



**GENERAL BANK**  
OF CANADA



# OSFI B-15 Climate-Related Financial Disclosure

2025

## About This Report

This report constitutes General Bank of Canada's ("GBC" or "the Bank") climate-related financial disclosure for the fiscal year ended December 31, 2025, prepared in accordance with the Office of the Superintendent of Financial Institutions ("OSFI") Guideline B-15: Climate Risk Management. The disclosure is organized under the four pillars of the Task Force on Climate-related Financial Disclosures ("TCFD") framework: Governance, Strategy, Risk Management, and Metrics & Targets, consistent with B-15's recommended disclosure structure for federally regulated financial institutions.

GBC is a Schedule I chartered bank supervised by OSFI. Emissions data covers GBC's Canadian operations for the period January 1 to December 31, 2025. For more information on OSFI Guideline B-15 and the climate risk management expectations applicable to federally regulated financial institutions, please visit: <https://www.osfi-bsif.gc.ca/en/guidance/guidance-library/climate-risk-management>

## About General Bank of Canada

General Bank of Canada is a Schedule 1 Chartered Bank headquartered in Edmonton, Alberta, supervised by the OSFI as a Small and Medium-Sized Bank ("SMSB"). With approximately 130 employees, GBC operates as a focused, relationship-driven institution offering innovative and competitively priced loan and deposit products to its customers across Canada. GBC's mission is to help its customers achieve their financial goals through best-in-class service levels. GBC recognizes that climate change presents material risks and responsibilities for the financial sector. As a federally regulated financial institution, GBC is committed to managing climate-related risks in a manner consistent with OSFI's expectations and sound risk management principles.

## Governance

### Governance of Climate-Related Risks

The Board of Directors ("the Board") of General Bank of Canada ultimately holds responsibility for oversight of climate-related risks and opportunities. The Board is responsible for ensuring that management incorporates material climate-related risks into the Bank's business model, strategy, capital, and financial plans. The Board discharges its climate risk oversight responsibilities primarily through the Risk and Compliance Committee ("RCC"), a senior management committee responsible for reviewing the Bank's climate risk management framework, climate risk appetite, and the progress of the Bank's climate-related risk management program. The RCC provides climate risk reporting and escalates material matters to the Board.

The RCC receives climate-related updates quarterly, presented by the Chief Risk & Compliance Officer ("CRCO") or Director, Non-Financial Risks. The Board receives climate-related updates at least annually. These updates cover emerging climate risk developments, regulatory expectations, progress against the Bank's multi-year Climate Risk Roadmap, and results of climate scenario

analysis exercises, including GBC's participation in OSFI's Standardized Climate Scenario Exercise ("SCSE").

- GBC is committed to ensuring Board members have access to the information and expertise necessary to effectively discharge their climate risk oversight responsibilities.
- GBC does not currently incorporate climate-related performance metrics into executive compensation or incentive structures. GBC will continue to evaluate the appropriateness of including climate-related indicators as its climate risk program matures.
- GBC applies a Three Lines of Defense model to the governance and management of climate-related risks, with accountabilities distributed as outlined in Table 1 below.

**Table 1: Climate Risk Governance Accountabilities**

<b>Level</b>	<b>Entity</b>	<b>Climate Risk Responsibility</b>
<b>Board</b>	<b>Board of Directors</b>	Ensures alignment, resources, and governance at the highest level of business as well as incorporating material climate risks into business model, strategy, capital and financial plans.
<b>Executive Leadership</b>	<b>Chief Risk &amp; Compliance Officer (CRCO)</b>	Oversee climate-related strategies and the resources and capabilities to support those strategies. Accountable for integrating climate-related risks into the ERM framework and Risk Appetite Statement. Provides strategic updates to the Board and Risk & Compliance Committee on climate-related matters.
<b>Senior Management Committee</b>	<b>Risk &amp; Compliance Committee (RCC)</b>	Responsible for reviewing the Bank's climate risk management framework, climate risk appetite, and the progress of the Bank's climate-related risk management program. Provides climate risk reporting and escalates material matters to the Board.
<b>Senior Leadership</b>	<b>Senior Leadership Team (SLT)</b>	Responsible for ensuring that climate-related risks are integrated into the ERM framework and climate risk management is embedded across the organization.
<b>Management</b>	<b>Director, Non-Financial Risks</b>	Ensures the business excels in planning and executing compliance and regulatory strategies related to climate risk. Supports the ERM Framework, including risks relating to sustainability and climate change, and provides updates to the Risk & Compliance Committee, as appropriate.
<b>First Line</b>	<b>Business Units</b>	Responsible for the day-to-day management of climate-related risks within their business units.
<b>Second Line</b>	<b>Risk, Compliance, and Security ("RiSC") Department</b>	Responsible for climate risk management and ensures the business excels in planning, executing compliance and regulatory strategies. Conducts reports of climate-related data in relation to the Bank's assets. Communicate with third-party vendors about calculation of emissions for public data.
<b>Third Line</b>	<b>Internal Audit</b>	Provides independent assurance over the design and operating effectiveness of GBC's climate risk management framework and related controls, consistent with GBC's risk-based internal audit plan.

<b>Advisory</b>	<b>General Counsel</b>	Considers and advise on governance and disclosure obligations and legal rules associated with climate-related risks and regulations.
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Internal oversight effectiveness is currently assessed through qualitative indicators rather than formalized metrics. While the Bank does not yet maintain a defined set of internal metrics for oversight effectiveness, GBC tracks progress against its multi-year Climate Risk Roadmap, including completion of action plan milestones, improvements in PCAF data quality, and adherence to climate reporting cadences established for the Senior Leadership Team, RCC, and Board. GBC is in the process of formalizing a defined suite of internal oversight effectiveness metrics to support more structured monitoring and reporting of governance performance as its climate risk program matures.

## Strategy

### Climate Risks and Opportunities

Climate risk management begins with identifying and assessing climate risks that are most relevant to the business of General Bank of Canada. To strengthen the Bank's approach, GBC has developed and applied methods and practices to conduct climate risk assessments. These assessments evaluate GBC's exposure to both physical and transition risks across short-, medium- and long-term time frames.

For the purposes of this disclosure, GBC defines its time horizons as follows: short-term (0–3 years), aligned with GBC's annual business and financial planning cycle; medium-term (3-10 years), reflective of the typical tenor of GBC's lending portfolio; and long-term (10+ years), capturing longer-dated physical risk manifestations and the trajectory of the global transition to a low-carbon economy.

The sections below outline climate-related risks and opportunities that could reasonably be expected to affect GBC's cash flows, access to finance, or cost of capital.

## Risks

**Table 2: Provides a general overview of potential climate-related risks. These climate related risks are evaluated over the short term (0-3 years), medium term (3-10 years) and long term (10+ years).**

Risk	Key Risk Type	Time Frame	Impact
<b>Transition Risk –</b> Financial, operational and strategic risks that arise as the economy shifts towards lower-	Financed Assets	Short /Medium Term	Lending portfolios face transition-related risks as the global economy moves toward lower carbon emissions. These risks may emerge when certain sectors or counterparties are unable to adjust their operations, strategies, or business models effectively. Vehicle types may move towards plug-in hybrids (PHEVs), hybrids and electric vehicles (EVs)

carbon models, cleaner technologies, and stricter climate policies and shifting interested parties' sentiments.	Strategic, Legal and Reputation	Medium / Long Term	Shifting customer expectations may require the Bank to adjust its business model and strategic priorities to stay competitive. If we do not evolve or fail to meet our stated goals, our reputation could be negatively affected. The Bank may also face regulatory consequences if environmental claims are made without a clear, credible plan to support them, including the possibility of significant fines.
	Systemic (Market) and Technological	Medium / Long Term	Broader climate-related disruptions may create instability across financial systems, including sector-wide stress or contagion effects. Emerging low-carbon technologies could also shift market dynamics, requiring GBC to adapt its processes and capabilities.
	Insurance	Medium / Long Term	Reduced availability or increased cost of property insurance in climate-exposed regions may affect the insurability and valuation of mortgage collateral. Sustained insurance market contraction in high-risk areas could impair borrower affordability and increase GBC's credit risk exposure on secured lending.
<b>Physical Risk</b> – Involves short-term, event driven risks from extreme weather (e.g. floods, wildfires and hurricanes) and long-term changes in climate patterns (i.e. sea level rise, drought, extreme heat, temperature increases, long-term health impacts).	Financed Assets	Short term / Medium	Assets located in climate-sensitive areas may experience reduced valuations and a higher chance of borrower default.
	GBC Assets	Short / Medium / Long Term	Climate-related physical events can damage or disrupt a bank's own buildings, offices, and operational sites, leading to service interruptions and increased repair or insurance costs. Longer-term climate shifts may also weaken business continuity and require additional investment in resilient facilities or technology.
	Operations	Short / Medium Term	Disruption to operations and damage to GBC's physical assets from environmental factors.

