SB-261 Disclosure

This inaugural climate-related financial risk report is prepared for Highspring LLC in accordance with the Recommendations of the Task Force for Climate-related Financial Disclosures in response to the requirements under Section 38533 of the California Health and Safety Code, known as the "Climate Related Financial Risk Act," and "California SB-261." A Climate Risk Assessment and Scenario Analysis were conducted to evaluate climate-related risks. The assessment addresses both physical and transition risks using reputable data sources, including FEMA National Risk Index and Network for Greening the Financial System (NGFS). Physical risks are assessed across multiple timeframes and climate scenarios (SSP1-2.6, SSP2-4.5, SSP5-8.5), while transition risks are informed by SASB industry risk categories.

This Climate-Related Financial Risk Report is prepared in conformance with the *Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD, June 2017)*, one of the approved frameworks under HSC § 38533. The TCFD framework was selected because it is globally recognized, directly referenced by CARB's draft checklist, and provides a clear structure aligned with the required disclosure pillars: Governance, Strategy, Risk Management, and Metrics & Targets.

Omissions: While included, Highspring's GHG inventory has not undergone third party assurance.

Governance a. Describe the board's oversight of climate-related risks and opportunities b. Describe management's role in assessing and managing climate-related risks and opportunities	Highspring is a limited liability corporation that operates under a Board of Managers governed by Delaware Law. Governance of the firm is centralized by the Board of Managers, which serves as the highest decision-making body. The Board of Managers is composed of representatives from private equity owner Olympus, as well as the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and another Co-Founder. Its responsibilities extend across Highspring's most critical functions, including reviewing and guiding annual budgets, approving firmwide policies and commitments, setting and monitoring strategic goals, and overseeing reporting, audit, and assurance processes. In this capacity, the Board of Managers is accountable for incorporating sustainability considerations into Highspring's overall governance framework. Climate-related oversight is supported through regular briefings from the Advisory Committee, as well as periodic engagement with external experts and industry groups to ensure the Board of Managers remains informed of emerging risks and best practices. The Advisory Committee plays a central role in Highspring's sustainability governance. The Advisory Committee is composed of the Chief People Officer, Senior Vice President – Legal Affairs, Managing Partner – Consulting, Senior Vice President – Strategy, and the Chief Information Security Officer. Its role is to provide dedicated expertise and cross-functional leadership on ESG matters. The Committee's mandate includes integrating climate-related risks and opportunities into strategic planning and decision-making processes, ensuring compliance with environmental commitments, and advancing firmwide sustainability initiatives. The Committee also advises senior management on ESG priorities, develops the annual ESG agenda, and oversees GHG emissions tracking, reporting, and related compliance requirements. Through its regular meetings and ongoing engagement with stakeholders across the firm, the Advisory Committee ensures that sustainability considerations are embedded into both operational practices and client-facing strategies.

Risk Management

a. Describe the processes for identifying and assessing climate-related risks
b. Describe the processes for managing climate-related risks
c. Describe how processes for identifying, assessing, and managing, climate-related risks and integrated into the organization’s overall risk management

Highspring LLC recognizes that climate change presents both risks and opportunities that can influence business operations, client services, and operational costs. Strategic planning considers a range of potential impacts, evaluating physical risks, such as extreme heat, wildfires, hurricanes, and drought, as well as transition risks linked to regulatory changes, client expectations, market shifts, and emerging technologies. Highspring leverages cross-functional partnerships to strengthen climate resilience and support sustainable operational practices.

Climate-related risks are managed through integration into Highspring’s broader risk management framework. The Advisory Committee oversees scenario analyses and risk prioritization, ensuring that potential impacts on offices, employees, technology systems, and client service delivery are incorporated into strategic planning, risk mitigation and investment decisions. The climate-related risk and opportunity identification process begins with a mapping of our operations to understand key business relationships and geographies. This mapping exercise is performed in collaboration with our senior stakeholders within the business. Risks are assessed based on likelihood and potential business impact, with regular updates provided to senior leadership by Highspring's relevant committees. The risk assessment process is evaluated as part of a review workshop, with members from Finance, People, Legal, Security, Real Estate, and key personnel from Front Office teams in attendance. These climate considerations are embedded alongside operational, financial, and compliance risks, rather than managed in isolation. This approach ensures that Highspring addresses climate-related risks in the context of overall business continuity, operational resilience, and long-term strategic objectives, while also maintaining accountability to clients and other stakeholders.

Strategy

a. Describe the climate-related risks and opportunities the company has identified over the short, medium and long-term
b. Describe the impact of climate-related risks and opportunities on the company’s businesses, strategy, and financial planning
c. Describe the resilience of the company’s strategy, taking into consideration different climate-related scenarios

Highspring engaged external consultants to evaluate climate-related risks and opportunities across three time horizons: short-term (0-2 years), medium-term (2-5 years), and long-term (5+ years).

