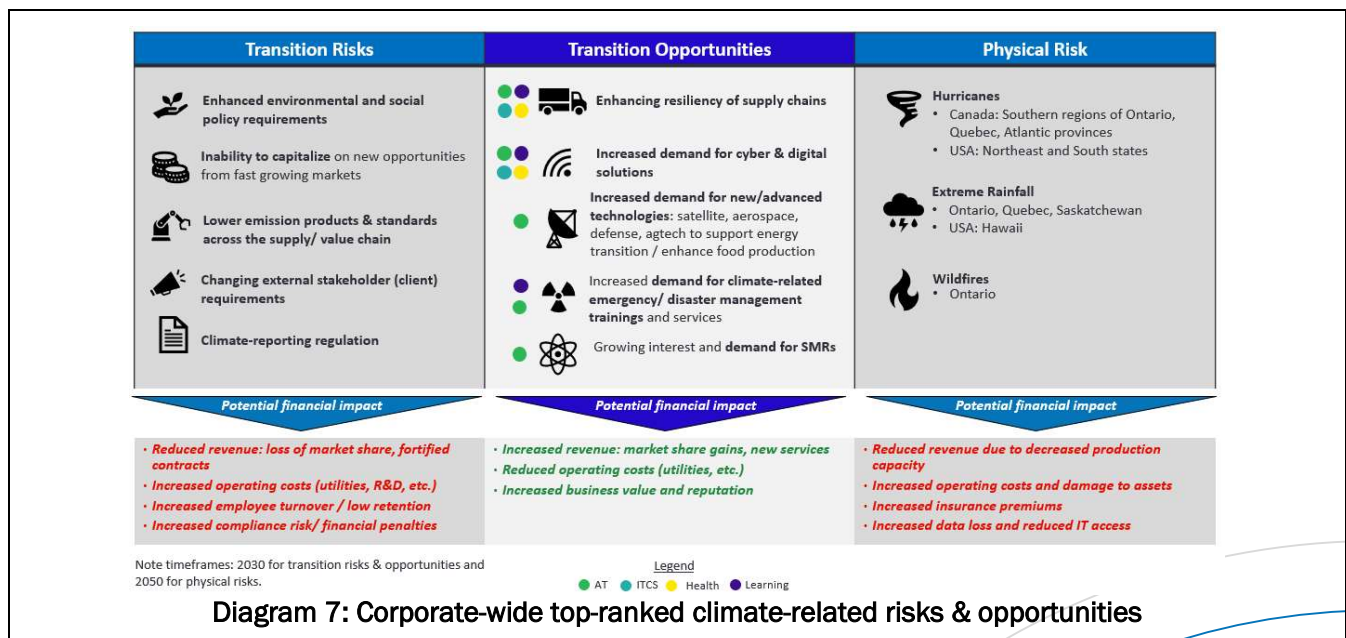
- **IT & Cyber Solutions:** Provides IT and cybersecurity solutions to public and private sector organizations across a variety of verticals.
- **Health:** Provides health services, pharmaceutical solutions and digital health for public and private sector organizations.
- **Advanced Technologies:** Delivers innovative services and products that enhance performance in key industries, including space communications, defence, wired and wireless networks, GNSS, manufacturing, agricultural technology and nuclear sectors.
- **Learning:** Works with private sector, government, academic and defence customers to develop tailored learning and training solutions, incorporating immersive technologies that enhance organizational performance, address diverse operational needs and empower teams with the skills to meet evolving industry demands.

For consistency and comparability, data for 2025 is reported under the 2025 reporting structure.

S1. Describe the climate-related risks and opportunities the company has identified over the short, medium and long term:

Calian climate-related risks and opportunities:

As a result of the work completed, key climate-related risks and opportunities were identified as follows in Diagram 7:



Three common climate-related priorities were identified across all operating segments:

While several of the transition opportunities have been addressed by the operating segment teams as part of existing growth plans and physical risks have been considered as part of our business continuity plans, three climate-related focus areas emerged as top priority across all four operating segments:

- Upstream activities: **Need for in-depth screening of supply chain**, particularly as related to reducing emissions related to Scope 3 purchased goods and services as Calian's largest emission source,
- Business operations: **Need to establish an operating model** to support operating segments in managing emission reduction plans and ESG-related actions.
- Downstream activities: **Continued focus on mapping customer ESG requirements and market trends** to protect current business and support achievement of organic growth targets.

S2. Describe the impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning:

In 2021, Calian established the ESG and Industrial Development team to focus on developing the foundational element of our ESG strategy and operating model including:

- Development of ESG strategic framework
- Establishment of an annual emissions inventory process
- Execution of a formal materiality assessment
- Completion of TCFD gap analysis
- Delivery of annual ESG report and TCFD report
- Completion of a climate scenario analysis
- Completion of climate-related risk and opportunity identification by operating segment
- Commitment to Net-Zero Challenge and interim reduction targets.

With the completion of the climate scenario analysis and prioritization of material climate-related risks and opportunities (both physical and transition) across operating segments, the SLT and its teams in 2025 developed more refined plans to address the most material priorities. To support this effort, the corporate ESG and Industrial Development team is working with the operating segment leaders to refine the target ESG operating model related to the four elements of the TCFD standards (see Diagram 8):

- Strategy: Data management
- Governance: Governance and implementation plan and capital planning
- Risk Management: Processes and systems and systems implementation
- Metrics and Targets: Building capacity and resource planning

