SPNet Medata StrataCare

MedRisk, LLC

Climate-Related Financial Disclosure Report

Prepared in Alignment with the Task Force on Climate-related Financial Disclosures (TCFD) and California SB 261

Issued Date: December 21, 2025

Executive Summary

MedRisk, LLC & Subsidiaries is a healthcare management company headquartered in West Conshohocken, Pennsylvania. As a specialty managed-care organization, MedRisk delivers comprehensive medical cost-containment solutions to the workers' compensation and auto liability industries. With deep expertise in physical medicine management and care coordination, the company supports insurance carriers, self-insured employers, third-party administrators, state funds, and public entities in improving clinical outcomes while reducing medical spend.

MedRisk provides an integrated software-and-services platform that unifies medical billing review, utilization review, case management, nurse triage/first-aid services, and state reporting into a single streamlined solution. This technology-driven, end-to-end model ensures accuracy, compliance, and efficiency throughout the claims lifecycle, enabling clients to better manage cost, quality, and continuity of care.

MedRisk's operations span the United States and extend internationally through service centers in the Philippines, Guatemala, and India, supporting scalable, high-quality service delivery worldwide.

We recognize that climate change presents both direct and indirect risks to our business, including potential disruptions to global operations, workforce health, and supply chains. As part of our broader corporate responsibility commitments, we are taking steps to understand our environmental footprint, strengthen resilience in our global operations, and promote responsible business practices that contribute to long-term sustainability.

This report has been prepared in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework and California Senate Bill 261. Its purpose is to provide transparent, structured disclosure of how MedRisk identifies, manages, and oversees climate-related financial risks and opportunities across our operations and value chain.

1. Governance

Board Oversight

Our Board of Directors provides general oversight of our business performance, risk management, and investor expectations. As we do not have a committee dedicated specifically to climate-related matters, this responsibility lies with the broader Board. Both of our private equity shareholders, CVC Capital Partners and The Carlyle Group, are represented on our Board, and through their ESG programs, they require us to participate in EcoVadis assessments, establish sustainability policies, and provide data on greenhouse gas (GHG) emissions and other climate-related metrics.

Our management team is responsible for bringing regulatory reporting obligations to our Chief Financial Officer (CFO), who informs the Board of any significant requirements as they arise. Climate-related topics are brought to the Board on an event-driven basis when investor or regulatory needs require its attention.

Currently, our Board receives sustainability information primarily through the annual EcoVadis scorecard. Directors affiliated with CVC and Carlyle also participate in their firms' ESG and climate information sessions, which help ensure that our Board members remain aware of broader sustainability trends.

Management’s Role

Responsibility for climate-related risks and opportunities lies primarily with our Accounting and Human Resources teams, both of which report directly to the CFO. These teams coordinate the completion of our EcoVadis disclosures and investor information requests, ensuring that data related to our environmental performance are collected and reported accurately.

Our local leadership in the Philippines plays an important role in identifying and escalating physical climate risks in the region. When severe weather is forecast, local managers alert senior leadership in the United States to activate contingency planning, such as work-from-home arrangements to maintain safety and business continuity. We use a similar approach in our growing operations in Guatemala and India, where we are continuing to strengthen our local capacity for continuity planning and workforce protection.

2. Strategy

We have identified a range of climate-related risks and opportunities that could influence our operations and service delivery in the years ahead.

Although we have not yet defined distinct short-, medium-, and long-term horizons, our understanding of these risks is based on operational experience, particularly in the regions where we operate service centers and where severe weather events have occurred.

Physical Risk Assessment

To complement our qualitative risk identification, we conducted a physical climate risk assessment using First Street Foundation’s risk modeling, under the SSP2 “Middle of the Road” scenario, across both current (2025) and long-term (2055, 30-year outlook) timeframes. Risks were evaluated for 1% annual probability (100-year event) across our physical footprint.

Because we primarily lease our facilities, physical climate risks pose operational continuity challenges and lease cost variability rather than direct property loss risks. Overall flood exposure across our portfolio is minor according to the First Street model. Only one property, located in Pennsylvania, demonstrates high flood exposure linked to potential inland rainfall and river overflow.

