O.C.TANNER

Task Force on Climate-related Financial Disclosures Report

Responsible Growth

2026

O.C. Tanner's environmental philosophy is that growth and opportunity do not need to come at the expense of the environment. We aim to be responsible global corporate citizens, recognizing the impact of our actions on the environment as well as the risks from climate change and the opportunities for change.

Our sustainability program is foundational and maturing, and we are in the early stages of establishing a dedicated climate-related risk framework. As our capabilities expand, we plan to integrate climate-related risk screening into our risk management process, enhance emissions tracking and analysis, and create cross-functional teams to embed sustainability across the organization. These steps will strengthen our governance and help us meet rapidly evolving regulatory and customer expectations.

In 2021, O.C. Tanner began reporting Scope 1 and 2 emissions for our corporate headquarters in Salt Lake City, Utah. Today, our inventory includes all O.C. Tanner facilities across the globe. The addition of Scope 3 emissions in 2025 revealed our supply chain to be responsible for more than 60% of our global emissions.

Because most emissions originate beyond our direct control, reductions will require broad collaboration.

We are committed to engaging suppliers and customers to develop innovative solutions while recognizing that increases in grid-level renewable energy availability are essential.

O.C. Tanner has prepared this report for CY2025 based on the Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), covering each of the framework pillars in this report: Governance, Strategy, Risk Management, and Metrics and Targets. This disclosure is intended to comply with the requirements of California's Climate Related Financial Disclosure Program authorized by Senate Bill (SB) 261 (Stern, 2023, codified in Health and Safety Code §38533). Specific recommendations or disclosures not included are noted along with the reasons for omission and plans for future reporting. The disclosures provided herein meet or exceed the minimum requirements specified by the latest guidance from the California Air Resources Board (CARB) at the time of this publication.

Governance

BOARD OVERSIGHT

Our business strategy is shaped and overseen by the Board of Directors and executive leadership through active engagement and stakeholder input, with direct oversight of climate-related risks and opportunities. This oversight is structured through the Environmental, Social, Governance (ESG) team, which includes individuals from the Environment and Sustainability, People and Great Work, Supply Chain, and Legal teams. This committee reviews sustainability-related strategy, performance, and emerging risks, including both transition (e.g., regulatory, market) and physical risks (e.g., drought, water scarcity), ensuring alignment with an evolving business landscape, client requests, and market competitiveness. The Environment and Sustainability team reports to the executive team on a bimonthly basis. The executive team then reports this information to the Board of Directors at least annually, or more frequently as needed.

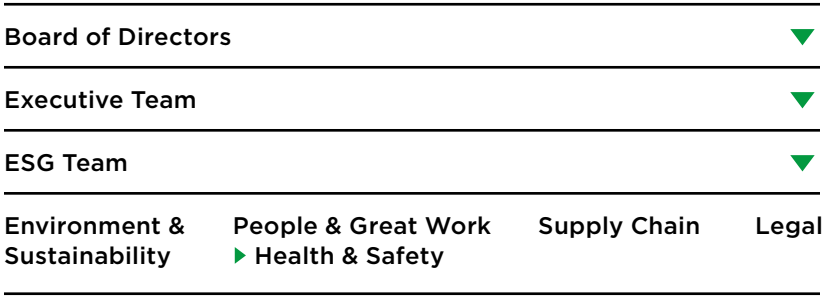
Quarterly reviews are conducted on key environmental metrics (emissions, water, waste), capital expenditures, and related KPIs. These metrics are benchmarked against targets, which are then brought to the COO for approval before being presented in the annual performance update to the Board. The Board then issues final approval of significant target changes or capital improvements, as required.

This structure formalizes active oversight of climate resilience and embeds environmental accountability into strategic and financial decision-making. At O.C. Tanner, responsible environmental stewardship drives innovation and success.

