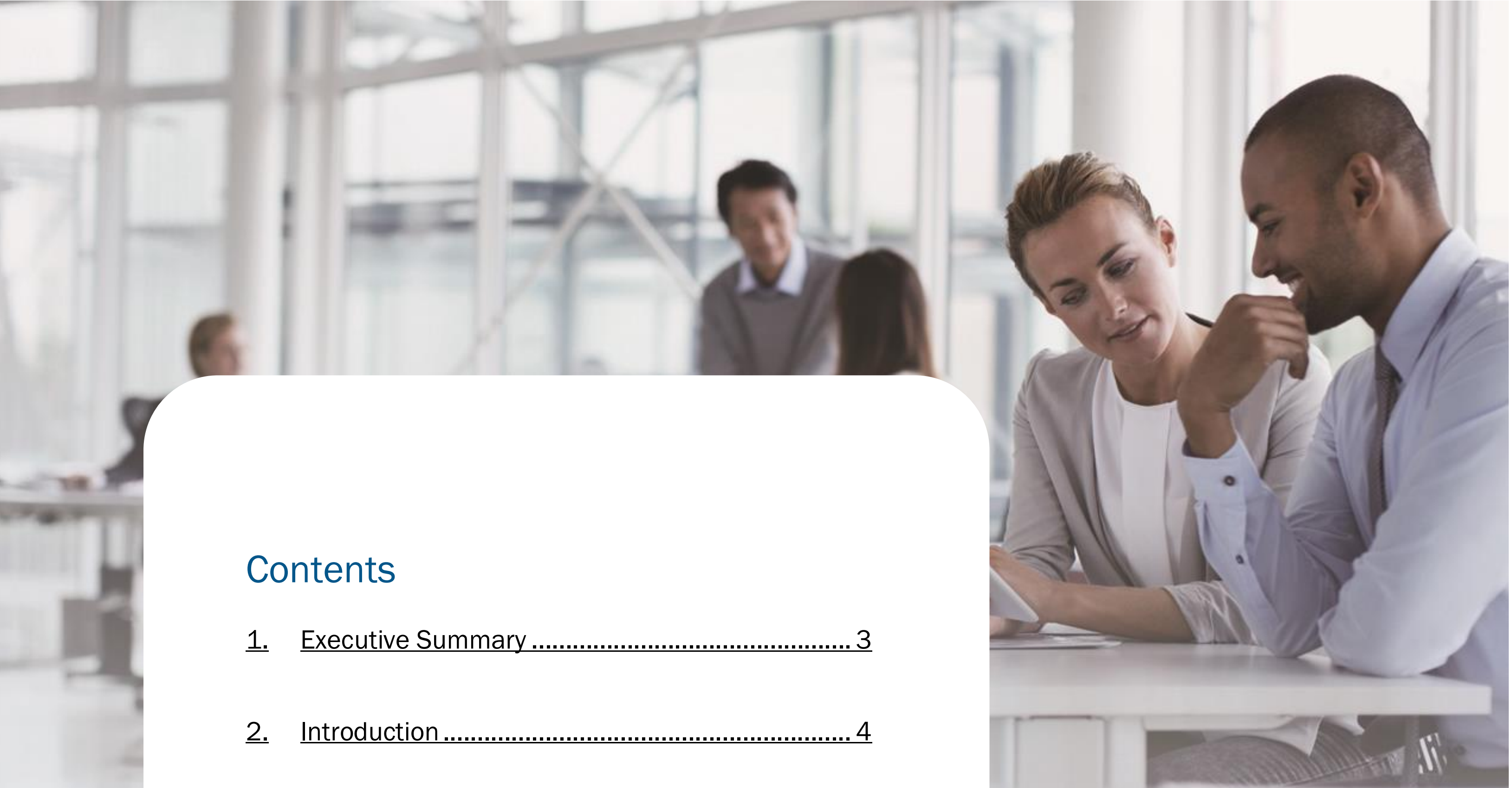
Report

Task Force on Climate-Related Financial Disclosures

Calian Report

October 11, 2023



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1. Executive Summary

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

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

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

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

2. Introduction

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

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

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

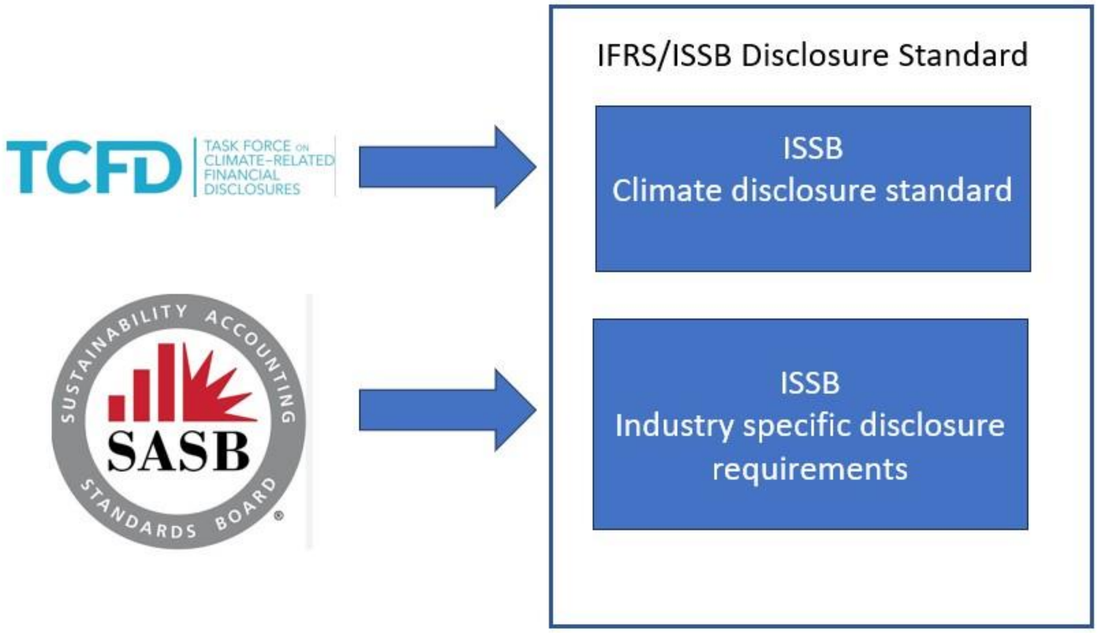

Diagram 1: TCFD and SASB relationship to IFRS/ISSB standard

3. TCFD Categories

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

Governance	Strategy	Risk Management	Metrics and Targets
G1. Describe the board's oversight of climate-related risks and opportunities.	S1. Describe the climate-related risks and opportunities the company has identified over the short, medium and long term.	RM1. Describe the company's processes for identifying and assessing climate-related risks.	MT1. Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.

G2. Describe management's role in assessing and managing climate-related risks and opportunities.	S2. Describe the impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning.	RM2. Describe the company's processes for managing climate-related risks.	MT2. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	S3. Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	RM3. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	MT3. Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.

4. TCFD Road Map

