



**D&H Distributing  
Company**

**2025**

**Environmental, Social,  
and Governance report**



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## Introduction

Thank you for your interest in our inaugural Environmental, Social, and Governance (ESG) Report. We are pleased to share our sustainability milestones to date and our ambitions for the future as we progress on our journey.

## About this Report

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In D&H Distributing's ("We," "D&H", "the Company") first ESG report, we present our sustainability performance, strategy, and initiatives for our fiscal year 2025 from May 1, 2024, until April 30, 2025. Our reporting boundaries include D&H Distributing's global operations as of April 30, 2025, as well as information about our value chain.

This report has been published in alignment with the disclosure requirements outlined in the California Senate Bill 261 and the California Air Resources Board's [September 2025 Draft Checklist](#), which emphasizes good-faith reporting using the most recent and best available information. Relevant International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures have been adhered to and are indexed beginning on [page 32](#).

For any inquiries about our ESG report, contact us at [corpadmin@dandh.com](mailto:corpadmin@dandh.com).





**Michael Schwab and Dan Schwab**  
Co-Presidents at D&H Distributing



This past year, we advanced our climate efforts by completing our first greenhouse gas inventory, conducting a climate risk assessment, and developing our first ESG report.

## A Letter from Leadership

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We are pleased to share D&H's first ESG report, which outlines our sustainability performance, priorities, and progress to date. Since our founding in 1918, we have operated with integrity, responsibility, and a focus on long-term relationships with our partners and employee co-owners. These values have guided our growth and remain central as we formalize and advance our ESG strategy.

Sustainability is not new to D&H. Long-standing initiatives such as D&H Go Green and the D&H Cares Foundation, reflect our continued focus on environmental stewardship, community engagement, and responsible business practices. Over time, we have invested in energy efficiency, renewable energy, waste reduction initiatives, and a strong workplace culture. In 2025, we took steps to further mature and formalize our ESG strategy by focusing on compliance with climate-related regulations, increasing leadership and employee engagement, and establishing a reporting and disclosure approach for the years ahead.

As a leading technology distributor, our customers and vendors trust us to deliver consistently and operate efficiently. By reducing emissions, managing potential climate-related risks, and enhancing resilience throughout our operations, we can continue to meet those expectations while minimizing our environmental impact. This past year marked an important step forward as we formalized D&H's approach to environmental, social and governance reporting. As we look ahead, we plan to use our assessment in our decision-making and ESG strategy.

Our employee co-owners' well-being and satisfaction continue to be a top priority. Throughout the year, our focus remained on fostering a collaborative culture where every individual has a stake in our success. We were proud to be recognized as one of Pennsylvania's Best Places to Work for the sixth year in a row, reinforcing our commitment to employee engagement, development and safety.

This ESG report marks a meaningful milestone in our journey toward sustainable, value-driven growth. As we refine our approach year after year, we remain committed to delivering exceptional value to our customers, supporting our communities, and empowering our employee co-owners.

## About D&H Distributing

D&H Distributing is a leading technology distributor in North America, providing IT and electronic solutions and services to partners across commercial and consumer markets. We support organizations of all sizes, from small and medium-sized businesses to mid-market and enterprise customers, across both public and private sectors.

For generations, our employee co-owners have prioritized people and partnerships, adapting with the market to deliver consultative support, customized services, and end-to-end technology solutions. Guided by a [“Built for Growth” mindset](#), we help partners capitalize on market opportunities through tailored support and comprehensive enablement resources.

### Our Vision:

D&H continues to adapt to business expectations for sustainable practices. Doing the right thing will lead to enhanced relationships, which also leads to better business opportunities

### D&H At-a-Glance



D&H Distributing is a fourth-generation, family-run company founded in 1918



Employee Stock Ownership Plan (ESOP) company since 1999



In 2008, established D&H Cares Program, our foundation dedicated to charity, health, wellness, and conservation



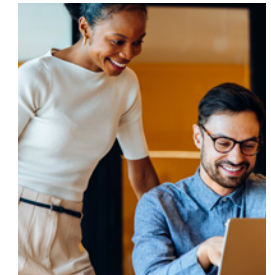
U.S. headquarters: Harrisburg, Pennsylvania  
  
D&H South Corporate Sales & Training Facility



Canadian headquarters: Mississauga, Ontario



6 fully-optimized distribution centers in the U.S and Canada



1,600+ total employees

## Our Approach to ESG

At D&H, ESG goes hand-in-hand with our vision of doing the right thing. We believe that embracing sustainability strengthens stakeholder relationships, drives operational efficiencies, delivers environmental benefits, and builds long-term resilience to support sustained growth.

While ESG-related initiatives have long been part of our operations, 2025 marked the formalization of D&H's ESG program, including systems for data management, performance tracking, and disclosure.



### Our ESG Roadmap

In 2025, our leadership team partnered with Schneider Electric to support our program's first phase. Key initiatives included:

Conducted a climate risk assessment to identify our transition and physical risks, including scenario analysis

Developed our first ESG report aligned to IFRS S2 disclosures

Obtained an EcoVadis score

Completed a Scope 1, 2, and 3 greenhouse gas (GHG) emissions inventory

Implemented a company-wide resource management platform to measure, track, and monitor our environmental performance

**SE** ADVISORY SERVICES

ecovadis

### ESG Program Oversight

Our leadership team provides oversight of our ESG programs and initiatives. Depending on the initiative, engagement may involve the full team or select leaders whose functions or direct reports are responsible for the topic. Recent examples of leadership engagement included overseeing our climate risk assessment and reviewing our ESG report prior to publication.

