

2025 Climate-related Disclosures

Canada Development Investment Corporation



Land Acknowledgement

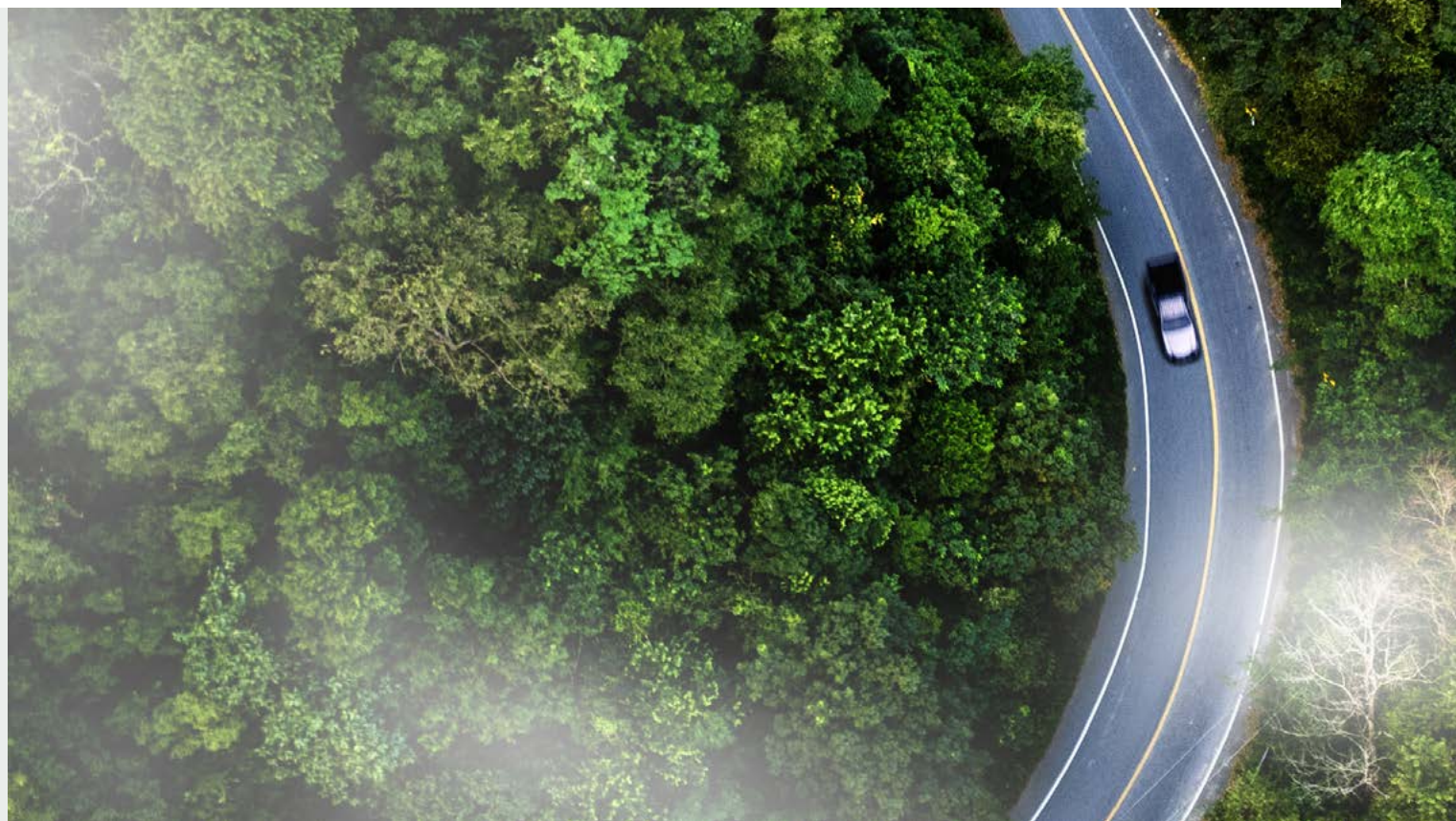
This report represents the climate-related disclosure of Canada Development Investment Corporation (CDEV).

As a federal Crown corporation, CDEV exercises a mandate across Canada, which is home to many diverse First Nations, Inuit, and Métis Peoples. CDEV operates across our country on unceded Indigenous territories with long and rich traditions. We are committed to Truth and Reconciliation with Indigenous Peoples and encourage our employees, directors, and all Canadians, to play a role in learning, understanding, and respecting their history, culture, and contributions to this land called Canada.



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About This Report

Our 2025 Climate-related Disclosure is our fourth annual publication outlining our climate approach, performance, and achievements for our Group of Companies.

The CDEV Group of Companies includes:

- Trans Mountain Corporation (TMC)**
- Canada Hibernia Holding Corporation (CHHC)**
- Canada Enterprise Emergency Funding Corporation (CEEFC)**
- Canada Growth Fund Inc. (CGF)**
- Canada Indigenous Loan Guarantee Corporation (CILGC)**
- 16342451 Canada Inc. (lender to Telesat Lightspeed)**
- Canada Eldor Inc. (CEI)**
- Canada Innovation Corporation (CIC)**

Reporting Boundaries

This disclosure reflects a group-wide reporting approach. It outlines CDEV's overarching governance, strategy, risk management, and metrics and targets regarding the climate-related risks and opportunities that could affect our financial prospects. Where relevant, detailed operational metrics and performance data are reported at the subsidiary level where direct climate impacts occur.

While CIC, CEI and 16342451 Canada Inc. are part of the CDEV Group of Companies they are excluded from the scope of this disclosure. During the reporting period, CIC did not conduct commercial operations, and CEI did not incur material financial costs due to its environmental liabilities or obligations. As of December 31, 2025, the Telesat Lightspeed project remains in the construction phase and has not commenced any business activities. As a result, 16342451 Canada Inc.'s exposure to climate-related risks is considered immaterial.

Subsidiary Reporting

Two of our subsidiaries, TMC and CGF, publish their own climate-related disclosures. Key references relating to their climate activities and performance are integrated throughout this report, where relevant. For detailed information on each subsidiary's approach to climate-related risks and opportunities, please see:

- [TMC 2025 Sustainability Report](#)
- [CGF 2025 Annual Report](#)

Reporting Details

This disclosure covers the reporting period January 1, 2025, to December 31, 2025. All facts and figures are as of December 31, 2025, unless stated otherwise. All amounts are stated in Canadian dollars, unless otherwise noted.

In alignment with the Government of Canada's mandatory climate disclosure requirements, CDEV has adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as part of its annual reporting. Please see [Appendix A](#) for our TCFD Index.

The 2025 Climate-related Disclosure was reviewed and approved by CDEV's Board of Directors. For more information on CDEV and our subsidiaries, see [About Canada Development Investment Corporation](#) and [Appendix B](#).

Message From Leadership

We are pleased to present our 2025 Climate-related Disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures. This report demonstrates our continued commitment to transparency and accountability by detailing our progress in managing our climate-related risks and opportunities – both at CDEV and across our portfolio companies.



Elizabeth Wademan, *President and CEO*

Delivering on Our Mandate

2025 unfolded against a backdrop of heightened economic and geopolitical uncertainty. In this environment, CDEV's role in advancing strategic national priorities and safeguarding Canada's commercial interests remains critical. As policy objectives intersect with private capital and global markets, the Government of Canada continues to rely on CDEV for sound commercial expertise, oversight, and execution.

Our portfolio reflects the diverse mandates entrusted to us by the government. The CDEV Group of Companies comprises eight subsidiaries and is responsible for managing and overseeing over \$75 billion in government assets. Throughout 2025, CDEV made significant progress delivering on these mandates while also supporting broader national economic and environmental priorities:

- **Canada Growth Fund (CGF)** continued to catalyze Canada's resources and expertise by unlocking their full potential through innovation across both emerging and traditional sectors of the industrial base. CGFIM (a subsidiary of CGF) executed 10 transactions and committed close to three billion dollars over a 12-month period.
- **Canada Enterprise Emergency Funding Corporation (CEEFC)** expanded its support for Canadian businesses requiring financial relief from trade pressures, while maintaining requirements for certain borrowers to publish their own climate disclosures. In 2025, CEEFC approved over \$500 million in support to major Canadian enterprises in strategic sectors.
- **Canada Indigenous Loan Guarantee Corporation (CILGC)** issued its inaugural Indigenous loan guarantee covering \$400 million of a \$736 million investment by 38 First Nations for a 12.5% equity stake in Enbridge's Westcoast pipeline system. This represents a step towards advancing Indigenous economic participation in major projects nationwide.

Managing Climate Risks and Opportunities

Delivering on our mandate also means managing a wide range of climate factors across our Group of Companies. Earlier this year, we refreshed our climate materiality assessment to identify the specific climate-related risks and opportunities that could reasonably be expected to affect CDEV's consolidated financial performance.

The assessment confirmed that CDEV's climate risks, primarily arising from our ownership of the Trans Mountain pipeline, currently outweigh our climate opportunities from a financial perspective. However, the climate opportunities within our portfolio remain strategically relevant and are being actively monitored and managed. CGFIM completed seven clean technology transactions during the year bringing CGF's commitments to companies and funds to more than \$950 million since its inception.

Managing climate risks and opportunities across the CDEV Group of Companies requires integrating climate considerations into investment analysis, stewardship, monitoring and reporting. As such, we are continuously enhancing our climate approach to foster informed, strategic decision-making and collaboration across our subsidiaries.

Message From Leadership continued

Maintaining Strong Oversight

Navigating the current economic and geopolitical uncertainty requires strong and capable leadership. CDEV continues to provide active oversight across the CDEV Group of Companies, including oversight of material climate risks and opportunities.

Our objective is to enhance CDEV's portfolio governance and oversight while enabling our subsidiaries, guided by their independent boards, to take ownership of management accountability. For new subsidiaries, CDEV provides support to advance operations, including Board and executive recruitment, project management, and engagement activities. In 2025, CDEV played a pivotal role in establishing a Board of Directors and appointing a President & CEO and CFO at CILGC, strengthening the organization's capacity to deliver on its mandate. We also appointed new Board Chairs at CDEV and CGF, ensuring we have the continued leadership and expertise required to guide our companies.

Ultimately, our oversight contributes to the resilience and accountability of our Group of Companies, helping us to deliver long-term value for Canadians.

Looking Ahead

As we look ahead, we remain committed to advancing climate objectives in alignment with the priorities of the Government of Canada and providing decision-useful climate-related financial disclosures aligned with the TCFD recommendations to communicate our progress.