Calian developed a TCFD road map which was approved by the board at the end of 2022. The TCFD road map shows the objectives of Calian between 2022 and 2025 including to:

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

In 2022, Calian focused on developing its emissions inventory process and consolidated it as input to its inaugural annual ESG report.

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

In 2023, Calian prepared and published our first TCFD report and developed processes to improve climate-related disclosures going forward. The road map was approved by the corporate leadership team* in the third quarter of fiscal 2023. In the second half of 2023, Calian developed a climate-related risk and opportunity list which is included in this report under the risk management section.

In 2024, Calian will be performing climate scenario analysis to develop key metrics and targets as the company works towards net zero. Calian will set interim and net-zero targets, and develop metrics to monitor progress towards net-zero.

*Note: The corporate leadership team consists of the C-level executives: CEO, CFO, CTIO and CHRO.

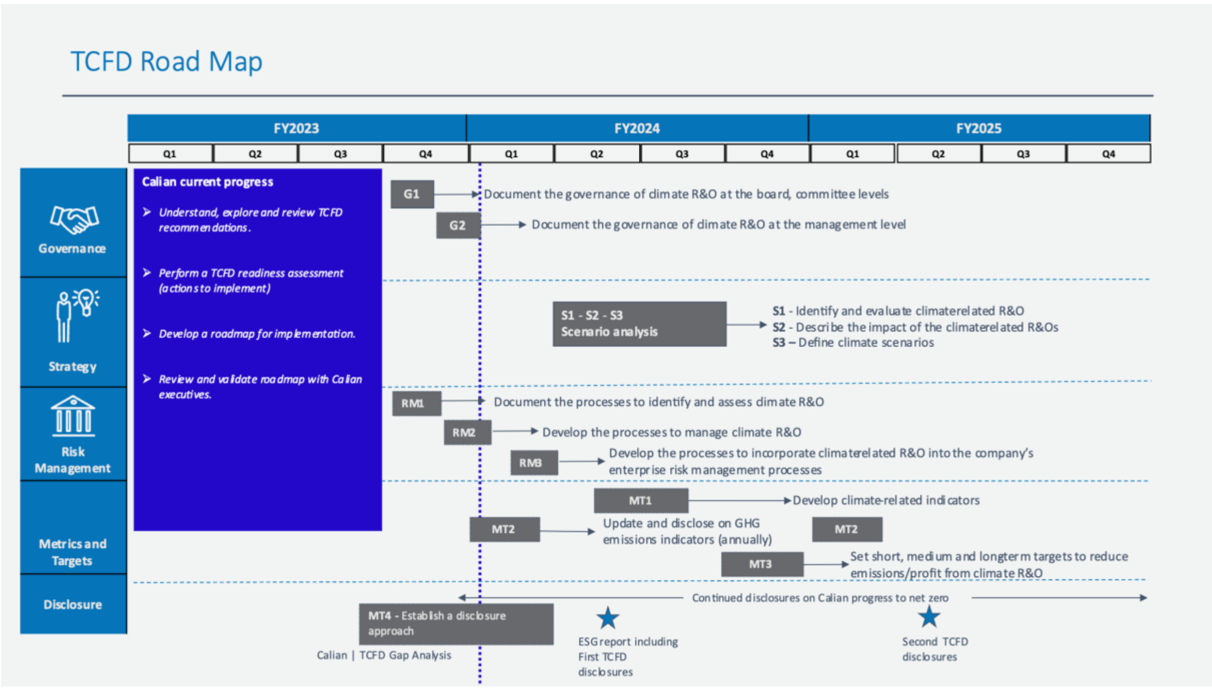

Diagram 2: Calian TCFD Road Map

5. Governance

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

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

Calian has a board governance and risk committee, which meets four times a year. The committee mandate includes overseeing the environmental, social and governance (ESG) strategy, monitoring and ensuring compliance with legal requirements and best practices relating to corporate governance, material risks inherent in strategy and business models. The chair of the committee is responsible to ensure that mandates are followed.