Multiple departments contribute to our sustainability efforts, including Finance, Security, Operations, IT, Human Resources, Sales and Legal. We have assembled executive sponsors from each business area to review our first sustainability report and contribute their perspectives to help determine our approach to sustainability management processes and controls.

Executive-level stakeholders participated in our climate-related risk assessment and received targeted training sessions related to their role in the process and the assessment's findings.



D&H invested in a solar park in Harrisburg, Pennsylvania, which activated in late 2025.

# Environmental

At D&H, we aim to run our operations in a way that minimizes environmental impact while delivering financial benefits. Our approach focuses on identifying climate-related risks and leveraging efficient, renewable technologies to prevent emissions and waste and make better use of resources.

## Managing Climate-related Risks

In 2025, D&H conducted its first company-wide climate risk assessment to understand potential transition and physical risks across our operations and value chain. The assessment engaged multiple departments and leadership to ensure results could inform strategic planning, risk management, and future decision-making.



### Strategy

Our assessment evaluated two categories of climate-related risk: transition risks associated with regulatory, market, technology, and reputational change, and physical risks related to acute and chronic climate hazards such as extreme weather and temperature shifts.

The **Physical Hazard Assessment** followed the Intergovernmental Panel on Climate Change (IPCC) framework, which defines climate risk as the interaction of three key components: hazard, exposure, and vulnerability. Together, these can determine the extent to which climate-related hazards may result in financial or operational consequences for an organization. In this assessment we focused on identifying key hazards for D&H and which assets may be most exposed.

The **Transition Risk Assessment** considered transition related drivers that determine the potential magnitude of change in regulation, customer expectation, carbon and energy prices etc. and the potential impact of those drivers on our business. Hence, the assessment of risk severity included Impact (the extent of potential harm, disruption, or cost to operations), Likelihood (the probability of the risk materializing within a given timeframe and scenario), and Risk Mitigation Capacity (the ability of systems and operations to recover from, or reduce, the effects of the risk).

### Our Climate Risk Assessment Process



#### Gather Information & Data

- Collect information on D&H's current business context and work-to-date to manage climate-related risks
- Compile asset level information and financial data



#### Identify Priority Physical Hazards

- Use Environmental Climate Risk (ECLR) tool (SE Advisory Service's Climate Risk Tool) to assess exposure to 28 hazards (covers all chronic and acute outlined within EU Taxonomy/Corporate Sustainability Reporting Directive) plus additional risk indicators
- Evaluate across time horizons (2030, 2050) under RCP8.5 scenario
- Screen and identify top five physical risks based on hazard exposure for further modeling



#### Identify Priority Transition Risks

- Screen transition risk drivers with input from stakeholders and benchmarking
- Determine applicability, impact & likelihood of potential transition risks. To prioritize transition risks, we considered both their likelihood and potential impact across the short-term (1-5 years), medium-term (5-10 years), and long-term (10+ years).
- Identify the top five transition risks



#### Scenario Analysis & Financial Quantification

- For transition risks, apply multiple climate scenarios to both risk types for priority risks
- Consider impacts across short-, medium-, and long-term time horizons
- Conduct deep dive quantification of transition risks, where possible, to assess potential financial impacts



#### Finalize & Integrate into Strategic Planning

- Validate results with D&H's core team
- Share top risks and findings with leadership

## Assessment Boundaries, Assumptions & Parameters

In conducting our physical and transition risk assessment, we aimed to align with best practices and leading guidance from IFRS S2, and leverage best climate drivers and hazard data available from Network for Greening the Financial System (NGFS), International Energy Agency (IEA), and the IPCC. The assessment entailed climate-related scenario analysis across our organization's business activities as scenario analysis enables us to understand potential future risk levels and when additional risk mitigation efforts might be needed to enhance our climate resilience.

### Factors we considered in our physical risk assessment included:

- **Assessment boundaries:** The assessment boundaries focused on D&H's own operations, including our locations like distribution centers and offices.
- **Time horizons and scenario:** We assessed our climate physical risks based on climate hazard exposure using forward-looking analysis for a high-emissions (RCP8.5) scenario for medium- and long-term time periods, defined as 2021-2040 ("2030") and 2041-2060 ("2050") respectively.<sup>1</sup>
- **Scenario selection:** Our choice of a single high-emissions scenario enabled us to efficiently explore how impacts could increase in frequency and intensity in the medium-term and long-term compared to our short-term control scenario and current baseline. This provides a useful starting point for identifying our risk management and strategic priorities, which we can refine through subsequent analyses.
- **Analysis scope, inputs, sources and data resolution:** We used company-specific data inputs for each site to assess site-specific climate hazard exposure for the 28 physical acute and chronic climate hazards defined in the EU Taxonomy and Corporate Sustainability Reporting Directive (CSRD) Regulation. Our assessment scope included all our business assets using company-specific site and financial data inputs. Our data sources for exposure include IPCC-aligned Coordinated Regional Downscaling Experiment (CORDEX) models and data from the World Resources Institute (WRI), National Oceanic and Atmospheric Association (NOAA), and Climate Central.
- **Confidence level assumptions:** Climate information available on the EcoAct Climate Risk platform reflects the state of scientific knowledge on climate. Some uncertainties in the climate models are known and factored into the platform in terms of confidence levels. Confidence level (low, medium, high) provides a sense of how certain the future trend of a climate indicator is. The higher the confidence level, the more certain the future trend is. Confidence level is based (1) on the level of agreement between different climate models and (2) on the level of statistical significance of the temporal signal between a future and a reference period, according to the IPCC AR6 WGI (2021) definition.
- **Risk prioritization:** Our estimation of severity from exposure to physical hazards uses the percentage of sites which are highly exposed to a specific hazard (0-10% = low exposure, 10-30% = medium-low exposure, 30-50% = medium-high exposure, and 50-100% = high exposure). Using this scale, we prioritized the hazards with that are most impact to our business model. We validated our identification of the top five priority hazards in our operations by comparing our assessment of site exposure to asset value and site criticality for each priority hazard.

