

# Oregon Tool

## **TCFD Climate-Related Financial Risk Disclosure**

*Prepared in alignment with the TCFD Framework and intended to address the requirements of California Senate Bill 261*

# About Oregon Tool

Oregon Tool, Inc. is a global, premium-branded, aftermarket-driven precision-cutting-tool platform. The company's portfolio of brands specializes in professional grade precision cutting tools for forestry, lawn and garden; farming, ranching and agriculture; and concrete cutting and finishing. Headquartered in Portland, Oregon, with a multinational manufacturing and distribution footprint, Oregon Tool, Inc. sells its products in more than 110 countries under the Oregon®, Woods®, Pentruder™, Merit®, and Carlton® brands. The company is the world's #1 manufacturer of saw chain, guide bars for chainsaws, and diamond saw chain for concrete and pipe and agricultural tractor attachments. Oregon Tool, Inc. is also the leading OEM supplier of first-fit and replacement parts.

This initial climate-related financial risk disclosure for CY2025 was prepared based on the Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (June 2017). This disclosure is intended to comply with the requirements of California's Climate Related Financial Risk Disclosure Program authorized by Senate Bill (SB) 261 (Stern, 2023, codified in Health and Safety Code § 38533). In the future, Oregon Tool intends to align disclosures with the International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS). Where specific recommendations or disclosures have not been included, this is 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 at the time of this publication.

# Governance

**a) Describe the board’s oversight of climate related risk and opportunities**

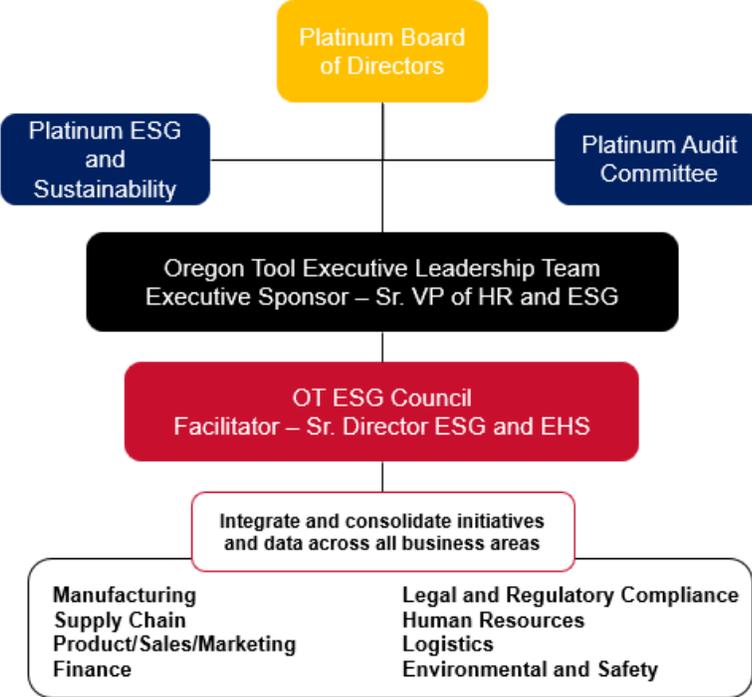
Oregon Tool’s ESG governance structure ensures alignment and accountability across all levels, beginning with Oregon Tool’s private equity investor, Platinum Equity (Platinum). Platinum’s Board of Directors provides oversight of their portfolio companies’ ESG vision and objectives. Platinum also has an internal ESG resource group with subject matter experts to provide advice and oversight to portfolio companies such as Oregon Tool.

Oregon Tool’s Board of Directors provides continuous oversight of the company’s ESG strategy through its Audit Committee. The Audit Committee includes members from both Platinum and Oregon Tool and meets quarterly to review a variety of business and ESG matters, including climate-related risks and opportunities. In this way, climate-related risks and opportunities are given equal weight as other business performance aspects.

**b) Describe management’s role in assessing and managing climate-related risks and opportunities**

Within Oregon Tool, the ESG Council sets strategic direction for addressing climate-related risks and opportunities. Within Oregon Tool, our Executive Leadership Team, guided by our Executive Sponsor (Sr. SVP of HR & ESG) takes responsibility for integrating ESG priorities into company-wide strategy. Executive leadership delivers regular briefings to the Audit Committee on ESG risks, opportunities, and performance metrics. This governance structure ensures ESG and climate considerations are integrated into broader risk management and long-term strategic planning.