## Opportunities

General Bank of Canada recognizes that climate adaptation and the transition to a lower-carbon economy may create opportunities that support long-term financial resilience and strategic growth. At this stage of GBC's climate risk program, no material climate-related opportunities have been formally identified, however, emerging market trends, evolving customer preferences, and advancements in low-emission technologies present potential avenues to enhance portfolio quality and strengthen funding stability.

The following section outlines emerging and prospective opportunities for future consideration, areas that could reasonably be expected to influence GBC’s business model, cash flow, access to finance, or cost of capital over the short, medium, and long term as GBC’s climate risk assessment capabilities continue to develop.

**Table 3: Potential Climate-related Opportunities for GBC to Explore.**

<b>Opportunity</b>	<b>Time Frame</b>	<b>Specific Initiatives for GBC</b>	<b>Expected / Potential Benefit</b>
Improved Informed Climate-Risk Decision Making	Short Term	<ul style="list-style-type: none"> <li>• Integrate climate-risk factors into credit adjudication.</li> <li>• Compliant disclosures aligned with B-15 to show commitment to regulatory standards and more consistent and credible climate risk data reporting.</li> <li>• Expand scenario analysis and stress testing for both physical and transition-related climate risks.</li> </ul>	Reduced credit losses, stronger risk alignment and better data quality and accuracy of risk assessments.
Enhanced Portfolio Quality & Financial Stability	Medium Term	<ul style="list-style-type: none"> <li>• Identify high-risk geographies and adjust lending exposure.</li> <li>• Prioritize lending in climate-resilient regions.</li> <li>• Develop climate-aligned underwriting criteria.</li> </ul>	This can result in a more resilient loan book with lower long-term default risk.
Enhanced Regulatory Compliance	Short Term / Medium Term	<ul style="list-style-type: none"> <li>• Strengthen climate disclosures aligned with OSFI B-15, alignment with GBC’s partners.</li> <li>• Develop more high-quality data regarding Scope 3 emissions.</li> </ul>	Improved funding stability, stronger reputation and enhanced value chain stability. Compliance with OSFI regulations to support GBC’s standing with regulators and partners.
Operational Resilience & Business Continuity	Medium / Long Term	<ul style="list-style-type: none"> <li>• Assess physical climate risks to GBC offices and physical assets.</li> <li>• Update business continuity plans for climate events.</li> </ul>	Reduced operational disruptions, improved continuity.
Capital and Liquidity Adequacy	Short Term / Medium Term	<ul style="list-style-type: none"> <li>• Incorporate climate-related risks into the Bank’s ICAAP.</li> <li>• Incorporate impacts of climate related drivers on the Bank’s liquidity profile and integrate a range of Bank specific stress events when assessing the adequacy of the Bank’s liquidity buffers.</li> </ul>	Maintain sufficient capital and liquidity buffers for climate-related risks the bank faces.
Foundation for future strategic options	Medium / Long Term	<ul style="list-style-type: none"> <li>• Organizing data and governance needed to meet current OSFI B-15 requirements and adjust smoothly as expectations evolve.</li> <li>• Ensuring the climate-risk framework can be expanded without major operational changes.</li> <li>• Position GBC to respond efficiently to future regulatory or partner requirements by having foundational capabilities already in place.</li> </ul>	These efforts ensure GBC can meet future regulatory expectations with minimal disruption by having flexible systems, reliable data, and a scalable climate-risk framework already in place.

## Business Model and Value Chain

At present, General Bank of Canada has not identified any material impacts from climate-related risks or opportunities on its business model or financial position during the reporting period. Overall, the Bank's exposure to climate-related risks remains low, reflecting the nature of its lending activities, geographic footprint, and existing risk controls. GBC has similarly considered its value chain, including its funding sources, lending counterparties, and key third-party service providers, and has not identified material climate-related dependencies or concentrations at this stage of its climate risk program.

Future impacts may evolve as climate conditions, regulatory expectations, technological developments, and market dynamics continue to change. The Bank remains committed to strengthening its resilience by enhancing its ability to identify, assess, and manage climate-related risks within its established risk appetite, while also positioning itself to capture emerging opportunities. GBC will continue to advance its climate-risk capabilities to better understand potential long-term implications for its business model, financial position, and operational continuity. These efforts support the Bank's broader strategic objectives and contribute to maintaining long-term stability and performance.

**Table 4: Key business model characteristics relevant to climate risk concentration:**

Categories & Description	
<p><b>Lending Segments:</b> Commercial Real Estate (multi-family residential, industrial, office, construction and development); Aviation (private and commercial aircraft financing); Retail Automotive loans.</p>	<p><b>Geographic Lending Scope:</b> National, with GBC's head office located in Edmonton, Alberta. Exposures across all major Canadian provinces and coastal/wildfire-risk regions.</p>
<p><b>Operational Footprint:</b> Single leased office in Edmonton, Alberta. Minimal owned physical asset exposure.</p>	<p><b>Industry Exposure:</b> Primary sector exposure is commercial real estate and transportation assets (aviation and retail automotive). GBC has no direct lending exposure to oil and gas or agricultural sectors. Transportation-related exposures are subject to transition risk monitoring given evolving vehicle and aviation technology standards.</p>

**Table 5: Climate-Risk Concentration by Segment:**

Segment	Transition / Physical Risk	Concentration
CRE (Commercial Real Estate)- Multi Family	<p>Transition: Energy efficiency retrofits, carbon costs for tenants.</p> <p>Physical: Flood and wildfire risk to properties in climate-exposed regions; rising insurance costs affecting property cash flows.</p>	High
CRE - Industrial	<p>Transition: Higher carbon pricing pass-through to industrial tenants.</p> <p>Physical: Flood/wildfire risk to properties in high-risk regions.</p>	High
CRE - Office	<p>Transition: Stranded asset risk from obsolete energy performance.</p>	Medium

	Physical: Urban flooding in major metro markets.	
CRE – Acquisition, Development, and Construction (ADC)	Transition: Green material premiums, environmental regulatory delays, carbon pricing on construction costs. Physical: Extreme weather events causing construction delays and cost overruns.	Medium
Aviation (Private and Commercial Aircraft)	Transition: Carbon pricing on aviation fuel, SAF regulations, reputational/demand risk. Physical: Extreme weather events affecting airport operations and aircraft maintenance facilities.	Medium (partially mitigated by asset mobility and strong LTV).
Retail Automotive	Transition: EV adoption reducing internal combustion engine (ICE) collateral values. Physical: Flood/wildfire risk to vehicles in high-risk regions.	Medium-High
GBC Operations (Edmonton Office)	Physical: utility disruptions, extreme weather events. Transition: energy efficiency lease costs	Very Low (single-leased premise).
Third Party Service Delivery	Physical: business continuity risk from climate-related disruptions to third-party providers. Low but not quantified.	Low

### Current state summary based on scenario analysis results:

- Overall climate risk is assessed as LOW — no material current effect on GBC’s business model, lending strategy, or financial performance.
- 13 CRE loans identified within flood-risk zones out of 29 assessed for physical risk; no financial losses realized in the current period.
- All aviation loans remain overcollateralized even under stressed collateral values — no current financial impact.
- Insurance requirements on all financed real estate serve as the primary current mitigation for physical risk.
- Carbon pricing and energy efficiency regulations are beginning to create cost pressure for some commercial borrowers but have not resulted in material credit deterioration as of reporting date.

