



PERFORMANCE CONTRACTING GROUP, INC.

Task Force on Climate-Related Financial Disclosures (TCFD) Report

FISCAL YEAR 2025

PUBLISHED
December 16, 2025



From Our President & CEO



“Our goal is to maintain rigorous compliance while driving continuous improvement in our business, including in our climate-related disclosures and actions.”

As President and CEO of Performance Contracting Group, I’m proud to share our Task Force on Climate-related Financial Disclosures (TCFD) report. We’re doing this because it fits who we are and what we stand for. Our purpose — Build to Last, Driven to Grow, and Thriving Together — pushes us to think long-term, take care of our people, stay true to our values, and help strengthen the communities we serve.

This report reflects that mindset. It outlines how we look at climate-related risks and opportunities, how they show up in our business, and how we fold them into our governance and risk frameworks. Some of this is about meeting evolving regulatory expectations. But the bigger driver is simple: this is part of being a responsible, resilient company.

We know climate impacts material sourcing, regulations, customer needs, and the infrastructure we help build. Understanding those factors helps us make better decisions and continue to deliver safe, high-quality work that supports America’s growing and changing infrastructure.

This report is one step in our ongoing effort to operate with integrity, improve how we work, and stay aligned with our long-term purpose. Thank you for your interest and partnership as we keep building a strong, sustainable future for our employee-owners and the communities we serve.

Sincerely,

A handwritten signature in black ink that reads "Jason Hendricks". The signature is written in a cursive, flowing style.

Jason Hendricks

*President and Chief Executive Officer
Performance Contracting Group, Inc.*

Overview

Note on Forward-Looking Statement

This report contains forward-looking statements that reflect the current views of PCG regarding climate-related risks, opportunities, and strategic responses. These statements are based on information available at the time of publication and include projections, expectations, and assumptions about future events and performance, particularly in relation to climate scenarios, regulatory developments, and market conditions. Forward-looking statements are inherently subject to risks and uncertainties, many of which are beyond PCG's control. This report contains statements relating to future events and expectations, constituting forward-looking statements. The words "may," "will," "believe," "should," "could," "plan," "expect," "anticipate," "estimate" and similar expressions identify these forward-looking statements. Actual outcomes may differ materially due to factors such as changes in climate policy, technological advancements, shifts in consumer behavior, and the physical impacts of climate change. PCG does not undertake any obligation to update these statements in light of new information or future events, except as required by applicable law. Readers are cautioned not to place undue reliance on these forward-looking statements when evaluating the company's climate strategy or financial position.

About Performance Contracting Group

Performance Contracting Group (PCG) is a leading, single-source specialty contractor with branches throughout the United States, offering a wide range of services including drywall and framing, insulation, prefabrication, cladding, scaffolding, and more. The PCG team has delivered safe and sustainable building solutions for decades—providing customers with lasting value while mitigating risks and limiting environmental footprint—and has completed countless projects certified by the U.S. Green Building Council (USGBC), the International WELL Building Institutes (IWBI), and other sustainable organizations, including major work on projects in healthcare, education, mission critical and cleanroom construction. Our company is dedicated to delivering high-quality, value-driven solutions while implementing award-winning safety practices and an Experience Modification Rate well below the industry average (.53, 2025; .52, 2024).

Headquartered in Lenexa, Kansas, PCG was established in February 1987 when a group of dedicated employees acquired the 40-year-old contracting division from Owens Corning Fiberglas. PCG is now an employee-owned company (ESOP) with a network of over 1,500 salaried individuals and 8,000+ skilled craft workers.

About This Report

This report is in alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)(2017), the globally recognized framework for climate risk reporting, which also supports compliance with California's Climate-Related Financial Risk Act (SB 261). This report covers PCG and its subsidiaries, applying a consistent approach to climate-related financial disclosures across the entire corporate group. Unless otherwise stated, all data, analysis, and scenario assessments reflect the consolidated operations of PCG and its affiliated entities for fiscal year 2025 (October 1, 2024 – September 30, 2025).

The TCFD framework provides guidance on recommended disclosure grouped in four areas: governance, strategy, risk management and metrics and targets. Disclosure addresses both climate-related risks and opportunities.

Climate-related risks are categorized into two main types:

01 | Physical risks

These pose potential harm or damage to people, property and productivity resulting from climate-related events.