Our company’s ESG Council, led by a dedicated facilitator (Sr. Director ESG & EHS), meets monthly to review ESG matters. The ESG Council coordinates workstreams across critical functions, including manufacturing, quality, supply chain, product, sales and marketing, finance, legal and regulatory compliance, human resources, logistics, environmental and safety, and information technology (IT). These workstreams aim to consolidate initiatives, ensuring our ESG goals are effectively implemented, measured, and continuously improved.



# Strategy

## **a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.**

Oregon Tool has identified a range of potential climate-related risks and opportunities through a structured assessment process as part of a double materiality assessment that was conducted in 2024 and 2025. This process considered both physical and transition risks that could reasonably be expected to affect Oregon Tool's prospects over short-, medium-, and long-term time horizons. The assessment included input from both internal and external stakeholders and reviewed operational, financial, and market factors relevant to climate change.

Risks are categorized by type (physical and transition), expected financial impact, likelihood, magnitude of impact, and time horizon. Only risks deemed material based on these criteria are included in the tables presented in the following section.

The organization plans to update the assessment on an ongoing basis as new data, climate policy developments, and operational insights become available. This initial high-level assessment is expected to evolve in coming years as Oregon Tool's climate analytics, exposure data, and internal capabilities mature

*For more information, please see the Scenario Analysis section as well as Table 1 and Table 2 of this report.*

## **b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.**

In addition to identifying climate-related risks, Oregon Tool has also assessed potential climate-related opportunities, which are outlined in the tables that follow. Opportunities are categorized by type and expected financial impact, such as reduced operating costs, efficiency gains, improved competitive positioning, and strengthened brand reputation.

The 2024 double materiality assessment engaged team members, customers, and suppliers on key topics such as climate change, sustainable packaging, stakeholder ESG communication, circular economy, biodiversity, and regulatory compliance. The feedback was synthesized with business impact to prioritize climate-related actions and inform scenario analysis and transition planning.

Oregon Tool evaluates and manages opportunities using the same structured approach applied to climate risks. These assessments will be updated periodically as technology, market trends, and regulatory dynamics continue to evolve. As with the risk assessment, this initial identification of opportunities is expected to become more detailed over time as Oregon Tool improves its analysis and incorporates feedback from stakeholders and management.

*For more information, please see Table 3 of this report.*

## **c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario**

Oregon Tool evaluated the resilience of its strategy by analyzing two publicly available climate scenarios: a low-warming scenario consistent with RCP 2.6 (1.5–2°C pathway) and a high-warming scenario consistent with RCP 8.5 (>4°C pathway). These scenarios provide contrasting views of potential future climate conditions and policy environments, enabling the company to understand a range of possible physical and transition impacts on its operations and value chain.

Scenario analysis supports Oregon Tool's internal risk prioritization and informs strategic planning and climate-related decision-making. As Oregon Tool continues to develop its climate capabilities and gather additional data, its scenario analysis and associated strategic responses will be refined and expanded over time.

*For more information, please see the Scenario Analysis section of this report.*

# Risk Management

## **a) Describe the organization's process for identifying and assessing climate-related risks**

To strengthen alignment and build a shared understanding of climate-related exposures, Oregon Tool engaged key internal and external stakeholders and included both quantitative scenario analysis for select key facilities and a company-wide qualitative assessment of risks, including physical and transition climate-related risks.

The current risk-assessment approach builds on the responsibilities already defined within certain parts of the business and is being expanded toward a more centralized, enterprise-wide process. The emerging centralized process now incorporates broader operational insights, stakeholder expectations, and evolving regulatory and policy developments across Oregon Tool's regions of operation.

As the climate risk assessment process continues to mature, Oregon Tool plans to extend a more regular, structured approach across all operations to ensure more consistent identification, assessment, and prioritization of climate-related risks.

*For more information, please see the Scenario Analysis section as well as Table 1 and Table 2 of this report.*

## **b) Describe the organization's processes for managing climate-related risks**

Oregon Tool manages climate-related risks through collaboration across functional teams. Insights from the company-wide double materiality assessment and climate risk assessment, including quantitative scenario results for prioritized facilities and qualitative findings across all operations, were shared with management and are helping inform the development of a more unified, enterprise-level climate-risk management approach.