Elizabeth Wademan

President and CEO

Canada Development Investment Corporation



About CDEV

CDEV operates at the intersection of public policy and private markets and is regularly called upon to advise on and execute critical financial transactions, support priority policy objectives, and maximize the value of corporate assets in Canada's best interest.

Our Mission

CDEV advances Canada's economic prosperity by delivering financial and commercial expertise as the trusted advisor and active asset manager to government.

CDEV was incorporated in 1982 under the provisions of the Canada Business Corporations Act and is wholly owned by His Majesty in Right of Canada. CDEV is a federal Crown corporation reporting to Parliament through the Minister of Finance.

Acting as a bridge between government objectives and the private sector, CDEV brings a commercial discipline to the evaluation, management, and divestiture of assets as well as other initiatives it executes in partnership with the Government of Canada.

CDEV has approximately 45 employees and is headquartered in Toronto with an office in Ottawa and teams in portfolio companies across the country.

Our Expertise

CDEV provides a unique and valuable perspective with deep financial expertise to the country's most complex and diverse commercial transactions across four areas of expertise.

1

**Financial and
commercial
advisory**

2

**Asset
management**

3

**Monetizations
and divestments**

4

**Indigenous
economic
participation**

CDEV Group of Companies

CDEV, as a parent company, oversees more than \$75 billion in assets through its diverse portfolio of wholly-owned subsidiaries:

Canada TMP Finance Ltd. (TMP Finance) provides financing to its subsidiary, Trans Mountain Corporation (TMC), which operates the Trans Mountain Pipeline. TMC employs over 700 staff and is led by an experienced executive team. CDEV oversees TMC under an MOU that defines governance, accountability and Board appointments. CDEV management is closely involved in maintaining TMC's financial health to support future monetization.

Year established / incorporated

2018

Sector / Industry¹

Oil & Gas – Midstream

Canada Hibernia Holding Corporation (CHHC) holds and manages the federal government's minority ownership interests of 8.5% in the Hibernia Development Project and 5.67% in the Hibernia Southern Extension Unit, together comprising the Hibernia oilfield offshore Newfoundland and Labrador. Hibernia is operated by Hibernia Management and Development Company Ltd. CHHC is led by a Calgary-based President and an experienced oil industry team providing expertise in technical operations, marketing, transportation, and finance.

Year established / incorporated

1993

Sector / Industry¹

Oil & Gas – Production

Canada Enterprise Emergency Funding Corporation (CEEFC)³ manages the Large Employer Emergency Financing Facility (LEEFF), which stopped accepting new applications in 2022, and administers the Large Enterprise Tariff Loan (LETL) facility to support large Canadian enterprises facing tariff-related financing challenges. CEEFC is led by a President and CEO, with management services provided by CDEV under a services agreement.

Year established / incorporated

2020

Sector / Industry¹

LEEFF: Airlines

LETL: Steel Producers, Metals & Mining

\$10B Total mandate value

Value of loans committed or guaranteed²

LEEFF: \$2.14B

LETL: \$515M

Canada Growth Fund Inc. (CGF)³ is mandated to build a financially prudent portfolio of investments that unlock private sector investment in Canadian businesses and projects to help grow Canada's economy at speed and scale on the path to emissions reductions, in the interest of remaining competitive globally over the longer term. CDEV and CGF signed an Investment Management Agreement (IMA) with the Public Sector Pension Investment Board and its subsidiary, Canada Growth Fund Investment Management Inc. (CGFIM), under which CGFIM provides investment management services to CGF and the CGF Board.

Year established / incorporated

2022

Sector / Industry¹

Renewable Resources & Alternative Energy, Metals & Mining, Infrastructure

\$15B Total mandate value

\$4.9B Value of commitments²

1. As of December 31, 2025. Sectors and industries reflect the [SASB Sustainable Industry Classification System](#).

2. From the date of incorporation to December 31, 2025.

3. The financial results for this subsidiary have not been included in CDEV's consolidated results for the year ended December 31, 2025.

CDEV Group of Companies continued

Canada Indigenous Loan Guarantee Corporation (CILGC)³ delivers the Indigenous Loan Guarantee Program (ILGP) to support Indigenous equity investments in major projects. Supported by CDEV and led by a President and CEO, CILGC conducts due diligence of eligible ILGP applications and manages loan guarantees long-term.

Year established / incorporated

2024

Sector / Industry¹

Open to all sectors except gaming

\$10B Total mandate value

\$400M Value of loans committed or guaranteed²

Canada Eldor Inc. (CEI) manages the remaining responsibilities for low-level nuclear waste disposal and the decommissioning of a former mine site. It has no commercial operations. CDEV oversees CEI to ensure it meets its obligations under the 1988 purchase and sale agreement with Cameco Inc.

Year established / incorporated

1988

Sector / Industry¹

Metals & Mining

16342451 Canada Inc. (lender to Telesat Lightspeed) manages the Government of Canada's \$2.14 billion loan for the Telesat Lightspeed project. 16342451 Canada Inc. handles the loan, including amendments, waivers, enforcement, and any related warrants or shares, and could manage other government loans or hold assets on behalf of the government in the future. The construction phase of the Telesat Lightspeed project is expected to last 5 years.

Year established / incorporated

2024

Sector / Industry¹

Technology & Communications

\$2.14B Total mandate value

\$581M Value of loans committed or guaranteed²

Canada Innovation Corporation (CIC) is mandated to help to maximize business investment in research and development across all sectors and regions of Canada to promote innovation-driven economic growth. Incorporated in February 2023, CIC is expected to be fully implemented no later than 2026–2027, as announced by the Government of Canada in December 2023.



1. As of December 31, 2025. Sectors and industries reflect the [SASB Sustainable Industry Classification System](#).

2. From the date of incorporation to December 31, 2025.

3. The financial results for this subsidiary have not been included in CDEV's consolidated results for the year ended December 31, 2025.

2025 Key Performance Figures and Highlights

Since 2010, the CDEV Group of Companies has returned over **\$11.2 billion** in payments to the Government of Canada.

CDEV

Over \$75B
in government assets
and initiatives

43+
years in
operation

8
subsidiaries and
45 employees

10
financial advisory projects
delivered in 2025 across
4 government departments

TMC

\$1.7B
returned to the Government
of Canada in 2025

3x
increase in pipeline
capacity since expansion
project completion

CEEFC

\$10B
loan facility launched to
support large Canadian
companies affected by
potential new tariffs

\$515M
loan commitments
approved

CILGC

Largest Indigenous loan
guarantee in Canadian history:

\$400M to **38** First Nations
for a 12.5% equity interest in
Enbridge's Westcoast natural
gas pipeline system

CHHC

\$2.7B
cumulative dividends

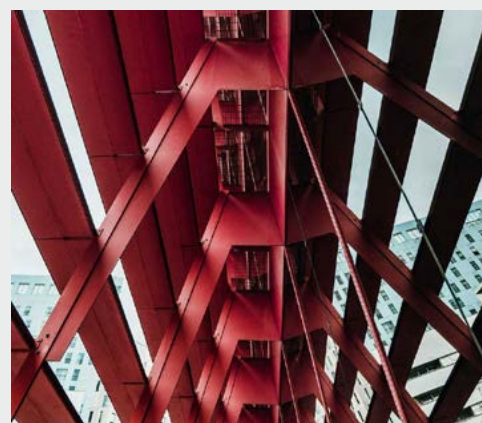
\$375M
cumulative federal Net
Profits Interest

\$801M
federal income tax

CGF

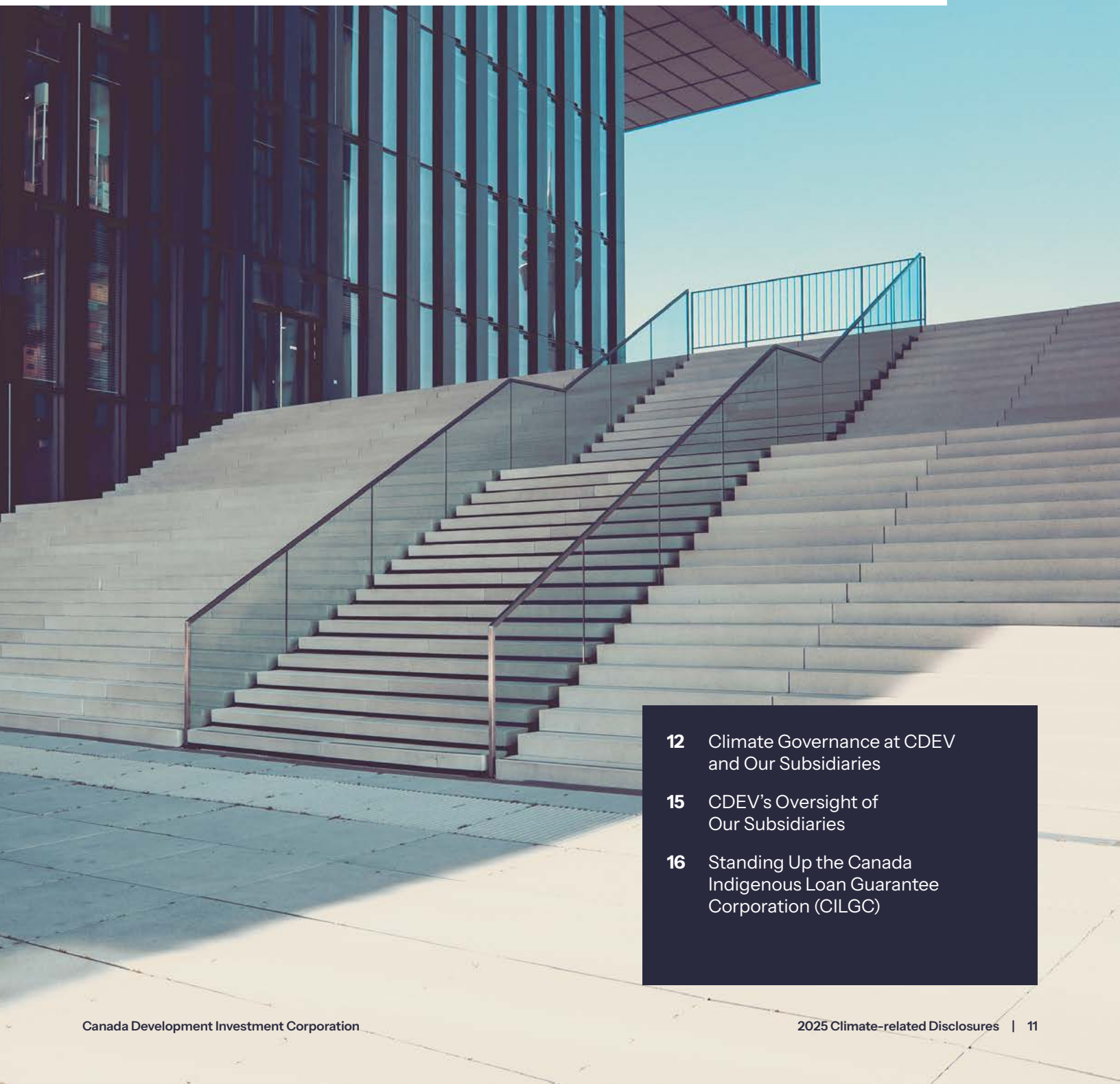
\$15B
to catalyze private sector
investment in Canada's
economy

\$4.9B
committed across
18 investments to date



Governance

This section provides an overview of our governance around climate-related risks and opportunities.



