

SB 261 / CRFRA Report - 2025

COMPOSITES ONE LLC

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Author: Carlye Butcher Lucey

CRFRA - Climate-Related Financial Risk

CRFRA Governance

Disclosure of of the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities.

The Board of Directors provides oversight for the organization's overall risk management strategy, which can include environmental and climate-related risks. At the management level, the Vice President of Operations, is responsible for climate-related issues. The VP of Operations serves on the Executive Committee, which reports directly to the executive team and subsequently to the Board. While we do not have a dedicated board committee exclusively for climate issues, climate risks and opportunities are integrated within our existing governance frameworks, with the Executive Committee addressing climate topics as needed and escalating significant matters to the Board if appropriate.

Description of how and how often responsible body(s) or individual(s) is informed about climate-related risks and opportunities

Management is informed about climate-related issues through risk assessment processes, internal reporting, and periodic updates from compliance, health, safety and environment (HSE), and risk management teams. Information is gathered from both internal monitoring and external developments, such as regulatory updates, industry benchmarks, and stakeholder feedback. Emerging climate risks can be discussed during team meetings, with action items delegated as appropriate to ensure ongoing oversight and timely response. Additionally, the VP of Operations, who holds primary responsibility for climate-related issues, reports to the Executive Committee, which reports directly to the executive team and the Board. Risk identification and assessment occur on an ongoing basis, with regular reviews

conducted as part of strategic planning, after significant weather events, and when opening new distribution centers.

Description of how responsible body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing strategy, decisions on major transactions and risk management processes and related policies

The Board of Directors provides oversight of the organization's overall risk management strategy, which can include climate-related risks and opportunities as part of its broader mandate. Climate topics are considered as part of the organization's approach to risk management and long-term planning, with potential impacts of climate-related risks and opportunities factored into discussions on investments, operational improvements, and resource allocation.

At the management level, the VP of Operations, who serves on the Executive Committee, is responsible for most climate-related issues. Climate-related risks are integrated into our overall risk management alongside other operational, financial, and reputational risks, and combined with other risk categories such as supply chain, safety, regulatory compliance, and business continuity. When determining new locations and making operational investments, we incorporate climate risk assessments to ensure our network is robust against adverse weather.

Climate-related risks influence our strategy for site selection, fleet management, and supply chain resilience. Financial planning includes allocations for disaster preparedness and potential increases in insurance premiums, with budget impacts from historical weather-related disruptions factored into planning. Capital allocation includes essential infrastructure upgrades which can include emergency preparedness, facility resilience, and safety improvements, including investments in weather-resilient infrastructure and upgrades to distribution centers for improved energy efficiency.

Description of how body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities and monitors progress

Composites One LLC does not currently have formalized quantitative climate-related targets. Our near-term priority is to complete the collection and reporting of Scope 1 and 2 emissions data in 2026 and Scope 3 by 2027. Progress is currently measured by the successful implementation of systems for data collection, establishment of consistent reporting processes, and ongoing improvement in risk management. Once emissions data and risk assessments mature, we will reassess and determine if we will implement appropriate progress-tracking metrics to guide future actions. Oversight responsibility lies with the Executive Committee, with the VP of Operations, responsible for most climate-related issues at the operational level. The Executive Committee reports directly to the executive team, which reports to the Board.

Disclosure of the management's role in governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities

The Vice President of Operations, holds primary responsibility for climate-related issues and serves on the Executive Committee, which reports directly to the executive team and Board. Management is informed through risk assessment processes, internal reporting, and periodic updates from compliance, HSE, and risk management teams, incorporating both internal monitoring and external developments such as regulatory updates and industry benchmarks. Management monitors climate-related issues by reviewing reports and data from relevant teams, tracking ESG trends, and discussing emerging climate risks if applicable during team meetings with delegated action items. Our controls and procedures include a Health, Safety, and Environmental Policy, documented Emergency Response Manual and Disaster Recovery Plan, regular employee training, site audits, and operational reviews.

