

Trupanion Climate-Risk Report

March 2026

This report was prepared with reference to The Final Report of Recommendations of the TCFD (June 2017) published by the Task Force for Climate Related Financial Disclosures (TCFD) framework. Our assessments of climate-related risks and opportunities and scenario analysis exercises were conducted throughout 2025 and data used was from FY2024 and, when available, partial year data from 2025.

Governance

At Trupanion, governance of climate-related risks and opportunities is embedded within our broader enterprise risk management (ERM) framework. Our ERM framework is designed to minimize potential negative impacts while maximizing opportunities, ensuring strategic objectives are met, and enhancing organizational resilience and value creation.

Board Oversight

Trupanion's Board of Directors oversees climate-related risks through its Nominating & Corporate Governance Committee, which is responsible for reviewing and guiding the company's approach to sustainability and ESG-related matters, including climate.

Climate-related risks are surfaced to the Board by the Internal Audit team as part of Trupanion's annual ERM cycle. This includes risk rating reviews with the leadership team, who directly manage and own the risks, which are then shared with the Board for input and oversight. Internal audit findings, industry trends, and regulatory feedback also inform the Board's understanding of climate-related risks.

Progress against identified climate-related risks is monitored through management action plans and residual risk assessments. These are reviewed to ensure alignment with Trupanion's internal risk appetite and are presented to the Board on at least an annual basis.

Management Oversight

Day-to-day oversight of Trupanion's approach to climate-related issues is led by our Senior Vice President of Corporate Communications. This includes review of third-party provided annual greenhouse gas calculations, assessment of climate-related risks and opportunities, and integration of findings into corporate strategy and communications. This role serves as a key liaison between operational teams and executive leadership, ensuring climate-related insights inform both strategic planning and external disclosures.

As a part of our ERM framework, executive leadership is assigned ownership of top risks, including those that relate to climate. The CEO and CFO maintain ultimate oversight of enterprise risks at Trupanion, with input from the Board.

Executive management is informed of climate-related risks annually through our ERM framework, where top risks are presented and reviewed. Risk assessments are informed by investigative reports, industry trends, audit results, and regulatory feedback. These inputs help determine areas of focus and guide the development of mitigation action plans.

Management tracks the implementation of mitigation plans and monitors residual risks at a frequency deemed appropriate by both management and the Board.

Strategy

In 2025, Trupanion worked with a third-party consultancy to conduct an initial assessment identifying our climate-related risks and opportunities in alignment with the TCFD recommendations. This assessment included qualitative and scenario analysis of physical risks for all sites, domestically and abroad, and transition risks and opportunities based on our operational footprint, products, and markets. Following the scenario analysis, a quantitative analysis was completed for the financial exposure related to any high priority risks and opportunities. The broad list of risks and opportunities was narrowed down to a short list of the highest priority topics, illustrated below.

Physical Risks

Trupanion assessed physical risks across all sites under the high warming (+4°C SSP 8.5) scenario, as it reflects the most ‘extreme’ conditions of climate change, and across three time horizons. The following were identified as the highest rated risks potentially arising from each time horizon:

	Acute	Chronic
Short term	Heavy rain, windstorms, tropical cyclones, riverine flooding	Heat stress, increased spread of pests and diseases
Medium term	Heavy rain, heatwaves, windstorms, tropical cyclones, riverine flooding	Heat stress, water scarcity, increased spread of pests and diseases, increased health impacts from extreme weather events/increased heat stress
Long term	Heavy rain, heatwaves, windstorms, tropical cyclones, riverine flooding	Heat stress, water scarcity, increased spread of pests and diseases, increased health impacts from extreme weather events/increased heat stress

Transition Risks

We then assessed a long list of three transition risks and two opportunities associated with our full value chain across TCFD categories under the low warming (1.5°C) scenario, as that reflects the most aggressive transition to a low-carbon economy. The following were identified as priority transition risks and opportunities for our business:

Risks	Policy & Legal	Increased carbon pricing in the US and Canada
		Increased fuel costs for territory partners
Opportunity	Markets	Climate risk leading to higher demand for pet insurance

Impact on Business and Strategy

Climate-related risks and opportunities have the potential to disrupt our operations, products and services, and broader value chain, which may impact business continuity. To evaluate our exposure to these risks, we assessed the criticality of operations by considering factors such as regional dependencies, day-to-day operational importance, revenue contribution, and employee distribution, alongside internal materiality thresholds.

Impact of Physical Risks

Climate scenario analysis for physical risks assessed actual and potential impact of acute and chronic hazards across Trupanion’s sites and operations globally, which was organized into three regions.