- 12** Climate Governance at CDEV and Our Subsidiaries
- 15** CDEV's Oversight of Our Subsidiaries
- 16** Standing Up the Canada Indigenous Loan Guarantee Corporation (CILGC)

Climate Governance at CDEV and Our Subsidiaries

CDEV operates with a commercial focus in alignment with the policy directives and priorities of the Government of Canada. Given its mandate and recognizing that climate change presents both systemic risks and strategic opportunities, CDEV has established a cohesive governance structure that formally embeds climate considerations into Board oversight and executive management.

At the highest level, CDEV’s Board of Directors maintains oversight of its consolidated climate-related risks and opportunities, ensuring the climate-related risks and opportunities are integrated into its governance and risk management processes. CDEV’s executive leadership team is responsible for the management and monitoring of its climate risks and opportunities across its subsidiaries.

We summarize our approach to climate governance at both CDEV and our subsidiaries in the table below.

Climate Governance Approach¹

	Board Oversight	Management Accountability
CDEV	CDEV’s Board of Directors (Board) is responsible for providing oversight over critical risks including climate-related risks.² The CDEV Board and the Audit Committee remain engaged to ensure the accuracy and reliability of decision-useful information in both financial and climate-risk reporting.	CDEV’s President and CEO has the highest level of management accountability for climate-related issues. The President and CEO is accountable for identifying, assessing, and managing climate-related risks and opportunities. CDEV’s management team reports information and updates on climate-related risks to CDEV’s Board semi-annually through its risk reporting framework.
TMC ³	TMC’s Board is responsible for overseeing critical environmental and social risks, including climate-related risks. This includes reviewing targets and programs, overseeing the management of ESG opportunities and risks, monitoring ESG performance and reporting, and overseeing the allocation of resources needed to meet environment, health and safety, and other relevant requirements and regulations. The TMC Board receives a quarterly update on corporate risks, which includes environmental and social risks, and separately identifies and assesses climate-related risks. The Environment, Health, Safety and Sustainability Committee of TMC’s Board receives quarterly reports from TMC’s executive management team on environmental and safety-related performance and issues.	The executive management team is directly responsible for: - Directing the development and implementation of ESG programs and activities, including climate-related actions - Oversight of progress, performance, and reporting on ESG and climate-related matters - Leading external engagement and advocacy on climate-related matters

1. Following the recent appointments of a new Board Chair and President & CEO, CILGC is in the process of formalizing its climate-related governance and risk management processes. Updates will be provided in future disclosures. A new Chair, Michael Bonshor, was appointed to the CILGC Board on March 10, 2025. CILGC’s new President & CEO, Kristan Straub, was appointed on January 13, 2026.

2. A new Chair, Dwight Ball, was appointed to the CDEV Board on November 5, 2025.

3. A new Chair, Don Lindsay, was appointed to the TMC Board on February 24, 2026. For additional details on TMC’s climate governance, see their [2025 Sustainability Report](#).

Climate Governance at CDEV and Our Subsidiaries continued

	Board Oversight	Management Accountability
CHHC	CHHC's Board is responsible for providing oversight over critical risks including climate-related risks.¹ The CHHC Board and the Audit Committee remain engaged to ensure the accuracy and reliability of decision-useful information in both financial and climate-risk reporting.	CHHC's President and CFO has the highest level of management accountability for climate-related issues. The President and CFO is accountable for identifying, assessing, and managing climate-related risks and opportunities. CHHC's management team reports information and updates on climate-related risks to CHHC's Board semi-annually.
CEEFC	CEEFC's Board is responsible for providing oversight over critical risks including climate-related risks. The CEEFC Board and the Audit Committee remain engaged to ensure the accuracy and reliability of decision-useful information in both financial and climate-risk reporting.	CEEFC's President and CEO² has the highest level of management accountability for climate-related issues. The President and CEO is accountable for identifying, assessing, and managing climate-related risks and opportunities. CEEFC's management team reports information and updates on climate-related risks to CEEFC's Board semi-annually.
CGF ³	Pursuant to the IMA, the CGF Board has delegated all decisions to CGFIM relating to CGF's assets and activities, including all investment decisions and effective management of climate-related risks and opportunities, in alignment with the CGF mandate and strategic objectives, without direction or undue influence from the Government of Canada. CGFIM provides annual reporting to the CGF Board on CGF's performance criteria, including climate-related metrics and a TCFD report. CGFIM also reports publicly on behalf of CGF, promoting accountability for portfolio impact management over time.	The CGFIM Board of Directors has established the Impact, Risk, and Investment Committee (IRIC), which has the duty and responsibility to review and approve all CGF investments. Investment approval memorandums submitted to IRIC include analyses of potential investments' impact performance, utilizing quantitative metrics when and where possible, including climate-related metrics, to support rigorous and evidence-based decision-making. Ensuring investments are undertaken in alignment with the CGF mandate is a priority for all levels of CGFIM management. CGFIM's Impact Measurement and Management function reports directly into the Executive Leadership Team, and consideration of CGF's performance criteria, including its climate change-related objectives, is integrated across strategic planning, due diligence, portfolio management and monitoring.



1. A new Chair, Jennifer Reynolds, was appointed to the CHHC Board on January 15, 2026.
2. CEEFC's new President & CEO, Lorraine Audsley, was appointed on February 24, 2026.
3. A new Chair, Corinne Boone, was appointed to the CGF Board on March 1, 2025. For additional details on CGF's climate governance, see their [2025 Annual Report](#).

Climate Governance at CDEV and Our Subsidiaries continued

Climate Skills and Competency

To enable effective oversight and governance, CDEV's Board brings together diverse expertise across 14 distinct skill areas, including climate change. We define climate change skills as demonstrated experience or knowledge in climate strategy and decarbonization, as well as activities and programs related to material climate-related risks and opportunities, and associated reporting. The 2025 skills matrix below summarizes the Board's collective competencies.

In 2025, CDEV progressed Board and executive renewal efforts to support the oversight of our increasingly diverse and complex portfolio. This included the appointment of new Board Chairs for CDEV, CILGC, and CGF, alongside the addition of directors across the CDEV Group of Companies. This expanded experience base supports decision-making and CDEV's stewardship of significant public assets.

In addition, to ensure governance remains aligned with rapidly evolving global standards, Board members receive regular education on current and emerging climate trends and topics related to CDEV's material climate-related risks and opportunities.

Skill	D. Ball	A. Damley	J. Reynolds	S. Rosch	S. Strickland	E. Wademan
Financial Acumen		•	•	•	•	•
Board Experience	•	•	•	•	•	•
Investment Banking / Private Equity / Mergers & Acquisitions / Project Finance	•	•	•	•		•
Public Sector / Government	•	•	•	•	•	•
Climate Change	•	•	•	•	•	•
Governance	•	•	•	•	•	•
Strategic Planning	•	•	•	•	•	•
Risk Management		•	•	•	•	•
Indigenous Partners	•	•			•	•
Human Resources & Compensation	•	•	•	•	•	•
Natural Resources Sector	•	•	•	•	•	•
Information Technology		•				
Infrastructure / Project Development	•	•			•	
Professional Accounting Designation		•				

Climate Reporting Requirements for Borrowers

To demonstrate CDEV's commitment to strong climate governance and disclosure practices, CDEV subsidiary CEEFC requires certain borrowers to publish annual climate-related financial disclosures aligned with TCFD recommendations. These reports detail governance, strategies, policies, and practices for managing climate risks and opportunities and support Canada's commitments under the Paris Agreement and net zero by 2050 goal.

These reports enable CEEFC to gain an understanding of the borrower's climate performance and greenhouse gas (GHG) emissions which inform CDEV's financed emissions from lending. For more information, refer to [Financed Emissions \(Unconsolidated Subsidiaries\)](#) in the Metrics and Targets section.

Collaborating on Climate Action

CDEV participates in the Crown Corporations Working Group on sustainability and the Crown Corporation Greening Community of Practice, supporting alignment with the Government of Canada's Greening Government Strategy. By building internal capability, collaboration, and climate awareness, CDEV supports Canada's broader low-carbon transition while maintaining strong stewardship of public assets.