Wind and heat pose more significant hazards. Our facilities in the Philippines show high wind exposure from tropical cyclones and elevated heat stress, both of which could disrupt operations and increase cooling demand. U.S. facilities generally face lower risk related to wind or heat exposure.

Our facilities in the Philippines, where approximately 1,200 employees are located, may be exposed to additional severe weather conditions such as typhoons, floods, and extreme heat, which could affect employee safety, facility access, and service delivery. To enhance resilience, we monitor how these events could impact employee well-being and business continuity, particularly as our presence in Southeast Asia expands.

We recognize that extreme weather events, including hurricanes, floods, wildfires, and heatwaves, could temporarily close provider offices, rehabilitation clinics, or our own call centers, potentially delaying care coordination and claims processing. Such events could also affect supply chains, disrupting access to rehabilitation equipment, transportation networks, or IT and data-center services that support client operations.

Transition Risks

Market

We face market-related risks arising from evolving expectations among our investors, clients, and competitors.

Our large insurer, third-party administrator, and self-insured employer clients are beginning to request disclosures about our climate impact and operational resilience. We expect that as these organizations expand their own TCFD- or ISSB-aligned reporting, they may increasingly require similar disclosures from vendors such as MedRisk.

We also recognize competitive pressures within our industry. Some of our peers already publish ESG or climate disclosures, which may influence procurement decisions and request-for-proposal outcomes. As we advance our reporting with evolving expectations, we should maintain or even advance our ability to compete for new contracts.

Policy and Legal

We are monitoring the emerging policy environment, which may expand mandatory climate-related disclosures for companies like ours. California's SB 253 and SB 261 create new requirements for climate-risk and emissions reporting that could increase compliance obligations for our business if disclosure expectations increase over time. In addition, forthcoming healthcare-specific environmental standards may require hospitals and service providers to demonstrate compliance with sustainability goals, potentially extending such requirements to our rehabilitation-provider network, which could result in more requests for sustainability-related information.

Because both CVC and Carlyle maintain operations in the United Kingdom, their fund-level ESG obligations may result in additional UK reporting expectations, which could cascade to us as a portfolio company. We therefore anticipate continued growth in the scope and depth of disclosures required by investors and regulators alike.

Reputation

Reputation-related risks arise from stakeholder expectations that we act responsibly on climate issues and disclose relevant information transparently. Our investors, clients, and employees increasingly view sustainability performance as an indicator of long-term organizational resilience. As we demonstrate credible progress on climate disclosure, we expect to positively impact how we are perceived by stakeholders and by the broader healthcare and insurance community.

Technology

Technology-related transition risks and opportunities primarily involve the modernization and resilience of our information systems. As we continue to enhance our digital platforms, it is important that we

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ensure that these technologies remain reliable, energy-efficient, and adaptive to changing client and environmental conditions. We operate on a cloud-based architecture, which allows flexibility in supporting remote work and digital service delivery, but also depends on the stability and capacity of external data infrastructure. Maintaining the reliability of these systems, especially in regions such as the Philippines and Guatemala where connectivity can fluctuate, remains important to our service continuity and competitive position.

Impact on Business, Strategy, and Financial Planning

To date, climate-related events have not been a major source of business interruption or financial performance impacts. However, we continue to monitor the indirect effects that extreme weather, energy costs, and insurance premiums could have on our cost structure and client relationships.

Our IT development initiatives have focused on enhancing system efficiency and reliability to support sustainable business growth. Because our technology infrastructure is cloud-based, our operations are geographically dispersed, and climate impacts are not concentrated in specific physical locations or assets, we believe our business has the capacity to react to climate events should they impact a specific location or facility.

Resilience of Strategy

Mitigation of Transition Risks
We manage transition risks primarily through investor engagement and ESG reporting. Our participation in EcoVadis allows us to benchmark performance and meet the ESG expectations of our investor and partner stakeholders.

Our Corporate Responsibility & Sustainability Policy sets clear environmental priorities, including the creation of a companywide environmental program. These initiatives support our transition readiness and demonstrate our commitment to improving environmental performance within our operational control.