Mitigation and adaptation actions will be incorporated into ongoing operational planning, capital project evaluation, and maintenance strategies. Historically, some climate-related physical risks were managed centrally through insurance processes; these activities are now being integrated into a broader climate-risk management framework.

Updates on climate-related risks and mitigation activities are provided to relevant internal teams as needed. As Oregon Tool continues to develop its climate transition plan and builds a centralized process across all operations, management oversight and coordination mechanisms will continue to expand and formalize.

## **c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management**

Oregon Tool will consider climate-related risks within its broader enterprise risk management (ERM) efforts. The company-wide double materiality assessment created a shared baseline understanding of risks, including climate-related risks, across the organization and will contribute to a more unified, enterprise-level integrated approach. The materiality assessment will inform future ERM discussions and will shape how climate risks are escalated, monitored, and addressed as the program expands across all operations.

Physical climate-related risks have historically been incorporated through Oregon Tool's existing insurance and risk-transfer processes, which routinely evaluate facility-level exposure to hazards such as flooding, extreme weather, and other physical perils. These established assessments will feed into ERM and now form part of the broader climate-risk integration effort. As Oregon Tool progresses toward a more centralized, organization-wide climate-risk process, integration points within ERM, strategic planning, financial planning, and board-level oversight will continue to be strengthened, creating a more consistent and comprehensive approach to climate-risk management across the company.

# Scenario Analysis

Oregon Tool conducted a climate-related scenario analysis to evaluate potential climate risks, understand their implications, and assess the resilience of the company’s strategy under a range of future conditions. This analysis was performed on a representative set of facilities with the greatest operational significance or potential climate exposure, rather than on every site, to ensure that the assessment captured the most material risks. Because climate scenarios rely on external assumptions and evolving global factors, the results involve inherent uncertainty. Accordingly, the scenarios are used as reference points to explore potential future pathways and do not serve as predictions or forecasts for business decision-making. This process is periodically reviewed and updated as climate science advances and new data or insights become available, ensuring that scenario analysis reflects the most current understanding of potential risks and opportunities.

The following climate scenarios were considered:

<b>Paris Agreement (RCP 2.6)</b>	<b>Business as Usual (RCP 8.5)</b>
<b>(1.5°C warming by 2050)</b>	<b>(&gt;4°C warming by 2100)</b>
<p>This scenario depicts a low warming scenario; this is considered a best-case scenario under which there is a sharp decline in the use of fossil fuel, increased use of cropland for biofuel production, and reduction of methane emissions by 40%</p>	<p>This scenario depicts a high warming scenario; this is considered a worst-case scenario. There is a large increase in methane emissions, continued heavy reliance on fossil fuels, minimal renewable adoption, and almost no climate policy implementation.</p>
<ul style="list-style-type: none"> <li>• High challenges to mitigation (requires rapid, coordinated policy, tech deployment, and economic restructuring).</li> <li>• Medium challenges to adaptation as warming is limited but still requires resilience planning.</li> <li>• Social, economic, and technological trends evolve moderately from historic patterns; some regions advance faster than others.</li> </ul>	<ul style="list-style-type: none"> <li>• Low challenges to mitigation (mitigation is largely not pursued).</li> <li>• Very high challenges to adaptation due to severe climate impacts and high exposure.</li> <li>• Heavy reliance on markets and innovation, but without climate policy, the adaptation burden grows dramatically.</li> </ul>

# Table 1: Climate-Related Physical Risks and Potential Financial Impacts

A detailed physical climate risk assessment was performed, evaluating potential risks across multiple scenarios, time horizons, and geographic locations to assess impacts to specific key sites and regions. Only the risks determined to be most material are summarized in the table below. This process is iterative and evolving; further analyses and updates will be conducted as new data, climate science insights, and operational considerations become available, and as the organization's climate risk program matures and expands.