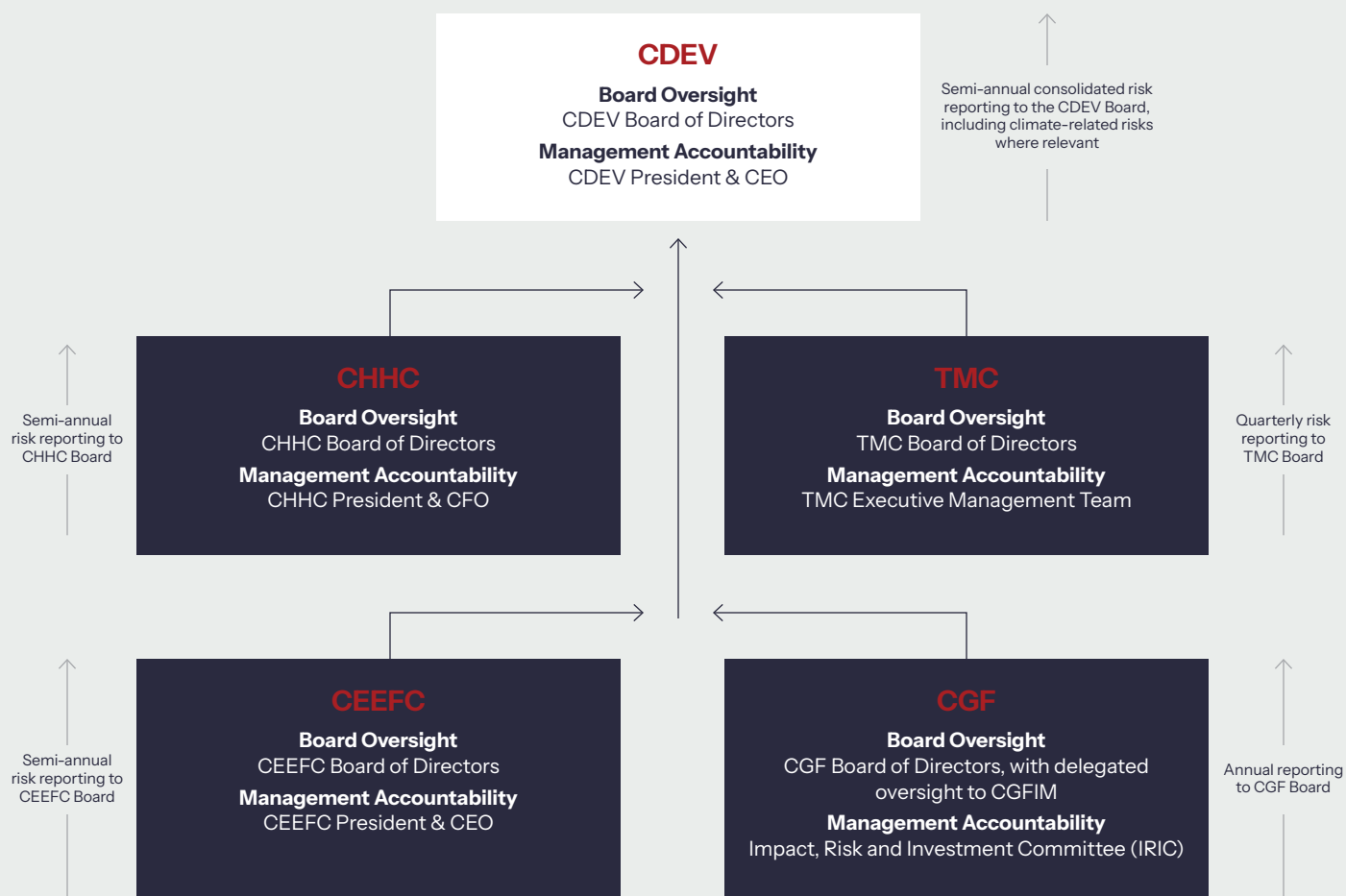
CDEV's Oversight of Our Subsidiaries

CDEV maintains a strong governance presence across our subsidiaries, including oversight of climate-related risks. In addition to overseeing climate risks at CDEV, the Board monitors climate risks at each subsidiary through its oversight and reporting structures.

CDEV's President and CEO and several CDEV Board members typically serve on the Boards of CEEFC, CGF, and TMC, providing direct oversight of subsidiary climate-related activities and performance.

The CDEV Board maintains oversight of climate-related risks through a semi-annual review of CDEV's consolidated risk report. This report incorporates relevant climate and broader environmental, social and governance (ESG) risks identified by CDEV and its subsidiaries based on their respective risk management processes.

Overview of Risk Governance at CDEV & Our Subsidiaries¹



¹ CILCG is currently formalizing its subsidiary risk reporting processes. As of December 31, 2025 there were no financially material climate risks or opportunities for CILGC that were included in CDEV's consolidated risk reporting.

Standing Up the Canada Indigenous Loan Guarantee Corporation (CILGC)

To advance Canada's Indigenous economic reconciliation and expand access to affordable capital for Indigenous groups, the Government of Canada recognized CDEV's financial expertise and entrusted it with delivering the \$10-billion Indigenous Loan Guarantee Program (ILGP). Executed through a newly formed subsidiary – the Canada Indigenous Loan Guarantee Corporation (CILGC) – CDEV led all aspects of implementation, including program infrastructure, national outreach, application intake, project due diligence and branding.

Establishing Independent Leadership

CDEV played a pivotal role in establishing CILGC's Board of Directors, which subsequently led a rigorous national search to appoint Kristan Straub as President and CEO, effective January 13, 2026. A member of Henvey Inlet and French River No. 13 First Nation, Mr. Straub brings over 25 years of global mining experience, spanning mineral exploration, mining and metallurgical operations, and senior executive leadership, with a strong record of delivering complex projects in partnership with Indigenous communities.

Open for Business

CILGC is fully operational and actively managing its long-term loan guarantee portfolio. CILGC has reviewed numerous applications, conducted more than 300 meetings as part of its ongoing outreach efforts, and is conducting financial and commercial due diligence on eligible ILGP applications.

In 2025, CILGC issued its first loan guarantee for \$400 million to help 38 First Nations in British Columbia make an investment of \$736 million for a 12.5% stake in Enbridge's Westcoast pipeline system. This transaction represents the largest Indigenous loan guarantee in Canadian history and establishes a replicable model for Indigenous equity participation in major projects across the country¹.



CILGC's Strategic Objectives

- 1 **Advance Canada's Indigenous economic reconciliation and self-determination**
- 2 **Unlock access to affordable capital for Indigenous groups**
- 3 **Facilitate Indigenous partnerships with private sector industry**
- 4 **Deliver better projects guided by Indigenous leadership and knowledge**
- 5 **Build Indigenous business and commercial dealmaking capacity**



**CANADA INDIGENOUS LOAN
GUARANTEE CORPORATION**

¹ On March 10, 2026, CILGC issued its second loan guarantee under the federal Indigenous Loan Guarantee Program. For more details see: <https://cdev.gc.ca/second-loan-guarantee-issued-under-the-federal-indigenous-loan-guarantee-program>

Strategy

This section describes the actual and potential impacts of climate-related risks and opportunities (as defined by the TCFD recommendations) on our business, strategy, and financial planning.

18 Our Approach to Climate Change

19 Climate Materiality Assessment

Our Approach to Climate Change

As a federal Crown corporation whose mandate includes managing critical public assets and delivering specialized financial and commercial expertise on behalf of the Government of Canada, CDEV recognizes that how it identifies and manages climate-related risks and opportunities is directly tied to its effectiveness in delivering sustainable economic growth and prosperity.

Our diverse portfolio of assets, which ranges from large energy infrastructure to clean growth investments, presents different climate risks and opportunities tied to each subsidiary's business model and operating context.

This means that there is no one-size fits all approach; rather, each subsidiary is tasked with addressing and managing climate risks and opportunities specific to its own mandate.

This tailored and pragmatic approach allows CDEV to balance the dual challenges of optimizing the long-term value of its energy assets and scaling clean technologies while maintaining rigorous commercial discipline and delivering strong returns to the Government of Canada.

Our approach to climate change is guided by three strategic pillars:

Pillars	Key Actions
Enhance mitigation of climate-related risks within our business strategy	In 2026, we conducted a climate materiality assessment to understand the climate risks and opportunities affecting CDEV and our subsidiaries and identify those with the greatest potential to impact our long-term value.
Explore avenues to build resilience to the physical impacts of climate change	In 2024, we conducted qualitative scenario analysis for CDEV and relevant subsidiaries to better understand the resilience of our strategy and support our decision-making processes. For more details on the approach and results of CDEV's Climate-related Scenario Analysis, see our 2024 Climate-Related Disclosure. TMC, our largest subsidiary, continues to use climate scenario analysis and materiality assessment results to: • Inform long-term planning and asset design, including system standards, asset hardening, and rerouting decisions in high-risk areas (e.g. rerouting a 900-metre pipeline segment in 2024 to mitigate avalanche and rockfall risks) • Embed resilience into operations through enhanced monitoring (weather, watercourses, geohazards), proactive maintenance and inspections, emergency response readiness, and design adaptations (e.g. flood tolerance, sea level rise considerations, and heat stress protections)
Strengthen climate-related disclosure in alignment with the TCFD recommendations	We continue to take a phased and pragmatic approach to implementing the TCFD recommendations, largely consistent with the pace recommended by the Expert Panel on Sustainable Finance. ¹

1. Government of Canada – Final Report of the Expert Panel on Sustainable Finance.

Climate Materiality Assessment

Climate materiality assessments are a foundational component of our climate change approach. In 2022, we conducted our first climate-related financial materiality assessment (climate materiality assessment) to understand the climate risks and opportunities that impact both CDEV and our subsidiaries. Since then, the climate disclosure landscape has rapidly evolved, and our portfolio has expanded to include three new subsidiaries. These changes, together with the best practice of refreshing materiality assessments every 3–5 years, led us to update the assessment in 2026.

Our Approach to Assessing Climate-related Risks and Opportunities

The climate materiality assessment identified the climate-related risks and opportunities with the greatest potential to materially affect CDEV's financial position, performance and cash flows over the short (0 to 3 years), medium (4 to 10 years), and long-term (11 to 20 years).

Our approach was guided by relevant sustainability frameworks and standards including the TCFD and the Canadian Sustainability Disclosure Standards *Climate-related Disclosures* (CSDS 2). We evaluated CDEV's inherent exposure by assessing significance and likelihood for both physical and transition climate-related risks in line with our Enterprise Risk Management (ERM) Policy, Framework & Standard. For more information on our approach to Enterprise Risk Management, see [Risk Management](#).

Conducted with the support of a third-party expert, the assessment focused on CDEV and the subsidiaries within our Group of Companies that have the highest inherent exposure to climate-related risks and opportunities based on their business activities and contribution to CDEV's annual revenues. Financial materiality was assessed at the CDEV group level and was validated by members of our executive leadership team, including the Chief Financial Officer.