Anticipated Effects on the Business Model
<p><b>Short-term (0–3 years)</b></p> <p>Continued tightening of energy efficiency regulations for commercial buildings is expected to increase retrofit costs for CRE borrowers, particularly older multi-family and office properties. OSFI disclosure obligations (Scope 1 &amp; 2 FY2025) will require new data collection processes and may affect resource allocation</p>
<p><b>Medium-term (3–10 years)</b></p> <p>Carbon pricing under Output-Based Pricing System (OBPS) reaching CAD \$170/ton<sup>1</sup> by 2030 expected to increase cost burden for commercial tenants in carbon-intensive activities, potentially affecting rental</p>

<sup>1</sup> The \$170 per tonne CO<sub>2</sub>e figure reflects the excess emissions charge legislated under Schedule 4 to the *Greenhouse Gas Pollution Pricing Act* (SOR/2022-211) for calendar year 2030. This figure is subject to change. The Government of

income and borrower debt service capacity. EV adoption timeline (currently slowed by consumer carbon tax elimination) remains a medium-term risk for auto loan collateral values. Insurance availability and cost in high-risk geographic regions may tighten.

**Long-term (10+ years)**

Chronic physical risks (rising temperatures, sea level rise, increased frequency of severe weather events) anticipated to have greater impact on collateral values in affected regions. Market risk escalation to Very High in long-term assessment (per internal risk taxonomy). Potential regulatory capital add-ons for climate risk under future OSFI prudential framework.

## Strategy and Decision Making

As mentioned previously, General Bank of Canada has not identified any material impacts on its business model to date. However, GBC is strengthening its internal capabilities to ensure it can meet evolving regulatory expectations and better understand long-term implications. Current and anticipated changes relate primarily to enhancing governance and oversight of climate-related risks through strengthening disclosures aligned with OSFI B-15 to ensure transparent and consistent reporting that reflects the Bank's regulatory and strategic directions.

These changes do not alter GBC's core business model but enhance its ability to assess and manage climate-related risks within its existing business activities. As GBC's climate risk capabilities develop, climate-informed criteria may be incorporated into lending strategy and product development over the medium term.

- No strategic changes to GBC's core lending segments are currently required or planned as a result of climate risk — consistent with the **LOW** overall risk assessment
- Climate risk-informed decision-making is being embedded into credit risk assessment and underwriting processes as a capability, not as a portfolio restriction
- No divestment, sector exclusions, or concentration limits related to climate risk have been implemented to date

GBC is developing a lending-based Climate Transition Plan to formalize its approach to managing transition risk across its lending portfolio. While a standalone plan has not yet been finalized, GBC's current portfolio management practices reflect several transition risk considerations: no direct lending exposure to oil and gas or agricultural sectors; overcollateralization standards applied to the aviation portfolio under stressed transition scenarios; mandatory insurance requirements on commercial real estate collateral in climate-sensitive regions; and active monitoring of carbon pricing trajectories and EV adoption trends as they relate to collateral valuations. As GBC's

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Canada's 2026 federal carbon pricing benchmark review is currently underway, and consultations on potential updates to the Output-Based Pricing System (OBPS) framework are ongoing. GBC will monitor regulatory developments and update relevant assumptions as outcomes of the review are confirmed.

climate-risk program matures, the Bank will develop a more structured transition plan to align with OSFI B-15 expectations and support long-term strategic resilience.

### **Direct Mitigation and Adaptation Efforts**

The items on the list below directly strengthen GBC's resilience and operational continuity. As defined, direct efforts are those the Bank undertakes within its own operations, governance, and risk processes. At present, GBC's direct efforts include:

- Conducting climate-risk impact assessments and scenario analysis, including GBC's internal Climate Scenario Analysis Exercise completed using December 31, 2024 data and participation in OSFI's Standardized Climate Scenario Exercise (SCSE) first completed in January 2025, covering physical and transition risks across short, medium, and long-term horizons.
- Integrating climate-related risks into the ERM Framework and Risk Appetite Statement to establish governance controls and monitoring triggers that support ongoing oversight.
- Embedding climate risk into credit risk assessment and underwriting processes for commercial real estate exposures, with the CRE portfolio monitored as part of GBC's climate risk appetite.
- Assessing physical risks to GBC's offices and operational sites and updating business continuity plans to address climate-related disruptions such as utility outages from extreme weather events, consistent with GBC's existing operational resiliency framework. GBC operates from a single leased office in Edmonton, resulting in limited direct physical asset exposure and no owned buildings requiring capital climate adaptation investment.
- Improving climate-related data quality, including Scope 3 emissions data, in collaboration with third-party vendors to enhance the accuracy and completeness of GBC's emissions reporting.
- Continuing to produce climate-related disclosures that are verifiable and aligned with OSFI B-15 expectations.

### **Indirect Mitigation and Adaptation Efforts**

Indirect efforts relate to how GBC influences or responds to climate-related risks through its value chain, partners, and financed assets. These indirect efforts help GBC maintain a resilient value chain and support long-term financial stability. At present, GBC's indirect efforts include:

- Aligning with partner and interested parties' expectations through improved climate-related disclosures and consistent climate-risk reporting across GBC's value chain.
- Evaluating and monitoring climate-related risks within financed assets, particularly in climate-sensitive geographies and sectors subject to transition pressures, with physical and transition risk reporting to board and senior management being established as part of GBC's ongoing oversight process.
- Assessing third-party and vendor exposure to climate-related disruptions to support operational resilience across GBC's value chain.

- Mandating insurance requirements on all financed commercial real estate as the primary mitigation mechanism for acute physical risk to collateral, with potential development of enhanced flood and wildfire-specific insurance requirements for properties in identified high-risk areas.
- Applying conservative LTV underwriting standards within the aviation portfolio, with all loans maintaining overcollateralization under severely stressed transition scenarios.
- GBC has no direct lending exposure to oil and gas or agricultural sectors; existing portfolio composition provides inherent mitigation against the highest-emitting industry transition risks.
- Improving financed emissions measurement through the PCAF methodology, currently at Data Quality Level 4 and targeting Level 3 by 2030, to support better-informed portfolio management decisions.
- Conducting climate risk impact assessments across credit, market, operational, insurance, and liquidity risk categories in accordance with GBC's Climate Risk Action Plan.
- Targeting integration of climate stress testing into GBC's ICAAP within 3 years, to embed climate resilience into GBC's capital adequacy assessment process.
- Developing and implementing a Climate Transition Plan to guide GBC's approach to transition risk management across its lending portfolio.
- Assessing high-risk industries for transition exposure to inform future portfolio management decisions, including the potential development of concentration guidelines for climate-sensitive sectors.
- Implementing improved credit risk modelling for commercial loan exposures to better capture climate-related risk drivers within GBC's lending portfolio.

## Financial Position, Financial Performance and Cash Flows

Climate-related risks and opportunities did not materially affect the Bank's financial position, financial performance, or cash flows during the reporting period. Results from OSFI's Standardized Climate Scenario Exercise (SCSE), combined with the Bank's current portfolio composition, indicate that the Bank's exposure to both transition and physical climate risks remain LOW. While no material financial impacts were identified during the current reporting period, GBC recognizes that climate-related risks have the potential to affect its financial position over longer time horizons, as outlined in the scenario analysis results.

### Expected Future Effects — Short, Medium, and Long Term

#### Short-Term (0–3 years)

- **Financial performance:** No material climate-related credit losses are expected in the short term given the Bank's low risk profile and conservative underwriting. Climate stress testing results support this assessment:
  - Under the OSFI Standardized Climate Scenario Exercise (January 2025), ECL increases across three transition scenarios (Immediate, Delayed, and Net Zero) ranged from \$86K to \$142K on 61 assessed commercial loans. Note: 29 loans were excluded due to data limitations (no baseline probability of default available for aircraft, hotel, and owner-occupied segments).