Risk Category		Risk Description	Potential Impact	Time Horizon
Physical Risks	Chronic	<ul style="list-style-type: none"> <li>Rising mean temperatures and sea levels: Gradual rise in average temperatures and humidity levels and increasing frequency of heat waves and coastal flooding increase</li> </ul>	<ul style="list-style-type: none"> <li>Damage to equipment or infrastructure requiring repairs or additional maintenance</li> <li>Increased cooling and energy costs</li> <li>Production shut down due to unsafe work conditions</li> <li>Similar impacts within the supply chain, affecting procurement and/or causing supply shortages</li> </ul>	Long-term
	Chronic	<ul style="list-style-type: none"> <li>Drought: Diminishing water resources, increasing operational risks and potentially leading to more severe wildfires</li> </ul>	<ul style="list-style-type: none"> <li>Potential regulatory restrictions on industrial water use or limited water availability reducing production</li> <li>Higher operating costs and reduced production output</li> <li>Increased insurance premiums for facilities in high-risk areas</li> <li>Similar impacts within the supply chain, affecting procurement and/or causing supply shortages</li> </ul>	Medium-term
	Acute	<ul style="list-style-type: none"> <li>Extreme Temperatures: Increased intensity and frequency of heat or cold affecting business continuity</li> </ul>	<ul style="list-style-type: none"> <li>Damage to equipment or infrastructure requiring repairs or additional maintenance</li> <li>Increased cooling and energy costs</li> <li>Production shut down due to unsafe work conditions</li> <li>Similar impacts within the supply chain, affecting procurement and/or causing supply shortages</li> </ul>	Short-term
	Acute	<ul style="list-style-type: none"> <li>Increased Precipitation and Localized Flooding: Flooding impacting access roads, storage areas, and wastewater treatment facilities</li> </ul>	<ul style="list-style-type: none"> <li>Flooding of facilities disrupting production</li> <li>Potential inventory loss and damage to stored goods</li> <li>Transport route blockages delaying shipments (both raw materials in and shipments out to customers)</li> <li>Increased facility maintenance and insurance costs</li> </ul>	Short-term
	Acute	<ul style="list-style-type: none"> <li>Wind: High-wind events can damage roofs, roof-mounted equipment and compromise the building envelope</li> </ul>	<ul style="list-style-type: none"> <li>Roof damage at facilities</li> <li>Costs to reinforce or repair buildings</li> </ul>	Short-term

# Table 2: Climate-Related Transition Risks and Potential Financial Impacts

Transition-related climate risks were assessed using a qualitative approach across regulatory, market, and technology factors to understand their potential impacts. Only the most material risks are summarized in the table below. This process is evolving, and updates will continue as new regulations, market trends, and insights become available.

	Risk Category	Risk Description	Potential Impact	Time Horizon
Transition Risks	Policy/Regulatory	<ul style="list-style-type: none"> <li>Carbon pricing and emissions regulations – Emerging or tightening GHG rules (e.g., carbon pricing, cap-and-trade programs, CBAM)</li> <li>Permitting and disclosure requirements – Increasing obligations under frameworks like SEC and CSRD</li> </ul>	<ul style="list-style-type: none"> <li>Costs associated with the import of steel and iron under CBAM</li> <li>Higher cost of compliance and reporting</li> <li>Exposure to carbon allowance costs or taxes</li> </ul>	Medium-term
	Technology	<ul style="list-style-type: none"> <li>Forestry sector evolution</li> <li>Shift toward low-carbon manufacturing technologies and automation to reduce emissions</li> </ul>	<ul style="list-style-type: none"> <li>Rise of alternative materials to wood or decline in commercial logging could reduce sales</li> <li>Emergence of eco-friendly cutting tools could impact the company if not adopted by Oregon Tool</li> <li>Potential capital investment required for new low-emission technologies and production processes</li> </ul>	Medium-term
	Market/Reputation	<ul style="list-style-type: none"> <li>Failure to meet societal and market expectations on climate action (e.g., reputation linked to Net Zero commitments, talent attraction and retention)</li> <li>Growing customer preference for sustainable products and transparent supply chains</li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk among employees and clients</li> <li>Loss of market share if sustainability expectations are unmet</li> <li>Reputational damage affecting brand value</li> <li>Difficulties for talent attraction and retention</li> </ul>	Medium-term

# Table 3: Climate-Related Opportunities and Potential Financial Impacts

Climate-related opportunities were assessed across operational, market, and strategic dimensions to identify areas where the organization could benefit from the transition to a lower-carbon economy. Only the most material opportunities and their potential financial impacts are summarized in the table below. This process is ongoing, and opportunities will continue to be reassessed as new data, technologies, and market trends emerge.