ENVIRONMENT AND SUSTAINABILITY TEAM

The Environmental and Sustainability Team spearheads environmental-related initiatives and goals as part of the ESG team, meeting prior to third-party submittals. Team responsibilities include gathering internal greenhouse gas (GHG) emission accounting data, preparing environmental disclosures, and the proposal and implementation of GHG emission-reduction activities and projects. The team collaborates closely with our People & Great Work, Supply Chain, and Legal teams to ensure ethical labor practices and sustainable procurement, which will be supported by new supply chain auditing tools in 2026 to enhance transparency and accountability.

GOVERNANCE AND REPORTING HIERARCHY FOR ENVIRONMENTAL RESPONSIBILITIES



Strategy

Identifying climate risks and opportunities is important to understanding environmental goal setting, progress, and resilience to future climate scenarios. The locations and circumstances of all eleven O.C. Tanner facilities in seven countries across four continents are considered and analyzed to create the most complete picture possible. Our analysis identifies risks and opportunities over multiple time horizons, describes risk impacts, and takes into consideration how these might shift in different climate change scenarios.

Our risks are forecasted on short- (1–3 years), medium- (3–10 years), and long-term (10+ years) time horizons depending on when an anticipated risk may materialize, helping us plan and prioritize accordingly. Assuming a continuation of the current rate of regulation, the most immediate impact will come from the costs of services and compliance. Meeting and strengthening our targets will be instrumental to minimizing expenses and decreasing risk.

Some climate-related risks qualified as significant, including compliance costs from increasing regulatory and mandatory reporting requirements, rising fuel and electricity costs, and market and reputation changes toward sustainable alternatives. For physical risks, only water scarcity and drought were deemed material. No significant financial impact from other major physical risks was found, including wildfire and sea-level rise. It is worth continually monitoring these risks and real-world developments to determine necessary updates.

Transition Risk Scenarios: Our analysis utilizes the most recent data and scenarios from the International Energy Agency (IEA) scenarios from the Global Energy and Climate (GEC) Model:

STEPS: Stated Policies Scenario corresponding to IPCC SSP2-4.5 and reflecting continued implementation of policies at the current pace, allowing for up to 3.5°C of warming.

APS: Announced Pledges Scenario (SSP1-2.6), correlating to aggressive action and implementation of nationally determined contributions (NDCs), resulting in 2°C warming.

NZE: Net Zero Emissions by 2050 (SSP1-1.9), meaning an immediate shift away from fossil fuels and coordinated global efforts to achieve well below 2°C.

Physical Risk Scenarios: Physical risk analysis is detailed on page 8.

Risk assessments will be updated as new data, climate policy developments, and operational insights become available. The initial high-level assessment in this report will evolve in the coming years as our climate analytics, exposure data, and internal capabilities mature.

Transition Risks

Scenarios	IEA STEPS, IEA APS, IEA NZE
Data sources	IEA, IPCC, Rocky Mountain Power, internal data
Time Horizon	2035, 2040, 2050