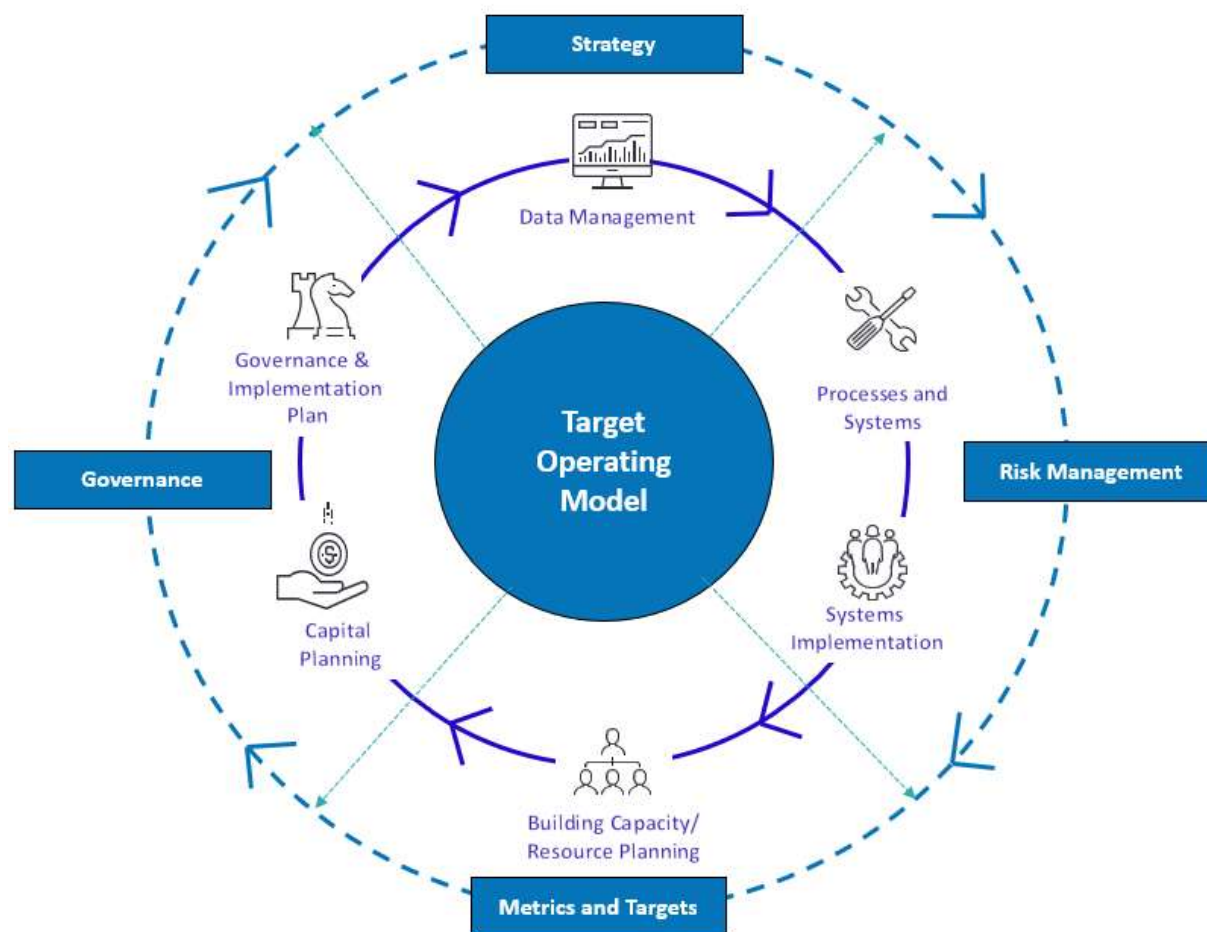


Diagram 8: Target ESG Operating Model

Climate-Related Risks and Opportunities

The following climate-related risks and opportunities have been identified as key priorities. The corporate ESG team will be developing plans to address the risks and opportunities as applicable in annual business plans in the near term and in three-year strategic plans. Short-term (ST) horizon is defined as 2030, medium-term (MT) horizon is defined as 2040 and long-term (LT) horizon is defined as 2050.

Risk Summary:

Risk Type	Sub-type	Climate-related risk description	ST horizon	MT horizon	LT horizon
Transition	Policy & legal	Climate-reporting regulation	X	X	
		Mandates on, and regulation of, existing products and services	X	X	
		Enhanced environmental and social policy requirements (i.e. health and safety, modern slavery, vendor code of conduct, etc.)	X	X	
		Lower emission products and standards across the supply/ value chain	X	X	
	Market	Inability to capitalize on new opportunities from fast-growing markets	X	X	
	Reputation	Changing external stakeholder (investors and customers) requirements related to climate change	X	X	
Physical	Acute	Extreme rainfall <ul style="list-style-type: none"> Ontario Quebec Saskatchewan Hawaii 		X	X
		Wildfires <ul style="list-style-type: none"> Ontario 		X	X
		Hurricanes <ul style="list-style-type: none"> Southern regions of Ontario, Quebec and Atlantic provinces Unites States (northeast and south states) 		X	X

Opportunity Summary:

Climate-related transition opportunities identified as high priority by Calian in the near term (2030) are as follows:

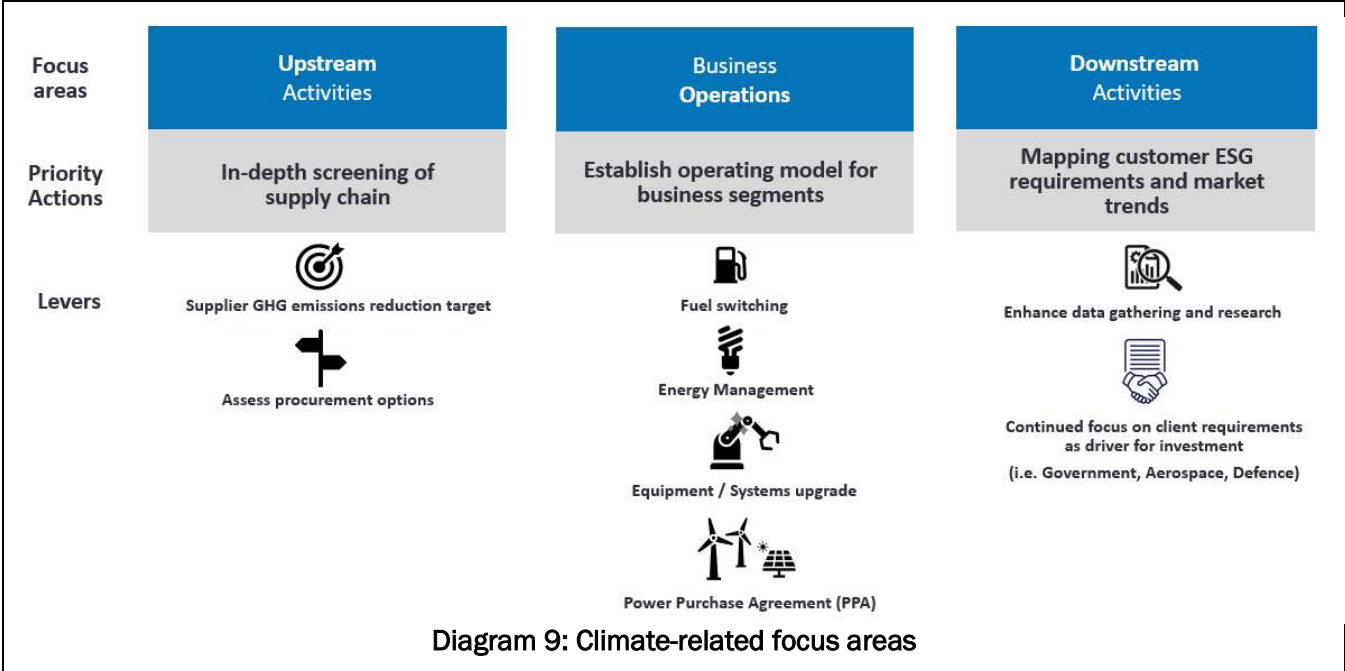
Opportunity Type	Climate-related opportunity	ST horizon	MT horizon	LT horizon
Resilience	Enhanced resilience of supply chains	X	X	
Products & services	Increased demand for cybersecurity and digital solutions	X	X	
	Increased demand for advanced technologies across key sectors: <ul style="list-style-type: none">• Satellite, aerospace and defence technologies• Agriculture technologies• Information and communications technology sector—increased investment and expansion to support the low-carbon energy transition	X	X	
	Increased demand for emergency/disaster management training and services: <ul style="list-style-type: none">• Emergency management and disaster mitigation services• Increased demand for alternative forms of military operations trainings	X	X	
	Growing interest and demand for small-nuclear reactors (SMRs) in the power mix	X	X	

S3. Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario:

The work completed in execution of climate scenario analysis and climate-related risk and opportunity identification has helped Calian understand how climate change will create new or alter current climate-related risks and opportunities. While the company has considered climate as an element of its strategic growth plans and business continuity plans, this work will now help prioritize efforts in developing adaptive capacity over time to improve Calian's ability to respond to climate change and its associated risks. In addition, Calian will be able to identify opportunities to improve efficiency and develop new products and services.

As the company continues to develop more comprehensive decarbonization and transition plans, its existing strategy will be updated further, integrating material climate-related risks and opportunities into the company's decision-making.

In 2026, the focus will be on the three climate-related focus areas that emerged as top priorities across all four operating segments. Key levers to affect these priorities will inform action plans developed by the corporate ESG team in collaboration with the operating segment leaders related to their specific supply chains, facilities and customer requirements. See diagram 9.



8. Risk Management

The objective of sustainability-related financial disclosures on risk management is to enable users of general-purpose financial reports to:

- (a) understand an entity's processes to identify, assess, prioritize and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process
- (b) assess the entity's overall risk profile and its risk management processes

RM1. Describe the company's processes for identifying and assessing climate-related risks:

In 2024, Calian worked with a third party to explore three climate scenarios including a 2°C scenario as outlined below.

