Climate-Related Financial Risk Disclosure Report

November 2025

Version #1.0

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1. EXECUTIVE SUMMARY

Compucom has completed its first company-wide assessment of climate-related financial risks and opportunities, guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

As a global IT services company and product reseller, we operate in an increasingly climate-conscious market. Our enterprise and public-sector customers are accelerating emissions goals and demanding greater environmental transparency from partners. In response, we've taken steps to integrate climate risk management into our operations, supplier engagement, and customer-facing services.

Key outcomes of this assessment:

- **Company-wide Risk Review**: We evaluated physical and transition risks across operations in the U.S., Canada, Mexico, and India, focusing on financial impact and likelihood over a 1–5 year horizon.
- **Residual Risk Ratings**: All identified risks are currently rated as medium or low residual risk. However, several are considered strategically material due to potential financial impact, including:
  - Customer expectations for Scope 3 and ESG data
  - Requests for third-party assurance of GHG emissions
  - Expectations for sustainable suppliers and delivery models
  - Evolving climate disclosure mandates
- **Opportunities Identified**: These include hybrid work models, fleet route optimization, and use of voluntary public disclosures (e.g., Net Zero Challenge, EcoVadis, CDP) as differentiators in RFPs and customer conversations.
- **GHG Baseline Established**: In 2025, we completed our first GHG inventory with third-party support, establishing a baseline for Scopes 1, 2, and Scope 3 categories. While formal emissions targets are not yet set, we are committed to transitioning our operations to net zero emissions by 2050. We intend to set measurable emissions reduction targets and report annually as data quality improves.

This assessment marks a foundational step in Compucom's climate strategy. We remain committed to building a transparent, adaptive approach that supports long-term customer value and climate resilience.

2. GOVERNANCE

Climate-related financial risk oversight at Compucom is embedded within our corporate governance structure, led by senior legal leadership and supported by cross-functional collaboration across the business.

The Chief Legal Officer, who reports directly to the CEO, serves as the Executive Leadership Team Sponsor, providing strategic oversight and ensuring alignment with corporate governance and ESG priorities. Day-to-day coordination is led by the Associate General Counsel, who acts as the Sustainability Program Lead. This role manages strategy implementation, stakeholder coordination, and both internal and customer-facing sustainability engagement.

Our governance model includes a Sustainability Committee, comprising leaders from Legal, Sales, Information Security, Human Resources, Procurement, Facilities, Delivery Centers, and IT. The committee meets quarterly to guide strategy, review program progress, align departmental efforts, and discuss key regulatory or market developments. It also conducts an annual review of the program to identify opportunities for improvement. Climate-related responsibilities are embedded within this structure, and the committee performs an annual review to evaluate emerging risks and program gaps.

The Sustainability Committee is supported by a GHG Subcommittee, a cross-functional team responsible for greenhouse gas data tracking and emissions disclosure, and operational risk identification. This group collaborates with data owners and third-party consultants to ensure credible emissions reporting and year-over-year improvements.

A Sustainability Affinity Group complements these formal structures, offering an open forum for employees to support sustainability and raise awareness across the organization. This group includes broad employee participation and led by the Sustainability Program Lead, Executive Sponsor, and dedicated volunteers.

3. STRATEGY

Compucom's climate-related strategy is shaped by both regulatory developments and the evolving expectations of our enterprise and public-sector customers. As a global IT services provider and product reseller, we recognize that climate-related risks—particularly those tied to disclosure obligations, customer procurement criteria, and reputational perception—can influence our financial performance through impacts to revenue, margin, operational costs, and compliance investments.

This assessment focused on a medium-term horizon (1–5 years). For clarity, we define our climate-related risk time horizons as follows:

Horizon	Years	Link to Strategic and Financial planning
Short-term	0-1	Reflects near-term business planning cycles, including customer requirements, procurement decisions, and sales-driven initiatives. As an IT services provider and product-reseller, we must remain agile to evolving client needs and technological shifts, making this horizon highly relevant for regulatory compliance and client engagement.
Medium-term	1-5	Aligns with our standard strategic and financial planning timelines. Captures contract performance, client renewals, capital investments, and supplier engagement. Climate-related regulations and ESG expectations are expected to intensify during this period.
Long-term	5+	While more uncertain, this timeframe is considered when evaluating global climate transition trends, shifts in customer expectations, and potential impacts on our supply chain. Long-term thinking supports resilience planning and sustainability goal-setting.

We identified several strategically material risks and opportunities with the potential to impact Compucom's financial outlook. We are proactively addressing these to enhance resilience and customer value:

- Disclosure Readiness: In 2025, Compucom engaged a third-party consultant to establish our 2024 baseline for Scopes 1, 2, and 3 emissions. This work supports compliance with regulations and aligns with ESG-sensitive client expectations, which can influence revenue, contract eligibility, and brand reputation.