RISK TYPE	TIME HORIZON	HIGH-WARMING SCENARIO (>2ºC)	LOW-WARMING SCENARIO (BELOW 2ºC)	RESPONSE AND OPPORTUNITIES
CARBON PRICING	Short-medium	A high warming scenario sees little carbon price regulation and enforecement.The reduction of carbon-intensive activities means marginal incurred cost, as well as little passthrough from suppliers.	Carbon prices are gaining global traction, increasing incrementally with time to continue downward pressure on emissions. Direct costs may be incurred by the company in time depending on jurisdiction and regulation. Most costs will be experienced with passthrough by suppliers.	Our target is to reduce emissions by 4.2% annually, in line with CDP recommendations. We are adopting efficiency measures across the company including adopting high-efficiency technology and building upgrades, as well as our U.K. operations completing a move to a net-zero warehouse. Our Salt Lake City headquarters is exploring the feasibility of on-site energy generation, which will aid immensely in acheiving our goal. Additionally, we are investigating ways to engage with our suppliers as well since the greatest impact will be from pass-through costs of carbon pricing.
ELECTRICITY PRICES	Short-medium	Electricity costs will continue an upward trend due to climate-related vulnerabilities, extreme weather impacts, technology transition costs, and policy changes. Our operating expenses will increase as a result, exacerbated by increased usage to compensate for a higher frequency of extreme temperature events.	Utility prices would increase as an initial response to capital investment to increase infrastructure resiliency and renewable energy generation. However, costs expenditures could decrease in the long-term from low-cost electricity with renewable and efficiency gains, dampening cost increases.	We are replacing and upgrading equipment, lighting, and operations with energy-efficient technologies to reduce total energy usage (e.g., LED lighting, transformer replacements, heat exchanger installation). Additionally, our U.K. operations' transition to a net-zero warehouse and possible on-site solar installion at our headquarters are expected to reduce costs and footprint.
SHIPPING AND DISTRIBUTION COSTS	Short-Medium	Increasing fuel prices from infrastructure disruption from extreme weather events and demand shifts will increase carrier shipping rates and volatility. This will require reevaluation of our supply chain and logistics procedures to maintain cost effectiveness and customer satisfaction.	Shipping and transportation costs will increase from climate action, including sustainable fuel requirements and the passthrough of carbon taxes. These costs may decrease in the long-term as methods become more efficient and alternatives fuels and electrification become more commonplace.	We have begun shifting to local procurement and shipping to reducing emission-intensive global shipping methods such as air freight and the associated costs. This manages cost and risk increases due to climate-related variables, such as shipping disruptions from extreme weather events.

Transition Risks Continued

RISK TYPE	TIME HORIZON	HIGH-WARMING SCENARIO (>2ºC)	LOW-WARMING SCENARIO (BELOW 2ºC)	RESPONSE AND OPPORTUNITIES
COMPLIANCE	Short-Medium	In the event that little mitigation occurs and a regulatory rollback of initiatives, then there will be no costs incurred due to fees and fines from climate compliance.	The evolving regulatory landscape is trending towards mandatory climate-related disclosures, with more countries enacting relevant legislation. The costs associated with compliance fees and penalties will be incurred by our company, especially as we enter into new markets. Ensuring compliance will take substantial resources.	Our sustainability and compliance teams remain informed of the rapidly-changing regulatory landscape. We continue preparing reports despite uncertainties, even if voluntary, because of our commitment to reducing our impact on the climate and environment.
CHANGING PRODUCT DEMAND	Short-Medium	Negligible supply and demand shifts create little incentive for more environmentally-friendly and low-carbon options. This reduces the need for researching products and shifting supply chains for greater sustainability. Costs will likely increase due to an increase in climate-related supply chain disruptions.	Shifting customer preferences impact business with requests for sustainable shipping and low-carbon or environmentally friendly products. This shift exposes the company to a loss of market share if shipping emissions and offerings are found to be inadequate. Increased resources would be needed to accurately calculate supply chain and product carbon footprinting.	In addition to shifting to local shipping solutions, we are increasing the availability of our environmentally-friendly offerings, transitioning to electronic gift cards, as well increasing capacity to develop product footprints and life-cycle analyses.
CUSTOMER RESPONSES TO CLIMATE PERFORMANCE	Medium-Long	Clients placing a low priority on environmental sustainability would mean little impact on the business from failing to meet sustainability targets.	Failing to respond to climate change and environmental challenges harm the company's reputation with customers, particularly in non-US markets, leading to a direct loss of market share and revenue. Future client opportunities may also be lost if competitors are seen as more sustainable in their operations and values.	We are investing in and improving our environmental performance, including accountability and transparency through reporting such as TCFD, CDP, and EcoVadis. Responding to stakeholder feedback, we now track emissions, implementing reduction goals, and investigating other pathways to reduce our global carbon footprint.