Type	Climate-Related Opportunities	Potential Impact
<b>Climate Change Adaptation Solutions</b>	<ul style="list-style-type: none"> <li>• Research and development and investment in innovations to adapt to climate change</li> <li>• Implementing advanced cooling and ventilation systems to maintain safe working conditions during heat waves</li> <li>• Designing facilities with climate-resilient infrastructure to reduce downtime</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced risk of stormwater pollution, groundwater infiltration and reduced stormwater flow through installation of rainwater containment</li> <li>• Research &amp; development investments help the company prepare for increasing climate impacts</li> <li>• Lower operational disruptions and insurance costs through proactive adaptation measures</li> </ul>
<b>Products and Services</b>	<ul style="list-style-type: none"> <li>• Electric/battery machines and products instead of fossil fuels</li> <li>• Development of energy efficient equipment</li> <li>• Expansion into low-carbon product lines (e.g., tools made with recycled or sustainable materials)</li> <li>• Offering repair and refurbishment services to extend product life and reduce waste</li> </ul>	<ul style="list-style-type: none"> <li>• Increased revenue associated with new products that enable the transition from gas to battery/electric</li> <li>• Enhanced brand reputation and market share through sustainability-focused offerings</li> <li>• Access to new customer segments prioritizing eco-friendly solutions</li> </ul>
<b>Water Usage</b>	<ul style="list-style-type: none"> <li>• Reuse water when possible</li> <li>• Invest in closed-loop water systems for manufacturing processes</li> <li>• Implement rainwater harvesting for non-potable uses</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced freshwater withdrawal and wastewater treatment/discharge</li> <li>• Cost reductions as compared to purchasing water from a utility</li> <li>• Reduced regulatory risk and improved compliance with water stewardship standards</li> </ul>

# Metrics and Targets

## **a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process**

The metrics tracked by Oregon Tool related to financial impacts of climate-related risks include EBIDTA, revenue and cash flow. These metrics allow Oregon Tool to determine if a risk is substantive.

The GHG emissions-related metrics tracked by Oregon Tool include Scope 1, 2, and 3 GHG absolute emissions, Scope 1 & 2 GHG emissions intensity, and energy usage.

## **b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks**

Oregon Tool calculates Scope 1 and location-based Scope 2 GHG emissions and GHG intensity (on a revenue basis) annually. GHG emissions are reported to the Carbon Disclosure Project (CDP) on an annual basis.

Oregon Tool calculated Scope 3 GHG emissions in 2022 (based on 2021 spend data) with the intent to calculate Scope 3 GHG emissions every three years. Due to market conditions, the planned 2025 re-calculation of Scope 3 emissions was delayed and is being evaluated based on resource availability for 2026.

## **c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets**

Oregon Tool has a GHG emissions reduction target to reduce Scope 1 and Scope 2 emissions by 35% from 2021 to 2030. To achieve this, Oregon Tool intends to reduce Scope 1 intensity (on a revenue basis) by 5% from 0.000032 tonnes CO<sub>2</sub>e per USD to 0.000030 tonnes CO<sub>2</sub>e per USD and Scope 2 intensity by 53% from 0.000051 tonnes CO<sub>2</sub>e per USD to 0.000024 tonnes CO<sub>2</sub>e per USD. GHG emissions intensity includes company-wide Scope 1 and Scope 2 GHG emissions.

# Cross-Reference to Related Information

	TCFD Recommended Disclosures	Source Location
<b>Governance</b>	a) Describe the Board’s oversight of climate-related risks and opportunities.	2024 ESG Impact Report, pp. 30–31
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	2024 ESG Impact Report, pp. 30, 37
<b>Strategy</b>	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	2024 ESG Impact Report, pp. 9–10, 37
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.	2024 ESG Impact Report, p. 37
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2024 ESG Impact Report, p. 37
<b>Risk Management</b>	a) Describe the organization’s process for identifying and assessing climate-related risks.	2024 ESG Impact Report, pp. 9–10, 30–31
	b) Describe the organization’s processes for managing climate-related risks.	2024 ESG Impact Report, pp. 30–31, 37
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	2024 ESG Impact Report, p. 30
<b>Metrics and Targets</b>	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process.	2024 ESG Impact Report, pp. 36–39
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	2024 ESG Impact Report, p. 36
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2024 ESG Impact Report, p. 36-39

# Footnotes and Disclaimers

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.