PETERSON

CLIMATE-RELATED FINANCIAL RISK REPORT

Prepared in accordance with California Senate Bill 261 (SB 261) and the TCFD framework

Reporting period:
Fiscal Year 2024

Publication date:
December 2025

CLIMATE-RELATED FINANCIAL RISK REPORT

1. SCOPE, FRAMEWORK, & REPORTING BASIS

This report covers Peterson Holding Company and its subsidiaries (the “Company”) for FY 2024 and it was prepared consistently with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, as required by SB 261.

2. GOVERNANCE

The Company recognizes that effective governance is critical to identifying, assessing and managing climate-related risks in accordance with the intent of California SB 261. The Company operates with a unitary board structure, consisting of a single Board of Directors that includes both executive and non-executive members. The board is supported by several committees that, together with the board, set strategic direction and oversee the Company’s management. The CEO and senior management are responsible for the Company’s daily operations and for implementing the strategy set by the board.

In regards specifically to climate-related financial risk oversight, The Company does not yet have a formal governance structure. As the Company builds internal capacity, it may evaluate future governance approaches, such as designating a committee or executive function to monitor climate risk; however, no such structures exist at this time.

Management accountability:

The Company does not currently have:

- Management-level ownership of climate-related topics,
- A sustainability or ESG role,
- A cross-functional climate working group,
- Reporting channels to leadership regarding climate-related exposures.

The Company acknowledges that governance is a developing area. The Company aims to strengthen its accountability framework over time as regulations mature, reporting standards are improved, and there is more clarity of future developments in this area.

3. STRATEGY

The Company regularly assesses how risks and opportunities may affect its business model, strategy, and financial position over the short, medium and long term. The Company's strategy is built to mitigate risks, capture market opportunities and strengthen financials.

The Company recognizes that climate-related risks and opportunities may impact its operations, strategy and financial planning. However, the Company has not yet conducted a formal climate-risk assessment. Based on initial internal review and sector trends, climate-related risks potentially relevant may include:

Physical Risks

- Extreme heat affecting equipment performance or inventory storage
- Flooding or wildfire impacting branch locations, yards, or logistics routes
- Supply-chain delays due to severe weather affecting OEM production or transport

Transition Risks

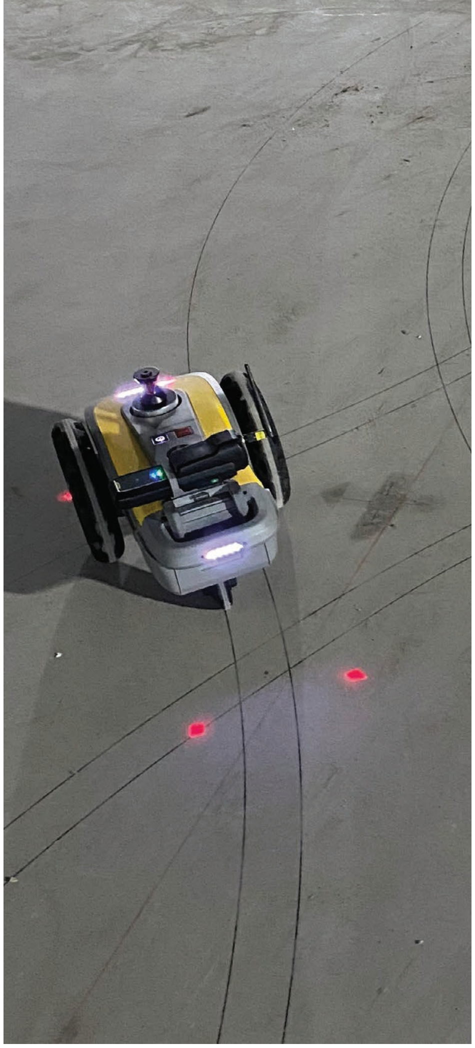
- Regulatory developments (e.g., emissions standards) affecting customer purchasing decisions
- Shifts in customer demand for low-emission or electric equipment outpacing OEM supply
- Shifts in taxation, financing or insurance costs related to high-emission assets

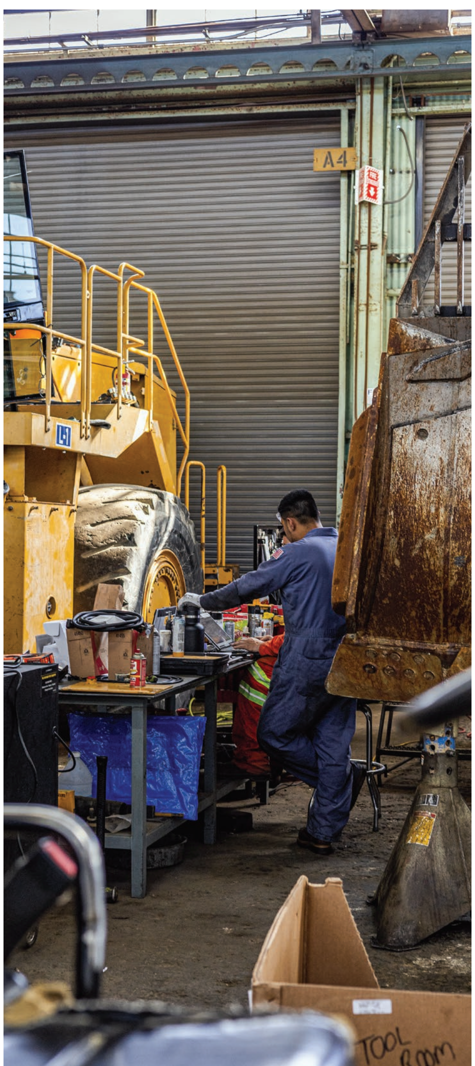
Market and Customer Behavior Shifts

- Customers accelerating adoption of low-emission or electric equipment
- Customers facing their own climate reporting requirements
- Competitors outpacing development and introduction of low-emission or electric product lines