Disclosure of whether management's role in governance processes, controls and procedures for overseeing climate-related risks and opportunities is delegated to a specific position or committee and how oversight is exercised

Management's role in overseeing climate-related risks and opportunities is delegated to the Vice President of Operations, who holds primary responsibility for climate-related issues at the management level. The VP of Operations serves on the Executive Committee, which reports directly to the executive team and subsequently to the Board. While the company does not maintain a dedicated climate governance committee, climate risks and opportunities are integrated within existing governance frameworks. Management monitors issues through risk assessment processes, internal reporting, and periodic updates from compliance, health, safety, and environmental (HSE), and risk management teams.

Disclosure of whether management uses controls and procedures to support the oversight of climate-related risks and opportunities, and how these are integrated with other internal functions

Management uses controls and procedures to support oversight of climate-related risks and opportunities through our VP of Operations, who reports to the Executive Committee and Board. Climate-related risks are integrated into our overall risk management framework, rather than specifically addressed, alongside other operational, financial, and reputational risks, with cross-functional communication ensuring emerging climate risks are addressed with related operational and strategic considerations. Our controls include a Health, Safety, and Environmental Policy, Emergency Response Manual and Disaster Recovery Plan, regular employee training, and site audits. Management monitors climate-related issues through internal reporting and periodic updates from compliance, HSE, and risk management teams, with emerging risks discussed and action items delegated as appropriate.

CRFRA Strategy

Description of climate-related risks and opportunities that could reasonably be expected to affect the company's prospects

Composites One LLC faces climate-related risks primarily centered on disruptions to our distribution network and service operations due to severe weather events, including wildfires, hurricanes, floods, and snowstorms. These events can disrupt our supply chain, impact fleet operations, and delay deliveries to customers. Our geographic exposure across multiple distribution center locations creates vulnerability to localized extreme weather, particularly in flood plains and hurricane-prone regions. Additionally, we face potential asset impairments from physical climate risks affecting both owned and leased facilities and fleet vehicles, as well as evolving insurance premium increases for properties in climate-vulnerable areas. On the opportunities side, we have identified potential benefits through operational resilience improvements and enhanced emergency preparedness capabilities. Climate-related opportunities also extend to improving our competitive positioning through enhanced environmental credentials, such as improving our EcoVadis score, which supports our ability to meet evolving customer requirements and market expectations. These opportunities align with our strategic objectives to strengthen our network's robustness against adverse weather while maintaining compliance with customer environmental specifications.

Definition of time horizon 'short-term,' 'medium-term,' and 'long-term' and how these definitions correspond to the planning horizons used for strategic decision-making.

We evaluate climate-related risks and opportunities on an ongoing basis to ensure immediate operations are secure and long-term strategic objectives remain achievable. We do not currently have formally defined internal time horizons for climate risk.

Other disclosures about current and anticipated effects of climate-related risks and opportunities on business model and value chain

Our distribution network and service delivery represent the primary area of climate vulnerability. Severe weather events—including wildfires, hurricanes, floods, and snowstorms—can disrupt supply chain operations, impact fleet operations, and delay customer deliveries. In response, we have embedded climate risk assessment into our site selection process for new distribution centers, evaluating factors such as flood plains and hurricane risk exposure. We maintain an Emergency Response Manual and Disaster Continuity Plan that are regularly reviewed and updated to ensure operational resilience.

Climate-related opportunities have influenced our competitive positioning. Improving our EcoVadis score and demonstrating environmental performance have become strategic goals to meet evolving market expectations and customer requirements.

Both owned and leased assets are included in our business continuity strategies, though leased assets may mitigate direct exposure in certain cases.

Description of the current and anticipated effects of climate-related risks and opportunities on the company's business model and value chain

Composites One LLC's distribution services can be exposed to climate-related physical risks that disrupt distribution networks and delay deliveries. Severe weather events—hurricanes, floods, snowstorms, and wildfires—can impact fleet operations and supply chain continuity, resulting in asset damage and operational losses. We have incorporated risk assessments into site selection for new distribution centers to mitigate vulnerabilities. Climate-related opportunities include operational resilience improvements and enhanced competitiveness through better environmental credentials, which support customer requirements and strategic objectives.

Other disclosures about effects of climate-related risks and opportunities on strategy and decision-making

We do not have additional disclosures beyond what has been provided.