- **High Energy Transition** - Current net-zero commitments by countries are achieved, the pace of technological change supporting global decarbonization is fast. As a result, global temperature increase is limited to below 2°C above pre-industrial levels by 2100. Canada achieves net-zero emissions by 2050 and a 40 per cent reduction GHG emissions target by 2030 over baseline 2005. Several states in the U.S. rapidly increase decarbonization efforts. Transition risks to a low-carbon economy are highest and physical risks from increased global temperatures are significantly reduced.

References: Based on the International Energy Agency (IEA)'s Net Zero Emissions Scenario, Canadian Energy Outlook: NZ50 Scenario (Canadian Energy Regulator's NZ50 equivalent) and United States Environmental Protection Agency (EPA). International Panel on Climate Change (IPCC) AR6: SSP1-1.9.

- **Moderate Energy Transition** - As of 2023, countries act according to their announced pledges under the Paris Agreement, but efforts are not enough to limit global temperature increase to below 2°C above pre-industrial levels by 2100. Canada achieves net-zero emissions by 2060 and a 30 per cent reduction of GHG emissions by 2030 and 80 per cent reduction by 2050 over baseline 2005. Some states in the U.S. increase decarbonization efforts, but the national transition to a low-carbon economy is delayed. There are moderate transition risks towards a low-carbon economy and moderate physical risks felt at the regional level in Canada and the U.S. as global temperatures increase moderately.

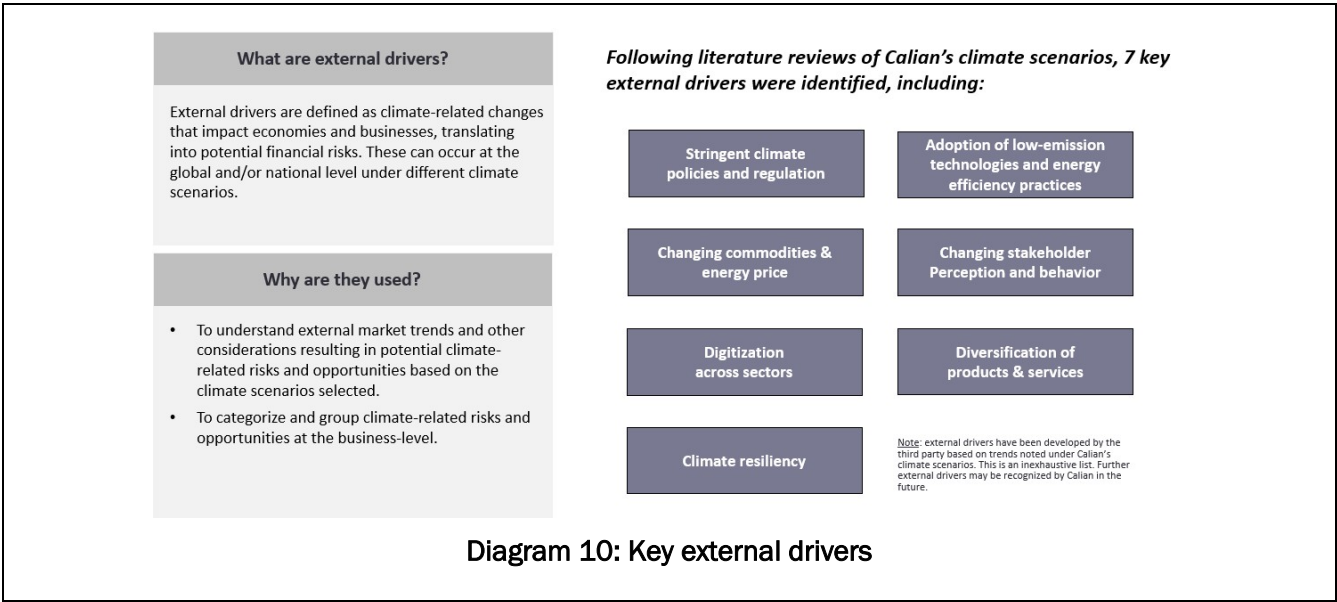
References: Based on the International Energy Agency (IEA)'s Stated Policies Scenario (STEPS, 2023), Canadian Energy Outlook: NZ60 Scenario and United States Environmental Protection Agency (EPA). IPCC AR6: SSP2-4.5.

- **Low Energy Transition** - Little or no global constraints on GHG reduction targets, economies continue to rely heavily on traditional non-renewable energy sources, 'business-as-usual.' In Canada and the U.S., there are no additional constraints on GHG emission reductions, excluding current policies already in place as of 2023. As a result, transition risks to a low-carbon economy are low, but physical risks from climate change are high.

References: Based on the International Energy Agency (IEA)'s Current Policies Scenario, Canadian Energy Outlook: Reference Scenario (Canadian Energy Regulator's Current Policies Scenario equivalent) and the US Environmental Protection Agency (EPA). International Panel on Climate Change (IPCC) AR6: SSP5-8.5.

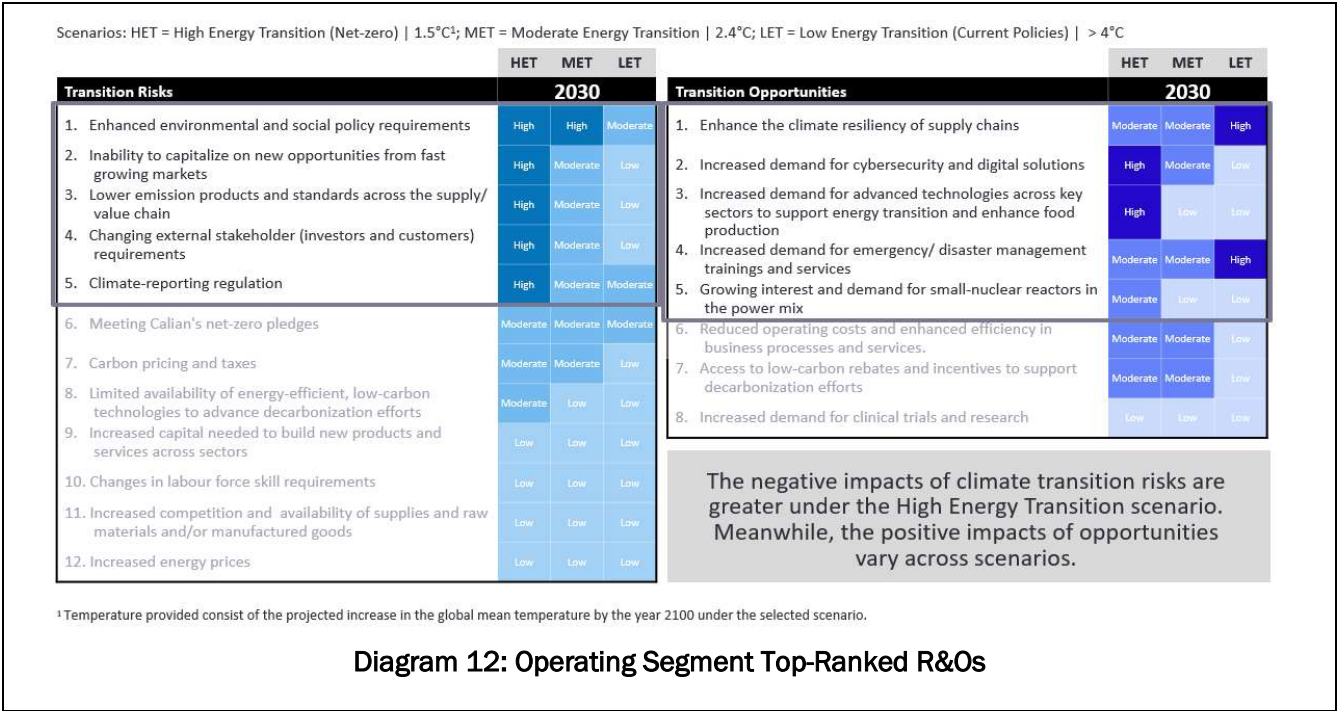
External Drivers:

Following literature reviews of Calian’s climate scenarios, seven key external drivers were identified and a key set of transition risks and opportunities were considered, as summarized in diagrams 10 and 11 below.