Physical Risks

Scenarios	IPCC RCP2.6/RCP4.5, RCP4.5/RCP6.0, RCP6.0/RCP8.5
Data sources	IEA, IPCC, WWF Water Risk Filter, internal data
Time Horizon	2030, 2050

RISK TYPE	TIME HORIZON	HIGH-WARMING SCENARIO (>2ºC)	LOW-WARMING SCENARIO (BELOW 2ºC)	RESPONSE AND OPPORTUNITIES
CHRONIC **WATER SCARCITY, DROUGHT**	Medium-Long	Water scarcity will have multiple impacts for facilities in high-risk areas from increased water utility rates to possible water restrictions. These effects will be especially pronounced in our water-intensive manufacturing processes, leading to costly process changes. Our headquarters where most manufacturing occurs will experience the most significant impacts.	A low-warming, highly sustainable pathway would mean responsible water management, less scarcity, and decreased frequency and severity of drought. Capital expenditures would increase from efficiency and resiliency measures, but operating costs would decrease. The overall physical risk and company resilience would improve as some high-risk watersheds see improved conditions.	We are working to meet our water conservation goals through water-efficient technology upgrades and turf conversions to employee recreation areas. Further improvements to irrigation and drought-resistant landscaping alternatives are being investigated. These changes will improve our resilience and make us a better community partner.

PHYSICAL RISK SCENARIO ANALYSIS

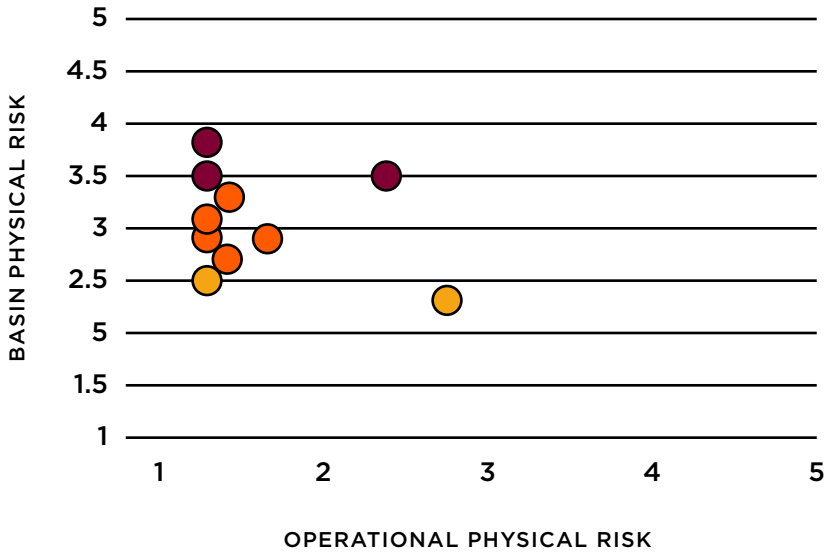
Understanding, assessing, and mitigating water risks are key to informing our long-term resilience. Utilizing the World Wildlife Fund (WWF) Water Risk Filter, we conducted our first scenario analysis into water-related risks for all facilities, finding that none have significant operational water risk. However, three facilities located in Salt Lake City, Utah, and Hyderabad, India, are in river basins classified as high risk.

The WWF water risk analysis incorporates three types of water risks: physical, regulatory, and reputational. Each is broken down into risk categories and indicators, further weighted for potential impacts. These risks are based on the following: the impact of physical conditions in a water basin (e.g., scarcity, drought, flooding, quality); the regulatory environment as aligned with UN Sustainable Development Goal (SDG) target 6.5 informing good governance; and reputational risks surrounding societal perception and media scrutiny. The resulting score is allocated between a site's water basin-specific risks and its operational-related risks.

Using the WWF scenario analysis tool, we also modeled various scenarios in 2030 and 2050 using climate outcomes of pessimistic, current, and optimistic trends through the 21st century. These vary greatly in terms of action and the frequency and severity of physical risks (e.g., flooding, extreme storms and temperatures, water stress, drought). Higher emissions will result in more pronounced impacts, and this analysis will help us understand changing risks.