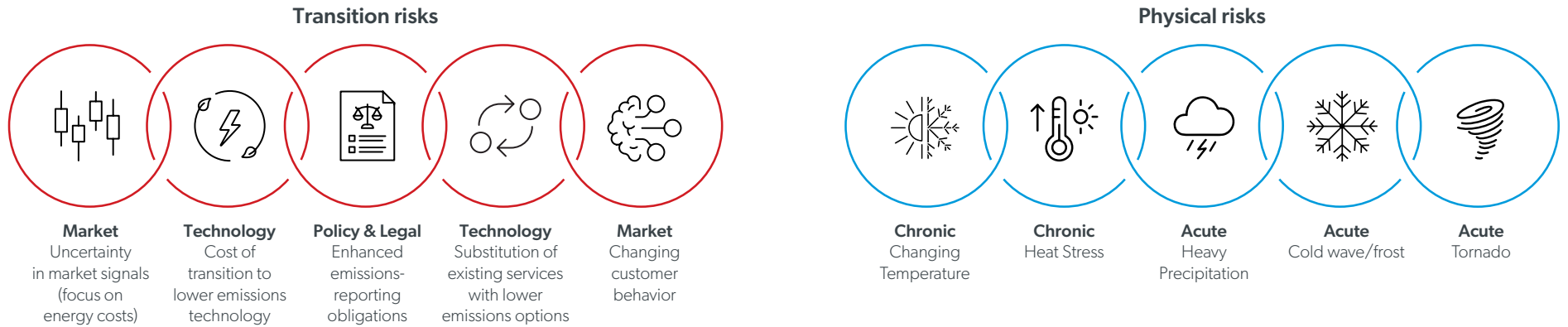
<sup>1</sup>Physical risks for the short term are well represented by data covering the current baseline.

Similarly, we considered various factors for our transition risk analysis. Some perspectives on value chain effects are also provided in our analysis of business resilience impacts.

**Below includes an overview of factors we considered in our transition risk assessment:**

- **Time horizons and scenarios:** We compared impacts to our business, including financial impacts, for time horizons over the short-, medium- and long-term time horizons across two different climate transition scenarios developed by the IEA, the Stated Policies (STEPS) scenario, and the Net Zero Emissions (NZE) scenario.
  - **STEPS scenario:** This scenario aligns to a global average temperature rise of approximately 2.5°C. The world's sustainable trends do not change considerably from historical patterns. With fewer government actions, sectors become more protagonists (with efficiency standards and electrification). Income inequality persists or improves slowly. In the STEPS scenario, some environmental improvements and technological development proceeds exist but without fundamental breakthroughs. There is a slow declining GHG emission globally, which is not sufficient to meet the Paris Agreement goal.
  - **NZE scenario:** Within this scenario, the world is moving towards a very sustainable path. All industries, led by the energy sector, are dedicated to limiting the temperature rise to 1.5°C. Economic drivers enable increased investment and mobilization of capital towards renewable energy, stringent climate policy, and increased demand of climate positive or sustainable products and materials. The global energy sector achieves net-zero CO2 emissions by 2050 by deploying a wide portfolio of clean energy technologies.
- **Scenario selection:** Our assessment aligns with the IEA's assumptions included in each of the scenario definitions, which generally suggest higher regulations, faster technology transitions, and more significant market and customer preference changes to achieve NZE. In contrast STEPS suggests more moderate transitional regulations, technology change and market change. Using NZE helps us to understand the expectations aligned to the latest international agreement on climate change, while STEPS provides a contrasting perspective that mirrors today's current path of global commitment and ambition.
- **Analysis scope, inputs, and data sources:** We assessed our policy and legal, market, technology and reputational risks to evaluate potential business resilience impacts across the two scenarios. We also compare our main business resilience impacts and potential strategic responses to these impacts.
- **Assumptions:** Assumptions in our assessment are derived from the assumptions within the STEPS and NZE scenarios as well as assumptions on D&H's own pathway. The STEPS scenario assumes that only current and announced energy and climate policies are implemented, resulting in a slow and gradual shift toward renewables and steadily rising energy prices through 2050. ESG integration is assumed to remain marginal (as in current context), and customer demand for sustainability is relatively flat, while regulatory frameworks are stringent but fragmented. In contrast, the NZE scenario assumes aggressive global action to achieve net zero emissions by 2050, with systemic transformation driven by strong ESG adoption and rapid renewable energy deployment. Energy prices spike around 2030 during the transition, then fall sharply as fossil-fuel-reliant assets are retired.
- **Risk prioritization:** Our scoring approach for measuring the criteria that contribute to transition risk incorporate: potential impact, risk likelihood, speed to onset, as well as extent of mitigation actions taken.