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

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

ESG Governance Framework

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

Note: Other committees may be consulted as required

Diagram 3: ESG Governance Framework

Additionally, climate-related roles and responsibilities are demonstrated in the organizational chart diagram below:

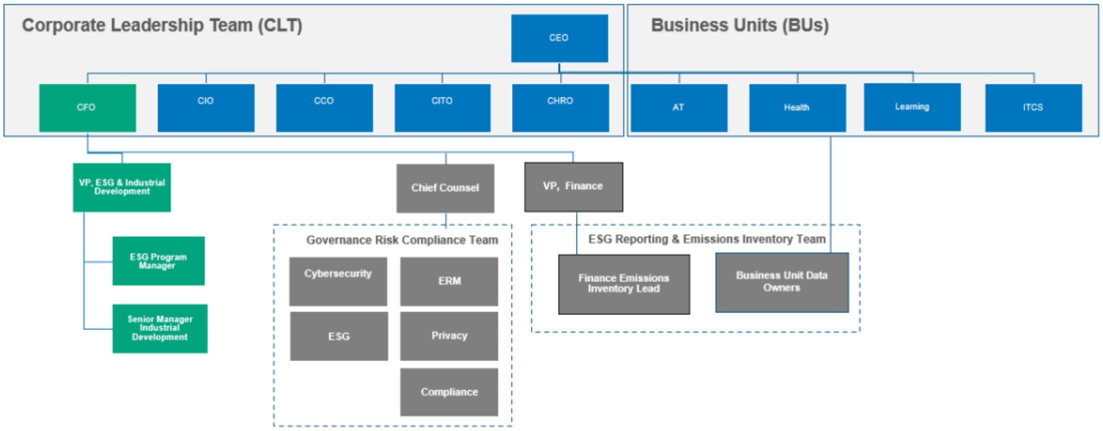

Diagram 4: Organizational chart

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

The Calian risk registry includes climate-related risks and opportunities. In 2022, a governance, risk and compliance (GRC) committee was established under the leadership of the general counsel to provide ongoing oversight to the corporate leadership team and board on corporate risks. Each GRC element has an assigned leader and the teams come together regularly to review plans and coordinate activities. ESG is a core element of the broader GRC committee as depicted in Diagram 4 below.

Diagram 5: Governance, Risk and Compliance Committee

G2. Describe management's role in assessing and managing climate-related risks and opportunities
The senior leadership team has started to include climate-related risks and opportunities in their quarterly financial reviews with the corporate leadership team. The company also organizes an annual workshop to discuss risks and opportunities and publishes a yearly internal corporate risk profile report. In 2022, climate-related risks were part of the discussion for the first time and will continue to be a key part of it going forward. Since the beginning of 2019, at the management level, a formal incident response process has been instituted. SITREPs (situation reports) are provided to highlight material risks to the business, including current climate-related risks for each operating segment and geography and related mitigation plans. The SITREP includes designated individuals from the corporate and/or individual business unit to take ownership and be a point of contact related to key impacts and tasks. Policies and certifications are published on the investor page of the Calian website. In 2023, new policies were added to the Calian website including: • Corporate Sustainability Policy • Environmental Policy • Social Procurement Policy

6. Strategy

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

S1. Describe the climate-related risks and opportunities the company has identified over the short, medium and long term
Short-term horizon (0-1 year): The Calian short-term horizons are defined between zero and one year and are identified and managed as follows: The ERM process guide is used by the senior leadership team** to validate the risk landscape. The corporate and the senior leadership team each complete an objective-centric risk analysis, in accordance with the ISO 31000:2018 Standard on Risk Management framework. ESG risks considered include climate change impacts, mitigation and adaptation, environmental management practices and duty of care, working and safety conditions, respect for human rights, anti-bribery and corruption practices, and compliance with relevant laws and regulations. In terms of short-term risk to the business, Calian looks to the World Economic Forum Global Risk Report's two-year outlook, which has identified the following environmental risks of

significance: • Natural disasters and extreme weather events • Failure to mitigate climate change • Large-scale environmental damage incidents • Failure of climate change adaptation • Natural resource crises The company has assessed these risks related to impact and likelihood for Calian. These risks are ranked by severity over the short-term and mitigation plans are developed as part of the ongoing enterprise risk management process. Ongoing guidance and support are provided to the four Calian operating segments (Advanced Technologies, Health, IT & Cyber Solutions, Learning) on how to identify and define the most material risk and opportunities. Annual risk workshops and training includes consideration of the short-term material climate-related physical and transitional risks, which are documented as part of the corporate risk dashboard. The risks are discussed at the senior leadership quarterly financial reviews along with the corporate leadership team. During this time, the corporate leadership team assesses how these risks have evolved over the quarter and how they are expected to evolve going forward to determine the effectiveness of, and any adjustments to, the existing mitigation measures. Weekly situation reports were provided to the senior leadership team indicating the Calian global response posture related to immediate risks to its international operations by location. This included current news, updates and trends related to climate risks (i.e., weather events), geopolitical risks, cyber risks and health risks (i.e., pandemic tracking). **Note: The senior leadership team consists of the four operating segment presidents.
Medium-term horizon (1-3 years): The Calian medium-term horizons are defined between one and three years and are identified and managed as follows below. Calian has looked to the World Economic Forum Global Risk Report 10-year outlook as input to identify the top risks over the next three–ten years, which has identified the following environmental risks of significance: • Failure to mitigate climate change • Failure of climate change adaptation • Natural disasters and extreme weather events • Biodiversity loss and ecosystem collapse • Natural resource crises • Large-scale environmental damage incidents Like the short-term one-year horizon, the company has assessed these medium- to long-term risks in terms of impact and likelihood for Calian. The ERM team publishes a strategic global risk overview looking at two and 10-year horizons. Risk guidance is used by the corporate leadership team as input to the three-year strategic planning process. Impact and likelihood are continually monitored, and the risk register is updated as required.