Climate-related physical risks can be:

- **Acute:** Event driven risks associated with increased frequency and severity of extreme weather events, such as:
 - Cyclones And Hurricanes
 - Droughts
 - Floods
 - Wildfires
 - Heatwaves
 - Storm Surges
 - Cold Waves
- **Chronic:** Longer-term shifts in climate patterns or increased variability in weather patterns, including:
 - Changes in precipitation
 - Changes in temperature
 - Sea level rise

Climate-related opportunities are described as the positive impacts an organization can realize by addressing climate-related challenges. These are areas where a business can gain a competitive advantage, create new revenue streams, or improve resilience by adopting sustainable practices.

Together, these climate-related risks and opportunities form the basis for assessing potential financial implications and shaping resilient, forward-looking strategies across the organization's operations and supply chain.

02 | Transition risks

These are the potential business impacts associated with the transition to a lower-carbon global economy. These risks can impact business operations, strategy, and financial performance and typically arise from:

- Changes in policy, regulation, and legal actions
- Technological advancements and innovation
- Evolving market dynamics and consumer preferences
- Reputational pressures from investors and other stakeholders

Governance

PCG employs a board-level approach to enterprise risk management into its broader operational and strategic oversight. The Board of Directors (“the Board”) consists of both internal and external directors, with consideration of the necessary skills required for the Board to achieve its numerous objectives. The Board meets quarterly and receives updates from executive leadership and specialized committees on emerging threats, regulatory changes, and market trends. The Board, with the support of its committees, actively fosters dialogue, conducts reviews, and oversees enterprise risks as an integral part of its governance framework.

PCG’s management team, led by the President/Chief Executive Office, Chief Operating Officer and Leadership Group, is expected to identify and manage enterprise risk, inclusive of sustainability-related matters. PCG assesses and manages risks through safety and operational frameworks, as well as by monitoring various business-wide KPIs. Management elevates relevant findings to the Board as needed.

Strategy

PCG’s strategic approach centers around long-term resilience, operational excellence, and innovation across its portfolio. PCG has steadily expanded its operations across the United States since its founding, growing through a combination of organic development and the acquisition of more than a dozen contracting firms. Its international presence continues to evolve through joint ventures and the distribution of specialized products. PCG’s diversified portfolio now includes over twenty-five distinct industrial and commercial construction services, reflecting a strategic emphasis on adaptability, operational breadth, and long-term resilience. The company comprises of a diverse family of businesses, which supports a wide range of service offerings tailored to regional and sector-specific needs.

PCG acknowledges that both physical and transition risks linked to climate change pose significant implications for its operations, financial performance, and long-term strategy. Physical risks, ranging from acute events such as extreme weather to chronic shifts in climate patterns, are already influencing operations and are projected to intensify over time. These challenges can result in higher costs, delays, increased safety risk, and disruptions across facilities and projects.

Transition risks, driven by the global shift toward a low-carbon economy, include evolving regulations, market dynamics, and rising stakeholder expectations. The pace of climate action amplifies these risks. Accelerated action may introduce short-term complexities but also unlock opportunities to improve efficiency, innovate service offerings, and align with emerging customer and market demands. Conversely, a slower transition may ease immediate pressures yet expose PCG to greater long-term physical and reputational risks.

In 2025, PCG, with the help of a third-party consultant, performed its first ever climate scenario analysis to better understand these impacts. As recommended by TCFD, climate scenario analysis is a tool that explores plausible, alternative climate futures that may affect businesses, strategies, and financial performance over time. By applying scenario analysis to current “business-as-usual” assumptions, organizations can enhance strategic conversations by considering a broader range of potential business impacts and plan for increased resiliency even amidst the high uncertainty of climate change. Applying forward-looking scenarios to PCG’s current portfolio was not intended to predict future business results but rather generate discussion to deepen our strategic processes and understand our business resilience.

The physical risk analysis used quantitative modeling of key locations to assess potential weather events that could impact assets and operations. The physical risk analysis assessed the likelihood of twenty-three potential hazards threatening thirteen critical PCG locations across the United States under two plausible climate futures, detailed by the Intergovernmental Panel on Climate Change's (IPCC) Shared Socioeconomic Pathways (SSP). Utilizing third-party data and climate models, PCG evaluated potential climate hazards and considered risk mitigation strategies for extreme and intermediate conditions across the 2030-, 2040-, and 2050-time horizons to gain insight into potential business impacts.