The table below highlights the potential impacts assessed from the highest rated physical climate risks under the high warming scenario, across all three time horizons.

Region	Risk	Impact
North America	Heavy rain	Corporate presence in the Pacific Northwest region (HQ and office) accounts for approximately one fifth of Trupanion’s own workforce. These offices oversee the claims department as well as select high-value claims that require additional review.
	Heatwaves	
	Windstorms	Disruption in North America is assessed to carry high financial exposure due to the concentration

	Increased spread of pests and diseases	<p>of workforce, critical operations, and associated revenue.</p> <p>Additionally, our products and services could be impacted by an increased spread of ticks and tick-borne disease risk driven by warmer temperatures and increased precipitation, leading to an expansion of population and a greater number of affected regions.</p>
Europe	Heavy rain	<p>European offices account for less than 10% of Trupanion’s own workforce and financial revenue from these offices is still growing as we plan to increase our market presence.</p>
	Heatwaves	
	Water scarcity	
	Windstorms	<p>Based on the limited workforce share and current financial scale, the overall exposure for the European region is assessed to be low.</p>
	Riverine flooding	<p>However, chronic heat stress and more frequent heatwaves were assessed to likely have a greater sustained impact on pet health and thus on our products and services in the medium and long term.</p>
	Increased health impacts from extreme weather events/increased heat stress	
Southeast Asia	Heavy rain	<p>The Southeast Asia office represents close to a quarter of Trupanion’s global operational network, which includes third-party resources, and contributes to the processing of about one fifth of total claims.</p>
	Heat stress	
	Heatwaves	
	Water scarcity	<p>Based on workforce concentration and operational criticality, financial exposure is assessed as high.</p>
	Windstorms	
	Tropical cyclones	
	Riverine flooding	

Similarly, the two specific chronic risks that surfaced as high priority were also assessed for potential impacts, but this time organized into two regions.

Region	Risk	Impact
US / Canada	Increased spread of pests and diseases	This assessment considered the potential effects of a projected increase in the spread of ticks and tick-borne disease risk in the medium to long term. This change is driven by warmer temperatures and increased precipitation that expand tick populations into new regions and intensify them in existing ones. However, the results of the assessment concluded that this risk was non-material to Trupanion due to not meeting our internal financial thresholds given current and projected claims impact.
Global	Increased health impacts from extreme weather events/increased heat stress	This assessment considered the potential effects of heat-related hazards, which are expected to increase in the medium to long term. Potentially, chronic heat stress and more frequent heatwaves are likely to have a greater sustained impact on pet insurance claims than isolated extreme weather events.

Impact of Transition Risks and Opportunities

The scenario analysis prioritized transition risks and opportunities based on exposure and vulnerability as defined by the IPCC. Trupanion assessed the potential impact of three separate policy risks, one market opportunity, and one technology opportunity.

The table below highlights the potential impacts from the prioritized transition risks by time horizon, as well as potential financial exposure in a +1.5°C warming scenario.

	Policy Risk – Increased carbon pricing in the US and Canada	Policy Risk – Increased fuel costs for territory partners	Market Opportunity – Climate risk leading to higher demand for pet insurance
Short term	Trupanion’s office footprint in North America, including Canada and Washington State, might be impacted by rising operating costs driven by compliance with	Currently, there is no fossil fuel-based carbon tax on the US, with some states implementing a state carbon tax on the power sector, but not on fossil fuels. In the EU, there is	Climate change is already affecting pets, with over 20% of U.S. pet owners having evacuated due to disasters—nearly half leaving at least one pet behind. With 83% of pet

