



Climate Risk and Impact Report

2025

Report Date : 12/31/2025



Introduction





Introducing Tosca

Tosca Services, LLC and its subsidiaries (“Tosca”) is a values-driven organization headquartered in the USA which operates across North America, the UK, Israel and the EU as well as a number of other countries worldwide.

Tosca is a global leader in reusable plastic packaging, delivering high-performance, sustainable supply chains for our customers at every turn. Our mission is ‘To revolutionize the flow of goods through the supply chain, eliminating waste at every turn’. Tosca operates out of over 60 facilities (including offices, service centers and a manufacturing facility) worldwide.

We are the only reusable packaging and pooling company which connects the entire supply chain end-to-end, from the manufacture of reusable plastic packaging in the form of reusable plastic crates (RPCs), pallets, bulk containers, dollies, layers and trays and displays, to leasing, washing and returning products for reuse in our pooling operations, and sales of finished goods. Learn more at our website www.toscaltd.com/.

The majority of our assets are used in our pooling operations with a smaller proportion sold for use, and while our primary focus is the movement of goods through the food supply chain we also support the flow of non-food goods as well.

Our supply chains are global although the majority of our largest suppliers (by spend) are based in the US, UK, and Europe and cover the:

- Procurement of raw materials for the manufacturing of our products,
- Contracting of third parties who perform manufacturing and washing activities on our behalf,
- Contracting of logistics companies which move our products to and from customers and to our own wash centers, and
- Recycling of broken products through third party companies as well as in our own manufacturing facility.

Introducing Tosca's 2025 Climate Risk Report

This Task Force on Climate-related Financial Disclosures (TCFD) structured report serves as Tosca's disclosure of the climate-related risks and opportunities to our business.

It covers our governance structures, strategy, risk identification and management, and metrics and targets.

In 2025 we took a more structured approach to understanding our climate-related risks through engaging senior leadership in identifying risk and existing mitigation. We have built the strengthening of climate-related mitigation measures into our 2030 Sustainability Goals.

As a plastics based and logistics dependent organization we acknowledge the potential impacts from climate-related risks on our business, and as a business founded in the circular economy we have a duty to minimize our contribution to climate change and take the opportunity to support our customers in proactively addressing their climate-related risks.

In this report we describes how climate change scenarios may impact our business and outline our strategy to mitigate those potential impacts while ensuring our resilience, based on our understanding of evolving challenges.



Governance



Governance of climate-related risks and opportunities



Current State Overview

Tosca has taken important steps to build a sustainability foundation through leadership roles, policies, and operational standards. The current governance structure reflects progress in defining responsibilities and establishing key environmental commitments, while also revealing areas where oversight and integration remain limited.

Board & Executive Oversight

Tosca is a private equity owned company whose board functions in an advisory capacity rather than as a governing board typical of publicly traded companies. There is no formal board charter, committee charter, or climate-related standing agenda item. However, sustainability is a key priority for the board and is regularly included in meeting agendas and reflected on throughout the year

Executive Leadership

The **Global Head of Sustainability**, reports directly to the CEO, and is responsible for developing and managing the global sustainability strategy, embedding ESG considerations such as climate risks and mitigation measures across operations, engaging with customers and suppliers, and representing Tosca in trade associations.

Internal Controls

A formal climate-risk assessment was performed in early 2025 and existing climate related risk and opportunity mitigation measures are being strengthened and incorporated into our 203 goals.

No climate-linked compensation is currently in place.

Policies and SOPs

Environmental Policy: Establishes targets aligned with SBTi, including 42% reduction in Scopes 1–3 by 2030 from a 2021 baseline, 100% renewable electricity by 2030, increase recycled content in assets to over 40% by 2030, zero waste to landfill by 2030 and water use reduction/recycling measures.

Energy Management & GHG Emissions SOP: Requires energy and GHG data tracking, energy mapping at all facilities, evaluation of low-carbon alternatives, and supplier engagement on emissions.