- Customer-Centric Approach: Our sustainability team partners with sales and account teams to respond to customer requests for ESG information, including GHG emissions data. These responses are often critical during RFPs or vendor reviews and can affect contract wins and renewals.
- Sustainable Partnerships: Through our supplier sustainability assessment, supplier diversity program and Vendor Code of Conduct, we integrate environmental, social and ethical considerations into supplier selection. These tools help align our supply chain with client expectations, strengthening our competitiveness in ESG-weighted procurement decisions and reducing the risk of bid losses.
- Operational Efficiency and Innovation: Initiatives such as our fleet route optimization project, our hybrid work model, and the transition to hybrid vehicles will reduce fuel and energy use while improving operational continuity. These efforts will deliver both cost savings and emissions reductions, with reputational benefits as well.
- Strategic Market Positioning: Participation in voluntary initiatives—such as Canada's Net Zero Challenge—and transparent public reporting (e.g., CSR reports) signal our alignment with global climate goals. These efforts enhance credibility with clients in ESG-driven markets.

As part of our broader financial and operational planning, climate-related risks and opportunities are increasingly considered in decisions related to customer retention, supplier selection, facility resilience, and service delivery models. These inputs help inform strategic planning cycles, sustainability budgeting, and potential investments in low-emission solutions and process improvements.

Strategy Resilience and Scenario Considerations

While Compucom has not yet conducted formal climate scenario analysis, we recognize its importance in understanding the potential effects of climate transition pathways and physical climate risks on our long-term strategy.

Our current operating model—characterized by an asset-light footprint, global workforce, and service-based offerings—provides inherent flexibility and resilience to near-term physical disruptions and evolving policy landscapes.

As our GHG data and climate strategy mature, we plan to explore formal scenario analysis approaches, including 2°C-aligned transition scenarios and chronic physical risk models, to inform future long-term planning, capital allocation, and business continuity strategies.

4. RISK MANAGEMENT

Compucom conducted a qualitative climate-related risk assessment guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The process engaged key internal stakeholders—including representatives from Facilities, Legal & Compliance, Business Continuity, IT, and Operations—ensuring coverage of relevant functions and geographies.

We evaluated both physical risks (e.g., extreme weather, rising temperatures) and transition risks (e.g., regulatory changes, customer ESG expectations) across our global operations in Canada, the United States, Mexico, and India. Risks were assessed over a medium-term time horizon (1–5 years) based on:

- Likelihood of occurrence (High / Medium / Low)
- Financial impact on the business (High / Medium / Low)
- Effectiveness of current mitigation efforts
- Residual risk after mitigation

These inputs informed a detailed Climate Risk and Opportunity Matrix, included in **Appendix A**.

All physical and transition risks are treated through mitigation and/or transfer strategies. Compucom also includes financial provisions in its audited financial statements to address obligations resulting from environmental, non-compliance events, or fines – in accordance with US GAAP.

Each climate-related risk was assigned a residual risk rating after considering the effectiveness of existing controls. Although all residual risks were assessed as medium or low, several transition risks were identified as strategically material. Compucom used a qualitative approach to assess materiality and prioritize risks. This assessment considered the potential financial impact, likelihood, and relevance to our operations and stakeholders. Risks were prioritized if they had the potential to affect multiple business areas—such as client-facing work or legal obligations—even in the absence of high likelihood or impact scores. This approach enabled us to identify strategically significant risks without relying on numeric thresholds or scenario modeling.

The most material risks identified include:

- Customer expectations for Scope 3 and ESG-related data
- Requests for third-party assurance of GHG emissions
- Reputational risks from perceived climate inaction
- Compliance with emerging disclosure mandates

In parallel, Compucom identified a number of climate-related opportunities with the potential to improve operational efficiency, reduce costs, and enhance market positioning. These include:

- Fleet route optimization to reduce fuel use and emissions
- Leveraging hybrid/remote work models to lower energy and facility costs
- Engaging in voluntary public reporting initiatives (e.g., Canada's Net Zero Challenge)

Compucom plans to revisit this assessment annually, or more frequently if triggered by regulatory or business developments and will continue updating mitigation strategies to reflect evolving climate-related expectations.

5. METRICS AND TARGETS

In 2025, Compucom completed its first comprehensive greenhouse gas (GHG) inventory with support from third-party consultant Keramida Inc., establishing calendar year 2024 as the baseline year. We selected 2024 for its data completeness and consistency across locations and because it aligns with the formal launch of our GHG program. The inventory includes Scopes 1, 2, and relevant Scope 3 emissions, calculated in alignment with the GHG Protocol Corporate Standard (2004 Revised Edition), Scope 2 Guidance (reported location- and market-based), and the Corporate Value Chain (Scope 3) Standard. An operational control approach was used to define our organizational boundary. No carbon offsets were used to reduce reported 2024 emissions.

