TCFD Index

The following index outlines Pelican Products, Inc.'s (Pelican) processes for assessing and managing climate-related risks, in alignment with the recommendations established by the Task Force on Climate-related Financial Disclosure (TCFD). References in this report to "we," "our," "us," and similar terms refer to Pelican Products Inc.

TCFD Pillar	Pelican Disclosure
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	Pelican is supported by an advisory council (the "Operating Council"), which provides recommendations to Pelican's Board of Directors. The Operating Council assists Pelican in our assessment of climate-related risks. The Operating Council is comprised of Pelican executive leadership team members as well as representatives of Pelican's ownership group. Additionally, on an annual basis, Pelican's ownership group collects ESG information to review ESG performance, risks, and opportunities.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Management oversees climate-related risks and opportunities through a multi-level governance structure. The Pelican executive leadership team (supported by the Environment, Health & Safety (EHS) and Facilities Management teams) leads the implementation of climate-impact mitigation strategies and monitors adherence to climate-related certifications. Across the organization, company management and leadership contribute to climate risk assessments, from strategic planning to site-level execution. EHS Managers maintain emergency preparedness procedures and conduct risk assessments. Site Leaders and General Managers ensure effective implementation of these procedures at each facility. Pelican's Quality Team manages ISO compliance activities, including ISO 9001. To enhance coordination, Pelican is establishing an ESG & Climate Advisory Committee to be in place in 2026, which will include representatives from Quality, EHS, Legal, Finance, and Strategic Initiatives.
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	In 2025, Pelican completed a climate risk assessment to evaluate our exposure to physical and transition climate-related risks. A summary of the identified risks and their potential impacts on our business is reported below. **Physical Risks** **Pelican's operations may be exposed to various physical climate risks, such as heat and cold waves, wildfires, droughts, coastal and river flooding, and winter weather events, all of which may damage and inhibit regular business operations.** Pelican may encounter infrastructure damage in the event of natural hazards or acute climate-related events. These damages may adversely affect operations if they disrupt manufacturing, warehouse activities, or office locations. Pelican may also be exposed to supply chain disruptions due to weather events that could impact our ability to supply products to our stakeholders. Additionally, Pelican may face varying degrees of risk across the numerous geographies in which we operate. For example, California may experience a higher risk of wildfires, while Massachusetts and Minnesota may face severe cold waves. International operations in Germany, Australia, and the United Kingdom may be exposed to a higher risk of coastal and river flooding. **Transition Risks** Transition-related risks arise from the shift toward a more sustainable, lower-carbon economy that relies less on fossil fuels.

These risks are tied to our industry, operations, stakeholder perception, and the regulatory environment.

Regulatory Risks

Climate-related regulations may increase compliance costs for Pelican. At the state level, California's climate disclosure law requires companies to prepare a climate risk report detailing the company's process for identifying and managing climate-related risks. Other states, such as Illinois, Washington, New York, and Colorado, have followed suit and proposed their own climate-related bills. These regulations may result in increased compliance costs for Pelican and potential penalties in the event of non-compliance. Pelican may also face pressure through global regulations in the EU and Australia. These pressures may directly impact Pelican, but they may also indirectly affect us through our value chain as companies begin to meet reporting thresholds.

Compliance with these regulations will require additional data collection and reporting efforts, including scope 1, 2, and 3 greenhouse gas (GHG) emissions. Additionally, Pelican may need to seek limited assurance for our emissions data in the future. These regulatory changes will require enhanced disclosures and coordination with members of Pelican's supply chain to gather necessary climate-related data.

Market Risks

Changes in market trends and shifts in customer demand may lead to increased professional fees for Pelican. Pelican's customers may also request that Pelican's supply chain supports the transition to a lower-carbon economy through emissions reduction goals and external targets, as well as recycled content thresholds. This may incur additional professional fees for Pelican as we seek to meet customer demands.

Technology Risks

Changes in innovations in manufacturing equipment and packaging standards may increase research and development costs for Pelican as the market shifts towards low-carbon technologies. Pelican faces risk if we fall behind competitors and do not modernize molding machines and transition to non-fossil fuel-based processes. Reliance on fossil fuel-based technologies could also increase operating costs due to carbon pricing schemes to which Pelican may be exposed.

Reputational Risks

Disruptions to our supply chain due to severe weather events can adversely affect our operating reliability, infrastructure, and ability to provide products and services to customers, thus harming our reputation with our stakeholders. Customers may begin to seek new providers if we can't properly mitigate risks from severe weather events, especially if competitors have more advanced mitigation strategies in place.

Negative perception due to the shift to a low-carbon economy can harm stakeholder engagement and reduce overall market share due to increased competition. Companies that fail to demonstrate credible action in transitioning to a low-carbon economy, may experience revenue losses as customers prioritize companies with more advanced programs and strategies, potentially limiting access to markets with higher sustainability product standards. It is essential that Pelican remains at the forefront of product and service innovation, offering environmentally friendly product alternatives to stay competitive.