- **Cash flows:** No expected material impact to interest income or non-interest income from climate factors in the short-term. Potential modest increase in operating costs from OSFI B-15 compliance (data collection, disclosure preparation, third-party model costs)
- **Financial position:** No capital adequacy implications anticipated. Climate stress testing to be integrated into ICAAP within 3 years, which may provide additional capital buffer insights
- **Key risk:** Insurance availability and cost for properties in high-risk regions; potential for more frequent acute weather events to materially exceed stressed ECL projections if tail risks materialize.

**Medium-Term (3–10 years)**

- **Financial performance:** Carbon pricing reaching \$170/ton by 2030 (under OBPS) expected to increase credit risk in the CRE portfolio as energy costs rise for commercial tenants. The Bank does not currently have a medium-term quantitative ECL forecast incorporating this trajectory, scenario analysis provides a directional estimate.
- **Cash flows:** Potential for incremental credit provisions if borrower debt service capacity deteriorates in carbon-intensive CRE sub-segments. Automotive collateral values at risk from faster-than-expected EV adoption (currently moderated by elimination of consumer carbon tax).
- **Financial position:** PCAF Level 3 data quality target by 2030 will enable more precisely financed emissions calculation and portfolio-level carbon footprint disclosure (Scope 3 on-balance-sheet by FY2028).
- **Regulatory:** Scope 3 GHG disclosure required by FY2028. This represents new disclosure obligations with potential for regulatory scrutiny.

**Table 6: This table shows Current recommendation action for Scope 1 and Scope 2 for Real Estate Properties.**

Category	Current PCAF Score	Recommendations
<b>Commercial Real Estate</b>	Score 5	<p>To achieve Score 3: Obtain floor area to apply average emission factors using estimated building energy consumption.</p> <p>To achieve Score 2: Obtain actual building energy consumption and apply average emission factors based on energy sources.</p> <p>To achieve Score 1: Obtain real building energy consumption and quantify emissions based on supplier-specific emission factors provided by utility providers.</p>
<b>Residential Real Estate</b>	Score 5	<p>To achieve Score 4: Improve data quality by providing accurate building typology, construction year and verified unit counts rather than provincial averages.</p> <p>To achieve Score 3: Transition to a floor-area and energy-use intensity approach using gross floor area, building type, and provincial benchmark EUI</p>

		values to estimate energy consumption and emissions.
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**Source: Information from Table 6 retrieved from Carbonhound’s technical slide deck: PCAF-Aligned Financed Emissions Reporting for General Bank of Canada, General Bank’s third-party emissions calculation provider.**

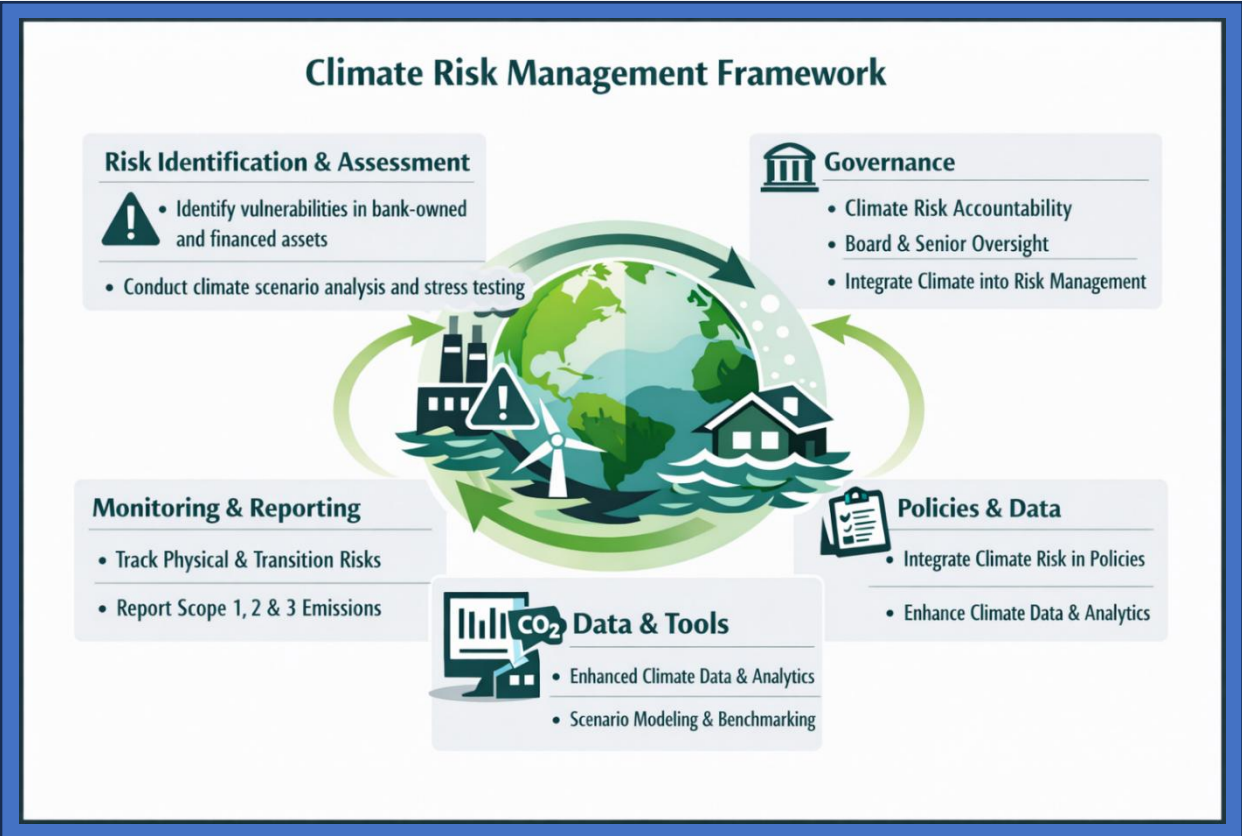
**Long-Term (10+ years)**

- **Financial performance:** Internal risk assessment indicates climate-related risk escalates to Very High in the long-term horizon (from Very Low in short-term), reflecting the cumulative trajectory of physical risk under long-horizon climate scenarios. Physical risk frequency and severity expected to increase materially, with potential for credit losses exceeding current scenario projections if climate change accelerates beyond base assumptions
- **Cash flows:** Long-term physical risk could impair collateral values and borrower income in affected geographies (flood/wildfire-risk regions nationally), leading to increased credit losses and reduced net interest income.
- **Financial position:** Potential future prudential capital requirements for climate risk (OSFI has signaled long-term prudential implications). Physical risk to commercial real estate collateral values in coastal and wildfire-risk regions may result in structural portfolio quality shifts.
- **Regulatory and reputational risk:** If GBC has not developed adequate climate risk identification and quantification capabilities by this horizon, regulatory and reputational risk could affect access to capital markets and funding.

## Risk Management

Climate risk is being embedded within the Bank’s overall risk management framework to ensure both physical and transition risks are addressed alongside traditional financial and non-financial risks. Climate risk has been formally embedded into the Bank’s Risk Appetite Statement and Enterprise Risk Management framework.

The Bank maintains a formal climate risk appetite statement recognizing the potential systemic implications of climate risk and its relevance to the Bank’s long-term resilience. The Board has approved a risk appetite that includes continuous monitoring of climate-related developments, evaluation of climate risks across GBC’s lending portfolios, adherence to applicable regulatory standards, and integration of climate risk into broader risk management frameworks.



**Note: This image was created using the assistance of artificial intelligence.**

### Identification of Climate-Related Risks

GBC identifies climate-related risks including physical and transitional risks, through established risk-assessment processes consistent with the TCFD framework and OSFI B-15. Furthermore, the Bank applies a structured identification process across bank-owned assets, financed assets, and third-party service delivery (See Tables 3 and 4 for reference).