Long-term horizon (3+ years):
Calian is currently in the process of developing a formal long-term risk review and associated action plan. The company is in the preliminary stages of introducing a 10-year horizon and is using the World Economic Forum 2022 Global Risk Report as a guideline for its long-term risk and opportunities assessment, which has identified the environmental risks of significance under the medium-term horizon, as they are the same. In 2024, as input to the Calian commitment to achieve net-zero by 2050, the company will be conducting a climate scenario analysis. The results of this work will be used to develop- the 10-year horizon efforts and identify climate-related physical and transition risks and opportunities. The 10-year outlook will be reviewed through the lens of the ERM process and, where applicable, added to the risk register as part of the ongoing strategic planning and management process.

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

Calian is developing a strategy for the management of physical and transitional risks as part of the company enterprise risk management process. A climate-related risk and opportunity summary is included below.

The current incident response posture provides situational reports (SITREP) including severe weather events that could impact operations, utilizing meteorological networks to relay information to Calian employees for monitoring local conditions and potential activation as needed.

Currently, Calian does not have a climate resilience strategy that considers climate scenarios but is looking to establish climate targets in 2024. As a first step, Calian is developing its decarbonization strategy by conducting a GHG inventory for its Scope 1, 2 and 3 emissions.

Calian Risk Summary:

Risk Type	Sub-type	Climate-related risk description	ST horizon	MT horizon	LT horizon
Transition	Policy & legal	Enhanced emissions and other climate-reporting regulation		x	
		Mandates on, and regulation of, existing products and services	x	x	
		Enhanced environmental and social policy requirements (i.e. health and safety, modern slavery, vendor code of conduct, etc.)	x		
		Carbon pricing and taxes		x	x
		Increased cost of risk-based insurance premiums	x		
	Technology	Cost of transitioning to energy efficient technology		x	x
	Market	Increasing costs of purchased goods and services	x		
		Shifts in client preferences/pressure to support decarbonization efforts	x	x	
		Talent attrition	x		
	Reputation	Increased stakeholder concerns or negative stakeholder feedback	x		
Physical	Acute	Business disruption due to extreme climate-related weather events	x		
	Acute	Data loss and reduced IT access	x	x	
	Acute	Supply chain disruptions	x		
	Acute/Chronic	Long-term disruptions to business operations due to intensifying climate impacts	x	x	x

	Chronic	Shortages in natural resources for semiconductor production	x	x	x

Calian Opportunities summary:

Opportunity Type	Climate-related opportunity	ST horizon	MT horizon	LT horizon
Resource efficiency	Establish greener, eco-efficient facilities		x	x
	Implement more efficient production and distribution processes		x	x
Energy systems	Leverage lower-emissions sources of energy and new technologies		x	x
Products & services	Develop new products or services through R&D innovation	x		
	Increased demand for services and solutions (i.e. health, emergency management, training, advanced technologies)	x	x	x
	Reputational benefits also resulting in increased demand for goods/services	x		
Markets	Improved ratings by sustainability/ESG indexes	x		
Resilience	Talent attraction and retention	x	x	
	Local sourcing to reduce the impact of climate incidents and client requirements	x	x	
	Climate resiliency seen as strategic differentiator by stakeholders	x	x	

Definitions:

Transition Risk	**Transition risks arise from changes in policy and new technologies, such as the growth of renewable energy.**
Policy & Legal Risk	Policy changes (e.g., carbon taxes, permit restrictions, etc.) and legal risks (e.g., lawsuits)
Technology Risk	Disruptive technologies reducing demand for clients' products or services
Market Risk	Risk shifts in supply chain and consumer demand for products
Reputational Risk	Risk changing public perceptions of products or companies
Physical Risk	**Physical impacts of climate change, such as increased frequency and severity of extreme weather events (e.g. wildfires, cyclones, hurricanes, floods)**
Acute Risk	Event-driven impacts, such as from extreme weather events and the increased frequency of such events, (including wildfires, droughts and hurricanes, among others)
Chronic Risk	Overall shifts in climatic behavior, such as temperature and precipitation patterns, sea level rise, etc.

S3. Describe the resilience of the company’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario
The current investment review process relating to climate-related risks and opportunities includes: • Developing a business case for new investments as part of the innovation playbook managed by the chief information and technology officer (CITO) • Updated mergers and acquisition guidelines to incorporate climate and ESG considerations Once Calian completes its scenario analysis in 2024, the company will be considering capital allocation procedures pertaining to ESG-related investments with consideration to “green investing” proposed by financial institutions and rating agencies for ESG scores.

7. Risk Management

The objective of sustainability-related financial disclosures on risk management is to enable users of general-purpose financial reports to: (a) understand an entity's processes to identify, assess, prioritize and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process (b) assess the entity's overall risk profile and its risk management processes

RM1. Describe the company's processes for identifying and assessing climate-related risks
Calian enterprise risk management (ERM) has been in place for two years. It aims to provide a backdrop that can assist the business in assessing risks.
Risk Identification The Calian ERM team currently identifies risks based on a one-year and three-year horizon as depicted in the chart below:

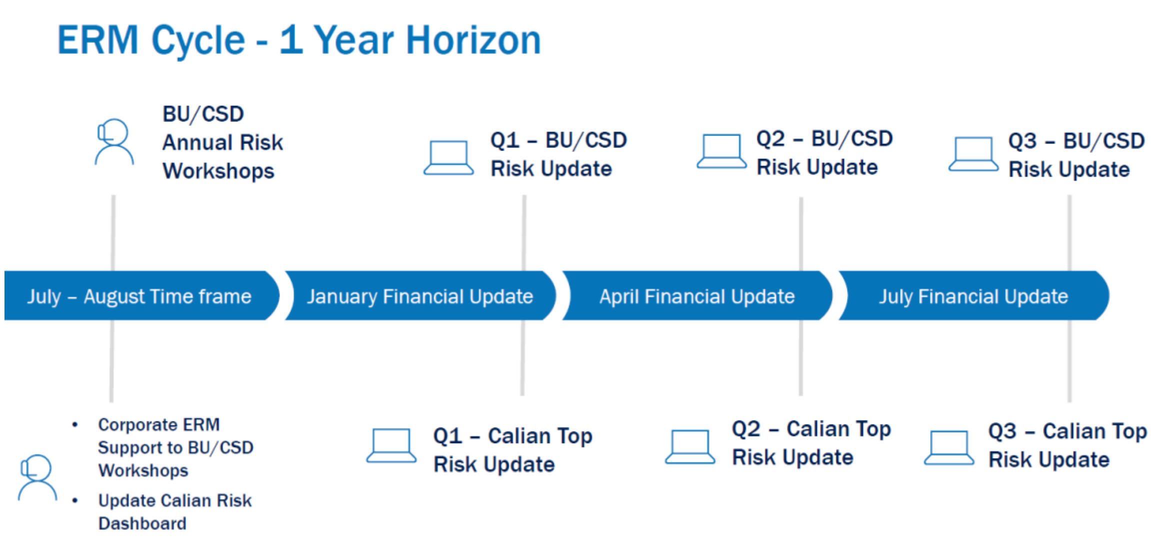

Diagram 5: Strategic 1- and 3-Year Horizon

BU: Business Unit
CSD: Corporate Services Department

Risk Assessment

The company's documented ERM process guide articulates how we define risks, the impact and likelihood of these risks, and the financial and strategic impact of these risks, including risks arising from climate change. Each quarter, updates are made to the risk register which is included in the senior leadership team quarterly financial reviews with corporate leadership team.

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

- The impact index focuses on the risk level and value of the impact, should the risk occur. Risk levels and the financial risk and value of impact are defined as shown in Diagram 6: Impact and Likelihood Index.
- The likelihood index focuses on the risk level of certainty and the potential of the risk should the risk occur. Risk levels and the likelihood are defined as shown in Diagram 7: Risk Trend.

Both financial and strategic impact to the business is reviewed and, as required, adjustments are made to the existing mitigation measures as shown in Diagram 8: Mitigation Measure Effectiveness.

CALIAN'S RISK CLASSIFICATION			
IMPACT INDEX		LIKELIHOOD INDEX	
LEVEL	VALUE	LEVEL	VALUE (for the next 3 years)
SEVERE	$10M and above	ALMOST CERTAIN	Greater than 80% chance of occurring
HIGH	$1M to $10M	LIKELY	55 to 80 % chance of occurring
MODERATE	$100k to $1M	POSSIBLE	45 to 55% chance of occurring
MINOR	$0k to $100k	UNLIKELY	15 to 45% chance of occurring
INSIGNIFICANT		HIGHLY UNLIKELY	Less than 15% chance of occurring

Diagram 6: Impact and Likelihood Index

CALIAN'S RISK CLASSIFICATION			
Risk Trend		Mitigation measure effectiveness	
LEVEL	Description	LEVEL	Description
	Risk Trending Upward – the risk is increasing in severity and likelihood	NOT EFFECTIVE	Deployed mitigation measures have not succeeded in lowering risk exposure to an acceptable level
	Risk is Stable – The risk is not getting worst or getting lower with severity and likelihood remaining stable	SOMEWHAT EFFECTIVE	Deployed mitigation measures have generated some positive impact on lowering the risk exposure but not sufficiently.
	Risk is Decreasing - The risk exposure is lowering with severity and likelihood decreasing	EFFECTIVE	Deployed mitigation measures have resulted in the risk exposure to remain or lower into the acceptable range
		HIGHLY EFFECTIVE	Deployed mitigation measures have substantially lowered the risk exposure to a degree where it is no longer a concern

Diagram 7: Risk Trend

MITIGATION MEASURES EFECTIVENESS LEVEL	DESCRIPTION
Highly Effective	Mitigation measures have kept the risk exposure within the **INSIGNIFICANT** to **MINOR** Impact range.
Effective	Mitigation measures have kept the risk exposure at the **MODERATE** level and within the tolerance threshold.
Somewhat effective	Mitigation measures resulted in minimal impact on reducing risk within the tolerance threshold. Risk exposure remains **HIGH**.
Not effective	Mitigation measures did not reduce the risk exposure within the tolerance level. Risk exposure remains **SEVERE**.

Diagram 8: Mitigation Measure Effectiveness

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

The enterprise risk management team catalogues and assesses risks identified by the senior leadership team and helps with mitigation, monitoring and reporting to the corporate leadership team and the board governance and risk committee.

The risks identified with a potential impact on Calian are physical, transitional, acute and chronic and included in S2. under the Calian risk summary chart.

Managing Climate-Related Risks

Transition Risk	Climate-related risk description	Operating segment impact	Horizon	Management method
Policy & Legal	Enhanced emissions and other climate-reporting regulation	Increased frequency in comprehensive reporting alongside other financials	Medium term	Allocation of sufficient resources Continue to monitor evolving reporting standards and best practices
	Mandates on, and regulation of, existing products and services	Strict rules and regulations imposed on products and services	Short to medium term	ERM monitors shifts in regulations to remain compliant with government regulations
	Enhanced environmental and social policy requirements (i.e. health and safety, modern slavery, vendor code of conduct, etc.)	Complying with environmental and social regulations imposed by governments due to frequency in climate-related events occurring at Calian operating locations.	Short term	ERM monitors shifts in regulations to remain compliant with government regulations
	Carbon pricing and taxes	Increased operating costs (carbon, energy, supply chain, regulations) The government may change its policies, priorities or funding levels through agency or program budget reductions which could have a direct impact on revenue and profitability	Medium to long term	ERM monitors shifts in regulations to inform financial forecasts and strategy
	Increased cost of risk-based insurance premiums	Increased operating costs due to frequency of claims	Short term	Monitor emerging trends in insurance coverage
Technology	Cost of transitioning to energy efficient technology	Regulations may cause increased investment into lower-emissions technologies Increased cost to upgrade technologies Markets for the company's services are very competitive, rapidly evolving, and subject to technological changes	Medium to long term	Identify reduction initiatives with the company's facilities management Deliver energy-efficient products and services
Market	Increasing costs of purchased goods and services	Increased price in resources needed (i.e. energy, raw materials)	Short term	ERM monitors shifts in market dynamics within supply chain