## Our Top Climate-related Risks Identified



## Overview of Our Assessment Results

When reviewing our climate-related risks, it is noteworthy that our distribution centers are strategically positioned throughout North America – and serve as inherent back-up for one another. For example, should extreme weather hinder distribution at our Atlanta facility, then our Harrisburg facility (Pennsylvania) could absorb the Atlanta distribution volume. While this stopgap would entail additional freight cost, it mitigates the risk of full business interruption. Additionally, while many climate-related risks are discussed herein, certain risks – such as Earthquakes – are far more likely to impact only one facility as opposed to all. For example, the Fresno, CA facility is subject to elevated risk of earthquakes, whereas our central Pennsylvania facilities have limited risk of being impacted by an earthquake. We have presented each risk - in aggregate - to D&H in the last column.

Our Physical Hazard Assessment reviewed 25 hazards, the table below outlined the top 5 hazards where select locations were found with “High” exposure at this time. For the large majority of hazards reviewed, there was a “Low” level of exposure determined and/or low relevance to D&H’s operations.

Climate-related Physical Risks*			
Risk Type and Description	Value Chain Impacts (upstream, operations, downstream)	Relevant Time Horizon (s) (2030, 2050)	Summary of Aggregate Risk Exposure
<b>Chronic: Changing temperature</b> – rise in temperature associated with potential impact to the business in terms of cooling needs	Operations	2030 and 2050	Elevated/high exposure observed in select location(s); majority of locations experience low to moderate exposure.
<b>Chronic: Heat stress</b> – increased prevalence of heat waves, associated with potential impacts to employee health and safety and cooling needs. Periods of extreme heat can drive additional energy costs from additional cooling demand in our offices and warehouses.	Operations	2030 and 2050	Elevated/high exposure observed in select location(s); majority of locations experience low to moderate exposure.
<b>Acute: Heavy precipitation</b> – potential for physical damage due to surface flooding and business interruption. Extreme weather like floods and hurricanes can disrupt transportation networks, causing delays in shipments	Operations	2030 and 2050	Elevated/high exposure observed in select location(s); majority of locations experience low to moderate exposure.

### Climate-related Physical Risks\*

Risk Type and Description	Value Chain Impacts (upstream, operations, downstream)	Relevant Time Horizon (s) (2030, 2050)	Summary of Aggregate Risk Exposure
<b>Acute: Cold wave/Frost</b> – potential effects on employee healthy and safety as well as heating needs	Operations	2030 and 2050	Elevated/high exposure observed in select location(s); majority of locations experience low to moderate exposure.
<b>Acute: Tornado</b> – potential impacts to sites leading to business disruption	Operations	Based on historical evidence**	Elevated/high exposure observed in select location(s); majority of locations experience low to moderate exposure.

### Climate-related Transition Risks

Risk Type and Description	Value Chain Impacts (upstream, operations, down-stream)	Time Horizon(s) (short-term, medium-term, and/or long-term)	Summary of Aggregate Results for D&H
<b>Market: uncertainty in market signals</b> – The uncertainty both in D&H’s consumer market trends, but mostly in energy markets. The largest risk is if abrupt and unexpected shifts in the energy market increase D&H and its partners’ energy costs and general operating expenses as a result.	Operations	Long-term	Assessment classified this risk as “possible.” Results indicated potential for “high” impact across the organization rather than being limited to a single area. If this risk were to materialize, it would require coordinated oversight at the executive level.
<b>Technology: cost of transition to lower emissions technology</b> – The risk of increases costs related to the technological transition to a low-carbon economy, compressing profit margins through increased costs of data tracking and reporting systems, building maintenance technologies, and increasing commodity pricing. Short-term increases in cost are expected through the Net Zero transition as low-carbon technologies become more available.	Operations	Medium- and Long-term	Classified as an “unlikely” risk for the business. If it were to emerge, results indicated the potential for “moderate” impacts, which could be felt in multiple areas of the business.
<b>Policy and Legal: Enhanced emissions-reporting obligations</b> – The risk of D&H facing financial penalties related to enhanced emissions reporting obligations. Growth in global climate laws is driven by international agreements, public awareness, and growing public will to act on climate change. In the U.S., staying on track with its 2030 nationally determined contribution (NDC) and the ambition to reach net-zero emissions by 2050 will likely require additional regulation and enforcement. Potential new and existing laws and regulations, such as California’s SB 253 and 261, may lead to additional compliance costs and increase the risk of fines, penalties, and reputational risks for non-compliance. These are expected to grow in the Net Zero by 2050 scenario.	Operations	Short-, Medium- and Long-term	Determined to already be a material risk for D&H. However, presents a “low” impact, defined within assessment results as “no measurable operational impact to the business.”