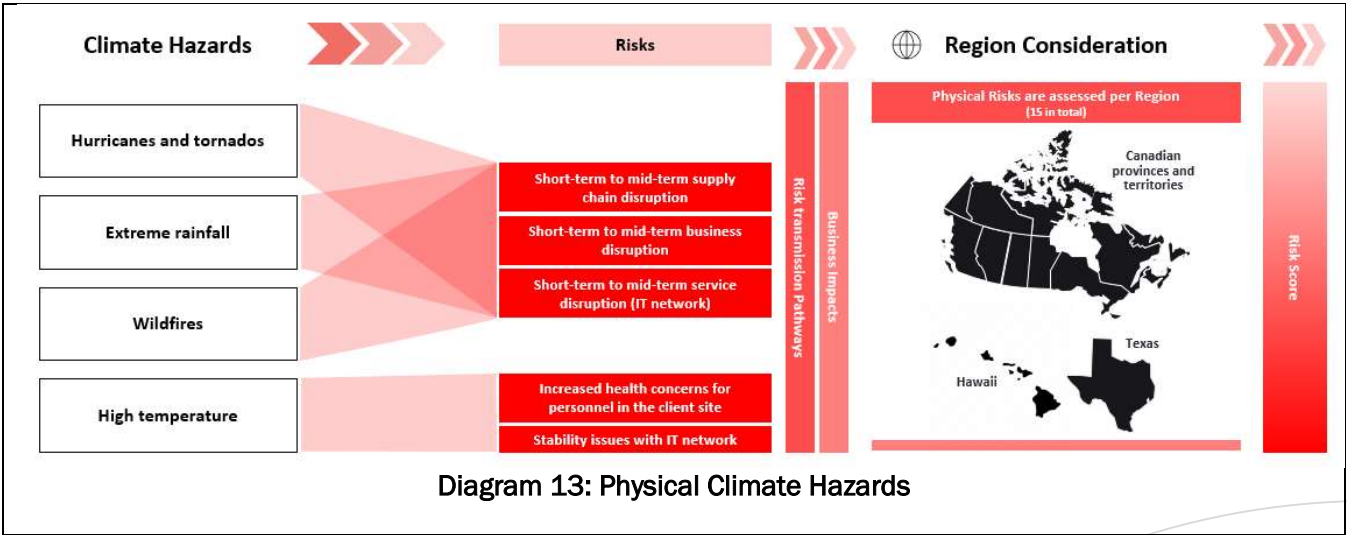
Transition Risks and Opportunities

The evaluations conducted at the operating segment level resulted in top ranked transition R&Os being identified as priorities for future consideration.

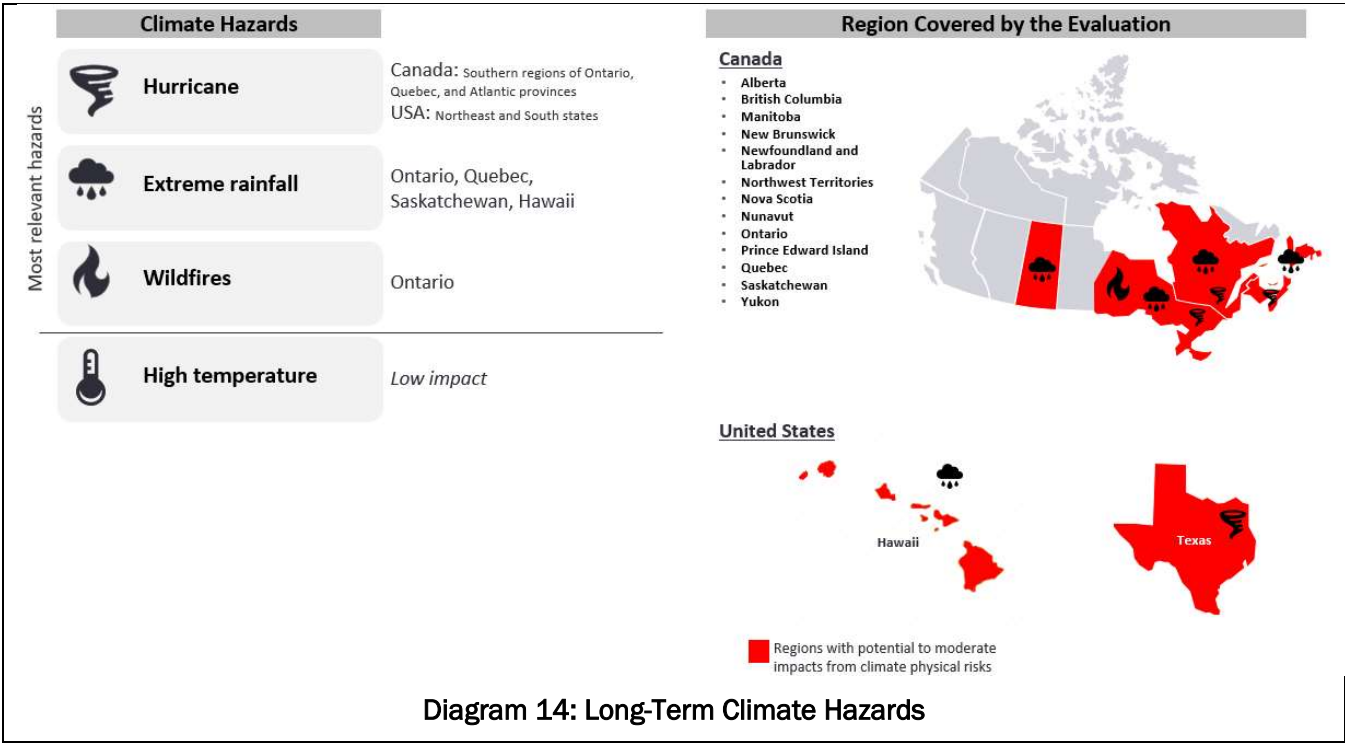


Physical Risk:

A select set of physical climate hazards and associated risks were considered based on the weather patterns in the most material geographies in which Calian operates as indicated in diagram 13 below. As Calian continues to expand its European footprint, the company will evaluate physical risks for those geographies.



Hurricanes, extreme rainfall and wildfires were identified as the most relevant hazards for Calian’s business in the long term:



Climate-Related Risk Assessment Process

From May to September 2024, Calian conducted a comprehensive assessment of climate-related risks and opportunities (R&O) across the company. This evaluation was based on three projected climate scenarios: high, moderate and low energy transition. The assessment was qualitative in nature, relying on tailored criteria to assess potential business impact scores.

To identify the most material physical risks to the company, the following data elements were considered:

- 15 jurisdictions across Canada and the U.S. were selected to assess exposure to climate hazards
- 4 climate hazards were prioritized for exposure assessment based on the Intergovernmental Panel on Climate Change (IPCC) risk assessment of North America
- Impacts of the risks were analyzed for the year 2050 transition
- Lists of R&Os were derived from Calian’s 2023 TCFD report, and refined for the scenario analysis
- Signposts for the analysis were identified using international scenarios with science-based emissions trajectories
- Impacts of risks and opportunities were analyzed for the year 2030

Decision-useful outputs:

- Identification of key climate-related risks and opportunities across Calian
- Comparable results generated across segments using a consistent evaluation framework
- Foundational analysis to support future, more granular analyses of financial impacts of material risks and opportunities (as required by reporting standards and regulations)
- Practical evaluation framework that can be enhanced for future assessments, for example by customizing it to make it more fit-for-purpose for the specific needs of each operating segment.