	<p>carbon pricing mechanisms, such as the Canadian Federal Fuel Charge, Canada’s Output-Based Pricing System (OBPS), the British Columbia Output-Based Pricing System (OBPS) and Washington’s Emissions Trading System (ETS).</p>	<p>an expected expansion of the EU Emissions Trading Scheme, which taxes the CO2 emissions from fuel combustion, on the road transport sector by 2027.</p>	<p>owners living in disaster-prone areas and rising risks from extreme weather, wildfires, and heat stress in key regions like the U.S., Canada, and the EU.</p>
<p>Medium term</p>	<p>In advanced economies such as the US and Canada, carbon pricing is expected to remain a key policy tool under a 1.5 °C scenario. By 2030, the carbon price for advanced economies could rise to 140 USD / tCO2e which would result in 3x increase in Washington and a 2x increase in Canada compared to 2025.</p>	<p>Under the 1.5°C-aligned scenario modelled by the NGFS, Canada fuel prices are expected to increase ~29%, US by ~59% and the EU ~21% by 2030 when compared to 2025 prices.</p>	<p>Even under a 1.5°C / 2°C warming scenario, physical climate hazards are expected to intensify in the medium term, increasing risks to pets and driving demand for pet insurance. In Trupanion’s operating regions, rising hurricanes, wildfires, and heat stress pose growing health risks to pets across the U.S., Canada, and Europe.</p>
<p>Long term</p>	<p>As 2050 approaches, prices are projected to rise, driving action and incentivizing emission reductions to meet net-zero targets aligned with the Paris Agreement. By 2050, the carbon price for advanced economies could rise to 250 USD / tCO2e which would result in 1.8x increase in both regions from 2030 to 2050 (and a 4.3x increase from current pricing).</p>	<p>Under the 1.5°C-aligned scenario modelled by the NGFS, Canada fuel prices are expected to increase ~83%, US by ~140% and the EU ~59% by 2050 when compared to 2025 prices.</p>	<p>In addition to the expected increase in intensity for physical climate hazards, leading veterinary organizations, including the American Veterinary Association and World Veterinary Association, are increasingly recognizing the health impacts of climate change on pets and advocating for veterinary care as a key mitigation strategy. Within this context, pet insurance plays a critical role in ensuring pet owners can access necessary care without facing prohibitive costs.</p>

Strategy Resilience

We worked with a third party to utilize the outputs from our climate-risks and opportunities assessment to conduct a resilience analysis of our current strategy for two top topics and scenarios: (1) operational disruptions due to climate-related risks to our North American offices and Manila operations (using a 4°C scenario), and (2) the transition opportunity of increased pet insurance demand driven by climate change (using a 1.5°C scenario).

Overall, the assessment demonstrated that we have strong operational and strategic resilience to the topics due to a combination of current and planned actions that are a part of our strategic roadmap.

The table below summarizes the outputs of our resilience analysis.

Topic	Resilience Analysis Summary
<p>Physical Risks: Operational disruptions driven by extreme weather events for NAM and Manila offices</p>	<p>We currently maintain a high level of resilience to climate-related disruptions through comprehensive contingency measures. These include a Business Continuity Plan, a dedicated Crisis Management Team in Manila, and coordinated workload-triaging between Manila and North American offices to ensure service continuity.</p> <p>Both sites are equipped with resilient infrastructure, such as backup generators, to mitigate potential impacts from extreme weather events. Moreover, none of these offices are in flood-prone areas, further reducing physical risk exposure.</p> <p>Additionally, as part of our normal business practice and as a contingency mechanism, Trupanion’s operations are fully optimized for hybrid and remote work, thus increasing the resilience to impacts of potential climate-related events. As for our IT, we currently have plans to fully decentralize our servers to the cloud, thus removing our dependence on any single physical location.</p> <p>To further strengthen our resilience, we have plans for a strategic shift to more automation of services, decreasing our reliance on any one location.</p>
<p>Transition Opportunity: Increased demand for pet insurance driven by climate change</p>	<p>We have demonstrated strong short-to-medium-term climate resilience through our cost-plus model, growth plan, and extensive territory partner network.</p> <p>We collaborate with a range of stakeholders, including the Centers for Disease Control and Prevention, various veterinary health organizations, and private sector partners, to collect and report animal health data for risk mapping and actuarial modeling. This surveillance</p>

	<p>enables us to anticipate outbreaks and issue wellness guidance to our clients, helping build upon our brand and strategy as a trusted leader in pet health and wellness.</p> <p>Additionally, our cost-plus pricing model enables geographically nuanced pricing, positioning us to effectively respond to localized climate-related impacts.</p> <p>Despite these strengths, there are areas for improvement as our current strategy does not explicitly address capturing increased demand driven by climate change.</p>
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Risk Management

Trupanion, along with our third-party advisors, used the following key concepts for the scenario analysis in alignment with the TCFD.

- **Physical risks**, which can be either chronic (longer-term shifts in climate patterns such as a sustained increase in temperatures) or acute (e.g., the increased severity of typhoons or wildfires).
- **Transition risks and opportunities**, which are a result of transitioning to a low-carbon economy (e.g., future policy and/or legal requirements, changes in technology, carbon pricing, and shifts in supply and demand). As part of this report, we performed an identification of transition risks (policy and legal, technology, market, and reputation) and opportunities (resource efficiency, energy source, products/services, etc, and resilience) as defined by the TCFD.