2024 Emissions Data

The inventory covers the following emissions scopes:

- **Scope 1**: Direct emissions from sources owned or controlled by Compucom, including mobile combustion (gasoline, diesel), stationary combustion (natural gas, diesel), and fugitive refrigerants (e.g., R-410A).
- **Scope 2**: Indirect emissions from purchased electricity used to power Compucom facilities.
- **Scope 3**: Indirect emissions from upstream and downstream activities, including purchased goods and services, business travel, employee commuting, use of sold products, waste generated in operations, upstream transportation and distribution, and downstream leased assets.

All emissions are reported in metric tons of carbon dioxide equivalent (mt CO_2e). Where direct data was unavailable, estimates were based on industry averages, emissions factors, and assumptions validated by our consultant.

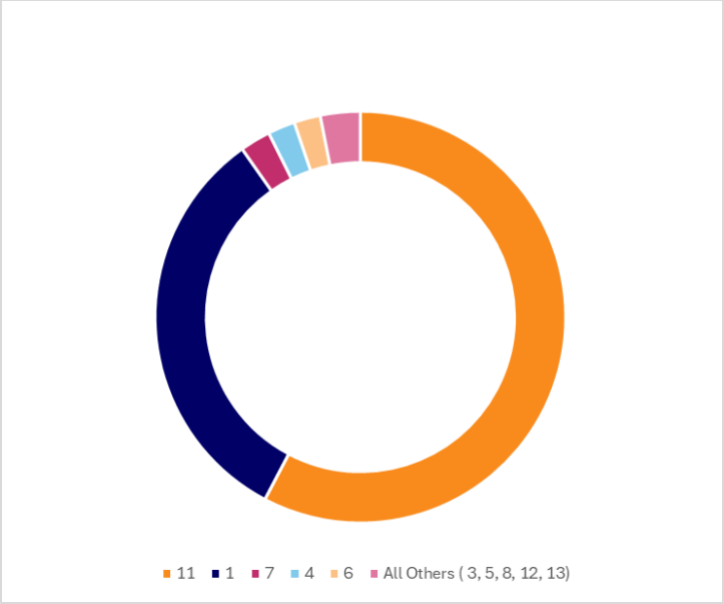
Total estimated emissions for calendar year 2024 are shown below, including both location-based and market-based values for Scope 2 in accordance with GHG Protocol guidance.

	Location-based (mt CO_2e)	Market-based (mt CO_2e)
Scope 1	4,677.67	4,677.67
Scope 2	1,406.10	1,476.90
Scope 3	127,153.72	127,153.72
Total	**133,237.48**	**133,308.29**

Note: Scope 2 market-based values reflect supplier-specific or residual mix emissions where available.

Scope 3 Breakdown

Scope 3 emissions account for ~95% of Compucom's total GHG footprint. Two categories—Purchased Goods & Services (Category 1) and Use of Sold Products (Category 11)—represent the majority of these emissions and ~87% of our total footprint.



Scope 3 Category	% of Total Scope 3 emissions
1: Purchased Goods & Services	32.52%
3: Fuel- and Energy-Related Activities	0.46%
4: Upstream Transportation & Distribution	2.14%
5: Waste Generated in Operations	1.16%
6: Business Travel	2.08%
7: Employee Commuting	2.41%
8: Upstream Leased Assets	0.08%

11: Use of Sold Products	57.71%
12: End-of-Life Treatment of Sold Products	0.18%
13: Downstream Leased Assets	1.27%

Notes: *Only applicable Scope 3 categories are listed. Other categories were assessed and deemed not applicable based on Compucom's business model. See the 2024 Emissions Report (CSR Addendum) for full methods and category statuses. Values are shown to two decimals; results are estimates per the GHG Protocol and may change with improved data. Percentages may not sum to 100% due to rounding.*

Applicability notes (2024):

• Category 2 – Capital Goods: Assessed; included within Category 1 (Purchased Goods & Services) for 2024 to avoid double counting; not separately quantified.

• Category 9 – Downstream Transportation & Distribution: Not applicable. Only customer-arranged, customer-paid outbound deliveries are included in Category 9; Compucom-arranged outbound logistics are reported in Category 4.

Target Status

We have set a net-zero GHG target by 2050 covering Scopes 1, 2, and 3 (aggregate). This baseline establishes a clear starting point to set interim goals, prioritize reductions, and enable transparent year-over-year reporting.

Next Steps

- Identify high-impact categories for potential reduction strategies
- Evaluate science-based or industry-aligned target-setting approaches
- Explore use of emissions intensity metrics (e.g., per employee, per dollar of revenue) for benchmarking
- Continue improving data quality and expanding internal GHG reporting capabilities

For further details, please refer to Compucom's 2024 Emissions Report, published as an addendum to our CSR Report.