RM2. Describe the company’s processes for managing climate-related risks:

Managing Climate-Related Risks

Based on the outcome of the climate scenario analysis and climate-related risk and opportunity analysis, the top transition risks were identified. Impact and management method are included below:

Transition Risk	Climate-related risk description	Impact	Management method
Policy & Legal	Enhanced emissions and other climate-reporting regulation	Increased costs to comply with reporting obligations (inc. team resourcing, strategic and operational planning, onboarding of knowledge partners and third-party assurance providers etc.) Increased financial penalties for failing to comply with reporting standards	Allocation of sufficient resources ESG and finance team continue to monitor evolving reporting standards and best practices
	Mandates on, and regulation of, existing products and services	Increased costs related to R&D and innovation Reduced revenue from potential fines	Business segment product owners monitor shifts in regulations to remain compliant with government regulations R&D investment plans by business segment

	Enhanced environmental and social policy requirements (i.e. health and safety, modern slavery, vendor code of conduct, etc.)	Increased costs to comply with new environmental and social standards (inc. team resourcing, strategic and operational planning etc.) Increased financial penalties for failing to comply with new standards	ESG and finance team monitors shifts in regulations to remain compliant with government and client ESG regulations and requirements
Market	Inability to capitalize on new opportunities from fast-growing markets	Reduced revenue due to market share loss and forfeited contracts	Market analysis to anticipate new opportunities in key markets Strategic investment plans
Reputation	Changing external stakeholder (investors and customers) requirements related to climate change	Reduced revenue and market share Increased operating costs due to high employee turnover and low retention	Transparent reporting on GHG emissions inventory and metrics and targets Regular corporate communication regarding ESG and climate-related activities both internally and externally Corporate environmental, social and governance policies
Physical Risk	Climate-related risk description	Operating segment impact	Management method
Acute	Extreme rainfall <ul style="list-style-type: none"> Ontario Quebec Saskatchewan Hawaii 	Reduced revenue due to decreased production capacity Increased operating costs and damage to assets	Develop and continually update emergency management and business continuity plans to address physical risks Simulation and training for leadership team to ensure adequate response in case of climate-related events Assess supply chain dependencies and develop plans to address any critical disruptions
	Wildfires	Increased insurance premiums	
	Hurricanes <ul style="list-style-type: none"> Southern regions of Ontario, Quebec and Atlantic provinces Unites States (northeast and south states) 	Increased data loss and reduced IT access	

Managing Climate-Related Opportunities

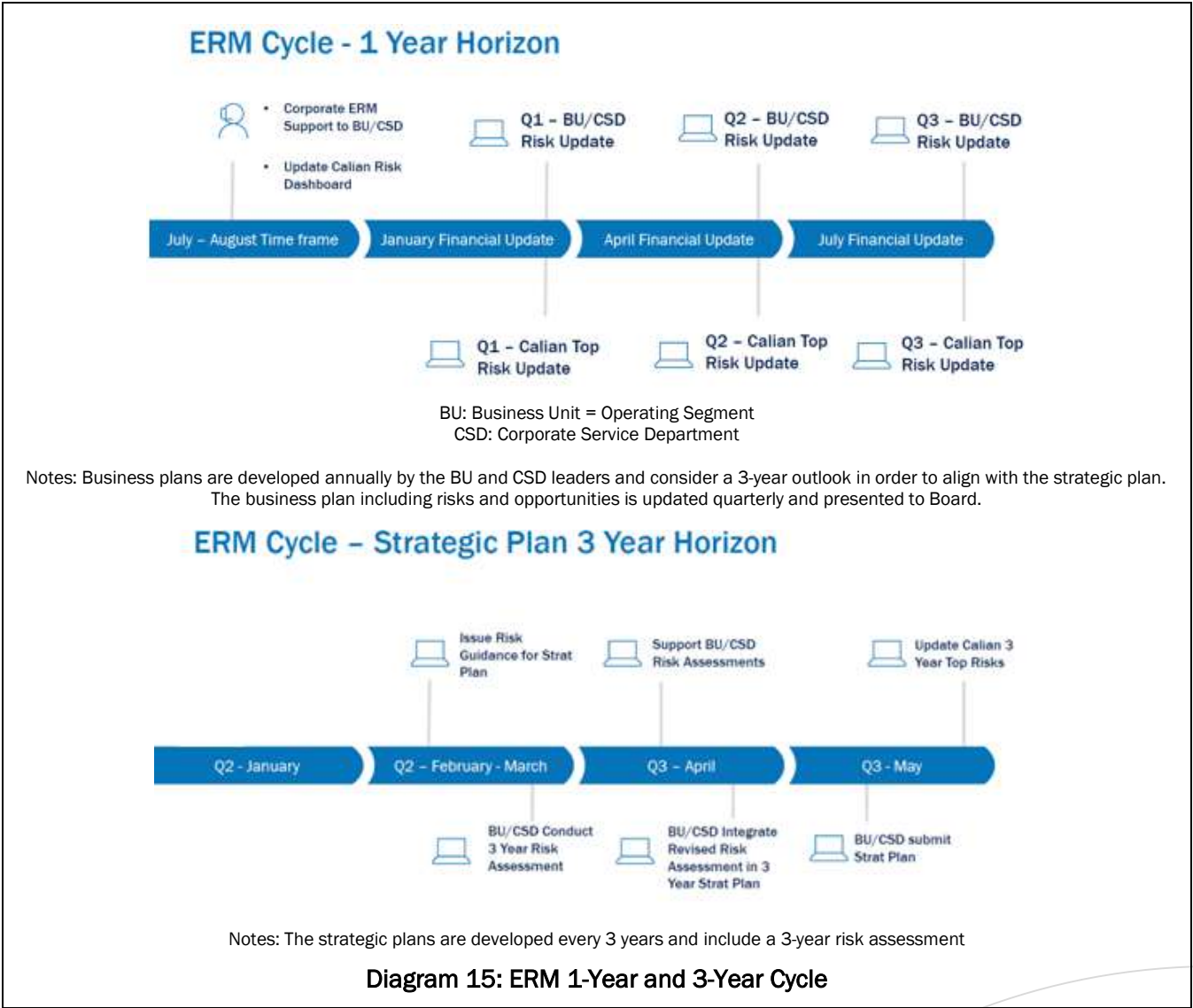
Opportunity type	Climate-related opportunity description	Operating segment impact	Management method
Resilience	Enhanced resilience of supply chains	Reduced costs and risks from delays in the delivery of products and services from supply chain partners Increased business value and reputational impacts from engaging suppliers in Calian's climate mitigation efforts	Engage with suppliers to enhance resiliency of supply chain Prioritize engagement with top suppliers
Products & services	Increased demand for cybersecurity and digital solutions	Increased revenue from existing and new service lines	Assess cyber market trends and opportunity related to Calian services as related to uptake of digital solutions, cloud computing and reliance on remote work Invest in R&D and business development to advance these opportunities
	Increased demand for advanced technologies related to satellite, aerospace and defence technologies <ul style="list-style-type: none"> • Agriculture technologies • Information and communications technology sector - increased investment and expansion to support the low-carbon energy transition 	Increased revenue from existing and new service lines	Assess advanced technologies market trends and opportunity to support satellite, aerospace and defence technological advancement, data monitoring and tracking Invest in R&D and business development to advance these opportunities as part of strategic growth plans
	Increased demand for advanced technologies-related agriculture technologies	Increased revenue from existing and new service lines	Assess advanced technologies market trends and opportunities to support agriculture technology industry in food monitoring and data tracking Invest in R&D and business development to advance these opportunities as part of strategic growth plans
	Increased demand for advanced technologies related to information and communications technology sector - increased investment and expansion to support the low-carbon energy transition	Increased revenue from existing and new service lines	Assess advanced technologies market trends and enhance the digital solutions that will empower a more digitized and electrified society Invest in R&D and business development to advance these opportunities
	Increased demand for emergency/disaster management training and services	Increased revenue from existing and new service lines	Assess emergency management and response market and industry trends and define opportunity for Calian business segments related emergency planning Invest in R&D and business development to advance these opportunities
	Increased demand for alternative forms of military operations training related to emergency/disaster management	Increased revenue from existing and new service lines	Assess emergency management and response trends related to military training Invest in R&D and business development to advance these opportunities
	Growing interest and demand for small nuclear reactors (SMRs) in the power mix	Increased revenue from existing and new service lines	Assess nuclear industry trends related to SMRs Invest in R&D and business development to advance these opportunities

RM3. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.