Waste Management SOP: Establishes waste avoidance hierarchy, supplier requirements on waste reduction, and KPIs for waste reduction.

Supplier Code of Conduct: Requires suppliers including logistics organizations and third party manufacturers to implement improvements and minimize climate related risks.

Management Roles

Supporting the **Global Head of Sustainability** are roles including:

- **Global Sustainability Regulations, Data & LCA Manager:** responsible for regulatory compliance, ESG data management, LCA, and supporting business units
- **EMEA Sustainability Manager:** responsible for supporting sustainability improvements including those relating to greenhouse gas emissions and climate-related impact reduction.
- **Sustainability Analyst (LCA and ESG Data Junior Analyst):** focus on LCA's, ESG data, customer engagement, and regulatory compliance.

Strategy and Risk Management





Strategy Development

In this section, we outline our approach, assumptions, and the qualitative and quantitative outcomes of the formal scenario analysis and risk assessment we performed in mid 2025. We conclude with our assessment of our resilience under the scenarios considered and our strategic response.

On the basis of our updated double materiality assessment which we concluded in early 2025, it is confirmed that climate change is considered to bring material risks and opportunities for Tosca, with potential impacts on our entire value chain over the short to long term.

While we know that scenario analysis does not predict the future, we believe it allows us to better understand the impact of climate change and how it could affect our company.

The outcome of our work supported our expectations that, within the foreseeable future, Tosca must navigate transition risks especially for our European and UK operations. In the longer term, physical risks could pose a greater threat to our business due to potential impacts on our customers in the food and beverage industry as well as our logistics providers. This insight further strengthens the importance and relevance of our climate-related actions and 2030 goals.

Climate related risks

The climate related risks for Tosca are primarily associated with the worst-case scenario (RCP 8.5 Trajectory) and come in the form of physical risks.

As a logistics dependent industry who uses hot water for washing/ sanitation purposes and with the largest customer base being in the agricultural sector, bad weather events and changing temperatures pose several potential direct and indirect risks.

From a transition risk perspective, we appear to be less vulnerable. However with our assets being fossil fuel plastics based there is a risk that under the net zero scenario (RCP 2. trajectory) there could be a significant reduction in fossil fuel production resulting in rising costs due to competition and limited availability.

While there may be risks, there are also many potential opportunities, due to the structure and distribution of our company, the relative simplicity of our operations and the actions taken to minimize energy and water use and streamline our logistics.

Specific details on individual risks and opportunities along with existing actions are presented on pages 13 - 16.





Risk Assessment

Climate-related risks are treated the same way as other sustainability and business risks at Tosca, encompasses

Our risk assessments are performed in multiple ways:

- A top-down assessment is performed at Group level to create a good understanding of the organization's key risks.
- A materiality assessment is carried out every 3 years , where we engage with both external and internal stakeholders to better understand the issues of most concern to them and evaluate in terms of potential business impact. In 2025 we performed our first fully integrated double materiality assessment which addressed climate related risks as a separate item from climate impacts resulting from greenhouse gasses.

The objective was to assess the resilience of the Group's strategy under different climate scenarios. Transition and physical risks were modeled with future financial impacts assessed under each scenario. The most significant climate-related risks were determined and agreed upon by the senior leadership globally with specific inputs from procurement, operations, finance and legal along with the Executive Leadership Team. We worked with third party experts Canopy Edge who provided the methodology, scenarios and modeling platform. The detailed modeling outcomes are being incorporated into the company's 2030 Goals.

Climate Scenario Analysis

Climate Risk and Opportunity Identification



To ensure a robust understanding of transitional and physical climate risks and opportunities, Tosca’s assessment followed a structured scenario-based approach.

Scenarios were built on the following :

- the pathways in fossil fuel based raw materials, energy supply (including logistic related), demand, and mix by primary production and final energy consumption, across different sectors and geographies;
- macroeconomic, policy, and market variables that directly impact corporate balance sheets and supply chains; and
- policy, technology and market changes across short-term (0-5 years), medium-term (5-15 years) and long-term (15-30+ years) timelines from these different climate futures.