Disclosure of current and anticipated changes to the business model, including resource allocation, to address climate-related risks and opportunities

Composites One LLC has implemented changes and plans to continue improving its business model, which could also address climate-related risks and opportunities. Current changes include capital expenditures related to emergency preparedness, facility resilience, and safety improvements.

Anticipated changes to the business model include more formalized risk identification and assessment processes. Resource allocation for financial planning includes budgetary provisions for disaster preparedness and potential increases in insurance premiums. The company also plans to begin formal reporting of Scope 1 and 2 greenhouse gas emissions in 2026 and Scope 3 emissions in 2027.

Disclosure of the company's climate-related transition plan, including key assumptions and dependencies on which the plan relies

Composites One LLC does not currently have a formal, comprehensive climate-related transition plan.

The company's climate-related efforts are currently organized around operational resilience and risk mitigation rather than a structured transition strategy. These efforts include investments in facility upgrades for energy efficiency, fleet improvements, emergency preparedness infrastructure, and enhancements to disaster continuity capabilities.

Description of results of resilience analysis

Composites One LLC has not formally modeled business resilience using specific global temperature increase scenarios such as 1.5°C or 2°C. However, our assessment processes include review of extreme weather events. We evaluate supply continuity, safety, financial performance, regulatory compliance, and reputation impacts, with consideration given to frequency and severity of past weather-related disruptions, asset exposure, and geographic vulnerability. Mitigation strategies include investments in resilient infrastructure, employee training programs, emergency response frameworks, and disaster continuity planning. We evaluate climate resilience in facility selection by analyzing environmental risks such as flood plains and proximity to hurricane or tornado-prone areas, and we maintain multiple distribution centers and vendor sources to provide operational redundancy.

Assessment of the company's climate resilience as of the reporting date to enable users of general purpose financial reports

Composites One LLC has not conducted a formal climate resilience assessment using standardized climate scenario analysis as of the reporting date.

We have not formally modeled our business resilience using specific global temperature increase scenarios such as 1.5°C or 2°C. However, our risk management processes do include analysis of increasing frequency and severity of local extreme weather events. Our assessment of climate resilience is integrated into our overall risk management framework, where climate-related risks are considered alongside operational, financial, and reputational risks.

Disclosure of the implications of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis

We have not formally modeled our business resilience using specific global temperature increase scenarios such as 1.5°C or 2°C. However, our risk management

processes include review of weather events, which directly informs our strategy and business model adjustments.

Disclosure of how and when the climate-related scenario analysis was carried out

Composites One LLC has not completed a formal climate-related scenario analysis.

CRFRA Risk management

Disclosure of the processes and related policies for identifying, assessing, prioritising and monitoring climate-related risks

Composites One LLC identifies climate-related risks through analysis of weather-related incidents, geographic assessment for site selection (flood zones, hurricane and tornado risk), industry benchmarking, and lessons learned from actual events. The Executive Committee assesses and prioritizes risks by evaluating likelihood, potential impact, costs, and mitigation effectiveness, with escalation to the Board as needed. Climate risks are integrated into overall enterprise risk management through regular cross-functional communication.

Risk controls are established through our Health, Safety, and Environmental Policy, Emergency Response Manual, and Disaster Continuity Plan, supported by employee training, site audits, and operational reviews. Monitoring occurs through management review of reports and data from relevant teams, tracking of ESG trends, and discussion of emerging risks during team meetings.

Disclosure of how the company assesses the nature, likelihood and magnitude of the effects of those risks

We assess the nature, likelihood, and magnitude of climate-related risks through reviews of weather-related incidents and geographic assessment for new site

selection (such as flood zones, hurricane or tornado risk). When evaluating identified risks, our operational and management teams consider likelihood, potential impact, costs, and effectiveness of mitigation options. Criteria for assessing significance include potential impact on supply continuity, safety, financial performance, regulatory compliance, and reputation, alongside frequency and severity of past weather-related disruptions, asset exposure, and geographic vulnerability. This informal assessment supports decisions to control, transfer, or accept each identified risk.

Disclosure of whether and how the company prioritises climate-related risks relative to other types of risk

Climate risk is not prioritized differently than other types of risk.