	Shifts in client preferences/pressure to support decarbonization efforts	Investment in sustainable practices Product or service redesign to meet customer preferences	Short to medium	Monitor customer trends and adapt to client requests to support climate initiatives
	Talent attrition	Calian must compete for qualified employees and have access to large pool of qualified professionals to satisfy contractual agreements.	Short term	Monitor market conditions and employee satisfaction
Reputation	Increased stakeholder concerns or negative stakeholder feedback	Loss in client interest due to lack of action on environmental initiatives and climate change strategies Ability to attract and retain talent	Short term	Update corporate environmental, social and governance strategy to meet requirements Transparent reporting on GHG emissions inventory and metrics and targets
Physical Risk	**Climate-related risk description**	**Operating segment impact**	**Horizon**	**Management method**
Acute	Business disruption due to extreme climate-related weather events	Increased frequency of climate-related incidents can cause physical damage to Calian locations (i.e. flooding, fires, hurricanes) Increased operating costs due to physical repairs needed on facilities	Short term	ERM continuously monitors business disruptions and provides updates to management protocols on different scenarios
	Data loss and reduced IT access	Increased frequency of climate-related incidents can cause physical damage to IT networks	Short to medium term	ERM integrates mitigation measures to retrieve backup data in the case of data loss and IT access
	Supply chain disruptions	Increased operating costs Ability to manufacture products for clients Scarcity of raw materials	Short to medium term	Calian continuously monitors climate-related risks within its supply chain
Acute/Chronic	Long-term disruptions to business operations due to intensifying climate impacts	Decrease in productivity due to employee well-being and rises in climate change events such as health epidemics and diseases, which could disrupt operations Operations paused due to climate impacts on facilities	Short to long term	ERM reviews business continuity plan to ensure it remains up to date.
Chronic	Shortages in natural resources for semiconductor production	Disruption in supply chain Scarcity of raw materials causing increase in operating costs may impact the company’s ability to secure materials and components required to meet contractual obligations	Short to long term	ERM conducts climate risk assessment to understand vulnerabilities of supply chain and establishes measures to mitigate resource disruptions

Managing Climate-Related Opportunities

Opportunity type	Climate-related opportunity description	Operating segment impact	Horizon	Management method
Resource efficiency	Establish greener, eco-efficient facilities	Reduction of environmental footprint Reduce operating costs	Medium to long term	Catalogue of facilities and their existing environmental management team to establish programs to target green initiatives
	Implement more efficient production and distribution processes	Increased revenue of lower emission products and services	Medium to long term	Continuously assess production processes to improve productivity
Energy systems	Leverage lower-emissions sources of energy and new technologies	Increased revenue of lower emission products and services	Medium to long term	Adopt energy efficient equipment to reduce energy consumption
Products & services	Develop new products or services through R&D innovation	Increased revenue of lower emission products and services	Short term	Monitor market shifts including customer preferences and trends
	Increased demand for services and solutions (i.e. health, emergency management, training, advanced technologies)	Increased revenue due to high demand of services and solutions	Short to long term	Prioritize resource allocation to increase customer satisfaction and maximize profitability
	Reputational benefits also resulting in increased demand for goods/services	Increased demand of products and services due to positive reputation in community Increased revenue due to increased demand of products and services	Short term	Monitor stakeholder needs and expectations to address climate related initiatives
Markets	Improved ratings by sustainability/ESG indexes	Attracting investors who prioritize sustainability Access to new markets and opportunities with strong ESG reputation	Short term	Corporate and senior leadership commitment to sustainability initiatives Pursue sustainability certifications Transparent reporting in annual ESG report
Resilience	Talent attraction and retention	ESG strategy demonstrates commitment to climate change which attracts top talent with similar values who want to work for a socially conscious employer Transparent reporting increases the company's reputation	Short to medium term	Transparency and reporting of annual ESG report Employee engagement through volunteering and sustainable projects Provide ESG training to understand the company's commitment to ESG
	Local sourcing to reduce the impact of climate incidents and client requirements	Increased cost savings Local sourcing of goods and services diversify the company's supplier list	Short to medium term	Transparent reporting on emissions inventory to better understand the company's carbon footprint and how to reduce it
	Climate resiliency seen as strategic differentiator by stakeholders	Enhance Calian reputation and attract investors and customers who prioritize environmental solutions Increased revenue due to investor interest	Short to medium term	Engage with stakeholders to understand environmental concerns Refinement of environmental strategy to align with corporate business strategy

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

Integration into Risk Management:

The governance, risk and compliance committee was established in 2022 under the leadership of general counsel to provide ongoing oversight to the corporate leadership team and board on corporate risks. ERM is a core element of the broader GRC committee.

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

- Stage 1 – Pre-activation is based on the severity level of the risk, either low or medium. Most ERM-related incidents at this stage are handled by the operating segment or corporate services.
- Stage 2 – Response is activated if the severity level of the risk is high or critical. In that case, an assessment call is convened to manage the risk.
- Stage 3 – Recovery occurs once the risk has been stabilized and operations returned to normal, as shown in Diagram 9.