The focus for market changes was primarily the food sector from production (farms and processors) to consumers, as this is the major market area for Tosca.



To build the scenarios, two of the most widely recognized resources for climate scenario analysis were used: the International Energy Agency Scenarios and Network for Greening the Financial System Climate Scenarios.



Climate Scenarios Evaluated

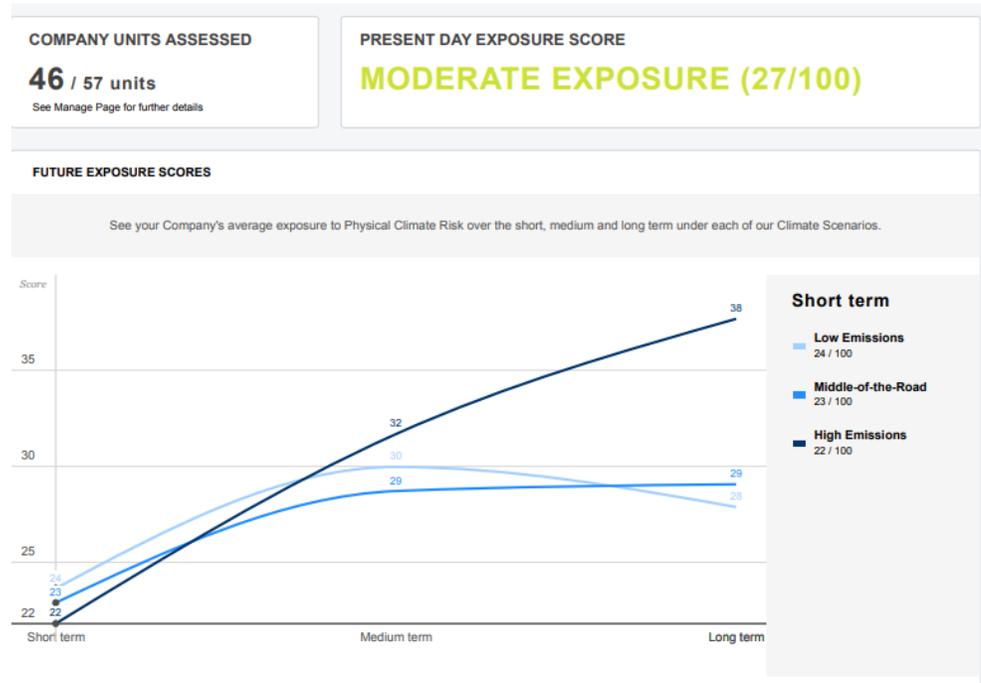
Scenario Name	Description	Temp Rise Expected (C) – 2100*	GHG Trajectory
Net Zero Scenario	A very stringent mitigation pathway in which global CO ₂ emissions peak around 2030 and then decline steadily, reaching net-zero before 2100 through rapid deployment of renewables, energy efficiency, carbon capture, and other negative-emissions technologies.	1.5 degree	RCP 2.6
Business as Usual Scenario	A mid-range pathway with only moderate mitigation efforts, where emissions decline slowly after mid-century.	2.7 degree	RCP 4.5 - 6
Worst Case Scenario	A high-emissions trajectory with minimal mitigation and continuing heavy use of fossil fuels.	4.4 degrees	RCP 8.5

Financial impact level as % of annual revenue	Insignificant:	< 0.25%
	Low:	0.25% – 1%
	Moderate:	1% – 3%
	High:	3% – 7%
	Severe:	> 7%

Physical Risk Assessment



Performed using Ecometrica / Ecoonline Software: Focus is on Tosca facilities although the full risk and opportunity assessment included broader risks to our logistics and customer operations