Risks	Opportunities
Physical impacts of acute climate events such as severe storms, heat stress, riverine flooding damage our offices	Review higher risk areas as part of short-term contingency planning. Review insurance premiums in locations with greater exposure. Focus on higher risk areas and engage with insurers to understand and mitigate risk drivers.
Physical impacts of acute and chronic climate events such as heat stress and water scarcity on our digital infrastructure: Water Scarcity (Data Centers)	Engage with major cloud providers taking proactive steps toward climate adaptation and adopt contract language to mitigate price shocks and service disruptions.
Transition Risk of increased costs related to Climate Reporting Compliance	Take stock of both regulatory and potential client requirements, then determine ESG communications strategy.

Transition Risk of Carbon Pricing increasing the cost of Data Center services	While current impacts are limited through our supplier agreements, longer-term shifts in energy policies could eventually result in changes to service costs during contract renewals. Engage with major cloud providers taking proactive steps toward climate adaptation and adopt contract language to mitigate price shocks and service disruptions.

Highspring has identified a range of climate-related risks and opportunities across the short, medium, and long term. In the short term, the firm faces increasing regulatory and client expectations to disclose greenhouse gas emissions and demonstrate ESG leadership. While these requirements present operational challenges, they also create opportunities to enhance governance, improve transparency, and build client trust.

Over the medium term, climate impacts such as storm damage and riverine flooding could affect operations and cost structures. In conjunction, rising frequency of climate events may increase insurance premiums for Highspring.

In the long term, escalating physical risks may disrupt business continuity, including wildfires, heat stress for both offices and data centers, and carbon pricing for data centers. However, these same pressures create opportunities for Highspring to embed climate resilience into its operations, from facility selection and energy efficiency initiatives to strengthen insurance and risk management practices. Opportunities to service clients with talent solutions, consulting, and managed services offerings related to regulatory compliance obligations may also develop as climate change becomes a topic area that engages more finance, human resources, and technology leaders.

These risks and opportunities are shaping Highspring's strategy and financial planning. The company considered impacts of these risks and opportunities across three warming scenarios: 1.5°C (SSP1-RCP2.6), 2°C (SSP2-RCP4.5), and 4°C (SSP5-RCP8.5). Highspring's exposure to physical climate risks is moderate in the short-term, with heat stress and flooding and wildfires escalating under a high emissions scenario. Transition risks may be amplified in the lower-warming scenarios through expanded carbon pricing mechanisms, which may impact our upstream cloud computing providers and by extension may raise the cost of these services. Regulatory compliance obligations are driving investments in emissions tracking, disclosure, and assurance, while evolving client procurement practices are reinforcing the importance of transparent ESG performance. While physical climate risks could affect both the company's office location and its digital infrastructure, flexible work arrangements in place with most employees provide protection and enable business continuity against significant office disruptions. Highspring's approach positions climate resilience not only as a compliance requirement but also as a driver of long-term competitiveness, client value, and growth.

Metrics & Targets

a. Describe the metrics used to assess climate-related risks and opportunities in line with strategy and risk management process
b. Disclose Scope 1, 2, and if appropriate Scope 3 Greenhouse Gas (GHG) emissions and the related risks
c. Describe the targets used by the Organization to manage climate-related risks and opportunities and performance against targets

Highspring assesses its climate-related risks and opportunities by evaluating the severity and likelihood of potential impacts across both physical and transitional dimensions. Offices and operations located in areas with elevated exposure to extreme weather and long-term climate stressors are prioritized for monitoring, while transition risks are assessed based on materiality, regulatory relevance, and potential cost implications. This framework allows Highspring to focus on the most critical exposures, ensuring that both operational resilience and strategic opportunities are addressed in line with its overall risk management process.

Highspring discloses its Scope 1, Scope 2, and Scope 3 emissions annually. Risks associated with emissions include potential regulatory costs, reputational pressures, and changes in client expectations as carbon reporting becomes increasingly standardized. *No assurance activities were performed over this footprint at this time. Highspring anticipates performing any compulsory assurance work to validate its calculations in conformity with SB-253 which is anticipated in 2026.*

Category	Location-based	Market-based
Scope 1	1,499.31 mT of CO_2e	344.96 mT of CO_2e
Scope 2	1,499.31 mT of CO_2e	1,154.35 mT of CO_2e
Scope 3	15,078.33 mT of CO_2e	15,078.32 mT of CO
Totals	**18,076.95 mT of CO_2e**	**16,577.6376 mT of CO_2e**

At present, Highspring has not formally established GHG reduction targets. However, Highspring strives to ensure that any risks assessed as very high severity are mitigated through at least one targeted management strategy. This includes operational adaptations such as flexible working arrangements and compliance planning for emerging climate regulations. As regulatory requirements evolve, Highspring intends to continue leveraging partners to conduct GHG footprints and explore independent assurance of its GHG inventories and to reassess whether setting explicit emissions reduction targets would strengthen its resilience and competitive positioning.

This SB 261 Report includes forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Rather they are based only on our current beliefs and assumptions regarding the future of the business, the broader economy, and anticipated events and trends.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict (and many of which are outside of our control).

Our actual results may differ materially from those indicated in the forward-looking statements. Any forward-looking statement made by us in this document is based only on information currently available to us and speaks only as of the date on which it is made.

We undertake no obligation to update any forward-looking statement prior to the next reporting period whether as a result of new information, future developments or otherwise.