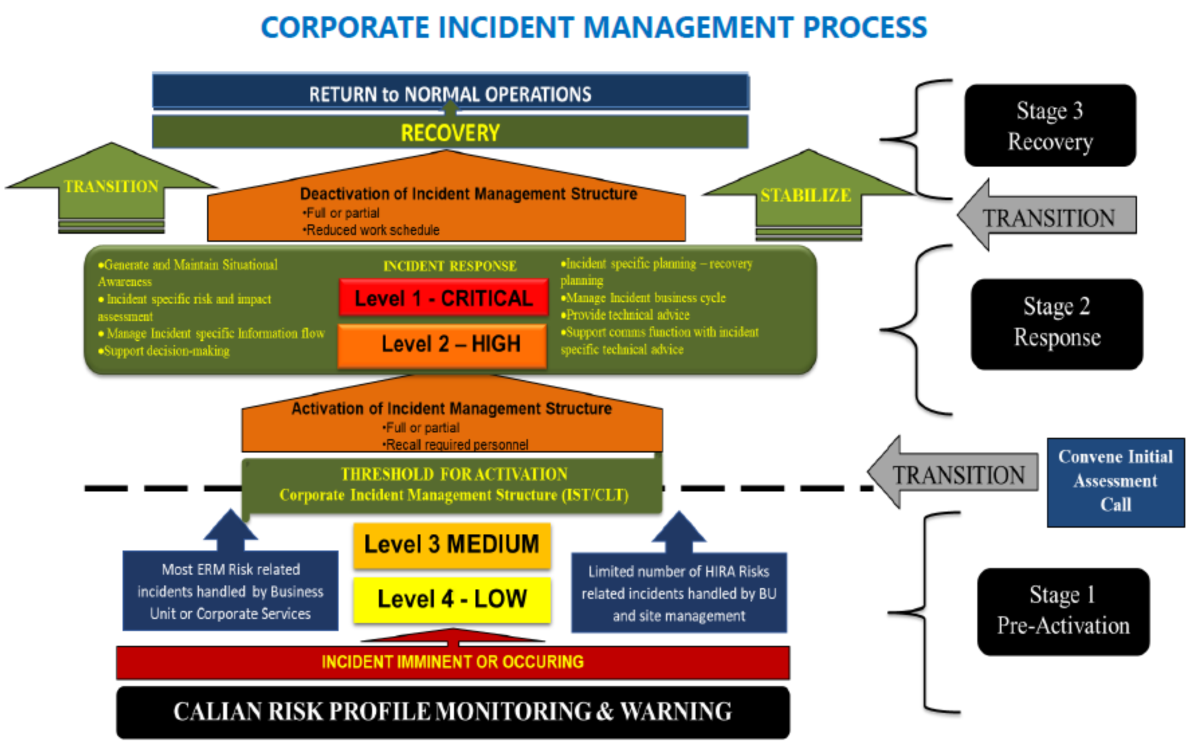

Diagram 9: Corporate Incident Management Process

8. Metrics and Targets

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

MT1. Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process
Calian is planning on establishing metrics and targets and developing action plans as part of a decarbonization road map focusing on highest emission areas in 2024, following the climate-related scenario analysis. A formal process for climate data collection has been developed, with oversight from the CFO office and representation from each of the operating segment finance teams.
MT2. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks
Calian has conducted a GHG emissions inventory to align with the Net-Zero Challenge. In 2022, Calian engaged an independent third party to support the development of a GHG emissions inventory for Scope 1 and 2 emissions and a screening of scope 3 emissions. To facilitate the delivery of its inaugural ESG report, the company elected to use GHG emission source data from Calian locations for the reporting period October 1, 2021, to March 31, 2022. The calculation methodology followed the guidelines of the GHG Protocol Corporate Accounting and Reporting Standard for Scope 1 and 2 emissions. The company has leveraged the GHG protocol in identifying relevant upstream and downstream emission criteria for Scope 3. For the screening of Scope 3 emissions, the Corporate Value Chain (Scope 3) Accounting and Reporting Standard was used for the calculations using Quantis. The emissions factors for purchased goods and services for Scope 3 for April 1, 2022 to Sept 30, 2022, was calculated using the US EPA factors. For the purposes of accurately estimating the company's overall Scope 3 emissions, the decision was made to double the 1H of 2022 Scope 3 emissions, as purchased goods and services was the highest emissions contributor at 86 per cent. In 2023, Calian completed its full-year emissions inventory for 2022 and will continue to report annually, including identifying the company's greatest opportunities for carbon reduction. Calian will establish its key metrics and targets after completing the scenario analysis exercise.