## Climate-related Transition Risks

Risk Type and Description	Value Chain Impacts (upstream, operations, down-stream)	Time Horizon (s) (short-term, medium-term, and/or long-term)	Likelihood Score (very unlikely, unlikely, possible, likely, very likely)
<p><b>Technology: Substitution of existing services with lower emissions options</b> – The risk that D&amp;H consumers’ preferences or values no longer align with its own values and reputation, reducing demand and revenue. Our analysis shows this risk historically affects high-emissions industries less than others. Currently, our customer base largely does not make purchasing decisions based on ESG initiatives or data. However, we continually monitor risks related to our customer preferences and remain prepared to respond if the risk emerges.</p>	Operations	Long-term	Evaluation indicated this is an “unlikely” risk for the business. Potential impacts were classified as “low,” signifying small impact felt to a single area of the business.
<p><b>Market: changing customer behavior</b> – The risk that D&amp;H consumers’ preferences or values no longer align with its own values and reputation, reducing demand and revenue. Our analysis shows this risk historically affects high-emissions industries less than others. Currently, our customer base largely does not make purchasing decisions based on ESG initiatives or data. However, we continually monitor risks related to our customer preferences and remain prepared to respond if the risk emerges.</p>	Operations	Medium- and Long-term	Evaluation indicated this is an “unlikely” risk for the business. Potential impacts were classified as “low,” signifying small impact felt to a single area of the business.

## Adaptation & Mitigation Strategies

D&H applies a range of mitigation and adaptation strategies to manage climate-related risks and enhance operational resilience.

Strategic Approach (Mitigation, Adaptation or Other)	Strategic Action/Initiative	Timeframe	Project Description and Value Creation
Mitigation	Utility tracking	Short-, Medium- and Long-term	We track and monitor our energy, emissions and estimated savings associated with environmental projects, identifying opportunities for efficiency and cost savings.
Mitigation	Energy efficiency upgrades	Short-, Medium- and Long-term	We invest in operational efficiency upgrades that reduce energy use and support long-term resilience. Read about recent initiatives on <a href="#">page 19</a> .
Mitigation	Renewable Energy Generation	Short-, Medium- and Long-term	We invest in on-site renewable energy resources at several of our facilities to generate our own electricity and reduce dependence on using power sources from external providers. See <a href="#">page 20</a> for additional details.

\* Note that these results reflect overall exposure to the hazard and not final risk, a detailed vulnerability assessment is required to obtain further insight on the magnitude of the risk.

\*\* Reliable tornado projections are not currently available

Strategic Approach (Mitigation, Adaptation or Other)	Strategic Action/Initiative	Timeframe	Project Description and Value Creation
Adaptation	Financial planning and budgeting	Short-, Medium-, and Long-term	Consideration of potential cost impacts and mitigation measures is a part of our annual budgeting and strategic planning processes.
Adaptation	Building fortification and design	Short-, Medium-, and Long-term	Taking a localized approach, facilities are designed and maintained in accordance with local building standards to reasonably mitigate hazards relevant to their geography (e.g., tornadoes, severe storms).
Adaptation	Property acquisition and development due diligence	Short-, Medium-, and Long-term	When purchasing new properties, exposure to physical hazards is among factors considered to ensure a responsible investment decision
Adaptation	Backup generators and disaster response procedures	Short-, Medium- and Long-term	We supply our locations with back-up generators to minimize power supply disruptions. Our large industrial sites maintain fire pumps to increase the water pressure for suppressing fires, should the need arise.
Mitigation	Climate regulatory monitoring and compliance	Short-, Medium, and Long-term	We will continue to stay abreast of regulatory developments in order to anticipate and prepare for future changes. As new emissions reporting obligations may arise, we intend to engage relevant employee co-owners to assess and respond as appropriate, with the goal of mitigating compliance risks.
Adaptation and Mitigation	Supply chain due diligence and resilience	Short-, Medium-, and Long-term	We conduct supplier screening, including adherence to our Code of Conduct. Additionally, we maintain a strategic, diversified supplier base; work closely with critical suppliers; and apply risk-based considerations when evaluating sourcing decisions. These practices position us to better manage potential shortages or disruptions if climate-related impacts affect the availability of key resources or materials.

Strategic Approach (Mitigation, Adaptation or Other)	Strategic Action/Initiative	Timeframe	Project Description and Value Creation
Adaptation	Health and safety (H&S) policies and procedures	Short-, Medium-, and Long-term	Comprehensive H&S policies and procedures in place, including protocols for adverse weather, extreme heat, etc., to protect our employees and site visitors.
Adaptation	Flexible and diversified distribution network	Short-, Medium- and Long-term	In the event of a climate-related event resulting in the (temporary or even permanent) interruption of business in any DC, another DC would increase its volume to accommodate the change. Our distribution centers are spread throughout the US and Canada to help offset the risk of unpredictable weather-related delivery issues.
Other	ESG Reporting	Short-, Medium-, and Long-term	Improving transparency and sharing our ESG priorities and highlights with key stakeholders.

## Risk Management

We assess our company-wide climate-related risks using a screening process to identify, assess, prioritize our top five transition and physical risks, and analyze the risks from a strategic business management perspective. To perform our assessment, we prioritized our risks by assigning them scores for their potential or actual impacts, likelihood, time horizon, and other criteria. We validated this prioritization through internal stakeholder engagement. To understand the strategic and financial effects of these risks, we applied scenario analysis or desk research to analyze the forward-looking outlook of our risks in the short-, medium- and long-term. Our analysis will inform our approach to responding to the risks through preventative mitigation measures and adaptation strategies for unavoidable effects.