Low Emissions = Net Zero
Middle of the road = Business as Usual
High Emissions = Worst Case Scenario

Average exposure scores (out of 100) for Tosca for each 'peril' across all time horizons and climate scenarios

	BASELINE	SHORT TERM			MEDIUM TERM			LONG TERM		
	Baseline	Low Emissions	Middle-of-the-Road	High Emissions	Low Emissions	Middle-of-the-Road	High Emissions	Low Emissions	Middle-of-the-Road	High Emissions
ACUTE										
Flood	2		2	3		2	2		2	2
Heatwave	19	30	34	32	38	43	48	45	62	81
Heavy Precipitation	18	19	21	20	20	21	22	20	24	32
Wildfire	25	26	29	26	28	30	36	31	36	50
Changing Precipitation	20	22	24	23	23	23	24	21	26	28
Heat Stress	28	34	35	35	40	44	46	39	59	77
CHRONIC										
Hydrological Variability	18	20	21	20	20	22	22	21	23	25
Sea Level Rise		1	1	1				1	1	1
Temperature Variability	29	28	30	27	34	41	45	35	27	37
Water Stress	25	31	32	32	37	32	39	39	29	42

Risks are predominantly due to elevated temperatures [heatwave, heat stress and temperature variability] with minimal impacts from water stress for most scenarios and timescales.

Physical Risks and Opportunities

Scenario	Value Chain	Impacts	Risk or Opportunity	Time Horizon	Potential Financial Impact Level	Financial Impact Areas	Current Strategy / Ability
Net Zero	Customers	Customers want locally grown products which are able to be grown and not impacted by weather	Opportunity	Medium to Long	Moderate revenue and margin impact	Revenue, Asset turns	<ul style="list-style-type: none"> Annual review of markets and ability to respond quickly to opportunities due to simple streamlined business process'
Net Zero	General	Building and equipment insurance costs reduced	Opportunity	Medium to Long	Low-cost savings	OPEX reduced	<ul style="list-style-type: none"> Review climate related impacts as part of locating new business
Net Zero	Market	Farms are less affected therefore business is maintained / grows	Opportunity	Short to Long	Moderate revenue and margin impact	Revenue growth, Market share	<ul style="list-style-type: none"> Established business with excellent market knowledge
Net Zero	Operations	Utility costs reduced (don't need to cool or heat facilities) and supply impacts minimal	Opportunity	Medium to Long	Low-cost savings	OPEX reduced	<ul style="list-style-type: none"> New facilities are evaluated for climate impacts and efficient cooling and heating systems
Net Zero	Operations	Lower potential for heat / cold impacts to team members	Opportunity	Medium to Long	Low-cost savings	OPEX reduced	<ul style="list-style-type: none"> H&S monitoring of working conditions include exposure to extreme heat, humidity and cold
Net Zero	Customers	Retailer shift to reusables	Opportunity	Short to Medium	High revenue upside	Revenue, Asset turns	<ul style="list-style-type: none"> Positioned with reusable packaging and LCA tools
Net Zero	Customers	Retailer margin pressure limits willingness to pay	Risk	Short	Moderate revenue and margin impact	Revenue margin, Win rates	<ul style="list-style-type: none"> Ability to quantify total cost of ownership and shrink reduction benefits