Define Climate Topics & Evaluation Framework

- Define relevant topics using the TCFD's categorization of climate-related risks and opportunities
- Identify climate-related risks and opportunities based on CDEV's climate strategy, business model and value chain¹
- Define evaluation framework using CDEV's ERM criteria, strategic time horizons and financial materiality threshold



Assess Climate Risks & Opportunities

- Evaluate climate-related exposure by assessing the inherent significance, likelihood, and time horizon of each risk and opportunity
- Identify the potential effects of each risk or opportunity on CDEV's financial position, performance, and cash flows



Assess & Validate Financial Materiality

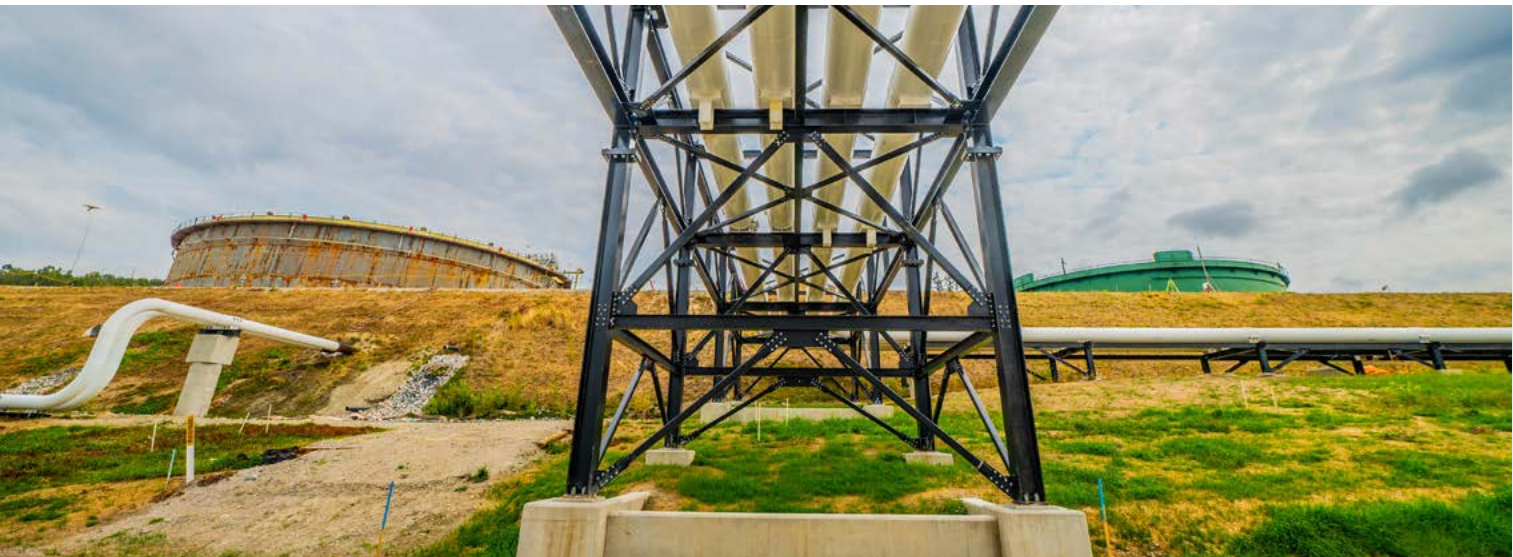
- Engage CDEV and relevant subsidiaries to validate significance, likelihood and time horizon ratings of key risks and opportunities
- Review results with CDEV senior leaders and Board to validate and confirm CDEV's material climate-related risks and opportunities

1. The assessment included TMC, OHHC, CEEFC, CGF, CILGC and 16342451 Canada Inc. (lender to Telesat Lightspeed). As noted above, assessment of CEI's climate-related impact(s) and strategy have been excluded from this report due to the limited potential for future climate-related impacts as a result of the nature of its business. CIO's climate-related impact(s) and strategy have also been excluded from this report given its limited operations in 2025.

Climate Materiality Assessment continued

Given the evolving and complex nature of climate-related risks and opportunities, we will continue to review our climate materiality assessment annually as part of our risk assessment process so that our climate-related priorities and disclosure focus on the factors most likely to affect organizational value.

CDEV’s materiality assessment does not preclude subsidiaries from conducting their own assessments in the future. Where relevant, these may be incorporated into CDEV’s annual materiality review.



Material Climate-related Risks and Opportunities

Climate-related risks and opportunities originate at the subsidiary level and are subsequently rolled up to CDEV in its role as the parent company. Financial materiality was assessed at the overall CDEV level rather than for each subsidiary individually.

Our assessment determined that CDEV’s most significant financial exposure is driven by TMC and CHHC, given the nature of their businesses, inherent exposure to climate-related factors and contributions to CDEV’s annual revenues.

The table to the right presents a consolidated summary of CDEV’s material climate-related risks and opportunities:

	Climate Risk/Opportunity	CDEV
Climate-related Risks	Acute Physical	✓
	Chronic Physical	✓
	Policy & Legal	✓
	Technology	✓
	Market	✓
	Reputational	✓
Climate-related Opportunities	Resilience	—
	Products & Services	—
	Market	—
	Resource Efficiency	—
	Energy Source	—

✓ Financially Material
 — Not Material

Climate Materiality Assessment continued

Description of Material Climate-related Risks

The table below provides additional details on the results of our climate materiality assessment, including an overview of each material risk, a description of how the risk affects relevant subsidiaries, and a summary of how these exposures could translate into potential financial impacts for CDEV.

While climate-related impacts will differ by subsidiary, the most significant climate-related impacts to CDEV are those transmitted through TMC and CHHC. Accordingly, the table primarily focuses on these subsidiaries.

Climate-related Risk	Description	Transmission of Potential Financial Effects to CDEV ¹
Acute Physical Risks Risks posed by event-driven climate-related occurrences (e.g. storms, floods, wildfires) that are increasing in frequency and intensity. Acute physical risks are expected to be episodic in nature, with impacts dependent on the frequency, severity and geographic distribution of extreme weather events. 	• TMC is exposed to acute physical risks arising from event-driven hazards such as severe weather events (e.g. storms, land flooding, drought and wildfires). These events may disrupt asset operations, affect the availability and reliability of infrastructure and increase demands on maintenance and remediation activities. Refer to TMC's 2025 Sustainability Report for more information. • CHHC is exposed to acute physical risks through its minority non-operated working interests in the Hibernia Project. Although the Hibernia platform has a robust design, it operates offshore in an area subject to windstorms, hurricanes, icebergs and severe sea conditions. These events may disrupt asset operations, damage offshore oil platforms and impede production and transportation activities.	• Increased operating and capital costs and temporary operational disruptions can affect the timing and stability of cash flows available for dividends and other financial returns. • Event-driven increases in expenditures may create short-term cash flow timing pressures, which could affect predictability of distributions under severe or repeated events. • Severe or recurring acute physical events may affect expectations for future cash flows and reinvestment needs, which could influence the valuation of CDEV's interest in TMC and CHHC over time. • Acute physical risk exposure may affect insurance availability, pricing and broader risk perceptions, which could influence financing conditions at TMC and CHHC and indirectly affect CDEV through reduced distributable cash flows.
Chronic Physical Risks Risks posed by longer-term shifts in climate patterns (e.g. rising average temperatures, sea level rise, sustained changes in precipitation) that happen gradually over time. 	• TMC is exposed to chronic physical risks including changing precipitation patterns, heat stress and water stress. These longer-term shifts may affect asset reliability, increase maintenance requirements and disrupt workforce productivity over time. Refer to TMC's 2025 Sustainability Report for more information. • CHHC is exposed to chronic physical risks through its minority non-operated working interests in the Hibernia Project. Although the Hibernia platform has a robust design, it operates offshore in an area subject to average temperature increases and sea level rise that can enhance the severity of extreme weather events and sea conditions. Rising average temperatures increase ice melt and the potential for iceberg activity. These longer-term climate shifts may damage production infrastructure, disrupt operations, and increase maintenance and remediation demands.	• Gradual increases in operating and maintenance costs at subsidiaries may reduce long-term margins and dividend capacity to CDEV. • Higher sustaining capital requirements to maintain asset integrity and safety may reduce free cash flow available for distributions. • Persistent changes in operating conditions may shorten effective asset life or increase long-run cost intensity, creating downward pressure on asset valuations held by CDEV.

Time Horizon

-  Short Term (0 to 3 years)
-  Medium Term (4 to 10 years)
-  Long Term (11 to 20 years)

1. Financial effects are described qualitatively, reflecting the inherent uncertainty of climate-related risks.

Climate Materiality Assessment continued

Climate-related Risk	Description	Transmission of Potential Financial Effects to CDEV ¹
Policy & Legal Risks Risks arising from changes in climate-related policies, regulations, litigation, and government actions (e.g. carbon pricing, emissions standards, disclosure mandates, shifts in public financing priorities) that can alter the operating environment, cost structure, or strategic positioning of affected entities. 	• TMC is exposed to policy risks related to its operational emissions, as increasing GHG reduction measures (e.g. carbon pricing) may raise compliance costs, operating expenses, and capital requirements. While TMC's scope 1 and 2 operational emissions are comparatively low, midstream operations can generate significant GHGs from sources such as compressor exhaust, tank vents, gas processing, fugitive emissions, and mobile equipment. Permitting and regulatory reform (PRR) directly affects TMC, as Canada Energy Regulator (CER) facility approvals may require GHG offsets. Broader climate policies affect TMC indirectly through its customers, potentially reducing transportation volumes and toll revenues over time while increasing costs. Refer to TMC's 2025 Sustainability Report for more information. • CHHC is exposed to policy and legal risks related to climate change through its minority non-operated working interests in the Hibernia Project. Oil production activities inherently generate GHG emissions from flaring, power generation, and gas processing. Hibernia's operations are subject to federal and provincial carbon pricing and emissions performance standards.	• Increased compliance, operating or capital costs at TMC and CHHC from CER policy changes or Oil and Gas emissions caps may increase operating expenses and reduce cash flows available for dividends to CDEV. • Regulatory and permitting reform may increase capital intensity or affect project timing at TMC, influencing long-term cash flow expectations. • Policy-driven cost escalation or production constraints may reduce expected asset cash flows and increase impairment risk, lowering returns to CDEV over time.
Technology Risks Risks arising from the development, adoption, performance, cost, or availability of low-carbon technologies that could reduce demand for emissions-intensive products or require significant capital investment to adapt operations. 	• TMC is exposed to technology risks through necessary investment in technologies and tools to reduce emissions and potentially accommodate the substitution of products with lower emissions options. In its 2025 Sustainability Report, TMC identifies carbon competitiveness of Canadian oil and increased demand for alternative fuels as relevant climate transition-related risks.	• Over the long-term, widespread adoption of low-carbon technologies may lower TMC's shipping volumes and revenues, translating into lower dividend capacity and a reduced carrying value for CDEV. • Significant investment might be required to repurpose or retrofit infrastructure for new fuels or to reduce emissions, increasing TMC's capital needs and potentially diminishing the cash available upstream to CDEV. • If utilization of pipeline or oil assets falls dramatically or if portions of reserves become non-viable to produce, CDEV could face write-downs in the value of its investments (i.e. stranded asset risk), adversely affecting CDEV's financial position.