At a corporate level Calian continues to evolve its risk management processes and risk management is an integral part of how the company plans and monitors its business strategies and results. Operational risk is managed through the establishment of effective infrastructure and controls. Key elements of the infrastructure are qualified, well-trained personnel, clear authorization levels, and reliable technology. Controls established by documented policies and procedures include the regular examination of internal controls by internal employees as well as the company’s auditors, segregation of duties, and financial management and reporting. In addition, the company maintains insurance coverage and contingency plans for systems failures or catastrophic events.

Enterprise Risk Management

In 2025, Calian integrated identified climate-related risks and opportunities into the company risk register. The Calian CLT and SLT currently identify risks based on one-year and three-year horizons, as depicted in the chart below:



The company's documented ERM process guide articulates how we define risks, the impact and likelihood of these risks, and the financial and strategic impact of these risks.

The ERM team categorizes risks based on the following risk classification thresholds:

- The impact index focuses on the risk level and value of the impact, should the risk occur. Risk levels and the financial risk and value of impact are defined as shown in Diagram 16: Impact and Likelihood Index. The likelihood index focuses on the risk level of certainty and the potential of the risk should the risk occur.
- Both financial and strategic impact to the business is reviewed and as required, adjustments are made to the existing mitigation measures as shown in Diagram 17: Mitigation Measure Effectiveness.

Calian's Risk Classification			
Impact Index		Likelihood Index	
Level	Value	Level	Value (for the next 3 years)
Catastrophic	Complete shutdown of operations	Almost Certain	Greater than 80% chance of occurring
Material	\$100M+	Likely	55 to 80 % chance of occurring
High	\$50M to \$100M	Possible	45 to 55% chance of occurring
Moderate	\$10M to \$50M	Unlikely	15 to 45% chance of occurring
Minor	\$0 to \$10M	Highly Unlikely	Less than 15% chance of occurring

Diagram 16: Impact and Likelihood Index




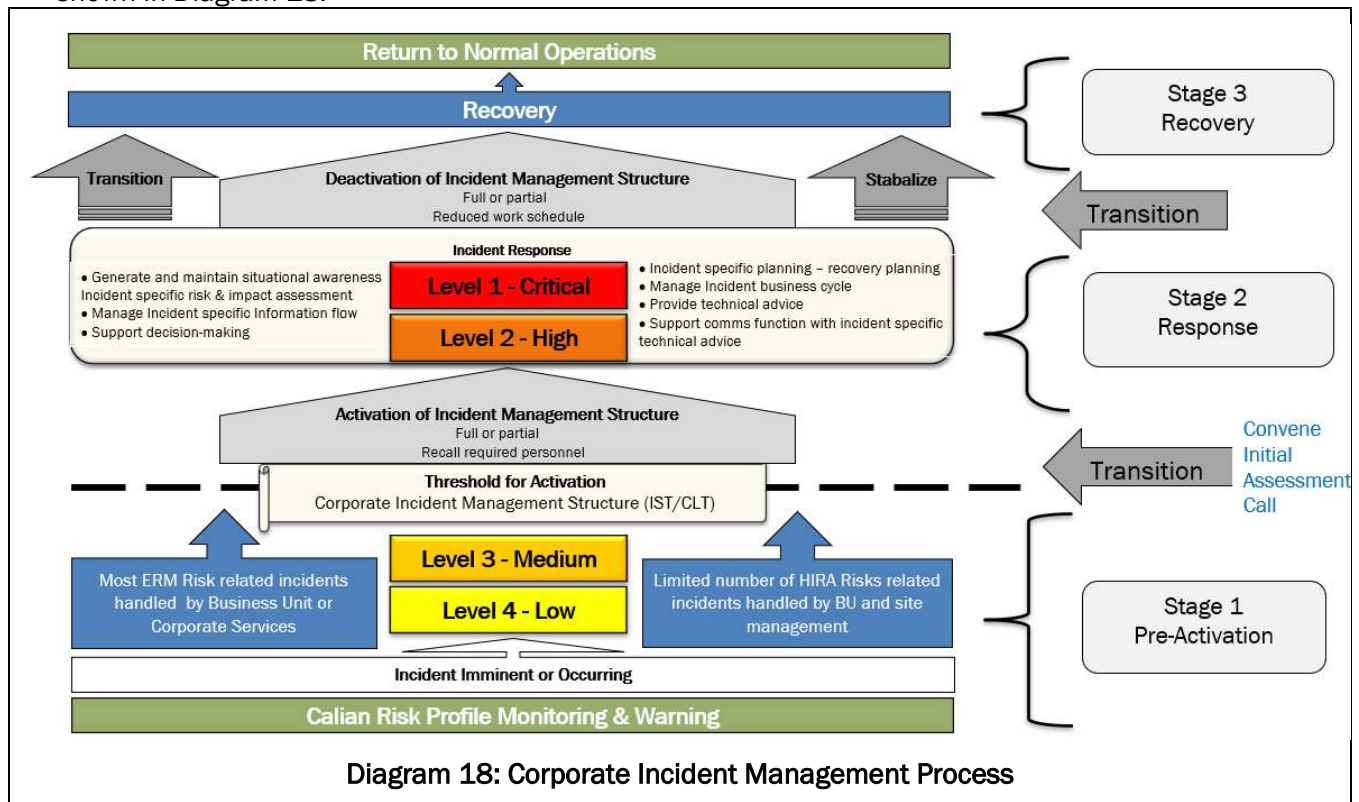
Calian's Risk Classification			
Risk Trend		Mitigation measure effectiveness	
Level	Description	Level	Description
	<u>Risk Trending Upward</u> – the risk is increasing in severity and likelihood	Not Effective	Deployed mitigation measures have not succeeded in lowering risk exposure to an acceptable level
	<u>Risk is Stable</u> – The risk is not getting worst or getting lower with severity and likelihood remaining stable	Some What Effective	Deployed mitigation measures have generated some positive impact on lowering the risk exposure but not sufficiently.
	<u>Risk is Decreasing</u> - The risk exposure is lowering with severity and likelihood decreasing	Effective	Deployed mitigation measures have resulted in the risk exposure to remain or lower into the acceptable range
		Highly Effective	Deployed mitigation measures have substantially lowered the risk exposure to a degree where it is no longer a concern

Diagram 17: Risk Trend and Mitigation Measure Effectiveness

Corporate Incident Management Response Process:

Calian also has a corporate incident management process that is fulfilled in three stages:

- Stage 1 – Pre-activation is based on the severity level of the risk, either low or medium. Most ERM-related incidents at this stage are handled by the operating segment or corporate services.
- Stage 2 – Response is activated if the severity level of the risk is high or critical. In that case, an assessment call is convened to manage the risk.
- Stage 3 – Recovery occurs once the risk has been stabilized and operations returned to normal, as shown in Diagram 18.



9. Metrics and Targets

The objective of climate-related financial disclosures on metrics and targets is to enable users of general-purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.

MT1. Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process: MT3. Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets:

Calian is continuing to build upon its existing metrics and targets to help guide the implementation of its commitment to Net-Zero by 2050 in line with the Net-Zero Challenge milestone requirements. As indicated in S2, Calian is working to develop a more robust ESG operating model, including improvement of data gathering in order to enhance the company's ability to identify and measure emissions, working with its suppliers and customers, and exploring new ways in which it can use analytics and automation to enhance decision-making and transparency. The corporate ESG team and business segment leaders are developing action plans to address the most material climate-related risks and opportunities with a focus on establishing targets related the company's most material value chain category of purchased goods and services at over 92 per cent of Calian's Scope 3 emissions.