Physical Risks and Opportunities

Scenario	Value Chain	Impacts	Risk or Opportunity	Time Horizon	Potential Financial Impact Level	Financial Impact Areas	Current Strategy / Ability
Worst Case	Market	Agricultural disruption reduces volumes	Risk	Medium to Long	Severe revenue downside	Revenue, Asset utilization	<ul style="list-style-type: none"> Continually working to diversify exposure across categories
Worst Case	Operations	Logistics disruption reduces ability to serve customers in locations they need	Risk	Medium to Long	Medium to High revenue and OPEX impact	OPEX	<ul style="list-style-type: none"> Expansive network of logistics providers and use of logistics planning company (Uberfreight)
Worst Case	Operations	Utility costs significant	Risk	Long	Medium OPEX impact	OPEX	<ul style="list-style-type: none"> Energy efficiency mechanisms and target of 100% renewable energy
Worst Case	Operations	Location of hubs maximized and annually reviewed to locate appropriately	Opportunity	Medium to Long	Medium to High revenue upside	Revenue, Asset utilization	<ul style="list-style-type: none"> Expansive network of wash centers with annual review of need vs market opportunity
Worst Case	Market	Farms significantly affected with a complete restructuring of the farming areas	Risk	Medium to Long	Severe revenue downside	Revenue volatility, Logistics cost	<ul style="list-style-type: none"> Monitoring market availability coupled with small, efficient and simple operational footprint provides flexibility to move to new areas with relative ease
Worst Case	Market	Food shortages and global shipping volatility	Risk	Medium to Long	Medium to High revenue and OPEX impact	Revenue volatility, Logistics cost	<ul style="list-style-type: none"> Continually working to diversify exposure across categories
Worst Case	Market	New business develops due to limited farmland in certain areas – vertical farms in protected buildings develops new business opportunity	Opportunity	Medium to Long	High revenue upside	Revenue, Asset utilization, Market	<ul style="list-style-type: none"> Monitoring new markets and with small efficient operational footprint are able to support businesses in urban as well as rural areas
Worst Case	Customers	Retailers look for companies who can move goods internationally (because cannot grow at home) and/ or locally (because cannot grow or move due to weather) and preserve quality	Opportunity	Short to Medium	High revenue upside	Revenue, Asset utilization, Market	<ul style="list-style-type: none"> International presence (US, EMEA, Israel) and existing robust experience with international suppliers
Worst Case	Operations	Facilities have to be replaced with ones with better efficiencies and cooling / heating opportunities – competition for such facilities raises cost	Risk	Medium	Medium OPEX impact	OPEX	<ul style="list-style-type: none"> Leasing of facilities with small relatively simple operational requirement enables easier transition to more efficient facilities

Transition Risks and Opportunities

Scenario	Risk Category	Value Chain	Impacts	Risk or opportunity	Time Horizon	Potential Financial Impact Level	Financial Impact Areas	Mitigation Strategy
Net Zero	Policy	Brand and portfolio	US alignment with EU policy lifts demand for reusables	Opportunity	Short to Medium	High revenue upside	Revenue growth, Market share	<ul style="list-style-type: none"> Core business is reusables; carbon and LCA tracking already in place to support customer decisions
Net Zero	Policy	General	Internal decarbonization raises operating cost and capex	Risk	Short to Medium	High CAPEX and OPEX	CAPEX, Utilities, Maintenance	<ul style="list-style-type: none"> Pursuing automation and energy efficiency; increasing intermodal use
Net Zero	Policy	General	Reporting, verification, and audit burden	Risk	Short	Low OPEX	Compliance, Data systems, Internal audit	<ul style="list-style-type: none"> Existing carbon and LCA tracking; ability to build on current data processes
Net Zero	Market	Brand and portfolio	Goods with lower emissions proven by LCAs are adopted	Opportunity	Short to Long	High revenue upside	Revenue growth, Market share	<ul style="list-style-type: none"> Comparative LCAs performed as routine during design, contract development and annually using credible systems and data
Net Zero	Policy	Brand and portfolio	Data leadership as a differentiator	Opportunity	Short to Medium	Moderate revenue upside	Revenue, Pricing power	<ul style="list-style-type: none"> Already tracking carbon and LCA; credibility to lead with data
Net Zero	Technology	Operations	Automation and efficiency cost savings	Opportunity	Medium	Moderate cost savings	Utilities, Labor Productivity, Quality	<ul style="list-style-type: none"> Automation is a stated priority with identifiable use cases
Net Zero	Technology	Supplier	Shift to intermodal / low or no fossil fuel-based logistics	Opportunity	Short to Medium	Low-cost savings	Transportation cost, Emissions	<ul style="list-style-type: none"> Already moving to intermodal for strategic reasons
Net Zero	Market	Customer	Retailer shift to reusables	Opportunity	Short to Medium	High revenue upside	Revenue, Asset turns	<ul style="list-style-type: none"> Positioned with reusable packaging and LCA tools
Net Zero	Market	Customer	Retailer margin pressure limits willingness to pay	Risk	Short	Moderate revenue and margin impact	Pricing, Win rates	<ul style="list-style-type: none"> Ability to quantify total cost of ownership and shrink reduction benefits
Net Zero	Customers	Customer	Consumer demand reduces because of perceptions around climate change and impacts of weather and not wanting logistics	Risk	Medium to Long	Moderate revenue and margin impact	Revenue margin, Market share	<ul style="list-style-type: none"> Education to change perceptions of reusable plastics and use of food safe plastics
Business as Usual	Policy/ Market	Brand and portfolio	Manageable investment pace with steady circular demand	Opportunity	Short to Medium	Moderate revenue upside and moderated CAPEX	Revenue, CAPEX planning	<ul style="list-style-type: none"> Existing solutions align with customer needs without abrupt capex
Business as usual	Market	Customer	Increased demand for cost effective but wide range of foods	Opportunity	Short to Medium	High revenue upside	Revenue growth, Market share	<ul style="list-style-type: none"> Core business supports all forms of food from produce, eggs, meat, poultry, wet and dry ingredients and pet foods
Business as usual	Policy	General	Some emissions reduction required but ad hoc	Risk	Short to Medium	Moderate OPEX, Low revenue	OPEX, Revenue growth	<ul style="list-style-type: none"> Energy management and reduction plans in place along with increasing use of renewable energy