To conduct a qualitative analysis of our physical and transition risks, two climate scenarios were considered, including one consistent with a 2°C or lower scenario as required by TCFD:

- **High warming scenario:** +4°C of warming by 2050 based on the Intergovernmental Panel on Climate Change (IPCC)’s SSP5-8.5 scenario. The SSP 8.5 scenario represents the most ‘extreme’ scenario from a physical climate change perspective, assuming a future where almost no mitigation action is taken. Emissions continue to rise at the current rate, and the global mean temperature will increase by 4°C by the end of the century relative to the pre-industrial period. Under this scenario, significant changes in the frequency and intensity of acute and chronic physical risks already occur by mid-century.
- **Low warming scenario:** +1.5°C of warming by 2050 based on the International Energy Agency (IEA)’s Net Zero by 2050 scenario (NZE) where possible. For insufficient sources or data, our consultants used a 1.72°C/2°C pathway (e.g., IEA Stated Policies Scenario (STEPS)). This rapid transition scenario represents a low-carbon outlook where the private sector transitions to a low-carbon economy. In this environment, companies navigate new legal and policy, market, technology and reputation risks and opportunities and assess the

change and impact of transition risks and opportunities.

Three time horizons as outlined were assessed for climate-related risks and opportunities:

- **Short term:** 1 year up to 2026 for physical risk; 1-2 years up to 2027 for transition risk
- **Medium term:** 3-5 years up to 2030
- **Long term:** 6-25 years up to 2050

Processes for identifying and assessing climate-related risks

We worked with third-party consultants to identify and assess climate-related risks and opportunities, and followed the risk terminology of the IPCC where risk is defined as a function of hazard, exposure, and vulnerability.

To prioritize physical risks, we utilized a scoring methodology that combined potential exposure and vulnerability. Potential exposure utilized inputs from climate modeling (based on latest scientific research and literature) whereas vulnerability was assessed through interviews with relevant internal stakeholders. Consistent risk modeling and scenarios (high warming) were used for all three time horizons.

For transition risks and opportunities, potential exposure and vulnerability were assessed through interviews with relevant stakeholders and research on latest developments and trends from relevant policy, market, and technology. Consistent scenarios (low warming) were used across all three time horizons.

Impact on the business is defined as actual or potential disruptions to critical operations or sites, or potential to affect workforce availability. We assessed the criticality of operations by considering business inputs such as revenue and employee distribution, together with internal financial materiality thresholds (~\$12M), to estimate potential exposure.

By assessing both low- and high-warming scenarios, the climate-related risk assessment process considers both emerging climate-related regulatory requirements, as well as physical risks relating to changing climate conditions. Each scenario presents a boundary case to help evaluate potential exposure, rather than to forecast the most likely outcome. This ensures that we can use the outputs of these assessments to strategize and plan for worse-case scenarios.

Integration to Existing Risk Management

Our existing ERM framework does consider and integrate climate-related risks, as we identify, assess, and manage these risks as a part of our documented process. As a part of the framework, management of climate-related risks, like any enterprise risk, is treated through four different methods, as described below.

Risk Treatment	Description
Accept	Risk is within tolerance and can be accepted with no further action.
Mitigate	Risk must be reduced to a tolerable level. Requires risk treatment plan with actions, dates, roles and responsibilities. Progress must be tracked, and mitigating activity validated as successful.
Transfer	Risk to be transferred to an external party to insulate the business from some or most of the direct consequences. Transfer must be owned by stakeholders. Transfer route (i.e., insurance, escrow, contractual agreements) must be validated as an effective method to transfer risk to a third party without exposing the business further.
Avoid	Risk to be avoided by terminating activity and removing source factors. Route to termination must be owned by a stakeholder and validated as an effective method to avoid the risk without exposing the business further.

Metrics and Targets

Our Scope 1, 2 and 3 GHG emissions, calculated in line with the GHG Protocol, are published annually in our Corporate Social Responsibility (CSR) Report (which can be found on our website <https://investors.trupanion.com>). 2024 marked the first year where we expanded our greenhouse gas accounting to include Scope 3 emissions, in an effort to provide a more comprehensive picture of our climate impact. We have included a three-year lookback to provide insight into our past GHG emissions inventories. This data was not subject to limited assurance requirements. We have used this information to track our GHG emissions.

Emissions Type	2022 (MtCO2e)	2023 (MtCO2e)	2024 (MtCO2e)
Total Scope 1	21	42	56
Total Scope 2 (MB)	889	1,025	1,028
Total Scope 1 & 2	910	1,066	1,084
Scope 1 & 2 emissions per total revenue (\$M)	1.0 MtCO2e/\$M	0.96 MtCO2e/\$M	0.84 MtCO2e/\$M
Scope 3	n/a	n/a	42,806