

SB 261 DISCLOSURE FOR GREAT DANE



In accordance with California's Climate-Related Financial Risk Disclosure requirements (SB 261, as amended by SB 219), Great Dane has prepared the following report covering both:

- Climate-related financial risk, in accordance with the recommended framework and disclosures contained in the [Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures](#) (June 2017).
- Measures adopted to reduce and adapt to climate-related financial risk.

Note: As a private company, Great Dane does not release financial reports and therefore the information below does not relate to the use of general purpose financial reports.



1. GOVERNANCE

The organization's governance around climate-related risks and opportunities.

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A

Board's oversight of climate-related risks and opportunities.

Great Dane's board of advisors reviews climate-related risks and opportunities at least once per year. The senior management team presents climate-related issues to the board as part of a regularly planned board meeting alongside how the information is used to inform strategy, planning, and action.

B

Management's role in assessing and managing climate-related risks and opportunities.

The senior management team at Great Dane is responsible for assessing climate-related risks and opportunities, developing plans, and monitoring progress. Great Dane has a number of cross-functional vice presidents, executive directors, and managers directly involved in the implementation of related strategic plans, and the work is completed with the president's executive leadership support.





2. STRATEGY

The actual and potential impacts of climate related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.

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The climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Great Dane evaluates material risks and opportunities over short-term (less than two years), medium-term (two to five years), and long-term (more than five years) timeframes. The financial materiality of risks and opportunities are estimated based on quantitative factors, where available, and risk significance is further informed by qualitative factors.

See risks in table below.

B

The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Great Dane's analysis of material climate-related risks and opportunities is beginning to shape its business strategy and financial planning. This is most evident in the company's investment in R&D to address the transition technology risk for our products. With respect to physical risks, our assessment informs construction design planning for both existing sites and new sites.

RISK TYPE

RISK DESCRIPTION

RISK MITIGATION



TECHNOLOGY
(Transition Risk)

Medium- to long-term

The disruption of traditional transportation equipment design driven by the shift to alternative vehicle power systems that are even more sensitive to weight in trailer and truck body structures.

We are investing in R&D to enhance product performance solutions, including lightweighting, aerodynamics, electromobility, telematics, and trailer thermal performance.



MARKET & REGULATORY
(Transition Risk)

a) Short-term to medium-term

The rising demand and possible regulatory mandate for improved fuel efficiency and zero-emission products.

Our recent engineering innovations include next-generation designs that reduce fuel consumption and zero-emission reefers.



FACILITIES
(Physical Risk)

Short- to long-term

Increasing frequency of extreme weather events, namely flooding and heatwaves. Scenario analysis shows a small increase in potential disruption from flooding at one manufacturing site, as well as potential productivity losses due to heatwaves at several manufacturing sites.

Our geographically diversified locations provide resilience as it supports and enables business continuity. Still, we are exploring targeted capital investment mitigations as well as operational process changes to mitigate heat impacts on our workforce.



SUPPLIERS
(Physical Risk)

Short- to long-term

Changing weather patterns could cause disruption to our supply chain.

Great Dane proactively assesses multi-tier supplier risk, recognizing shared lower tier suppliers, and mitigates climate-related disruption risk through this strategic diversification.



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The resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.

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Transition risks and physical risks for Great Dane do not vary greatly under either a low-emission and a high emission scenario, and thus our risk mitigation strategies seek to improve our resiliency for various futures. Even under the low emission scenario, high risks are identified and addressed in mitigation strategies. Additionally, regardless of scenario, Great Dane continues to take mitigation steps from significant R&D investment to supplier evaluation.



3. RISK MANAGEMENT

How the organization identifies, assesses, and manages climate-related risks.

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A

The organization's processes for identifying and assessing climate-related risks.

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For physical risk, Great Dane uses advanced climate risk analytics software to understand how extreme weather and long-term climate trends could impact our operations, assets, and communities. Analyses are conducted considering various warming scenarios at 1.8, 2.7, and 4.4 degrees C above pre-industrial levels (aligned with scenarios SSP1/RCP2.6, SSP2/RCP4.5, and SSP5/RCP8.5). The software outputs risk scores per facility, then our risk and operations teams discuss and determine which risks are a priority to address.

For transitional risks and opportunities, Great Dane monitors and analyzes regulatory updates, technological advancements, and market insights including via direct engagement with customers.

B

The organization's processes for managing climate-related risks.

Great Dane's environment and sustainability team works closely with ownership's risk advisors who together provide information on risks and opportunities to various functional leaders. From there, Great Dane is working to build a culture where functional leaders embed climate-related risk management into their respective team efforts. Of particular focus is the current and future impact of heat on workers, business continuity, and engineering innovation meeting customer expectations. Additional measures adopted to reduce and adapt to climate-related financial risk are highlighted at <https://greatdane.com/sustainability/>

C

How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Great Dane views climate related risk management as part of building a customer and future focused culture. Already, Great Dane has built climate-related training into established leadership training so that the analysis is understood cross functionally and as a means of capturing innovative ideas.





4. METRICS & TARGETS

The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

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A Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Great Dane is working towards building specific metrics to assess material climate-related risks and opportunities in line with its strategy and risk management processes.
B Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	The company tracks its Scope 1 and Scope 2 emissions annually. In addition, Great Dane established a 2022 baseline for Scope 3 emissions across all relevant categories, using key data from its accounting systems. Although Scope 3 calculations are paused until 2026, the initial assessment was valuable in highlighting the most significant impact areas. Together, these efforts support a better understanding of the company's environmental footprint and help identify opportunities for improvement.
C Targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Great Dane has not established targets to manage climate-related risks and opportunities, nor performance against targets.