Identification is guided by established frameworks, including:

- **TCFD** (*Task Force on Climate-related Financial Disclosures*) for physical and transition risk categorization.
- **PCAF** for financed-emissions data quality (currently Level 4, targeting Level 3 by 2030)
- **OSFI Guideline B-15** as the primary regulatory driver.
- **External evidence**, including the Edmonton Metropolitan Region Board (EMRB) Climate Resilience Study.

GBC's assessment of overall enterprise-level climate-related risk impact is limited, based on a comprehensive taxonomy review of 7 Level 1 risk categories and 23 Level 2 risk sub-categories. This review applied the TCFD and OSFI B-15 definitions of physical and transition risk drivers across GBC's business model.

Each risk driver was evaluated for relevance, exposure pathways, and potential financial impact, with results validated through scenario-analysis outputs. The assessment confirmed that, while climate-related risks are present, their potential impact on GBC's financial position, performance, and operations is limited given the Bank's single-office footprint, low-complexity operating model, and portfolio composition.

## Assessment of Climate-Related Risks

The Bank was able to come to this finding by assessing climate-related risks using both regulatory and internal scenario-analysis exercises and supplemented by portfolio-level risk reviews. This includes internal Climate Scenario Analysis Exercises and OSFI's Standardized Climate Scenario Exercise (SCSE).

### Regulatory Scenario Analysis (OSFI SCSE)

The Bank completed OSFI's Standardized Climate Scenario Exercise (SCSE), which provided structured insights into transition and physical risk exposures. The SCSE required:

- Classification of exposures across sectors, regions, and credit-quality buckets.
- Application of climate-adjusted PDs under Immediate, Delayed, and Net-Zero scenarios.
- Real estate transition analysis using heating/power-source proxies.
- Physical-risk geocoding of assets against flood and wildfire datasets.

The exercise highlighted the need for a more robust data structure and governance model, along with increased technical skills. This will better support future scenario analysis and enhance data validation.

### Internal Climate Scenario Analysis Exercise (CSE)

The Bank conducted its own scenario exercise using 2024 data, incorporating:

- Rising industrial carbon pricing (OBPS reaching \$170/ton by 2030).
- Elimination of consumer carbon pricing.
- Sector-specific impacts across CRE, aviation, and automotive portfolios.
- Physical-risk intensification from floods and wildfires.

Assessment methodologies included:

- Probability of Default (PD)/Loss Given Default (LGD) stress adjustments informed by historical downturns and external ESG analytics research.
- Geographic identification of flood/wildfire-prone regions using Natural Resources Canada.
- A severe-but-plausible 40% LGD increases assumption for physical-risk stress.

The Bank acknowledges limitations such as "single scenario narrative," independent module assessment, and data gaps for certain asset classes. These limitations show that GBC needs to continue strengthening its climate-risk capabilities by improving modelling, tightening data quality, and developing more detailed exposure analysis to meet future regulatory expectations and produce more useful insights.

**Data and Capability: Next Steps**

GBC’s next steps in strengthening its climate-risk assessment capabilities include:

- Implementing improved data classification standards across GBC’s lending portfolios.
- Evaluating additional credit risk modelling tools for non-CRE commercial loan exposures, to support a more robust assessment of GBC’s commercial loans.
- Continuing to identify industries and parts of the value chain that could be at higher risk from the transition to a low-carbon economy.

**Prioritization**

The Bank prioritizes climate-related risks through its materiality assessment and Risk Appetite Statement.

**Materiality Determination**

GBC’s materiality assessment concludes that climate-related risks currently present a limited potential impact to GBC’s financial position, performance, and operations, supported by:

- The comprehensive risk assessment covers 7 Level 1 risk categories and 23 Level 2 risk sub-categories.
- SCSE and internal CSE results.
- Limited physical exposure (single premise office in Edmonton, low-risk asset mix).
- Low transition exposure given GBC’s absence of direct lending to oil and gas or agricultural sectors.

**Risk Appetite Statement**

GBC maintains a formal climate risk appetite that includes:

- Continuous monitoring of climate-related developments.
- Evaluation of climate risks across GBC’s lending portfolios.
- Adherence to regulatory standards.
- Integration of climate risks into GBC’s broader risk-management frameworks.

GBC’s prioritization outcomes inform the ongoing monitoring of climate-related risks, scenario-analysis enhancements, and data-governance improvements.

**Risk Prioritization by Portfolio Based on Scenario Analysis:**

**Table 7: Risk Prioritization by Portfolio and Operational Area**

Portfolio / Exposure	Risk Priority	Basis for Prioritization
Commercial Real Estate (all sub-types)	Highest within GBC	Largest lending segment; most exposed to both physical and transition risk; primary focus of climate-

		specific risk monitoring within GBC's Risk Appetite Statement
Retail Automotive	Medium	Moderate ECL impact under both transition and physical scenarios; high loan count but individual loan sizes smaller
Aviation	Medium-Low	Strong LTV buffer (all loans overcollateralized even under stress); asset mobility mitigates physical risk
GBC Operations (Edmonton office)	Low	Single leased premise; limited owned asset exposure; covered by business continuity framework
Third-party service delivery	Low (not yet quantified)	Qualitative assessment only; no financial modelling completed

**Note: Overview of GBC's climate-risk priorities across key portfolios and operational areas. Prioritization reflects exposure size, sensitivity to physical and transition risks, and the availability of quantitative analysis, with Commercial Real Estate representing the highest-priority segment and other areas assessed proportionally based on risk and data maturity. Risk priority ratings reflect both portfolio concentration and scenario-modelled impact severity and may differ from concentration ratings presented in Table 5.**

## Monitoring

Monitoring activities are embedded within GBC's risk-management processes and informed by scenario-analysis results and portfolio-level insights. This helps the Bank identify early shifts in climate-risk exposure or vulnerability and incorporate them into regular oversight. These insights also support clearer risk thresholds, timely escalation, and more proactive decision-making across credit, portfolio management, and bank-wide reporting.

Monitoring efforts include:

- Ongoing review of physical-risk exposure in flood and wildfire zones.
- Tracking of transition-risk drivers such as carbon-pricing changes, energy-efficiency mandates, and EV adoption trends.
- Continuous assessment of data-quality improvements (e.g., PCAF level progression).
- Integration of climate-risk insights into business-continuity planning for third-party providers.

Monitoring results are reported to the Risk & Compliance Committee (RCC) on an annual basis, with material changes in climate-risk exposure escalated in accordance with GBC's ERM escalation protocols. Since GBC uses SCSE and internal CSE outputs as key pillars of its climate-risk assessment, these exercises provide the foundation for both quantitative and qualitative monitoring. This assists in understanding how exposures may shift under different climate pathways and conditions. They also support more consistent tracking of vulnerabilities across

portfolios and inform enhancements to modelling, data quality, and governance practices in line with OSFI B-15 expectations.

## Application of Principle 3

### How the Bank integrates climate related risks into the Risk-Management Framework

The Bank’s approach reflects Principle 3 by embedding climate-related risks into existing governance, risk-assessment, and monitoring structures.

#### Principle 3 alignment is demonstrated through:

- Integration into ERM: Climate risks are assessed using the Bank’s established risk-taxonomy and scenario-analysis processes.
- Forward-looking assessment and measurement: GBC uses both OSFI-mandated and internal climate scenarios to assess and quantify potential financial impacts, including ECL estimates across key portfolios.
- Data and methodology development: Adoption of TCFD, PCAF, and geospatial physical-risk techniques.
- Governance and oversight: Climate-risk insights inform risk appetite, materiality assessments, and ongoing monitoring.
- Continuous improvement: The SCSE highlighted the need for enhanced data governance and technical capabilities. GBC is incorporating these findings through improved data classification standards, evaluation of additional credit risk modelling tools for non-CRE exposures, and continued identification of high-risk value chain exposures.