<u>Transition Opportunities</u>

In addition to the risks associated with transitioning to a more sustainable, net-zero economy, there are also opportunities for companies that are prepared for this transition. By strategically adapting to the evolving economy, Pelican may capitalize on potential emerging revenue and business opportunities.

Resource Efficiency Opportunities

Reducing the types and quantity of materials in the product mix that are less emissions-intensive per unit poses a resource efficiency opportunity for Pelican. Increasing the recyclable content in each product helps promote a closed-loop system, enabling Pelican to reduce our overall environmental impact and positively contribute to the climate transition, while

	also lowering raw material costs. Pelican already prioritizes plastic recycling and recovers 100% of plastic waste on site for recycling back into the manufacturing process. ***Energy Source Opportunities*** **Improving the energy efficiency of Pelican's facilities can help reduce our operating costs and GHG emissions.** Additional LED lighting upgrades, building electrification, and renewable energy procurement, when feasible, could improve the energy efficiency of Pelican's facilities. We have already implemented LED lighting upgrades across our factories and office buildings and are installing a 500 kW energy storage system at our headquarters. Continuing to focus on facility-level upgrades will position Pelican well for a low-carbon future. ***Product Opportunities*** **Pelican can position itself as an environmentally-friendly company through the continued development and sale of low-carbon products.** As the market transitions to circular polymers, early adoption of these raw materials may create opportunities for Pelican to establish a niche and increase market share in a growing market. As companies begin to consider their own value chain emissions and procurement partners, raw materials with lower embedded emissions (like circular polymers) will be important in the pursuit of a low-carbon economy. Pelican will also continue creating and selling products designed for longevity, thereby decreasing waste in the economy and maintaining brand perception as the leader in our industry. **By investing in sustainable projects, Pelican may qualify to receive local grants and subsidies in certain regions.** Investing in sustainable projects may present opportunities for government grants and subsidies (as available) for Pelican, presenting additional opportunities for investments in low-carbon product development and facility and manufacturing improvements. ***Reputational Opportunities*** **Pelican can enhance stakeholder perception by prioritizing environmentally friendly products and initiatives.** By promoting the low-carbon product offerings we already have and by further developing others, stakeholders will continue to prioritize Pelican as a trusted sustainable, high-quality, durable product provider as the market shifts.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Pelican has identified a range of climate-related risks and opportunities that may impact our business. We are committed to implementing mitigation strategies against the risks that will have the most significant impact on our company and stakeholders. A few isolated incidents have caused certain Pelican facilities to briefly pause operations (for no longer than 1-2 days) or resulted in delays in getting to work due to wildfires, flooding, snow, and power outages caused by thunderstorms. Other facilities have faced extreme heat, which required the facility to implement increased cooling measures, but did not result in significant work disruptions. When staff are unable to come into the office, critical non-manufacturing staff can work remotely, accessing essential systems via secure VPN, ensuring business continuity. The risks and opportunities identified above may impact our company's financial performance and business strategy in the following ways: • Increased operational costs • Increased research and development (R&D) costs for product innovation • Increased costs associated with the Pelican's carbon footprint, including professional fees • Increased compliance costs and/or non-compliance penalties Pelican may also be able to capitalize on climate-related opportunities, such as resource and energy efficiency improvements, product development, and reputational enhancements. These opportunities may result in increased revenue due to higher

	sales of lower-carbon products, reduced environmental impact, lower energy costs, increased market share, positive public perception, and improved customer retention.
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pelican conducted a climate risk assessment to evaluate our organization's resilience across a range of future climate scenarios. The results of this assessment will be integrated into our enterprise risk management process moving forward. The climate risk assessment covered the following climate scenarios from the Intergovernmental Panel on Climate Change (IPCC): • Representative concentration pathway ("RCP") 8.5, which is a worst-case scenario in which emissions rise through the 21st century, with a worldwide average global temperature increase of 4°C in 2100. • RCP 4.5, which is an intermediate scenario where emissions peak in 2040, with an average global temperature increase of 2°C. We also evaluated chronic climate-related risks to assess the long-term impacts of climate change and the resilience of our business. Most of our global facilities exhibit very to relatively low chronic risks across both scenarios (RCP 8.5 and RCP 4.5), with the highest risk area being drought and the lowest risk area being projected conflict probability. Pelican prioritizes several activities to enhance the organization's resilience against climate-related risks, including implementing LED lighting across all factories and office buildings, installing a 500 kW energy storage unit at the Torrance headquarters location, and grinding 100% of plastic waste on-site for recycling back into products at many of our sites.
Risk Management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Pelican uses a structured, multi-layered process to identify and assess climate-related risks across our operations. We conducted a climate risk assessment to evaluate physical risks for each facility, utilizing national and county-level climate datasets to assign risk ratings to hazards such as extreme heat, flooding, hurricanes, and wildfires. We also assessed transition risks and opportunities relevant to our industry and value chain as the global economy shifts to lower-carbon models. (See the Strategy section for identified risks and opportunities.) In addition to this assessment, we periodically review our risk-management procedures to confirm that existing controls effectively address climate-related risks and to identify areas that require enhancement. We continue to monitor emerging risks that could affect our operations, reputation, or strategic objectives. Pelican's Business Continuity Plan (BCP) encompasses all operations and addresses climate-related disruptions, including hurricanes, earthquakes, fires, power outages, and extreme heat events. The plan outlines strategies for maintaining or restoring critical business activities in the event of such events. The BCP is reviewed quarterly by Legal, Safety, IT, and HR, with the EHS team responsible for emergency preparedness procedures and ongoing risk assessments. For IT operations, we maintain a Climate-Related IT Risk Mitigation procedure that outlines disaster recovery and backup processes designed to ensure resilience against climate-driven disruptions. Pelican also maintains business-interruption insurance that provides coverage for climate-related events, helping to mitigate potential financial impacts. Pelican is finalizing an ESG & Climate Advisory Committee to be in place in 2026, which will include representatives from Quality, EHS, Legal, Finance, and Strategic Initiatives. We conduct site evaluations that include environmental risk assessments and consider supplier resilience to climate-related disruptions within our procurement process. As part of our ISO 9001 certification process for our manufacturing sites and select offices, we annually assess climate-related impacts through our corporate risk-assessment procedure and review identified risks during annual management reviews.