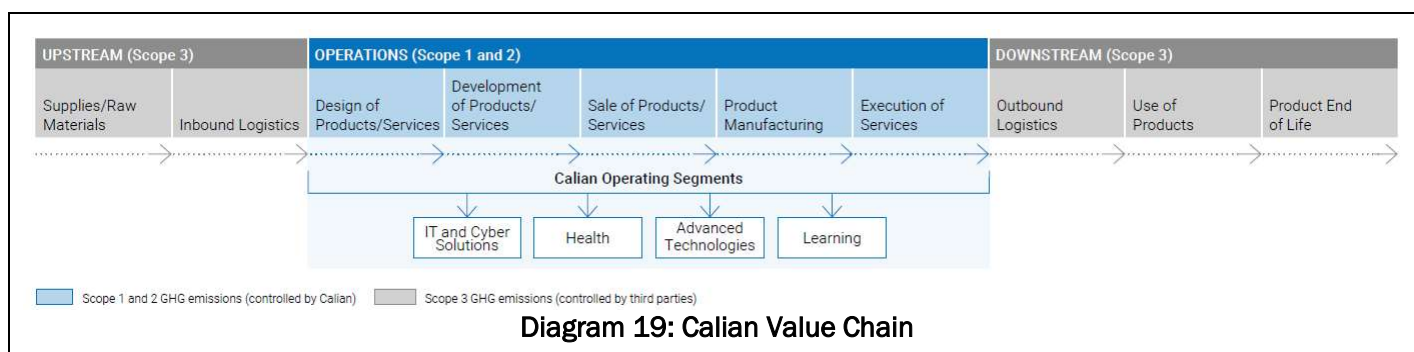
MT2. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks:

In 2022, Calian engaged an independent third party to support the development of a GHG emissions inventory for Scope 1 and 2 emissions and a screening of Scope 3 emissions. To facilitate the delivery of its inaugural ESG report, the company elected to use GHG emission source data from Calian locations for the reporting period October 1, 2021, to March 31, 2022. The calculation methodology followed the guidelines of the GHG Protocol Corporate Accounting and Reporting Standard for Scope 1 and 2 emissions. The company has leveraged the GHG protocol in identifying relevant upstream and downstream emission criteria for Scope 3.

For the screening of Scope 3 emissions, the Corporate Value Chain (Scope 3) Accounting and Reporting Standard was used for the calculations using Quantis. The emissions factors for purchased goods and services for Scope 3 for April 1, 2022, to Sept 30, 2022, were calculated using the U.S. EPA factors. For the purposes of accurately estimating the company's overall Scope 3 emissions, the decision was made to double the first half of 2022 Scope 3 emissions, as purchased goods and services was the highest emissions contributor at 86 per cent.

In 2024, Calian continued its approach of calculating Scope 3 based on the methodology established in 2023, namely, through utilizing NAICS codes and obtaining the respective emission factors from the U.S. EPA website. Of particular note is the inclusion of two of Calian's recent acquisitions into the Scope 1, 2 and 3 calculations—Decisive (a company that provides IT infrastructure and cybersecurity services), which was acquired in Dec 2023, and Mabway (a company that provides training and manpower solutions for the defence, maritime and railway sectors) which was acquired in May 2024.

In 2025, Calian acquired Advanced Medical Solutions, expanding Calian's healthcare offerings into primary care, paramedicine, and air & ground ambulance. This acquisition also strengthens Calian's presence in Northern Canada and creates valuable cross-selling opportunities. The approach to calculate Scope 3 emissions remained consistent year-over-year.



Emissions Inventory

In 2023, Calian completed its full-year emissions inventory for 2022 and will continue to report annually, including identifying the company's greatest opportunities for carbon reduction. Calian will establish and refine its key metrics and targets along with completing the scenario analysis exercise.

	FY2022	FY 2023 (Baseline)	FY 2024	FY 2025
Scope 1 direct emissions				
Scope 1 emissions (t CO ₂ e)	445	463	245	226
Scope 1 emissions intensity figure*	0.00000076	0.00000070	0.00000033	0.00000029
Scope 2 indirect emissions				
Scope 2 location-based emissions (t CO ₂ e)	2,895	3956	5059	6496
Scope 2 emissions intensity figure*	0.0000497	0.00000601	0.00000678	0.00000839
Total Scope 1 & 2 emissions	3,340**	4,419	5,304	6,722
Scope 3 emissions (t CO ₂ e)				
Total Scope 3 emissions	88,619***	59,389	72,809	60,481

* In 2023, Calian elected to convert to the Climate Disclosure Project (CDP) emissions intensity calculation of: tCO₂e /Rev\$. As such, the 2022 figure was updated for consistent comparison year over year.

** For the purposes of TCFD reporting, Calian assumed a steady state of other Scope 3 emissions from 1H2022 to 2H2022 and therefore, doubled the figures calculated in 1H2022 to estimate for the FY2022.

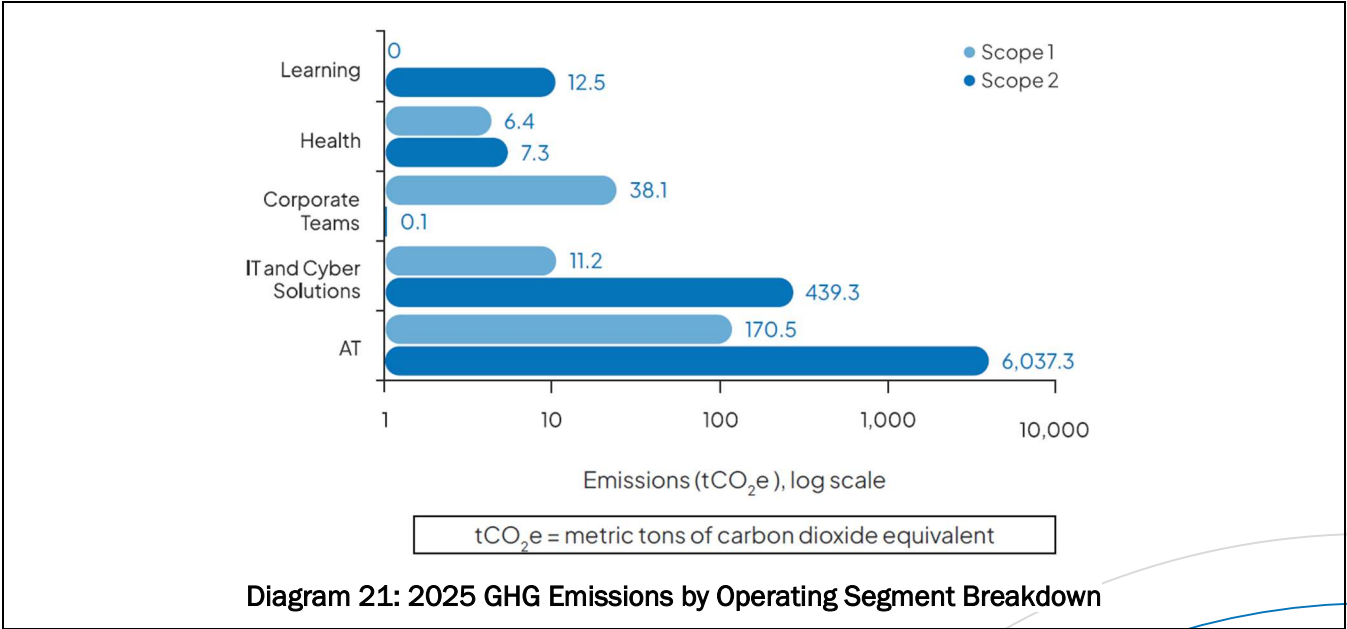
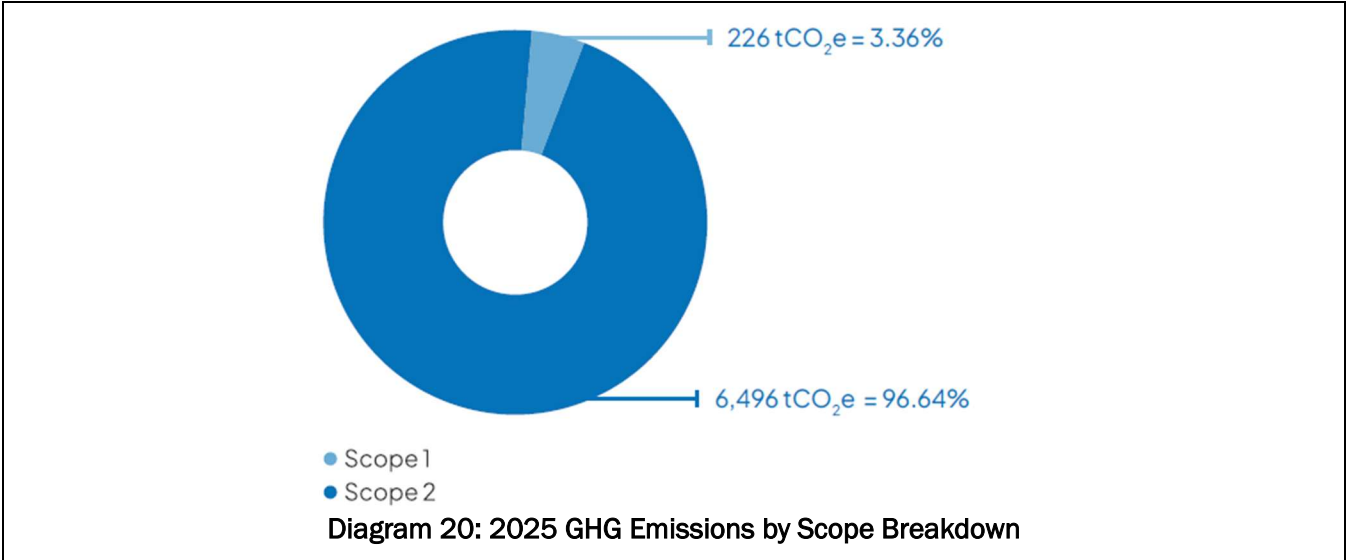
***The Quantis tool was used to calculate all Scope 3 elements in 1H 2022 including emissions related to Purchased goods and services. Starting in 2H2022, Calian only calculated purchased goods and services element of Scope 3 emissions since it was determined to be the most material (at greater than 90 per cent) of its total Scope 3 emissions. Furthermore, the methodology used for purchased goods and services relies on using the emissions factors by NAICS codes obtained from the US EPA database. For comparison purposes FY2022 Scope 3 emissions were recalculated using the NAICS codes method which resulted in a reduction from 95,322 tCO₂e to 88,619 tCO₂e.