**Table 8: Governance Accountability Structure Supporting Climate Risk Integration**

Level	Entity	Climate Risk Responsibility
Board	Board of Directors	Responsible for ensuring management incorporates material climate-related risks into the Bank's business model, strategy, capital and financial plans
Senior Management	Senior Leadership Team (SLT)	Responsible for ensuring that climate-related risks are integrated into the ERM framework and climate risk management is embedded across the organization
First Line	Business Units	Responsible for the day-to-day management of climate-related risks within their business units
Second Line	Risk, Security, and Compliance (RISC) Department	Responsible for the development and implementation of the Bank’s climate-related risk management; risk assessment, quantification, and identification of climate-related risks

Third Line	Internal Audit	Responsible for providing independent assurance over the adequacy and effectiveness of GBC's climate-related risk management framework, controls, and governance practices
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**Climate Risk Integration Summary**

Climate-related risk is embedded within GBC’s Risk Appetite Statement and Enterprise Risk Management (ERM) framework. Governance responsibilities are clearly defined: the Board provides oversight of climate-related risks, and Senior Management is accountable for integrating climate considerations into the ERM framework and across the organization's operations and decision-making. This structure ensures climate risk is treated as an integral component of the Bank’s overall risk-management approach.

**Integration Into Overall Risk Management (Short, High-Level)**

GBC’s processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into the ERM framework and Risk Appetite Statement, ensuring climate considerations inform credit adjudication, underwriting, portfolio monitoring, operational risk assessments, business continuity planning, and strategic decision-making. Scenario analysis results, both internal and OSFI-led, contribute to enterprise-level risk reporting, capital planning, and long-term strategic planning. The Risk & Compliance Committee (RCC) and other management committees review climate-related risks and opportunities through existing governance channels, ensuring climate risk is addressed and embedded within established processes and supports forward-looking and risk-aligned decision making.

**Processes for Identifying, Assessing, Prioritizing, and Monitoring Climate-Related Opportunities**

The following are climate-related opportunities derived from GBC’s business model and existing risk work. These are the starting points for formal opportunities in the identification process:

- Development of green and energy-efficient lending products, including green mortgages, sustainability-linked commercial loans, and retrofit financing.
- Financing client climate adaptation initiatives, including energy retrofits, EV fleets, and building upgrades.
- Portfolio resilience through proactive steering away from highest transition-risk assets.
- Data and capability development as a competitive differentiator through continued investment in PCAF and scenario analysis.
- Reputational and regulatory benefit from credible B-15 disclosure.
- Operational efficiency through energy management of GBC's Edmonton office.

General Bank prioritizes opportunities based on strategic alignment and regulatory relevance. These are assessed using qualitative (risk-management processes, strategy statements, scenario analysis methodology) and quantitative (metrics relative to exposure to high-risk sectors, GHG emission totals and scenario analysis outputs) data. Monitoring climate related opportunities is

done through quarterly management reviews and board reporting, where progress against the climate-risk roadmap is assessed. This ensures that any climate-related opportunities are evaluated and incorporated into the Bank's strategic decision-making.

### **Enterprise Risk Management (ERM) Framework Integration**

- Climate risk is being embedded within the Bank's overall risk management framework to ensure both physical and transition risks are addressed alongside traditional financial and non-financial risks.
- Policy and Framework Updates:
  - Climate risk is incorporated into the Risk Appetite Statement.
  - The Enterprise Risk Management (ERM) framework has been updated to explicitly include climate risks.

### **Risk Appetite Framework (RAF) Integration**

- The RAF has been updated to include climate risk.
- Climate risk appetite guiding principles embedded: continuous monitoring; CRE portfolio evaluation; regulatory adherence; ERM integration
- The climate risk appetite statement recognizes the systemic implications of climate risk and its relevance to long-term resilience.
- Capital and Liquidity Framework Integration
  - In parallel, the Bank will integrate climate-related stress testing into its broader stress testing framework and Internal Capital Adequacy Assessment Process (ICAAP). This integration is targeted for completion within 3 years, ensuring that climate risk is embedded into the Bank's capital planning and risk resilience assessments.

### **Proposed Initiatives:**

- Incorporate climate-related risks into the Bank's ICAAP.
- Incorporate the impact of climate-related drivers on the Bank's liquidity profile and integrate a range of Bank-specific stress events when assessing the adequacy of the Bank's liquidity buffers.
- Conduct climate scenario analysis considering a range of plausible and relevant models and climate scenarios, over various time horizons.
- Conduct climate scenarios that encompass both physical and transition risks.
- Capability Development: Maintain sufficient capital and liquidity buffers for climate-related risks the Bank faces.

### **Data Quality and Tools — Enabling Infrastructure for Integration**

- Enhance data collection and analytics to better capture climate-related data to facilitate the calculation of greenhouse gas emissions and climate related exposures. Leverage industry tools, third-party datasets, and regulatory guidance for benchmarking and scenario modelling. The Bank aims to periodically revisit climate-related scenario analyses as industry standards and tools continue to evolve.

- PCAF data quality: GBC's current PCAF data quality score is Level 4. GBC will continue to work alongside a third party to work towards a level 3 PCAF score). For further information, please refer to Table 8.

## Integration into Specific Risk Categories

**Table 9: The Action Plan documents climate risk impact assessments across all material risk categories. The following table captures the integration scope and status:**

Risk Category	Integration Action	Notes
Credit Risk	Climate risk impact assessment (physical & transition); credit data needs assessment	Most advanced; scenario analysis completed for CRE, Aviation, Auto portfolios
Market Risk	Climate risk impact assessment (physical & transition); market data needs assessment	SCSE Market Risk module not applicable to GBC (exempt)
Operational Risk	Climate risk impact assessment (physical & transition)	Business continuity framework covers some physical risk scenarios
Insurance Risk	Climate risk impact assessment (physical & transition)	CRCO flagged over-reliance on insurance as mitigation; warrants deeper assessment
Liquidity Risk	Climate risk impact assessment (physical & transition); climate stress testing	Capital and liquidity climate scenario analysis included in Roadmap
Strategic Risk	Climate risk impact assessment (physical & transition)	Impact on business model and strategy a core Roadmap deliverable
Reputational Risk	Climate risk impact assessment (physical & transition)	Referenced in Action Plan; disclosure credibility is a key reputational risk vector

**Note: GBC has initiated climate-risk impact assessments across all major risk categories, with Credit and Strategic Risk being the most advanced due to defined timelines and completed scenario work.**

**Table 10: GBC PCAF Data Quality Status – 2025**

Level	Description	GBC Status
Level 1	Verified emissions data reported by the borrower or investee (most accurate)	Not yet achieved
Level 2	Reported emissions data, not verified by a third party	Not yet achieved

Level 3	Estimated using physical activity data (e.g., energy use, production)	Target state (by 2030)
Level 4	Estimated using economic data (e.g., revenue, expenditure)	Current state (with some Level 3 elements)
Level 5	Estimated using average sector-level emissions or financial proxies	Below current state

**Note: These levels reflect the PCAF (Partnership for Carbon Accounting Financials) data-quality hierarchy, which ranks the reliability of financed-emissions data from most to least accurate.**

## Implementation Roadmap

The Bank is actively advancing its climate-related risk strategy in alignment with OSFI's Climate Risk Management Guideline, ensuring its practices evolve in step with regulatory timelines and industry standards.

OSFI has confirmed that SMSB federally regulated financial institutions are expected to disclose Scope 1 and 2 greenhouse gas (GHG) emissions for the fiscal year ending in 2025, submitted within 180 days of the fiscal year-end date. Scope 3 greenhouse gas (GHG) emissions for on-balance sheet assets are required by fiscal year 2028, with off-balance sheet assets under management required by fiscal year 2029.

Over the next five years, the Bank will focus on enhancing the quality of its climate-related data. Currently, the Bank operates at PCAF Data Quality Level 4, with some elements at Level 3. The goal is to achieve a consistent Level 3 data quality standard across the Bank by 2030. This will involve improving data collection processes, standardizing climate data reporting, and enhancing overall data management.

The Bank recognizes that climate risk management is an evolving discipline. As such, its approach to continuous improvement will remain proportional to the overall materiality of climate-related risks to the organization. Strategic updates to the climate risk framework will be made annually to reflect changes in regulatory expectations, the industry's best practices, and the Bank's own risk profile.