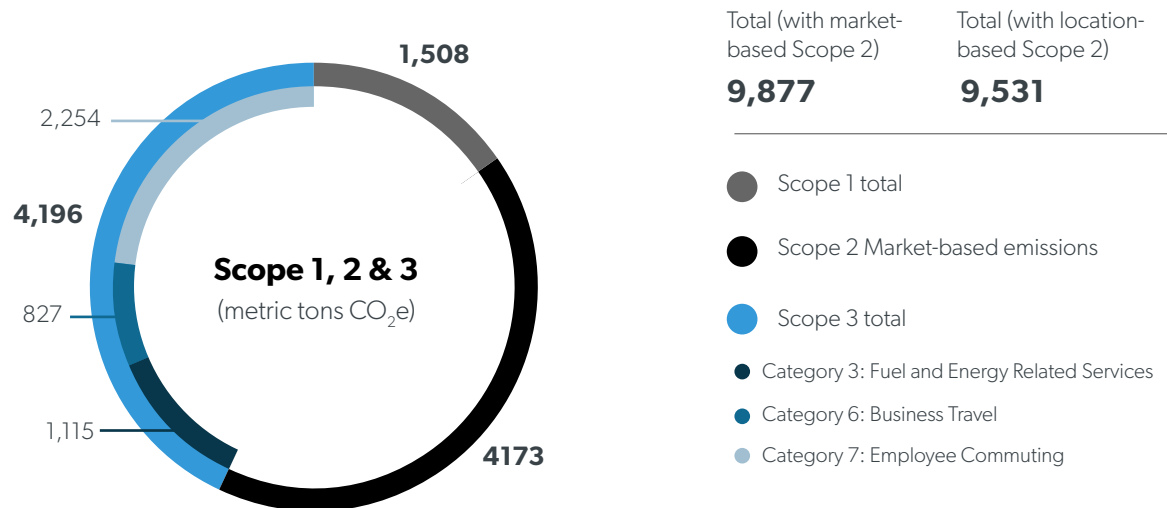
## Managing Our Footprint

We recognize the role businesses can play in mitigating climate change impacts by reducing GHG emissions. We readily explore opportunities to optimize our operations to reduce our environmental impact and realize financial savings.

In 2025, we conducted our first inventory of our Scope 1, 2 and 3 GHG emissions to understand key sources of our emissions from the fiscal year that concluded on April 30, 2025. Energy use is central to ensuring smooth operations and reliable service for our customers. Electric power represents a key source, as it powers our IT systems and cooling needs. Additionally, natural gas helps support certain facility systems such as heating, humidity control, and backup generation.

Regarding Scope 3, we had data available to include three categories in our inventory this year: Category 3, Category 6, and Category 7. These represent value chain emissions associated with the upstream production and delivery of fuels and electricity we consume, as well as emissions from business travel and employee commuting. In the future, as value chain data becomes more available, we will explore opportunities to expand our Scope 3 inventory to include additional sources.

### 2025 GHG Emissions and Energy Consumption<sup>2</sup>



### Energy Consumption

**23,064,524**

Total Energy Consumption (kWh)

- 38,980 - Diesel – Stationary
- 52,948 - Gasoline (Petrol) - Mobile
- 147,623 - Propane
- 8,021,401 - Natural Gas
- 14,803,571 - Electric Power

**1,510,053**

Onsite Renewable Energy Consumption (third party)

**7%**

Renewable as a Percentage of Total Energy Consumption (%)

<sup>2</sup>Graph depicts total emissions calculated using the Scope 2 (market-based) methodology. Scope 2 (location-based) emissions for FY2025 were 3,937.26 metric tons CO<sub>2</sub>e.

## Calculation Methodology

Our GHG inventory is prepared in alignment with the principles and guidance of the World Resources Institute (WRI) and World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol) for corporate accounting and reporting.

We apply the GHG Protocol's operational control approach to define organizational boundaries for Scope 1, Scope 2, and relevant Scope 3 emissions. This boundary includes facilities owned or operated by the company where D&H has authority to introduce and implement operating policies. Facilities within this boundary include office buildings and distribution centers.

## Emission Factors and Global Warming Potentials

Emission factors are based on guidance from the GHG Protocol and sourced from recognized governmental and non-governmental organizations, including the U.S. Environmental Protection Agency (EPA), EPA Mandatory Reporting Rule (MRR), International Energy Agency (IEA), the U.K. Department for Environment, Food and Rural Affairs (DEFRA), and Environment Canada. Where available, utility-specific factors are applied to support D&H's market-based Scope 2 reporting. Global warming potentials are derived from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), effective as of 2022.