The transition risk analysis was mainly qualitative, involving research, benchmarking, and a workshop with experts with broad organizational knowledge to assess potential impacts of moving to a low-carbon economy. Transition risk analysis utilized the Network for Greening the Financial Systems' (NGFS) 'Orderly – Below 2°' scenario and 'Hot House World – Current Policies' scenario to explore risks and opportunities common in the construction industry and unique to PCG. In the transition risk analysis, PCG used time horizons of short-term being 0–3 years, medium-term being 3–7 years, and long-term being 7+ years.

Risk Type	Scenario	Scenario Summary	Potential Warming by 2100	Time Horizons	
Physical	IPCC	SSP2 4.5	"Middle-of-the-road" with moderate global development and gradual implementation of climate policy, leading to moderate warming	2.7°C	Current 2030 2040 2050
		SSP5 8.5	A high-emissions future driven by rapid economic growth and heavy reliance on fossil fuels, resulting in minimal climate policy action	4.4°C	
Transition	NGFS	<i>Orderly – Below 2°C</i>	Orderly global transition with early climate policies cutting emissions to net-zero by 2070, limits warming below 2°C, minimizes economic disruption, and drives clean energy adoption	2°C	Short: 0-3 years Medium: 3-7 years Long: 7+ years
		<i>Hot House World – Current Policies</i>	A minimal climate action scenario, keeping fossil fuels dominant and emissions stagnate, warming hitting ~3°C by 2100, and causing severe physical risks	3°C	

Scenarios were selected for both physical risk analysis and transition risk analysis in alignment with framework guidance and industry practice. Using multiple scenarios allowed for exploration of a range of possible impacts, including at least one scenario considered to be most disruptive for the respective risk type. This aligns with TCFD's guidance to leverage a 2° C or lower scenario for transition risk. Scenario selection was also informed by review of industry peer disclosures to assist with comparability. Underlying assumptions of the various scenarios were further tailored to address factors key to PCG's business.

Type		Potential Impact	Time Horizon
Physical Risk	Chronic and Acute	Severe weather could cause damage and disrupt PCG's assets and operations	Short-term Medium-term Long-term
	Chronic and Acute	Changing environmental conditions could have an impact on the safety of our people and jobsites, increase labor costs and disrupt PCG's operations	Short-term Medium-term Long-term
Transition Risk	Policy & Legal	Acquisitions may expose PCG to environmental liabilities or additional climate risks	Short-term Medium-term Long-term
		Climate-related regulations and mandates may delay projects, increase compliance costs and expose the company to financial penalties for non-compliance	Medium-term Long-term
	Technology	Rapid technological advancements in major industry sectors may reduce demand for facility construction, impacting PCG's construction business	Long-term
	Market	Shifts in consumer preferences, climate conditions, and market technologies may reduce demand for traditional services	Medium-term Long-term
	Products & Services	Increased revenue from rising demand for sustainability and climate-related services	Short-term Medium-term Long-term
		Productivity gains through adoption of innovative low-carbon and digital technologies	Medium-term Long-term
	Reputational benefits through sustainability leadership and enhanced ESG performance	Long-term	

Scenario analysis can help PCG explore how different climate pathways could influence its business environment. By categorizing risks and opportunities across time horizons, PCG can prioritize immediate actions—such as strengthening insurance coverage and supply chain resilience—while also informing longer-term strategies, including investment in low-carbon technologies and climate-resilient design.

Risk Management

PCG identifies and manages climate-related risks through a combination of proactive and responsive strategies. These efforts include annual insurance program reviews, targeted safety initiatives, cross-functional leadership meetings, third-party evaluations, and comprehensive readiness assessments. PCG is actively exploring opportunities to strengthen its risk assessment processes across the organization, ensuring climate considerations are fully integrated. Committed to responsible stewardship and advocacy, PCG will continue to make incremental enhancements that address climate-related risks and opportunities, aligning its approach with industry best practices.

Metrics & Targets

PCG emphasizes data-driven decision making, leveraging both qualitative insights and quantitative data. In addressing climate-related impacts, we calculate greenhouse gas (GHG) emissions and track underlying activity data, such as electricity consumption and fleet mileage. These calculations are aligned with the GHG Protocol methodology to ensure consistency and transparency. PCG intends to report assured GHG emissions in alignment with California Senate Bill 253 requirements and timing.

At this stage, our priority is refining and validating meaningful climate-related metrics rather than setting public sustainability targets. However, PCG employs a range of internal goals and targets across the organization to drive operational excellence. We regularly evaluate the relevance and effectiveness of these metrics to ensure they align with our strategic objectives and inform decision-making. As our program matures, we will assess opportunities to establish climate-related key performance indicators and goals that reflect our long-term ambitions.