Time Horizon

-  Short Term (0 to 3 years)
-  Medium Term (4 to 10 years)
-  Long Term (11 to 20 years)

1. Financial effects are described qualitatively, reflecting the inherent uncertainty of climate-related risks.

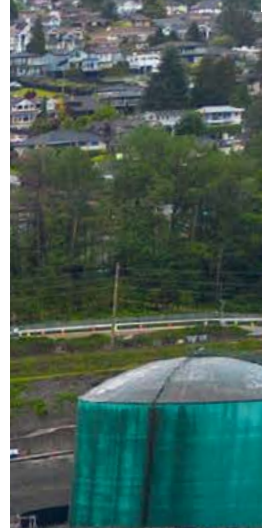
Climate Materiality Assessment continued

Climate-related Risk	Description	Transmission of Potential Financial Effects to CDEV ¹
Market Risks Risks from shifts in supply and demand for certain commodities. An inability to access and service new markets may represent a significant opportunity cost for organizations and lead to decreased revenues in the long run. 	TMC and CHHC are exposed to market risks from potential declines in demand for oil and refined products which may reduce production, transportation volumes and asset utilization over time.	- A sustained decline in demand for oil and related commodities could reduce revenues, profitability, and long-term viability across the value chain, resulting in lower or less stable distributions to CDEV, diminished asset valuations, and impacts on its strategic and financial planning. - A broad shift away from fossil fuels could reduce the value of carbon-intensive assets. CDEV's stake in TMC may face greater valuation volatility or long-term declines, and in extreme cases some assets could become stranded, impacting CDEV's portfolio value and its ability to monetize these investments.
Reputational Risks Risks tied to changing consumer and societal perceptions of an organization's contribution to, or detraction from, the transition to a low-carbon economy, and its willingness to address the issue of climate change. 	CDEV's exposure to reputational risks is largely indirect but stems from its ownership of, and association with, high-emitting sector assets. Negative public or stakeholder perceptions about CDEV's subsidiaries (e.g. operating an oil pipeline or offshore oil production), or a view that CDEV is not aligned with climate objectives, could pose reputational challenges. TMC and CHHC each carry reputational considerations as oil production and transportation have faced stakeholder scrutiny related to actual or potential environmental impacts and emissions. Any significant environmental incident or perceived inaction on climate commitments at the subsidiary level could reflect poorly on CDEV as the parent company.	Sustained reputational pressure might limit CDEV's strategic flexibility. For instance, it could complicate efforts to divest or monetize assets (reducing buyer interest or pricing), or prompt additional oversight and requirements from the Government of Canada. In extreme cases, reputational damage could necessitate changes in CDEV's portfolio or mandate to restore public trust, indirectly affecting future financial returns.

Time Horizon

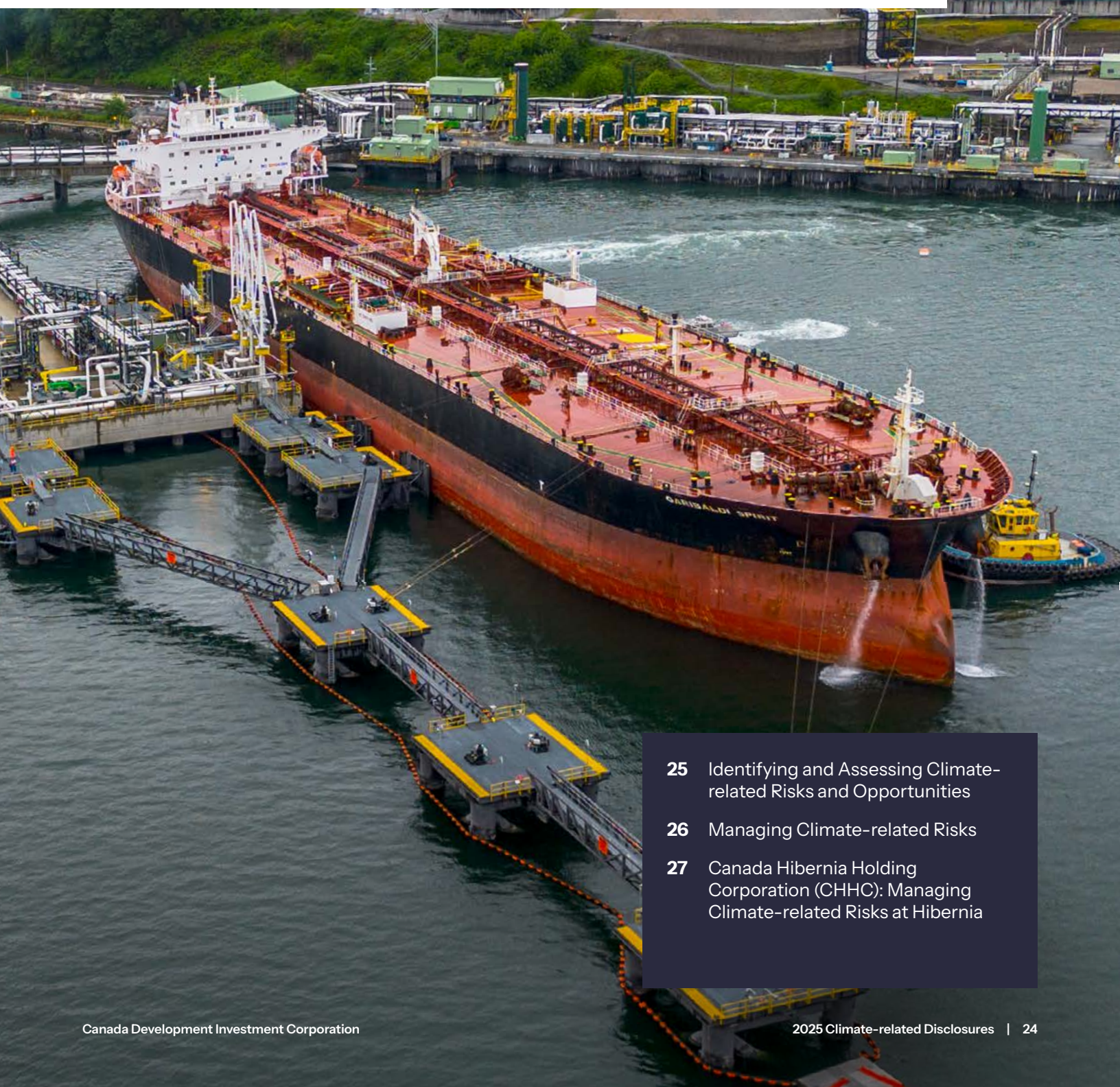
-  Short Term (0 to 3 years)
-  Medium Term (4 to 10 years)
-  Long Term (11 to 20 years)

1. Financial effects are described qualitatively, reflecting the inherent uncertainty of climate-related risks.



Risk Management

This section provides an overview of our approach to identifying, assessing, and managing climate-related risks.



- 25** Identifying and Assessing Climate-related Risks and Opportunities
- 26** Managing Climate-related Risks
- 27** Canada Hibernia Holding Corporation (CHHC): Managing Climate-related Risks at Hibernia

Identifying and Assessing Climate-related Risks and Opportunities

Our Enterprise Risk Management (ERM) approach supports sound risk management, strong accountability, and the long-term protection of value for Canadians.

Our ERM Policy, Framework & Standard

CDEV's ERM Policy, Framework & Standard establishes a clear approach to identifying, assessing, managing, and reporting risks across CDEV. It defines responsibilities for CDEV and our subsidiaries, formalizes risk principles, helps foster a risk-aware culture, and guides the integration of risk management practices into planning and decision-making processes.

Our ERM approach is based on ISO 31000:2018 and aligned with Treasury Board of Canada Secretariat guidelines, adapted to CDEV's objectives for systematic, transparent risk management, while also considering other frameworks such as COSO.

The ERM Policy, Framework & Standard applies to CDEV and five of our subsidiaries: TMP Finance (including TMC), CHHC, CEI, CILGC and 16342451 Canada Inc.

CEEFC and CGFIM have their own ERM approaches. For more information on how CGF identifies, assesses and manages climate-related risks, see CGF's Climate-related Financial Disclosure in their [2025 Annual Report](#).

Changes to Risk Management Process

In 2025, we updated our ERM Policy, Framework & Standard by refining our risk taxonomy to reflect our evolving portfolio and mandates, business context, and cyber maturity. These changes included:

- Embedding NIST framework for technology related risks, including AI
- Consolidating risk groups to streamline and reduce duplication
- Revising risk groups and clarifying definitions and root cause methodology

This year, we also began integrating CILGC and 16342451 Canada Inc. into our ERM process.

Integration of Climate Risks into our Enterprise Risk Management

As outlined in the [Strategy section](#), we conducted our second climate materiality assessment to identify and assess the potential effects of climate-related risks and opportunities on CDEV and our subsidiaries.

The climate materiality assessment leveraged the significance and likelihood criteria and time horizons aligned with our ERM Policy, Framework & Standard, ensuring climate-related risks are assessed consistently and proportionately relative to other risks.

Material climate-related risks identified in our climate materiality assessment will be reflected in CDEV's consolidated risk register. Climate risks are managed by each of CDEV and our subsidiaries based on their specific levels of risk and available mitigations appropriate to their businesses.

Overview of the Risk Management Process

Risk Identification

Risks are identified through business-as-usual activities, such as strategic and budget planning or operations, as well as through formal processes like climate materiality assessments or scenario analyses. CDEV uses a standardized risk taxonomy to consistently categorize risks.



Risk Analysis

Once identified, risks are assessed based on their likelihood of occurring and the level of inherent and residual significance after existing controls are applied. Each is rated on a five-point scale and multiplied to determine an overall risk rating.



Risk Evaluation

Risk ratings are used to determine whether risks are acceptable within CDEV's risk appetite and to prioritize and decide on appropriate risk treatments or controls.

Managing Climate-related Risks

Operating with a commercial focus while aligning with the priorities and policy directives of the Government of Canada requires a robust and proactive approach to managing risk. Accordingly, our approach to managing material climate risks is through effective risk management and controls.

Risk management occurs at various levels of the organization including:

Subsidiary level	Each subsidiary identifies, assesses and evaluates subsidiary-level risks, including climate risks
	Risks are captured and reported in a subsidiary risk register
	Each subsidiary identifies controls appropriate for its business to manage climate-related risks and limit their likelihood and potential significance
CDEV level	CDEV maintains governance and oversight of all subsidiary risks
	CDEV assesses the overall risk to CDEV at the consolidated level through the CDEV risk register
	Top risks are included in a summary report to the CDEV Board at least annually

Enhancing our ERM Process for ESG Risks

In 2025, we enhanced our ERM process to better define the specific risk types under each risk group. Our previous ERM methodology included ‘Environment’ as one of the risk categories. However, to reflect our expanding mandates and diverse portfolio, we have updated the risk group to be ESG which now includes 5 risk types:

- Climate Transition
- Environmental Liability & Remediation
- Indigenous & Stakeholder Relations
- Social Mandate Risks
- Transparency & ESG Disclosure

This change supports CDEV’s ability to better identify, assess and manage specific ESG risks, including climate risks across our subsidiaries based on our unique business structure.