# Metrics and Targets

GBC uses a defined suite of climate-related metrics to assess, monitor, and manage climate-related risks and opportunities in alignment with OSFI Guideline B-15.

Emissions	tCO <sub>2</sub> e	tCO <sub>2</sub> e
	2025	2024
<b>Scope 1 – Direct Emissions</b> Includes emissions from company-occupied office spaces and corporate transportation, including natural gas use, backup generators, refrigerant servicing (top-ups and leaks), and fuel consumption.	139.59 tCO <sub>2</sub> e	124.04 tCO <sub>2</sub> e
<b>Scope 2 – Indirect Emissions</b> Emissions from purchased energy (primarily electricity, heating and cooling that the bank consumes but does not produce).	112.43 tCO <sub>2</sub> e	99.28 tCO <sub>2</sub> e

**Note: All data is provided by Carbonhound based on information provided by General Bank.**

### Scope 1 – 2024

Category	Emission Source Name	Total Emissions (tCO <sub>2</sub> e)
Stationary Combustion	Natural Gas Usage	114.3069
Mobile Combustion	Business Travel - 2020 GMC Acadia	3.4217
Mobile Combustion	Business Travel - 2024 Chevrolet Equinox (#1)	3.6241
Mobile Combustion	Business Travel - 2024 Chevrolet Equinox (#2)	2.6903
		<b>124.043</b>

### Scope 1 - 2025

Category	Emission Source Name	Total Emissions (tCO <sub>2</sub> e)
Mobile Combustion	Business Travel - 2020 GMC Acadia	3.6807
Mobile Combustion	Business Travel - 2024 Chevrolet Equinox (#1)	3.7708
Mobile Combustion	Business Travel - 2024 Chevrolet Equinox (#2)	3.5532
Stationary Combustion	Natural Gas Usage	128.5888
		<b>139.5935</b>

### Scope 2 – 2024

Category	Emission Source Name	Total Emissions (tCO <sub>2</sub> e)
Imported Energy	Electricity Consumption	99.2828
		<b>99.2828</b>

### Scope 2 – 2025

Category	Emission Source Name	Total Emissions (tCO <sub>2</sub> e)
Imported Energy	Electricity Consumption	112.4274
		<b>112.4274</b>

### **Metrics used by GBC to assess climate-related risks and opportunities:**

1. GHG Emissions tracking, scenario analysis, and financed emissions.
2. Physical risk concentration metrics, assessed across:
  - Commercial Real Estate (highest exposure)
  - Motor Vehicle Loans (large volume, low physical-risk sensitivity)
  - Aviation (mobile assets)
  - Single leased office location (low operational exposure)
3. ECL (Expected Credit Loss) Impact Metrics.

GBC uses expected credit loss ("ECL") impact estimates as a quantitative metric to assess the potential financial impact of climate-related risk scenarios on its lending portfolio. ECL estimates are derived from OSFI's Standardized Climate Scenario Exercise (SCSE), which modelled transition risk impacts across three scenarios: Immediate, Delayed, and Net Zero, on 61 assessed commercial loans. Under these scenarios, climate-related ECL increases above the baseline ranged from approximately \$86K to \$142K, supporting GBC's overall assessment of limited near-term financial exposure.

### **Assumptions for this data include:**

#### Scope 1:

- Natural gas consumption attributed to GBC's Edmonton office (LeMarchand Mansion) is based on GBC's proportional share of occupied square footage. As GBC shares the building with other tenants, total building natural gas consumption has been allocated to GBC on a square footage basis rather than using total building consumption.
- GBC assumes that there are no other combustion sources outside the natural gas and corporate vehicle categories.

#### Scope 2:

- All electricity that GBC uses comes from Alberta's electricity grid.
- Monthly kilowatt-hour (kWh) data reflects actual metered consumption with no estimates or gaps.

#### Measurement Approach:

- GBC's GHG emissions are calculated in accordance with the GHG Protocol Corporate Standard.
- Emissions calculations were performed using Carbonhound, a third-party GHG accounting platform. Emission factors are sourced and maintained by Carbonhound.

**Table 11: Comparison of Scope 1 and Scope 2 activities, emission sources, locations, methodology, measurements, annual differences as well as who the data was prepared by.**

Scope 1 – Direct GHG Emissions	Scope 2 – Indirect GHG Emissions
<p><b>i. Activities:</b> Scope 1 emissions include natural gas use for heating, corporate vehicle fuel consumption, and other direct combustion sources associated with GBC’s operations.</p> <ul style="list-style-type: none"> <li>• <b>Stationary combustion</b> (natural gas used for heating the Edmonton office)</li> <li>• <b>Mobile combustion</b> (corporate vehicle fleet used for business travel)</li> </ul> <p><b>ii. Emission Source:</b> Natural gas, corporate transportation, and other direct combustion sources</p> <ul style="list-style-type: none"> <li>• FY2025: <b>139.59 tCO<sub>2</sub>e</b></li> <li>• FY2024: <b>124.04 tCO<sub>2</sub>e</b></li> </ul> <p><b>iii. Location</b></p> <p>Scope 1 emissions originate from GBC’s single leased office in Edmonton, Alberta, and corporate vehicle travel across Canada.</p> <p><b>iv. Methodology</b></p> <p>Emissions calculated by Carbonhound using:</p> <ul style="list-style-type: none"> <li>• GHG Protocol Corporate Accounting and Reporting Standard</li> <li>• Government of Canada and IPCC emission factors</li> <li>• <b>Activity-based calculations (m<sup>3</sup> natural gas, litres of fuel, km travelled).</b></li> </ul> <p><b>v. Prepared By</b></p> <p>CarbonHound, using operational activity data provided by General Bank of Canada</p> <p><b>vi. Change Year-Over-Year</b></p> <p>Scope 1 emissions <b>increased from 124.04 tCO<sub>2</sub>e (2024) to 139.59 tCO<sub>2</sub>e (2025)</b>. This reflects higher direct combustion emissions, primarily from natural gas and corporate vehicle usage.</p>	<p><b>i. Activities:</b> Scope 2 emissions arise from purchased electricity used to operate GBC’s single leased office in Edmonton, Alberta. Electricity consumption is the only Scope 2 activity.</p> <p><b>ii. Emission Source:</b> Purchased Electricity</p> <ul style="list-style-type: none"> <li>• FY2025: <b>112.43 tCO<sub>2</sub>e</b></li> <li>• FY2024: <b>99.28 tCO<sub>2</sub>e</b></li> </ul> <p><b>iii. Location</b></p> <p>Scope 2 emissions originate exclusively from electricity purchased for GBC’s Edmonton, Alberta office.</p> <p><b>iv. Methodology</b></p> <p>Emissions calculated by Carbonhound using:</p> <ul style="list-style-type: none"> <li>• GHG Protocol Scope 2 Guidance</li> <li>• Location-based emission factors from the Government of Canada</li> <li>• <b>Activity-based calculations using monthly kWh consumption data</b></li> </ul> <p><b>v. Prepared By</b></p> <p>Carbonhound, using electricity consumption data provided by General Bank of Canada.</p> <p><b>vi. Change Year Over Year</b></p> <p>Scope 2 emissions <b>increased from 99.28 tCO<sub>2</sub>e (2024) to 112.43 tCO<sub>2</sub>e (2025)</b>. This increase reflects higher electricity-related emissions, driven by changes in monthly consumption patterns</p>

**Note: Emissions are quantified based on actual operational activity data and Government of Canada emission factors. Calculations are performed by Carbonhound, GBC’s third-party emissions measurement platform.**