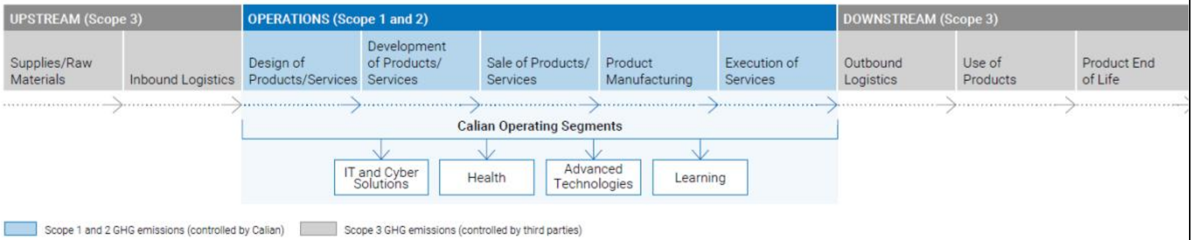

Diagram 10: Scope Emissions Categories

Emissions Inventory

Greenhouse Gas Emissions	FY2022 (Baseline)	FY 2023 (Available following fiscal year end)
Scope 1 direct emissions (Oct 1, 2021 – Sep 30, 2022)		
Scope 1 emissions (t CO_2e)	445	
Scope 1 emissions intensity figure	0.010120359	
Scope 2 indirect emissions (Oct 1, 2021 – Sep 30, 2022)		
Scope 2 location-based emissions (t CO_2e)	2,894	
Scope 2 emissions intensity figure	0.0000057371	
Total Scope 1 & 2 emissions	**3,339**	
Scope 3 emissions (Oct 1,2021 – Sept 30,2022)		
Scope 3 purchased goods and services (tCO_2e)	**81,906**	
Scope 3 capital goods (tCO_2e)	2,414	
Scope 3 fuel and energy related activities (tCO_2e)	1,370	
Scope 3 upstream Transportation & Distribution of Goods (tCO_2e)	360	
Scope 3 waste generated (tCO_2e)	128	
Scope 3 business travel (tCO_2e)	2,388	
Scope 3 employee commuting (tCO_2e)	5,270	
Scope 3 downstream transportation and distribution (tCO_2e)	1,042	
Scope 3 investments (tCO_2e)	454	
Total Scope 3 emissions	95,332	

FY2022 Emissions Inventory Data analysis

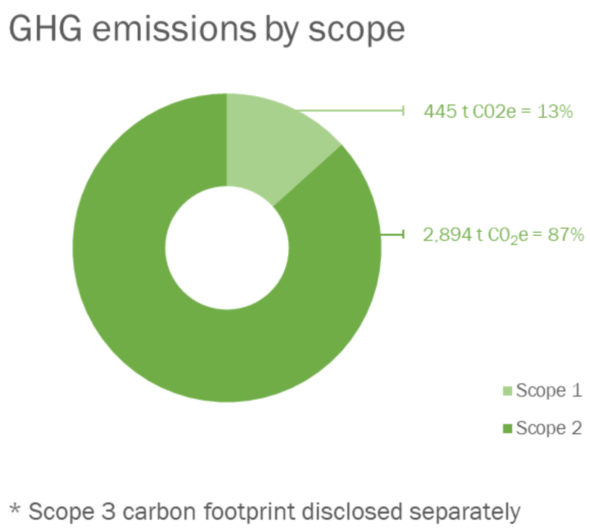

Diagram 11: GHG Emissions by Scope Breakdown

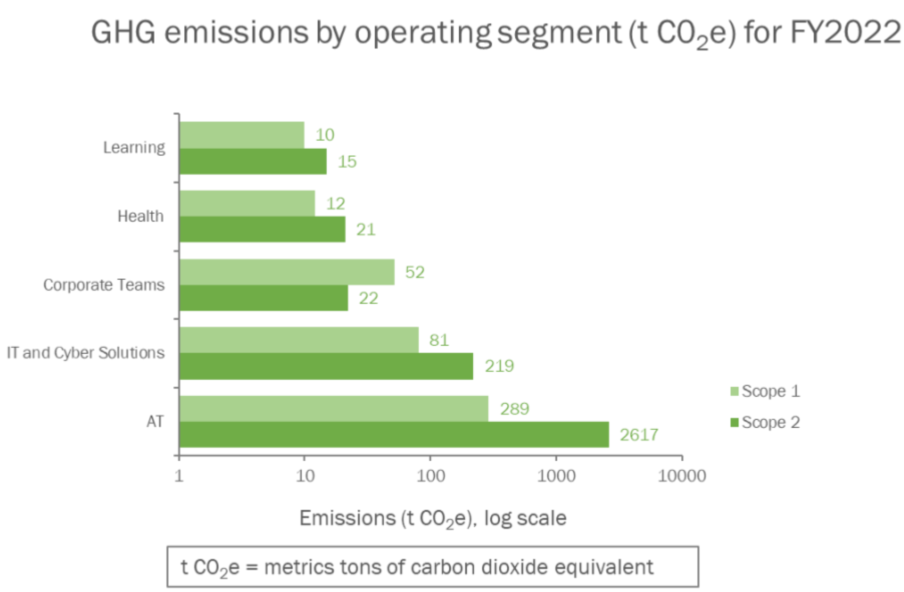

Diagram 12: GHG Emissions by Operating Segment Breakdown

Scope 1: Stationary combustion is mainly from natural gas use and makes up the entirety of Scope 1 emissions, with Scope 1 representing 13 per cent of Calian total direct emissions. This value represents the entirely of its 2022 emissions.

Scope 2: Purchased electricity makes up the entirety of emissions, with Scope 2 representing 87 per cent of Calian total emissions. Most of the electricity consumption occurs at the

Saskatchewan facilities, where most of the manufacturing occurs. This value represents the entirely of its 2022 emissions. Operating segments: Advanced Technologies (AT) represents 87 per cent of the total Calian emissions (Scope 1 and 2). These results were expected due to the manufacturing operations and larger number of facilities of total Calian square footage being attributed to AT. The Scope 3 emissions screening informed us that the company's most material emissions were from purchased goods and services (category 1) across all segments. Calian is continuing to refine its Scope 3 estimate to further understand how to drive emissions reductions and better realize the opportunities of working with its value chain stakeholders. Of note, Calian does not produce nitrogen oxides (N0x) emissions, sulfur oxides (SOx) emissions, volatile organic compounds emissions, hazardous air pollutants emissions and particulate matter emissions.
MT3. Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets
Calian has committed to the Canada Net-Zero Challenge which encourages businesses to develop and implement credible and effective plans to transition their facilities and operations to net-zero emissions by 2050. In accordance with the Milestone 1 requirement, Calian has developed the TCFD road map indicated in Diagram 2. More refined metrics and targets will be established following the 2024 climate scenario analysis. Calian will continue to update this TCFD Report annually to demonstrate progress related to its management of climate-related risks and opportunities.