Monitoring the Evolving ESG Disclosure Landscape

CDEV monitors the evolving ESG reporting landscape, including the voluntary Canadian Sustainability Standards Board (CSSB) Sustainability Disclosure Standards—CSDS 1 (General Requirements for Disclosure of Sustainability-related Financial Information) and CSDS 2 (Climate-related Disclosures), which reflect the Canadian application of IFRS sustainability-related disclosures.

We also track relevant disclosure laws and guidelines, as well as changes in climate-related regulatory requirements, recognized practices, and expectations for federal Crown corporations, using these insights to inform our climate disclosures.



Canada Hibernia Holding Corporation (CHHC): Managing Climate-related Risks at Hibernia

CHHC has a minority non-operated working interest of 8.5% and 5.67% in the Hibernia Development Project (HDP) and Hibernia Southern Extension Unit (HSE Unit) respectively (together Hibernia), which is an oilfield offshore Newfoundland and Labrador. Hibernia is operated by Hibernia Management and Development Company Ltd. (HMDC).

In 2025, environmental stewardship remained a core focus of the Hibernia Project. HMDC continued to integrate stringent environmental protection measures into the design and operation of offshore facilities, with production, storage, offloading, and transportation systems engineered to minimize the likelihood and impact of oil spills. Hibernia maintains a comprehensive Oil Spill Response Plan and applies rigorous industry standards to spill prevention and emergency preparedness.

The Hibernia platform operates in a challenging offshore environment subject to severe weather and iceberg activity. Risks associated with storms, hurricanes, and icebergs continued to be managed through a combination of weather tracking, iceberg monitoring and management systems, and the robust design of the platform. Environmental performance and climate-related indicators continued to be monitored and disclosed as part of HMDC's ongoing reporting practices, supporting transparency and continuous improvement.



Metrics & Targets

This section provides an overview of our approach to assessing and managing our performance on climate change.



29 Climate-related Metrics

32 Canada Growth Fund (CGF):
Catalyzing Investment in Climate-
related Opportunities

33 Trans Mountain Corporation's
Emissions Reduction Plan Update

Climate-related Metrics

CDEV and our subsidiaries are committed to providing decision-useful information to our stakeholders and evaluating our climate performance by collecting and monitoring key climate-related metrics.

As a Crown corporation with a diverse set of assets, our approach to GHG emissions disclosure considers the unique nature of our business. We apply IFRS 10 to define our GHG organizational boundary ensuring our climate disclosures align directly with our financial reporting. Under IFRS 10, CEEFC, CGF and CILGC are considered unconsolidated structured entities which means CDEV does not control them, and they are therefore excluded from CDEV's GHG organizational boundary.

However, to enhance transparency regarding our role as a holding company, we have calculated CDEV's financed emissions from these unconsolidated entities. As a result, our climate-related performance is categorized into two main areas: operational emissions from CDEV and consolidated subsidiaries and financed emissions from unconsolidated subsidiaries.

Operational Emissions (CDEV Corporate and Consolidated Subsidiaries)

In the table below, we disclose our operational emissions from CDEV Corporate, and the subsidiaries consolidated in our financial reporting based on IFRS 10 criteria. This represents the emissions from those subsidiaries in which CDEV exercises control to affect returns in a meaningful way.

Exclusions from Operational Emissions

CDEV's operational emissions excludes 16342451 Canada Inc. (lender to Telesat Lightspeed) which is a consolidated subsidiary. As of December 31, 2025, the Telesat Lightspeed project remains in the construction phase and associated GHG emissions are not currently being tracked or measured.

Emissions from Corporate and Consolidated Subsidiaries¹

	CDEV Corporate ²			TMC ³			CHHC ⁴			Total		
Tonnes CO ₂ e	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Scope 1			18	6,164	15,049	20,160			17	6,164	15,049	20,195
Scope 2			5	89,944	105,770	137,700			19	89,944	105,770	137,724
Scope 3, Category 6 & 7	66	60	51						46	66	60	97
Scope 3, Category 15							43,288	43,285	42,269	43,288	43,285	42,269
Total	66	60	74	96,108	120,819	157,860	43,288	43,285	42,351	139,462	164,164	200,285

1. For 2025, Scope 3 emissions are disaggregated into Category 6 (business travel), Category 7 (employee commuting), and Category 15 (investments). Prior year figures have not been restated.

2. CDEV Corporate: Scope 1 and 2 reflect office-related natural gas and electricity use, respectively. These figures include emissions from CEEFC employees sharing CDEV Corporate office space as they cannot be disaggregated. Note that in 2023 and 2024, Scope 1 and 2 emissions from office energy use were reported as Scope 3 emissions. As of 2025, Scopes 1, 2 and 3 are reported separately. Prior year figures have not been restated.

3. TMC: Includes all reported Scope 1 and Scope 2 emissions as published in the Trans Mountain 2025 Sustainability Report. Scope 1 reflects emissions from fuel from stationary combustion, fugitives, venting, flaring and fleet vehicles. Scope 2 includes electricity consumption for operation of the pipeline. Scope 2 GHG emissions for the years 2023 and 2024 have been recalculated using the latest annual emissions factors from Canada's National Inventory Report 1990-2024: Greenhouse Gas Sources and Sinks in Canada. TMC does not report Scope 3 emissions. In the next few years, TMC plans to conduct a readiness assessment of Scope 3 emissions to understand the most material emissions to their business. See TMC's 2025 Sustainability Report for more details.

4. CHHC: Scope 1 and 2 reflect office-related natural gas and electricity use, respectively. Scope 3 - Category 15 (investments) reflects CHHC's proportionate share of Hibernia's Scope 1 and 2 emissions, based on its 8.5% minority ownership interest in the oilfield. Hibernia reports its emissions one year in arrears. As a result, the data presented for 2025 reflects verified emissions data from calendar year 2024. Note that in 2023 and 2024, Scope 1 and 2 emissions from office energy use were reported as Scope 3 emissions. As of 2025, Scopes 1, 2 and 3 are reported separately. Prior year figures have not been restated.

Climate-related Metrics continued

Total operational emissions for CDEV Corporate and its consolidated subsidiaries were 200,285 tonnes CO₂e in 2025. TMC and CHHC accounted for 79% and 21% of CDEV's total operational emissions in 2025, respectively.

CDEV's total operational emissions increased by 22% from 2024. This increase was driven primarily by higher emissions at TMC, which rose by nearly 31% year over year, from 120,819 tonnes CO₂e in 2024 to 157,860 tonnes CO₂e in 2025, reflecting operation of the expanded pipeline.

CHHC's total GHG emissions, however, have remained relatively stable, decreasing by 2% year over year, from 43,285 tonnes CO₂e in 2024 to 42,351 tonnes CO₂e in 2025. The overall decrease was driven by reductions in stationary and flare gas combustion, partially offset by increases in electricity generation.



Climate-related Metrics continued

Financed Emissions (Unconsolidated Subsidiaries)

Financed emissions are the GHG emissions associated with our investment and lending activities. Through select subsidiaries, CDEV provides financing in the form of investment or loans to support Canadian businesses, sectors and jobs.

CEEFC

CEEFC manages the Large Employer Emergency Financing Facility (LEEFF) and the Large Enterprise Tariff Loan (LETL) programs. While LEEFF stopped taking new applications in 2022, CEEFC is actively supporting strategic industries in 2025 through the LETL program by providing funding to large Canadian enterprises affected by the actual and potential new tariffs and countermeasures. Through this program, CEEFC provided \$400 million in financing to Algoma Steel Inc. and \$115 million to Burgundy Diamond Mines in September 2025.

As a condition of LEEFF and LETL loans, certain borrowers are required to publish annual TCFD-aligned reports¹ that describe their governance, strategies, policies, and practices for managing climate-related risks and opportunities as well as their support for Canada’s commitments under the Paris Agreement and net zero by 2050 goal. These reports, along with publicly available disclosures related to GHG emissions enable CEEFC to gain an understanding of the borrower’s climate performance and inform CDEV’s financed emissions from lending.

To calculate the financed emissions associated with CEEFC loans, we applied the methodology from the Partnership for Carbon Accounting Financials (PCAF) *Global GHG Accounting and Reporting Standard Part A: Financed Emissions (Third Edition)*. CEEFC’s financed emissions represent its proportional share of each borrower’s total Scope 1 and 2 emissions, based on the outstanding loan amount. Due to GHG data availability constraints, the financed emissions calculation is as of December 31, 2024² for all LEEFF borrowers (Air Canada, Air Transat, Porter Airlines and Sunwing Airlines).

CGF

CGF continues to advance its mandate to mobilize private capital investment that helps Canadian clean technology companies scale successfully, capitalizing on Canada’s abundant natural resources, strengthening low-carbon supply chains, and accelerating clean power projects.

CGF discloses its portfolio financed emissions in its Annual Report. As CGF is a wholly-owned subsidiary of CDEV, we incorporate CGF’s financed emissions into our own reporting. These emissions stem from CGF’s financial activities, specifically private equity, debt and hybrid instruments. The total reported CGF financed emissions represent 95% coverage of in-scope assets under management (AUM). For additional details on CGF’s financed emissions, see the CGF [2025 Annual Report](#).

Exclusions from Financed Emissions

CDEV excludes LETL loans to Algoma Steel Inc. and Burgundy Diamond Mines from its financed emissions. Issued in September and December 2025, respectively, these loans have been outstanding for less than one year as of December 31, 2025.

CDEV’s financed emissions also exclude CILGC, which is an unconsolidated subsidiary. CILGC’s \$400 million loan guarantee is excluded because the loan has not been called as of December 31, 2025. This aligns with the PCAF *Global GHG Accounting and Reporting Standard Part A: Financed Emissions (Third Edition)*.

Financed Emissions from Unconsolidated Subsidiaries

	CEEFC ³	CGF
Financed Emissions (Tonnes CO ₂ e)	1,451,923	6,855

- TCFD-aligned disclosure is required for borrowers with a non-voucher LEEFF loan (Air Transat and Porter Airlines). CEEFC tracks the climate performance of voucher-only borrower (Air Canada) through its public reporting. Under LETL, only public borrowers will be required to publish TCFD-aligned disclosures (first reports are due by June 2026).
- For additional details on CEEFC borrowers’ GHG emissions, see their publicly available reports: [Air Canada](#); [Air Transat](#); [Porter Airlines](#). Sunwing Airlines does not publicly disclose its emissions data.
- The methodology for calculating CEEFC financed emissions was updated in 2025. As a result, the current figures are not directly comparable to the 2024 disclosure.