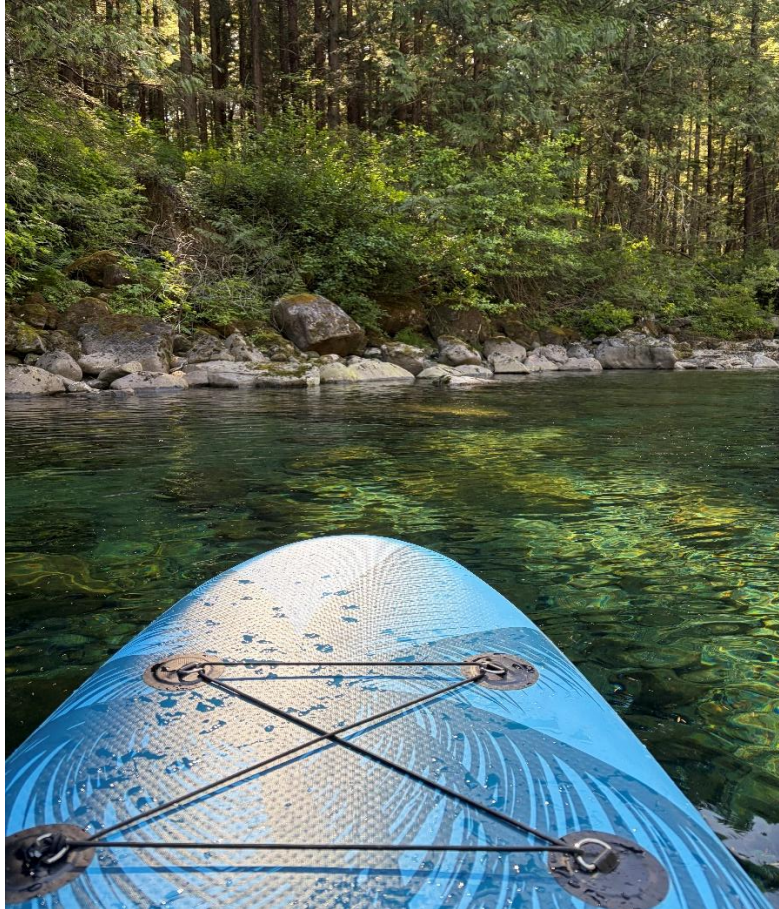
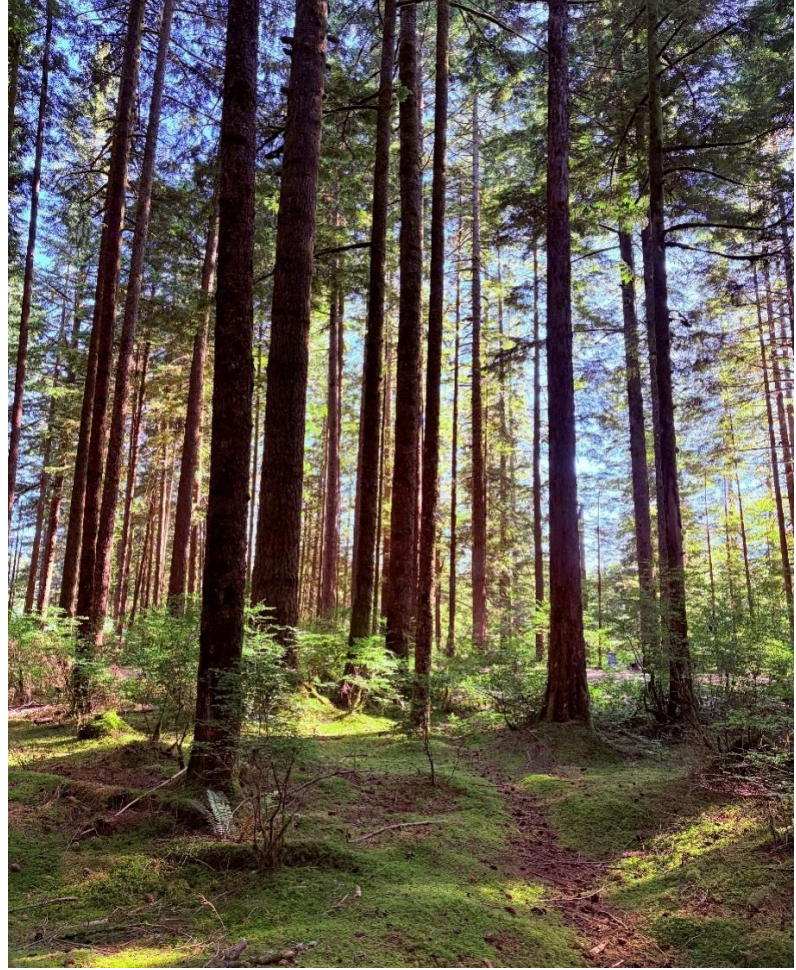
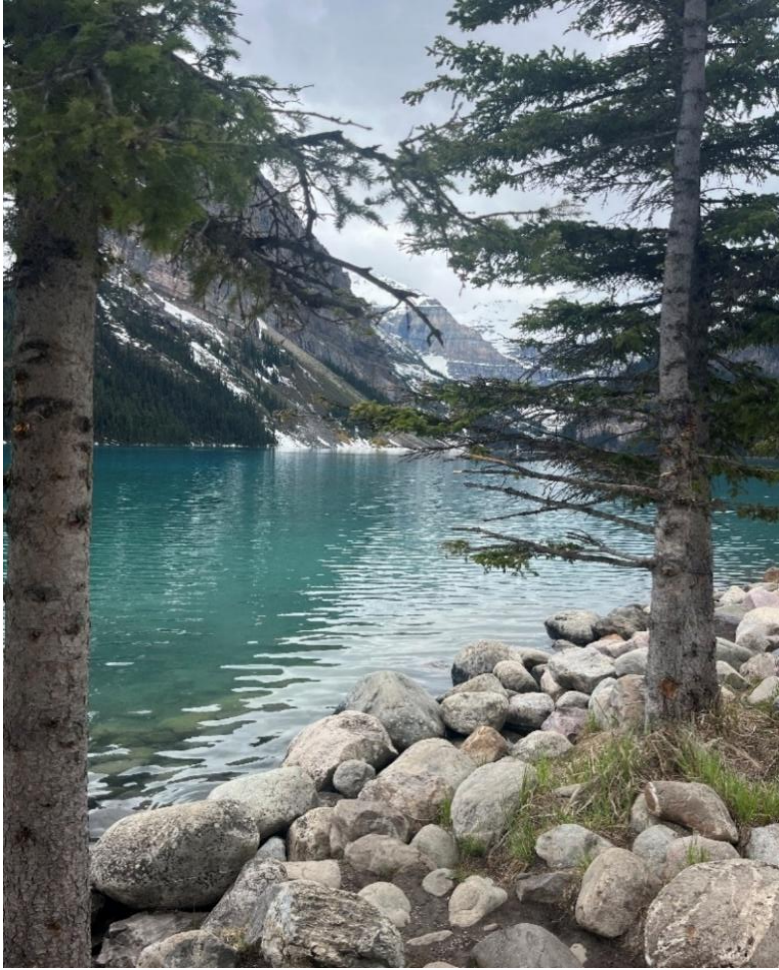
## Climate-Related Targets

GBC has established the following climate-related targets to monitor progress against its strategic climate risk management goals.

Target	Objective	Target Period	Baseline	Monitoring Approach
PCAF Data Quality	Achieve PCAF Level 3 data quality across key asset classes	By 2030	Level 4 (FY2025)	Annual review through Carbonhound; asset-class improvement roadmap
B-15 Disclosure Milestones	Disclose Scope 1 and 2 emissions (FY2025); Scope 3 on-balance sheet (FY2028)	Per OSFI timeline	FY2025 first disclosure	Annual regulatory review
ICAAP Integration	Integrate climate risk stress testing into the Bank's ICAAP process	By 2028	Not yet integrated	Annual senior management review

## GHG Emissions Reduction Targets

GBC has not established formal quantitative GHG emissions reduction targets for Scope 1, Scope 2, or Scope 3 financed emissions at this time. The Bank's current assessment is that setting verifiable emissions reduction targets requires a sufficiently robust data foundation. GBC's near-term priority is improving the accuracy and completeness of its climate-related data, advancing its PCAF data quality from Level 4 toward Level 3 across key asset classes by 2030. The Bank will continue to monitor regulatory expectations and industry practice and will evaluate the appropriateness of setting formal GHG emissions reduction targets as its data quality and climate risk management capabilities mature.



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