	Climate-related risks and areas of elevated concern are discussed during weekly executive leadership meetings to ensure timely visibility and action.
b) Describe the organization's processes for managing climate-related risks.	Pelican recognizes the importance of managing climate-related risks and reducing our climate impact. Pelican manages climate-related risks through a combination of operational preparedness, facility resilience measures, business continuity planning, and ongoing risk-mitigation programs. Climate considerations are embedded into our broader risk-management framework to ensure continuity of operations and the safety of our workforce. Through the ESG & Climate Advisory Committee and regular executive-leadership discussions, Pelican continuously evaluates climate-related risks and directs mitigation actions across the business. Our Business Continuity Plan (BCP) outlines procedures for maintaining and restoring operations in the event of climate-related disruptions, including severe weather, power outages, and extreme heat. The plan enables continuity through remote work capabilities, allowing essential business functions (such as Customer Success and Operations leadership) to remain online when commuting is unsafe. Vendor Proof of Concepts (POCs) are also incorporated into the BCP to ensure supplier consistency and continuity. The BCP is reviewed quarterly by Legal, Safety, IT, and HR, while the EHS team maintains emergency preparedness procedures and conducts ongoing risk assessments. Pelican maintains business-interruption and property insurance to mitigate financial impacts from climate-driven events. Facility managers also maintain insurance coverage to ensure timely repairs in the event of weather-related damage, supported by force majeure provisions in relevant contracts. Pelican is working towards achieving ISO 14001:2015 certification to support climate-related risk management by embedding structured processes for identifying, assessing, monitoring, and mitigating climate risks. To reduce operational vulnerabilities, we implement a range of facility-level resilience measures. Across our facilities, we have implemented various improvements to meet the specific needs of each site, including upgraded HVAC systems, insulation enhancements, backup generators or power supply partnerships, smart thermostats, and new roofing. Some facilities deploy solar panels or repurpose equipment-generated heat for floor heating. Sites with BREEAM Excellent certification benefit from highly efficient building temperature regulation. Because heat is the most common climate hazard across our operations, Pelican conducts annual heat-stress training and has established heat-protocol procedures to protect employees during extreme heat events. Pelican also implements initiatives that reduce our environmental impact and exposure to transition risks. These include ongoing energy efficiency improvements, resin reduction programs, and waste recycling and reclamation efforts.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Pelican integrates climate-related risks into our broader risk-management framework through business continuity planning (BCP), emergency preparedness, and resilient technology design. Our BCP ensures that operations can be restored and communicated effectively in the event of weather-related disruptions. We maintain corporate and site-level emergency action plans that include simulated drills, evacuation procedures, and shelter-in-place protocols to regularly test and validate facility preparedness. Following each drill, we conduct a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) to continuously strengthen these processes. Climate considerations are also incorporated into our backup and disaster recovery architecture. Pelican's backup repositories are housed in high-availability, geographically diverse data centers that are fully independent of our physical facilities. This design provides redundancy, ensuring that localized climate events (such as regional flooding, wildfires, or severe storms) cannot simultaneously impact our production systems and backup infrastructure.
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.	Pelican has not yet assessed any climate-related performance metrics at the enterprise level, apart from the facility-specific risk indicators described above. As part of our climate risk assessment, Pelican evaluated risk profiles at each of our facilities to identify those with the highest exposure to climate-related risks. These risk profiles are analyzed at the county level in the United States and are based on the National Risk Index, developed by the U.S. Federal Emergency Management Agency (FEMA).
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pelican conducts greenhouse gas (GHG) emissions on a limited basis and is working towards expanding this process enterprise-wide in the future. We continue to monitor climate-related regulations and stakeholder expectations as we expand our GHG calculation practices.
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Pelican does not currently have enterprise-wide greenhouse gas (GHG) emissions reduction targets. Certain business lines have already set targets for emissions reduction that do not extend to the entire Pelican organization.