Canada Growth Fund (CGF): Catalyzing Investment in Climate-related Opportunities

CGF is a \$15 billion independent investment fund designed to attract private capital and enhance the efficiency and competitiveness of Canada's economy. It builds a portfolio that catalyzes substantial private sector investment in Canadian businesses and projects, supporting rapid, large-scale economic growth and emissions reductions, while helping Canada achieve national economic and environmental goals.

CDEV and CGF entered into an Investment Management Agreement (IMA) with the Public Sector Pension Investment Board (PSP Investments) and its wholly-owned subsidiary, Canada Growth Fund Investment Management Inc. (CGFIM). Leveraging PSP Investments' arm's-length governance, mature operations, and experienced team, CGF was able to enter the market and execute transactions quickly and efficiently.

Since its inception in 2022, CGF announced 18 investments across 5 provinces, bringing CGF's total commitment to \$4.9 billion. These investments cover all three CGF focus areas: Projects, Clean Technology, and Low-Carbon Supply Chains.

Climate-related risks and opportunities are at the core of the CGF mandate and are considered across all levels of CGF governance and oversight. As part of its investment process, CGFIM conducts comprehensive due diligence in line with the recognized practices of private market investors.

Due diligence is led by the CGFIM team, covering financials, operations, governance, ESG and sustainability practices, IP, commercial and technical assessments, legal and tax matters, HR, Indigenous Peoples' rights, and IT/cybersecurity. To align its investment process with the CGF mandate, CGFIM has designed and is implementing an Impact Measurement and Management (IM+M) framework. Building on this approach, CGFIM measures the performance of the CGF portfolio annually against CGF's Performance Criteria. For more information, see [CGF's 2025 Annual Report](#).



CGF's Select Impact Outcomes and Performance

Decarbonize Canada

Up to 5.6 MtCO₂e
in Canada in cumulative expected Avoided Emissions from 2024 to 2030¹

Drive Canadian Clean Growth

1,911
Total Canadian jobs at CGF portfolio companies²

471
Total patents held by CGF portfolio companies²



1. Avoided Emissions calculation is based on an internal methodology and does not represent a target, but instead reflects CGFIM's assumptions and expectations as of the date of this report, which involve inherent risks and uncertainties. These underlying drivers shall be reassessed on a regular basis by CGFIM, and as such forward-looking metrics may be subject to fluctuations over time. Refer to [CGF's 2025 Annual Report](#) Appendix A, p. 55 for more information.

2. As at December 31, 2025.

Trans Mountain Corporation's Emissions Reduction Plan Update

TMC is the largest subsidiary in our portfolio, accounting for 95% of CDEV's revenue and 79% of our total operational emissions in 2025.

In 2022, TMC published its Emissions Reduction Plan, outlining its 2030 and 2050 emissions reduction targets and the strategies it may implement to achieve them. Since then, updates to electricity grid emissions factors—particularly in Alberta, where most of TMC's emissions are generated—have affected TMC's reported emissions profile and prompted a re-evaluation of its reduction targets.



In its 2025 Sustainability Report, TMC recalculated its 2021–2024 Scope 2 emissions using the latest emissions factors from Canada's [National Inventory Report 1990–2024: Greenhouse Gas Sources and Sinks in Canada](#), released in 2026. The updated factors reflect significant changes to Alberta's electricity grid as it decarbonizes in support of the province's 2030 target to phase out coal-fired electricity in favour of lower-emitting generation sources.

This recalculation resulted in a material reduction in TMC's reported operational emissions compared to previously disclosed figures. TMC is currently assessing the impact of these changes on its emissions targets and re-evaluating its previously disclosed GHG targets, with further details expected in 2027. In the interim, TMC continues to evaluate opportunities to manage and reduce its GHG emissions.

For more information, see [TMC's 2025 Sustainability Report](#).

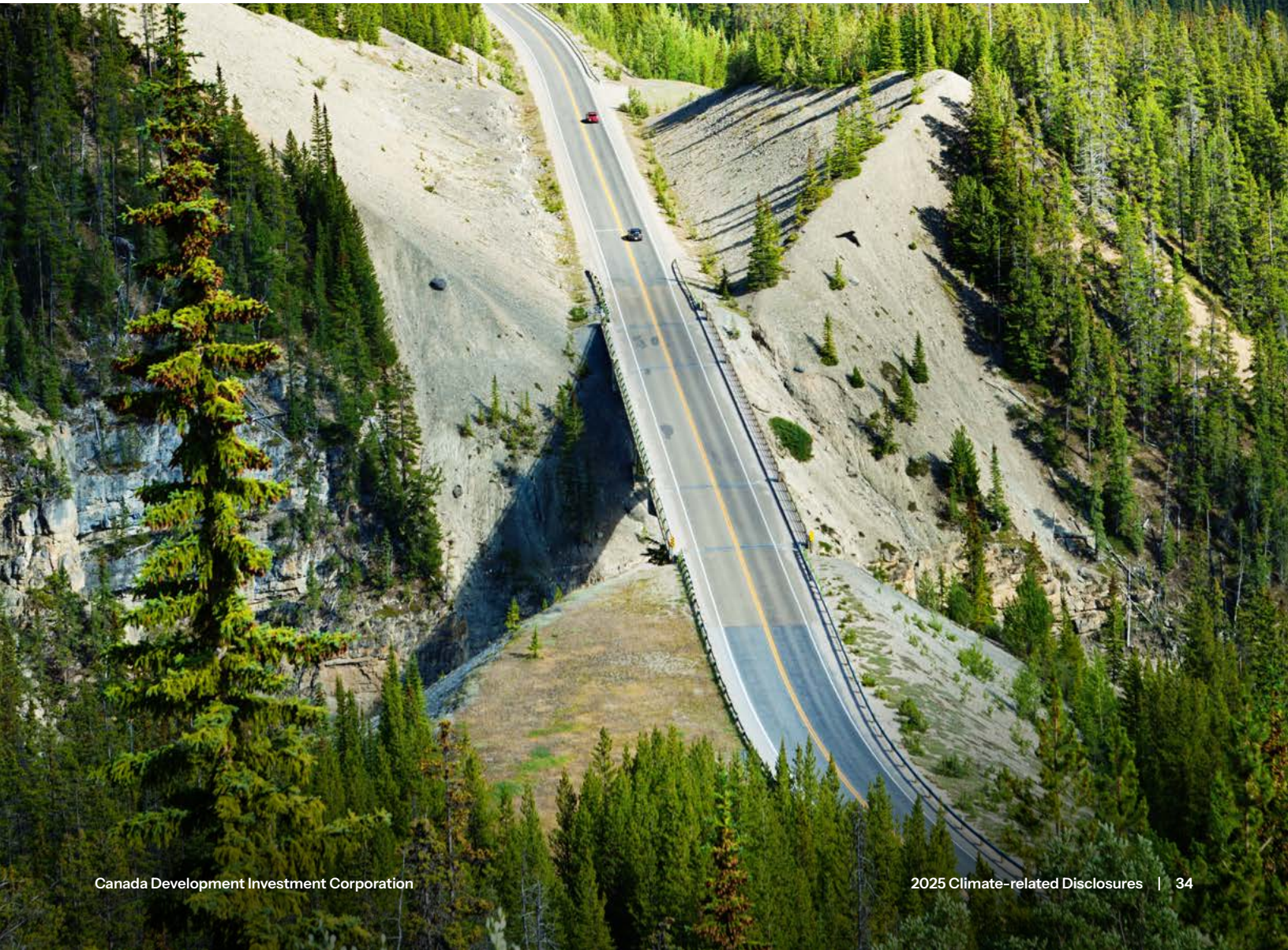


Looking Forward: 2026 and Beyond

CDEV is committed to continuously enhancing our climate-related disclosures to enable transparent reporting to the Government of Canada and our broader stakeholders. As our organization evolves, we are taking a phased approach to alignment with the Task Force on Climate-related Financial Disclosures recommendations.

To achieve this, we will continue to pragmatically embed climate considerations across our organization, tailoring our approach to the operational realities of each subsidiary.

In 2026, we will develop a framework to support the integration of climate-related governance and management practices for new subsidiaries. This framework will define roles and responsibilities and identify relevant climate practices and reporting processes, advancing the integration of climate risks and opportunities into CDEV's governance oversight and risk management processes and aligning with CDEV's climate strategy.





Appendices



36 Appendix A: TCFD Index

37 Appendix B: Additional Information
on CDEV and Our Subsidiaries

Appendix A: TCFD Index

CDEV is taking a phased approach to implementing the TCFD recommendations, intending to enhance our alignment as our approach to climate change evolves over time.

	Recommendation	Supporting Recommended Disclosures	Reference
Governance	Disclose the organization's governance around climate-related risks and opportunities.	(a) Describe the Board's oversight of climate-related risks and opportunities.	Climate Governance at CDEV and Our Subsidiaries CDEV's Oversight of Our Subsidiaries
		(b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	Disclose 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.	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.	Climate Materiality Assessment
		(b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
		(c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our Approach to Climate Change Our climate-related scenario analysis is outlined in our 2024 Climate-Related Disclosure .
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	(a) Describe the organization's processes for identifying and assessing climate-related risks.	Identifying and Assessing Climate-related Risks and Opportunities
		(b) Describe the organization's processes for managing climate-related risks.	Managing Climate-related Risks
		(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Identifying and Assessing Climate-related Risks and Opportunities
Metrics & Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate-related Metrics
		(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
		(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against target.	

Appendix B: Additional Information on CDEV and Our Subsidiaries

Entity	Source
Canada Development Investment Corporation	• Organization Website • Annual Report 2025 • 2024 Climate-Related Disclosure • Corporate Plan Summary 2026
Canada TMP Finance Ltd. and its subsidiaries	• CDEV Website: Trans Mountain Corporation Webpage • TMC Website • Management Report (Trans Mountain Corporation) • 2025 Sustainability Report
Canada Hibernia Holding Corporation	• CDEV Website: CHHC Webpage • Hibernia Website
Canada Enterprise Emergency Funding Corporation	• Organization Website • Annual Report 2025 • Corporate Plan Summary 2026
Canada Growth Fund Inc.	• Organization Website • Technical Backgrounder • Annual Report 2025 • Corporate Plan Summary 2026
Canada Indigenous Loan Guarantee Corporation	• Organization Website • CDEV Website: CILGC Webpage
16342451 Canada Inc. (Lender to Telesat Lightspeed)	• CDEV Website: 16342451 Canada Inc. Webpage
Canada Eldor Inc.	• CDEV Website: Canada Eldor Inc. Webpage • Info Source: Canada Eldor Inc.
Canada Innovation Corporation	• CDEV Website: Canada Innovation Corporation Webpage • Blueprint: Canada Innovation Corporation

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