In 2024, Calian continued to use the same methodology adopted in 2023, namely, the use of NAICS codes and their related emission factors as obtained from the U.S. EPA database. The increase in Scope 3 emissions can be directly attributed to the acquisition of both Decisive in December 2023 and Mabway in May 2024, which are both net additions in FY2024. Given that the emission factors obtained from the EPA are based on 2021 USD, Calian decided to use a cumulative inflation rate of 16 per cent to adjust the factors appropriate for 2024 USD (as obtained from the U.S. Bureau of Labor Statistics).

The Scope 3 emissions for FY2024 also include a small portion of capital goods, upstream logistics, and business travel related emissions for entities where data was readily available. However, these are immaterial in relation to the Scope 3 emissions attributable to purchased goods and services.

In 2025, Calian generated \$774 million in revenue (an increase of 3.6% from FY2024). Scope 1 emissions remained steady as compared to FY2024 and Scope 2 emissions increased 29% from FY2024. The above emissions intensity calculations show a decrease in Scope 1, but an increase in Scope 2 as the growth in Scope 2 emissions outpaced the growth in Revenue over the same period. Total Scope 3 emissions decreased in FY2025 as compared to FY2024, which can partly be attributable to decreased spending with vendors in industries that result in higher emission factors.

FY2025 Emissions Inventory Data Analysis



Scope 1: Stationary combustion is mainly from natural gas use and makes up the entirety of Scope 1 emissions, with Scope 1 representing 3.36% per cent of Calian total direct emissions combined.

Scope 2: Purchased electricity makes up the entirety of emissions, with Scope 2 representing 96.64 per cent of Calian total emissions for Scope 1 and 2 combined. Most of the electricity consumption occurs at the Saskatchewan facilities, where most of the manufacturing occurs.

Operating segments: Advanced Technologies (AT) represents 92.33 per cent of the total Calian emissions (Scope 1 and 2). These results were expected due to the manufacturing operations and larger number of facilities of total Calian square footage being attributed to AT.

The Scope 3 emissions screening informed us that the company's most material emissions were from purchased goods and services (category 1) across all segments. In 2024, Calian continued to refine its Scope 3 estimate, with a focus on purchased goods and services, to further understand how to drive emissions reductions and better realize the opportunities of working with its value chain stakeholders. Calian also included some other categories such as Capital Goods, Upstream Logistics, and Business Travel into Scope 3 for 2024 based on data availability.

In 2025, Calian continued its focus on capturing material sources of emissions, namely purchased goods and services (category 1). Calian also incorporated some available Scope 3 emissions from other categories where data was available and reliable.

Of note, Calian does not produce nitrogen oxides (NO_x) emissions, sulfur oxides (SO_x) emissions, volatile organic compounds emissions, hazardous air pollutants emissions and particulate matter emissions.

MT3. Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets:

Calian has committed to the Canada Net-Zero Challenge which encourages businesses to develop and implement credible and effective plans to transition their facilities and operations to net-zero emissions by 2050. In accordance with the Milestone 1 requirement, Calian has developed the TCFD road map indicated in Diagram 2.

The corporate ESG team and business segment leaders are continuing to develop action plans to address the most material climate-related risks and opportunities, including specific absolute emissions reduction targets aligned to the Net Zero Challenge Bronze tier criteria:

For Scope 1 (absolute emissions):

- 16 per cent emissions reduction by 2030
- 58 per cent emissions reduction by 2040
- Net-zero by 2050

For Scope 2 (absolute emissions):

- 16 per cent emissions reduction by 2030
- 58 per cent emissions reduction by 2040
- Net-zero by 2050

For Scope 3 (absolute emissions):

- 16 per cent emissions reduction by 2030
- 58 per cent emissions reduction by 2040
- Net-zero by 2050

In order to reduce the company's emissions, Calian will initially focus on establishing targets related to purchased goods and services as the largest value chain category of Calian's Scope 3 emissions.

10. Conclusion

As Calian continues its journey towards net-zero, the company recognizes it will need to be responsive to global changes and developments related to climate action. Calian recognizes the company's ESG journey is a continuous one and remains committed to embedding best practices in the business. The strides made to date are a testament to Calian's dedication to creating a sustainable future.

As a bronze-tier participant in the Net-Zero Challenge, Calian is committed to achieving its net-zero ambition by:

- Continuing to evaluate targets and establish action plans for the company and individual operating segments related to the most material risks, opportunities and client requirements and where data is available to do so
- Continuing to assess the ESG operating model, data coverage and methodologies that apply to the company operating segment priorities
- Disclosing company progress towards achieving net-zero targets
- Reporting transparently as the company continues to improve its approach and performance

In 2025, Calian will prioritize executing actions related to the three climate-related focus areas that emerged as top priorities across all four operating segments. These include:

- In-depth screening of the company supply chain
- Establishing and enhancing the ESG operating model
- Mapping customer ESG requirements and market trends and adjusting plans accordingly

The company looks forward to sharing progress as Calian works towards achieving interim targets on the path to net-zero by 2050.