Business Continuity and Physical Resilience
We maintain a business-continuity plan that guides how we respond to climate-related disruptions. This plan has become increasingly important as our global operations have expanded. Our Guatemala and India operations, both newly acquired, are in the process of being integrated into this framework so that we can better understand local exposure and establish appropriate continuity procedures. We are building resiliency in these regions alongside our established program in the Philippines.

Our resilience is further supported by business-interruption insurance coverage, which provides financial protection against climate-related losses.

Scenario Analysis and Contingency Planning
The above described physical risk analysis represents our first climate scenario assessment. In addition, the discussion of transition risks above represents our first qualitative look at how the climate transition may impact our operations. In addition, we rely on our existing contingency and continuity planning processes to address climate-related risks as they occur.

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3. Risk Management

Identifying and Assessing Climate Risks

We identify and assess climate-related risks primarily through our business-redundancy and contingency-planning processes, which are designed to help ensure continuity of operations in the event of a disruption. Our approach to identifying these risks includes reviewing potential threats to operational sites, employees, and service delivery related to extreme weather or natural disasters.

We also maintain insurance coverage and business-interruption insurance, which help mitigate the financial consequences of unexpected events. Additionally, we comply with Service Organization Control (SOC) reporting requirements that include broader operational risk assessments, which address enterprise risks that include but are not limited to climate risk.

Risk Management Processes

Our approach to managing climate-related operational risks is grounded in the same control framework that protects our physical environment and critical IT infrastructure. These controls are designed to ensure that our facilities remain stable, protected, and operational in the face of disruptive events.

We maintain redundant power and environmental safeguards to prevent interruptions caused by extreme weather, power loss, or facility malfunction. All servers are connected to an Uninterruptible Power Supply (UPS), which preserves data integrity during outages.

To maintain consistent operating conditions, our climate-control systems continuously regulate room temperature and are integrated with the UPS. This helps to ensure stable temperatures even in the event of an external power or HVAC disruption.

In addition, our computer-room fire suppression system, which is water-charged and automatically activated, protects vital infrastructure from heat or flame exposure.

We further monitor environmental stability through an automated data-center monitoring system that tracks temperature, humidity, and the presence of water through a dedicated flood sensor. This real-time monitoring allows our IT Infrastructure team to detect and respond to anomalies before they escalate into service interruptions.

Together, these integrated systems provide layered protection designed to reduce operational downtime and data-loss risk during environmental or power-related disruptions.

Integration with Overall Risk Management

While not formally integrated into our broader enterprise-risk-management (ERM) system, climate-related risks would be addressed as other risks that the company faces.

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4. Metrics & Targets

Metrics

We completed our first greenhouse gas (GHG) emissions inventory in 2021, and calculated total emissions of 5,004 metric tons of CO_2e, consisting of 0 t Scope 1, 695 t Scope 2, and 4,309 t Scope 3 emissions. The assessment showed that the majority of our emissions (approximately 86 percent) come from Scope 3 activities, including employee commuting and purchased goods and services.

In addition to the GHG emissions inventory, we track how many trees we save through recycling programs each year and maintain a general record of paper-reduction and energy-conservation efforts. We also encourage employees to conserve energy as part of our sustainability initiatives.

We calculated our Scopes 1, 2 and 3 emissions again for 2022 and are now using the Persefoni platform to calculate and report our emissions for compliance with California's SB 253.

Targets

Our Corporate Responsibility & Sustainability Policy outlines several environmental objectives that guide our internal practices, such as creating an environmental program by 2025. These objectives support our general sustainability performance but are not tied to quantitative climate targets at this time.

CAUTIONARY STATEMENT

NO PRESUMPTION OF MATERIALITY

This report has been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to comply with California's SB 261. It is intended to provide information regarding potential climate-related financial risks that the company may face. The risks and statements described herein are based on current knowledge, assumptions, and available data as of the date of publication.

Nothing in this document is intended to imply, nor should it be construed to indicate, that any specific risk or statement discussed is financially material to the company. The identification or discussion of any particular risk does not constitute an admission or representation regarding its materiality, probability, or potential impact under applicable securities laws or accounting standards. Readers are cautioned not to place undue reliance on forward-looking statements or scenario analyses, which are subject to inherent uncertainties.

The company undertakes no obligation to update any information contained in this report except as required by law.