Transition Risks and Opportunities

Scenario	Risk Category	Value Chain	Impacts	Risk or opportunity	Time Horizon	Potential Financial Impact Level	Financial Impact Areas	Mitigation Strategy
Business as Usual	Market	Operations	Manageable investment pace with steady circular demand	Opportunity	Short to Medium	Moderate revenue upside and moderated capex	Revenue, CAPEX planning	<ul style="list-style-type: none"> Existing solutions align with customer needs without abrupt capex
Worst Case	Policy	General	Policy fragmentation and confusion	Risk	Short to Long	Moderate OPEX	Compliance cost, rework, legal	<ul style="list-style-type: none"> Experience navigating multiple regimes; ability to translate requirements for customers
Worst Case	Policy/Market	Customers	Agricultural disruption reduces volumes	Risk	Medium to Long	Severe revenue downside	Revenue, asset utilization	<ul style="list-style-type: none"> Continually working to diversify exposure across categories
Worst Case	Technology	Suppliers	Supplier cost pass-through	Risk	Short to Medium	Moderate OPEX	COGS, pricing	<ul style="list-style-type: none"> Ability to reposition on cost but increased cost risk remains
Worst Case	Market	Brand and portfolio	Reduced demand for reusables	Risk	Short to Medium	High revenue downside	Revenue, asset turns	<ul style="list-style-type: none"> Ability to reposition on cost and reliability, but demand risk remains
Worst Case	Market	Brand and portfolio	Cost optimization of reusable specs	Opportunity	Short	Low-cost savings	COGS, margins	<ul style="list-style-type: none"> Engineering capability to optimize specs. Already using plastic resins
Worst Case	Operations	General	Energy is fossil fuel based but prices escalate due to complexity of obtaining resources	Risk	Long	Moderate OPEX	OPEX	<ul style="list-style-type: none"> Implementing renewable energy as a rolling program
Worst Case	Market	Brand and portfolio	Food shortages and global shipping volatility	Risk	Medium to Long	Medium to High revenue and OPEX impact	Revenue volatility, logistics cost	<ul style="list-style-type: none"> Continually working to diversify exposure across categories
All Scenarios	Reputation	Brand and portfolio	Perceived laggard on sustainability	Risk	Short to Medium	Moderate revenue downside	Revenue growth, RFP win rates, price/mix, cost of capital	<ul style="list-style-type: none"> Foundational carbon and LCA capabilities exist; narrative not fully consolidated into an external leadership position in all markets
All Scenarios	Reputation	Brand and portfolio	Recognized sustainability leader	Opportunity	Short to Medium	Moderate revenue upside	New revenue, retention, price, partnership pipeline	<ul style="list-style-type: none"> Strong operational story (reusables, LCA) to build on; ability to package customer-facing sustainability insights

