C·H·Guenther
THE FUTURE OF FOOD

Executive Summary: Climate-Related Financial Risk Disclosure
December 2025

C.H. Guenther & Son ("CHG") is committed to operating a resilient, responsible, and forward-looking food manufacturing business. As climate change increasingly influences markets, regulations, and operating conditions, CHG recognizes the importance of transparently disclosing climate-related financial risks and the actions taken to manage them. This executive summary aligns with the Task Force on Climate-related Financial Disclosures (TCFD) framework and satisfies California SB 261 requirements. For more information, contact CHGSustainability@CHG.com.

Purpose and Scope

This disclosure summarizes CHG's climate-related financial risks, opportunities, governance, and risk management practices. It informs customers, investors, lenders, regulators, and other stakeholders about how climate-related risks may impact CHG's business, strategy, and financial performance over the short, medium, and long term, with a focus on jurisdictions with heightened regulatory or physical climate exposure, including California.

Governance and Oversight

CHG oversees climate-related risks and opportunities via an enterprise governance structure. CHG is owned by Pritzker Private Capital (PPC), which maintains a centralized ESG governance framework across its portfolio. PPC's Chief Compliance and ESG Officer monitors ESG performance, including climate-related risks, and facilitates best practice sharing. Financial accountability is linked to building equity in CHG for PPC's portfolio health.

Within CHG, the Executive Leadership Team oversees climate matters. The Chief Human Resources Officer/SVP, Corporate Services, oversees the Senior Manager for Global Sustainability, who develops and implements CHG's sustainability and climate strategy. Climate-related risks are escalated through established reporting lines to senior leadership and incorporated into enterprise-wide risk discussions, capital planning considerations, acquisitions, and strategic decision-making.

Strategy and Climate-Related Financial Risks

CHG has identified both physical and transition climate-related risks with potential financial implications.

Physical Risks:

These include acute risks from extreme heat, wildfires, storms, flooding, and droughts, which may disrupt operations, damage assets, increase insurance costs, or affect employee health and safety. Chronic risks include rising temperatures, water scarcity, changing precipitation, and long-term climate shifts affecting productivity, infrastructure, and supply chain reliability.

In California, CHG facilities face elevated exposure to extreme heat, drought, and wildfire risk, which may increase energy and water costs, require infrastructure upgrades, or cause operational disruptions. Similar risks exist across CHG's broader footprint, with location-specific variations.

Transition Risks:
Key transition risks include carbon pricing, expanded disclosure requirements, packaging and extended producer responsibility regulations, and evolving customer expectations for sustainable products.
In California, climate and packaging disclosure requirements represent near- to medium-term transition risks, potentially increasing compliance costs and requiring investments in systems and packaging innovation. Proactive management of these requirements presents opportunities for efficiency, market differentiation, and enhanced access to capital.

Scenario Considerations:
While CHG has not conducted a fully quantitative scenario analysis, CHG evaluates climate-related risks using a benchmark aligned with a 2 °C global warming pathway. Under this scenario, CHG anticipates increased regulatory pressure to reduce emissions, higher energy and carbon-related costs, and growing demand for low-carbon products. Physical risks are expected to intensify, especially extreme heat and water stress. These considerations inform long-term planning, capital investment, and sustainability initiatives. A climate-related scenario review indicates no additional financial impacts beyond those regularly addressed in our Enterprise Risk Management (ERM) processes. Purely climate-related risks are considered remote or unlikely. Risks such as capital improvements or ingredient cost fluctuations are incorporated into existing ERM planning.

Risk Management

CHG integrates climate-related risks into its Enterprise Risk Management process, identifying, assessing, and prioritizing risks based on likelihood and fiscal impact. Physical and transition risks are evaluated at both enterprise and facility levels, considering location, regulation, and operations. Mitigation measures include infrastructure upgrades, energy efficiency, water conservation, business continuity planning, supplier engagement, and compliance programs. Material risks are escalated and monitored through governance channels. CHG reviews climate risks annually, with a deep analysis biennially. Climate risks are not prioritized above or below other risks. Prioritization is based on probability, for example "likely," and on fiscal impact, for example – material to EBITDA.

Metrics, Targets, and Risk Mitigation Actions

CHG tracks key environmental metrics, including greenhouse gas emissions (Scope 1 and 2), energy use, water use, and waste. CHG has set emissions reduction targets aligned with Science Based Targets Initiative methodologies, aiming to reduce greenhouse gas emissions by 42% from a 2022 baseline by 2030 for bakery operations. Energy efficiency, infrastructure modernization, and water stewardship initiatives are implemented to reduce risk, manage costs, and enhance resilience. Metrics are tracked on an intensity basis, and management evaluates their influence on future expenses, capital needs, and regulatory exposure.

Financial Implications

Currently, climate-related risks are potential rather than actual occurrences. No added costs are anticipated at this time; associated costs – such as infrastructure, insurance rates, regulatory fees, human capital – are incorporated into Operations, Compliance, and other units as appropriate.

Conclusion

Preparation for the TCFD report included gathering data and performing region and location specific analysis of each of our sites. This data is available for regulatory compliance or to meet investor needs for the site in question upon request.

CHG recognizes that climate change presents both risks and opportunities affecting financial performance, resilience, and long-term strategy. Through governance, risk management, and ongoing investment in sustainability, CHG manages climate-related financial risks in a disciplined, forward-looking manner. This summary reflects CHG's current understanding and will evolve as regulations, data, and analytics advance. CHG remains committed to transparency, continuous improvement, and compliance with climate-related disclosure regulations, including California SB 261.

About C.H. Guenther

San Antonio-headquartered C.H. Guenther is a leading food manufacturer that has delivered high-quality products and "just baked from scratch" flavor for more than 170 years. Founded in Texas in 1851, the global company employs more than 5,000 people in 30 manufacturing locations in the U.S., Canada and Western Europe. CHG is a leading supplier of value-added grain-based and frozen food products for foodservice clients and select consumer markets. CHG's well-loved retail brands such as Pioneer, White Wings, Sun-Bird, Mi Rancho and Cuisine Adventures have been included at family meals for generations. CHG is owned by Pritzker Private Capital along with management and other co-investors. Visit us at www.chg.com.