Common Name	Formula	SAR Report	AR4 Report	AR5 Report	AR6 Report
Carbon dioxide	CO <sub>2</sub>	1	1	1	1
Methane	CH <sub>4</sub>	21	25	28	N/A
	CH <sub>4</sub> - Fossil	N/A	N/A	N/A	29.8
	CH <sub>4</sub> - Non-Fossil	N/A	N/A	N/A	27
Nitrous oxide	N <sub>2</sub> O	310	298	265	273
Nitrogen trifluoride	NF <sub>3</sub>	N/A	17,200	16,100	17,400
Sulfur hexafluoride	SF <sub>6</sub>	23,900	22,800	23,500	24,300



## Energy Efficiency

We continuously invest in energy-efficient replacements and upgrades that reduce our energy costs and support compliance with commercial building performance standards for GHG emissions. Energy efficiency is a key consideration in asset upgrades, and we prioritize solutions that align with our broader strategic objectives. Projects implemented in 2024 included:



**Upgrading the chiller and boiler at our corporate headquarters**



**Installing LED lights in our parking lots.**

In past years, we've installed LED Lighting with occupancy sensors in all buildings, achieving estimated energy savings of 50% annually and extending the lifespan of lightbulbs up to 3 times compared to non-LED alternatives. We also use ENERGY-STAR rated appliances, which are certified to use less power than alternatives. Additionally, we installed four electric vehicle (EV) charging stations at our corporate headquarters to accommodate our employees commuting with EVs.

**Energy efficiency improvements at our Tech Drive Data Center have helped us reduce energy consumption. As of 2024, this facility features multiple energy-efficient upgrades:**



High-rated insulating acoustic ceiling tiles



Air management fittings on all doors to help isolate conditioned spaces



Full aisle containment keeps cold air (from AC units) and hot air (from servers' exhaust) from mixing



2N Power redundancy - served by a fully redundant parallel power infrastructure



Use of Energy-STAR rated energy-efficient appliances



Use of electric forklifts and operational equipment

## Embracing Renewable Energy

Installing renewable energy systems allows us to generate our own power, helping to reduce GHG emissions, lower energy costs, and improve resilience against power disruptions. As part of this commitment, we've implemented solar energy projects at key sites, including our Fresno Distribution Center and our Corporate Headquarters in Harrisburg, Pennsylvania.



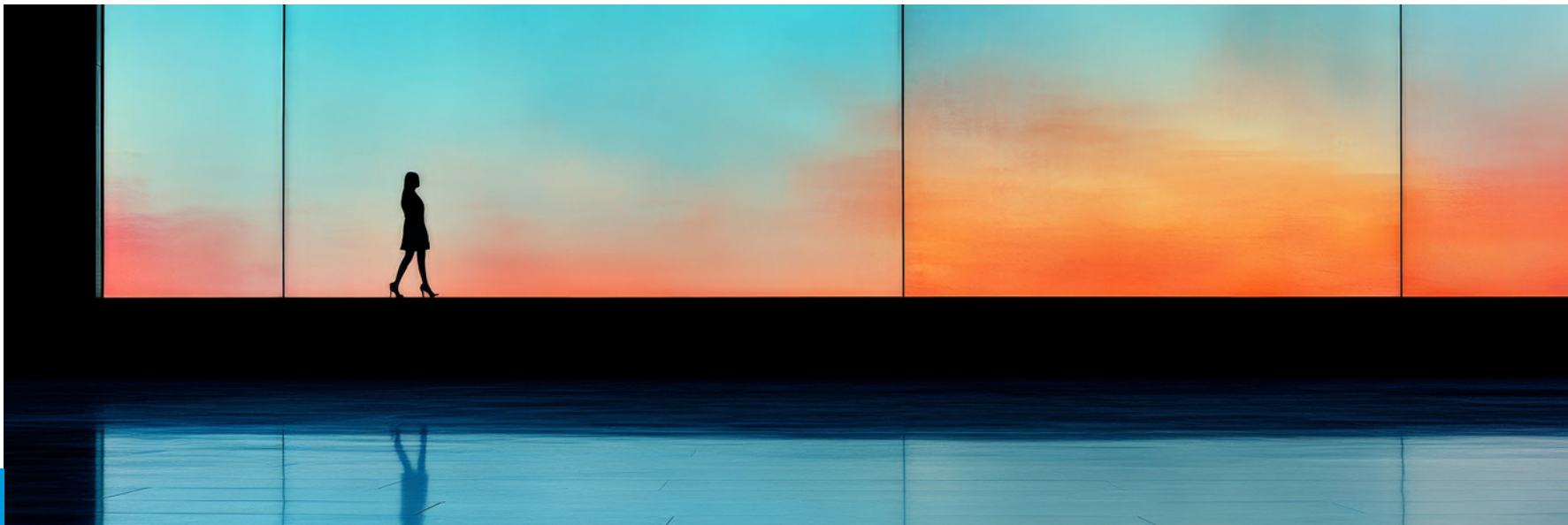
**Fresno Distribution Center** – We consume 1,510,053 kWh of solar generated electricity at Fresno.



**Corporate Headquarters** – Our Corporate office solar farm is expected to supply an estimated 40% of electricity needs from 3,888 solar modules. This reduces our CO<sub>2</sub>e footprint by 1,560 metric tons annually.



In late 2025, we celebrated the activation of a 5-acre solar park at our corporate headquarters in Harrisburg, PA.



## Waste Management & Circularity

We actively work to minimize landfill waste across our operations and supply chain by embracing recycling, digital solutions, and the use of recycled materials. Our approach is driven by site-specific initiatives, led by local managers who tailor waste reduction strategies to the unique needs of each location.

### Material Efficiency

We implement digitalization of our contracts and business transactions with e-signatures, e-billing, and ACH transfers to save paper. We plan to expand our use of digital documents for Human Resources forms when onboarding new hires. We also use recycled materials, including carpet and packaging, while minimizing unnecessary packaging.