Metrics and Targets



Our Total Emissions by Scope

The data provided is in metric tonnes of CO₂e for 2024

Emissions from our direct operations, known as Scope 1 and Scope 2, accounted for between 16% and 24% of our GHG emissions.

The vast majority of our GHG emissions (>74%) come from activities in our supply chain.

As a result, that is where we focus most of our efforts.

	2024	2023
Scope 1 Natural gas in our wash systems and propane use in our forklifts	14,809	11,369
Scope 2 Purchased electricity	14,706	12,121
Scope 3 Purchased goods and services, Capital Goods, Upstream Transportation, Waste, Business Travel and Commuting	93,305	118,977

Emissions Reduction Focus

Progress toward net zero by 2050 is measured against our 2021 GHG emissions.

In setting our targets, we have followed the Science Based Targets initiative's (SBTi) criteria and used their calculation tools. Targets are 42% reduction in Scope 1 and 2 emissions against a 2021 baseline and 42% for Scope 3 emissions against a 2024 baseline.

As our Scope 3 emissions make up >74% of our footprint, we are focusing our efforts on addressing the largest sources of emissions as a priority. Therefore, we are concentrating our efforts on the following categories:

Category 1

Purchased goods and services

Reducing the emissions associated with third-party manufacturing of our assets and asset cleaning and repair

Category 4

Upstream transportation and distribution

Working with third-party logistics companies to minimize empty truck miles and utilize more fuel-efficient / alternative fuel vehicles

Category 5

Waste generated in operations

Reduce, reuse or recycle more of the waste generated in our own facilities. Focusing on stretch wrap and organic waste.

Action Examples – Mitigation in 2024/2025



Emission Reduction Activities



Globally we continue to implement LED lighting in facilities and are well over halfway to our goal of full LED lighting in our largest footprint areas with over 70% of facilities having LED lighting in the largest footprint areas.



Across EMEA, we've replaced 100% of forklifts with electric options.

We are increasing our recycled content within our products year on year with >25% recycled content on average.



Over 51% of electricity used by Tosca facilities globally is from renewable sources while 25% of our facilities in EMEA have solar panels on the building.



We worked with our logistics providers through Uberfreight in the US to increase the use of intermodal systems and reduce our transportation distances achieving nearly 2 million miles reduction in the US alone.

Over 90% of our facilities have some form of automation in place and we are expanding capabilities every year.



Other metrics reported which relate to climate risks and opportunities



These metrics relate to the risks and opportunities identified under the various climate scenarios evaluated and we report annually through our sustainability reports <https://www.tosca ltd.com/tosca-policies/>.

	2024	2023
Average recycled Content within assets manufactured by Tosca	16%	12%
Average recycled content within all assets manufactured for use by Tosca	25%	20%
Total energy use (MWh)	104,151	88,026*
Total electricity use (MWh)	113419.40	107,126 *
Waste to landfill	1,548^	6,185

**Data collection improved significantly in 2024*

^Waste data in 2024 was very limited

For further information:

Tosca Global HQ
1175 Peachtree St.
Suite 1900
Atlanta, GA 30361
(920) 617-4000

Dr. Karin Witton
Head of Sustainability
kwitton@toscaltd.com

Shlomit Gotlib
General Counsel, North America
Shlomit.Gotlib@toscaltd.com