Appendix A: **Climate Risk and Opportunity Matrix**

**N.B. Residual risk reflects our assessment of climate-related risk after considering current controls. For confidentiality reasons, specific control details are not included in this report.*

Risk Category	Risk Subcategory	Risk	Likelihood (H/M/L)	Impact (H/M/L)	Financial Impact	Residual Risk (H/M/L)
Physical	Acute	Wildfires	Medium	Low	Office closures and poor air quality may disrupt service delivery and impact employee safety, potentially increasing health-related expenditures and business continuity costs.	Low
Physical	Acute	Flooding (flash or storm surge)	Medium	High	Physical damage to offices or data centers and delivery delays may lead to capital expenditures, insurance premium increases, or lost revenue from service disruption.	Low
Physical	Acute	Severe storms (hurricanes, cyclones, blizzards)	Medium	Medium	Storm-related infrastructure damage and travel delays could result in facility repair costs, reduced productivity, and temporary loss of service revenue.	Medium
Physical	Acute	Extreme heat and power outages	High	High	Grid instability may cause data center downtime and increased HVAC consumption, increasing operational costs and affecting cash flow.	Medium

Risk Category	Risk Subcategory	Risk	Likelihood (H/M/L)	Impact (H/M/L)	Financial Impact	Residual Risk (H/M/L)
Physical	Chronic	Rising average temperatures	High	Medium	Higher cooling needs and reduced equipment efficiency may raise energy costs and facility expenses, negatively impacting operating margins.	Medium
Physical	Chronic	Sea-level rise	Low	Low	Long-term risk to coastal facilities and vendor locations may result in higher insurance premiums or capital costs for relocation or adaptation.	Low
Physical	Chronic	Drought, poor water quality, or water supply constraints	High	Medium	Resource strain in key regions could impair service continuity or vendor performance, increasing operational costs and potentially reducing delivery capacity.	Medium
Physical	Chronic	Air pollution	High	Medium	Employee health and productivity may decline in high-pollution regions, potentially increasing healthcare costs and affecting workforce efficiency.	Low
Transition	Policy & Legal	Climate disclosure mandates	High	Medium	Compliance with emerging regulations may require increased legal, reporting, and assurance costs. Failure to comply could result in reputational damage, legal exposure, or exclusion from public-sector and ESG-sensitive contracts.	Medium

Risk Category	Risk Subcategory	Risk	Likelihood (H/M/L)	Impact (H/M/L)	Financial Impact	Residual Risk (H/M/L)
Transition	Technology	Customer shift toward low-emission tech and suppliers	Medium	Medium	Lack of decarbonization measures or IT optimization may lead to loss of competitiveness, requiring investment in sustainable service delivery models to maintain market position and protect revenue.	Low
Transition	Market	Client expectations for GHG and ESG disclosures	High	High	Failure to meet client disclosure requirements may result in bid losses, reduced contract opportunities, non-renewal of existing agreements, and an overall decline in revenue within ESG-driven procurement environments.	Low
Transition	Market	Customer demand for third-party ESG validation	Medium	Medium	Increasing client expectations for third-party ESG validation (e.g., EcoVadis, CDP) may result in lost bids or non-renewal of contracts if scores are unavailable or below threshold, directly impacting revenue.	Medium
Transition	Market	Customer demand to track Scope 3 or device lifecycle	Medium	Medium	Lack of investment in Scope 3 and device lifecycle tracking may lead to lost contracts and reduced revenue as client expectations increase.	Medium

Risk Category	Risk Subcategory	Risk	Likelihood (H/M/L)	Impact (H/M/L)	Financial Impact	Residual Risk (H/M/L)
Transition	Market	Lack of third-party assurance for GHG emissions data	Medium	High	May lead to reduced scores in RFPs, lost bids, lost contract renewals	Medium
Transition	Reputation	Perception of climate inaction compared to peers	Medium	Medium	Failure to demonstrate climate alignment may harm brand credibility, reduce client trust, and impact customer retention, potentially leading to revenue decline and increased client acquisition costs.	Medium
Opportunities	Resource Efficiency	Hybrid and remote work model	N/A	N/A	Reduced facility energy use and employee commute emissions can lower overhead costs and contribute to emissions reduction targets, strengthening ESG positioning.	N/A
Opportunities	Resource Efficiency	Fleet route optimization	N/A	N/A	Optimizing technician routes reduces fuel use and emissions, lowering operational costs and providing a marketable internal case study of sustainability innovation.	N/A
Opportunities	Resilience	Voluntary public reporting	N/A	N/A	Transparent disclosures may open doors to new clients with ESG procurement requirements and position the company as a low-risk, values-aligned partner.	N/A