Disclosure of how the entity monitors climate-related risks

We monitor climate-related risks through ongoing risk assessment processes integrated into our operational and strategic decision-making frameworks. Management reviews reports and data shared by relevant teams, including compliance, health, safety, and environmental (HSE), and risk management teams, tracking environmental, social, and governance (ESG) trends and requirements. Emerging climate risks are discussed during team meetings, with action items delegated as appropriate to ensure timely response.

Extent to which and how processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into or inform overall risk management process

Climate-related risks are integrated into our overall risk management process alongside other operational, financial, and reputational risks. Risk identification,

assessment, and prioritization occur on an ongoing basis through our Executive Committee and operational incident review. Once identified, risks are assessed by relevant teams and escalated to the Executive Committee, which evaluates likelihood, impact, and mitigation options before deciding whether to mitigate, transfer, accept, or control the risk. Mitigation occurs through resilient infrastructure investment, employee training, scenario planning, emergency response frameworks, and regular insurance coverage reviews.

CRFRA Metrics and targets

Disclosure of metrics related to climate-related risks and opportunities

Composites One LLC does not have formal metrics in relation to climate-related risks and opportunities.

2025 Scope 1 Emissions

9235.93 tCO₂e

GHG Scope 3

798161.58 tCO₂e

Disclosure of methodologies, significant assumptions, and emissions factors used to calculate or measure GHG emissions

We align our greenhouse gas emissions calculations with the Greenhouse Gas Protocol, a globally accepted framework for reporting Scope 1 (direct), Scope 2 (indirect from purchased energy), and Scope 3 (other indirect) emissions. Our reporting follows the operational control approach, which means we account for

emissions from all operations where we have full authority to introduce and implement operating policies, including owned and leased facilities and our fleet. We use Sweep software as our data collection tool and have engaged consultant services for implementation and reporting to ensure that data is collected, reviewed, and calculated consistently across the business.

Disclosure of the measurement approach, inputs, and assumptions used by the company to measure its greenhouse gas emissions as part of the cross-industry metric categories of greenhouse gases.

Control approach

2025 Scope 2 Emissions

1609.84 tCO₂e

Explanation of whether and how the company is applying a carbon price in decision-making

Composites One LLC is not applying a carbon price in decision-making.

Disclosure of whether and how climate-related considerations are factored into remuneration of members of administrative, management and supervisory bodies

Currently, climate-specific objectives are not directly tied to management incentives. However, our incentive structures do incorporate broader performance goals which may include actions that support climate-related priorities.

Description of specific quantitative or qualitative climate-related targets that the entity has set or is required to meet

At present, Composites One LLC does not have formalized quantitative climate-related targets. Our current focus is on building a measurement and reporting foundation through the collection of data. We are not currently subject to regulatory requirements mandating specific climate-related targets.

Disclosure of metric used to set each climate-related target and monitor progress

At present, Composites One LLC does not have formalized metrics for climate-related targets. Our current focus is on building a measurement and reporting foundation through the collection of emissions data in 2026. We are not currently subject to regulatory requirements mandating specific climate-related targets.

Disclosure of period over which each climate-related target applies

Composites One LLC does not currently have formalized climate-related targets in place. The company's near-term priority is to complete the collection and reporting of emissions data, which may inform the development of meaningful targets in the future. Consequently, no periods over which climate-related targets apply can be disclosed at this time.

Disclosure of the base period from which progress for each climate-related target is measured

Composites One LLC has not yet established formalized quantitative climate-related targets. Consequently, no base period has been defined from which progress would be measured. The company's current focus is on building measurement and reporting foundations through the collection of emissions data.

Disclosure of any milestones and interim targets for each climate-related target

Composites One LLC has not yet established formal climate-related targets with associated milestones and interim targets. The company's current focus is on building its measurement and reporting foundation, with near-term priorities to complete collection and reporting of emissions data.

Disclosure of whether each climate-related target is quantitative and whether it is an absolute target or an intensity target

Composites One LLC does not currently have formalized quantitative climate-related targets. The company is in the foundational phase of establishing measurement and reporting systems, with a near-term priority to complete collection and reporting of emissions data. Therefore, no quantitative targets—whether absolute or intensity-based—have been established at this time.

CRFRA Appendix B on Greenhouse gases

GHG Scope 2 Market-Based

1711.36 tCO₂e