WARMING LIMITS ARE DEFINED AS FOLLOWS:

- 4° Celsius for the pessimistic pathway (RCP6.0/RCP8.5),
- 2° Celsius for the current trend (RCP4.5/RCP6.0), and
- 1.5° Celsius for the optimistic route (RCP2.6/RCP4.5).



The scenario analysis results indicate areas at high or moderate risk will worsen, with Hyderabad increasing to very high risk, the U.K. facility becoming high risk by 2030, and Singapore becoming high risk by 2050. These impacts will largely result from scarcity, flooding, and water quality (impacting all sites). However, under optimistic scenarios and proper basin management, Salt Lake City facilities will have reduced risk.

Risk Management

Climate risks are annually identified and assessed by the Environment and Sustainability team after thorough analysis of new or upcoming regulations and climate models, which are then approved by the risk management teams and categorized by likelihood and severity. We strive for proactive mitigation of climate risks by actively monitoring our environmental performance, including, among others, emissions and regulatory compliance.

O.C. Tanner's Enterprise Risk Management (ERM) framework allows for identification and assessment of actual and potential risks to operations and long-term objectives. This risk assessment process ensures the minimization of impacts on the company while promoting financial and operational resilience.

Risks and opportunities are identified by conducting assessments through leader and employee engagement and data analysis. Once identified, risks are profiled, analyzed, and routinely prioritized based on a standardized risk assessment matrix incorporating likelihood, severity, and impact. An appropriate risk treatment and action plan can then be developed and applied, correlating to the specific circumstances while considering the company's mission, risk vision, costs, and risk tolerance.

A top-down approach is used to understand how the organization may be impacted, particularly by transition risks, with each risk category being monitored by specific drivers.

A bottom-up approach is used for physical risks and our scenario analysis to determine how each facility and its operations may be impacted.

Expanding the scope of our ERM to include climate and environmental risk will strengthen our framework and methodology by adding tools that allow us to create an even better understanding of our company's future.

Mitigating our impacts and adapting to a changing world ensures that O.C. Tanner remains resilient to forecasted changes.

Our climate-related scenario analysis and risk assessment will continue to improve and be refined, increasing the accuracy of our reporting. Each iteration should lead to direct mitigation and adaptation activities across our supply chain.

Metrics and Targets

Environmental sustainability is becoming a key component of O.C. Tanner's operations, with an emphasis on three areas: climate action, water stewardship, and environmental protection. Our goals aim to achieve an annual emissions reduction rate of 4.2%, aligned with limiting global warming to 1.5° Celsius, as well as reducing water usage 10% by 2030. Further details about our metrics and targets, including those related to environmental protection, are outlined in ***The O.C. Tanner Approach to Environmental, Social, and Governance Factors*** under the section titled "Our Environmental Stewardship."

We have tracked our emissions since 2021, expanding our scope each year to include global Scope 1 and 2 emissions and Scope 3 categories, including transportation, distribution, and business travel. Our goal is to account for all relevant Scope 3 categories within the next five years. Currently, water usage is tracked at our headquarters in Salt Lake City because it accounts for over 90% of global O.C. Tanner water usage, but we aim to expand tracking to other locations in the next two years.

We are continually improving and expanding the scope of our metrics and measurements as capabilities expand, while increasing efforts to source responsibly.

Footnotes and Disclaimer

This report has been prepared in good faith for informational purposes. The climate-related financial risk and opportunity assessment process is continuously evolving as new data, science, and operational insights become available. While every effort has been made to ensure accuracy, the information provided does not constitute a prediction or guarantee of future outcomes.

This disclosure is intended to provide transparency regarding climate-related risks, opportunities, and the organization's approach to sustainability; it is not a comprehensive financial or investment report.

All information presented here reflects activities, assessments, and data as of December 2025.