Potential Opportunities

- Growth in sales of low-emission or electric lines of business
- Provide customers with lifecycle service and retrofit options
- Enhanced resilience of operations through facility hardening
- Improved emergency and business continuity planning





3.1 IMPACT ON BUSINESS STRATEGY & FINANCIAL PLANNING

Specifically to climate risks, because they have not yet been assessed, there is no integration of climate-specific considerations into strategic planning, capital allocation, operational decision-making, procurement, inventory management, facility investment, or long-term financial forecasting.

3.2 SCENARIO ANALYSIS

The Company has not conducted either quantitative or qualitative scenario analysis due to limited internal capability and lack of relevant climate-risk data. Scenario analysis may be considered in the future, but is not a current practice.

4. RISK MANAGEMENT

The Company recognizes that climate-related risks could influence business continuity, customer demand, asset values, and supply-chain performance. Climate considerations are part of enterprise risk management, facility planning, and business continuity processes. However, The Company has not yet established a formal process for identifying, assessing, or managing climate-related financial risks. The Company has not adopted any measures to reduce or adapt to climate-related financial risks, and no climate-specific adaptation, mitigation, resilience, or operational measures have been implemented.

At the time of this report, no dedicated climate-risk management framework, tools, or controls have been implemented, and climate-related risks are not currently integrated into the Company's enterprise risk management (ERM) framework, business continuity planning, capital planning, or strategic decision-making. No governance or reporting mechanisms exist to support integration.

5. METRICS & TARGETS

At this time, the Company has not established climate-related metrics, targets, or performance indicators. The Company does not track greenhouse gas (GHG) emissions, climate-related operational data, or transition-risk exposure metrics, nor does it monitor facility-level physical risk indicators, equipment lifecycle emissions, or emissions profiles associated with customer fleets. The Company does not maintain a data system or internal processes to collect, verify, or report climate-related metrics.

The Company currently lacks the data infrastructure, methodologies, and governance necessary to track climate-specific related performance. As climate-risk capabilities mature, the Company may evaluate the feasibility of establishing metrics or targets, but no specific plans or commitments are in place at this time.

6. FUTURE CONSIDERATIONS

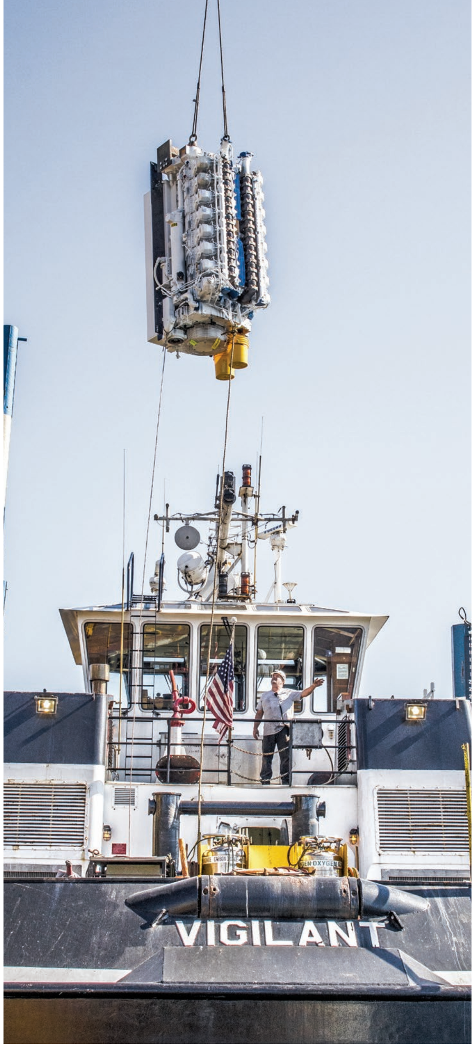
(Not Yet Implemented or Committed)

Although no metrics or targets have been adopted, the Company will evaluate potential future approaches. These exploratory concepts do not represent current commitments or operational measures, but are listed to provide transparency regarding possible future capability development.

The Company may consider:

- Establishing processes to track Scope 1 and 2 emissions from facilities and fleets;
- Tracking rental fleet fuel consumption or utilizing OEM telematics data where available;
- Monitoring sales trends related to low-emission equipment offerings;
- Collecting information on facility-level physical-risk exposure (flood, fire);
- Collaborating with OEMs to obtain emissions data for new product lines;
- Identifying data required to evaluate potential risk-related performance indicators.

Any such initiatives remain preliminary and have not been approved or implemented.



7. CONCLUSION

This report fulfills the Company's requirements under SB 261 by providing a transparent disclosure of climate-related financial risks and the Company's current capabilities. The Company has not yet adopted climate-related risk management measures, has not integrated climate considerations into governance or strategy, and does not track climate-related metrics or targets.

As the regulatory, technological, and market environment evolves, the Company will continue to evaluate the need to develop climate-related processes and capabilities. At this early stage, the Company's focus remains on understanding exposure areas and determining a feasible path toward enhanced climate-risk management in the future.

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