**Moving from physical agreements to digital agreements through a signature platform has resulted in the following estimated<sup>3</sup> impact in 2024:**



**6,073 lbs**

of CO<sub>2</sub>e emissions avoided



**7,619 gal**

of water conserved



**2,587 lbs**

of wood saved



**420 lbs**

of waste eliminated

### Waste Diversion

D&H has implemented recycling programs for paper, plastic, corrugate, and pallets across our operations. We expanded upon this program and kept waste diversion a focus in recent years through the following efforts:

- Established a partner-focused program to support technology asset resale and e-recycling
- Began rolling out lithium-ion battery recycling at all distribution centers
- Continued using Call2Recycle for battery collection at our tech service center, resulting in 1,828 tons of e-waste recycled.
- Promoting recycling through internal newsletters and hosting employee drop-off events for devices and appliances, collecting more than 10,000 pounds at our 2025 event.

<sup>3</sup>The environmental impact associated with reduced paper use are based on D&H's use of DocuSign. DocuSign estimates the number of pieces of paper saved by looking at three factors: 1. Number of DocuSign envelopes sent; 2. Number of DocuSign pages per envelope; and 3. Number of recipients per envelope. DocuSign's model assumes that each recipient of a document would print it once, on average, and that the paper used would contain 10% recycled content. Some environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 4.0.



## Social

We are proud to be recognized as one of *Pennsylvania's Best Places to Work* for six consecutive years, reflecting our commitment to fostering an exceptional workplace. Through comprehensive benefits, opportunities for advancement, and community engagement, we support meaningful career experiences. As employee co-owners, we are motivated to grow the company while building strong, collaborative relationships with our customers and vendors.

## Attracting Top Talent



DEDICATED | PASSIONATE | EXPERIENCED  
COLLABORATIVE | PRODUCTIVE | DRIVEN

We've built a workforce of top talent by hiring individuals who reflect our [D&H DNA](#): Dedicated, Passionate, Experienced, Collaborative, Productive, and Driven.

Our recruitment strategy emphasizes local hiring, industry experience, and employee referrals, supported by partnerships with colleges and universities through job fairs, internships, and experiential learning programs.

We prioritize internal promotion and career advancement through our People First Initiative, which also enables employee co-owners to pursue lateral moves and explore new career paths within the organization.

To remain competitive, we offer comprehensive compensation and benefits and regularly conduct market benchmarking and pay-equity assessments. Benefits offered include:

- Healthcare: Medical, dental, vision, HSA/FSA
- Wellness: Gym reimbursement, onsite walking tracks, smoking cessation reimbursements
- Retirement: 401(k) with match, Employee Stock Ownership Plan (ESOP) for eligible positions
- Paid Time Off: PTO with flexible policies, donation options
- Flexibility: Hybrid/work-from-home options, flexible schedules
- Career Growth: Employee tuition and loan assistance, internal training, mentorship
- Employee Perks: Product discounts, employee events
- Support Programs: Financial assistance, employee loan programs
- Culture & Community: Charitable programs (D&H Cares), social events, family-friendly environment

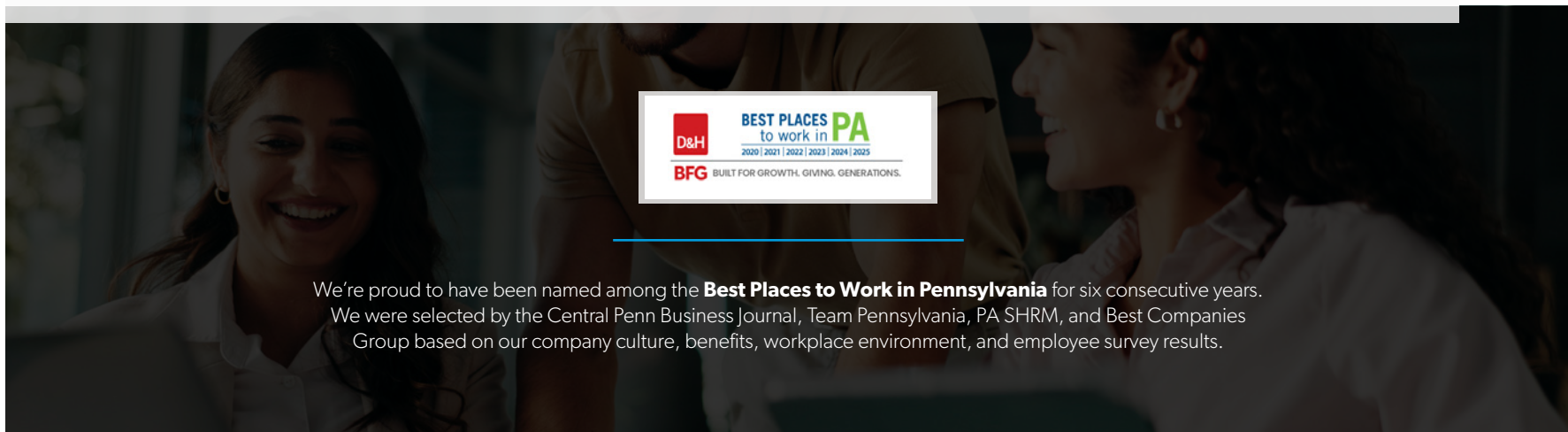


Employee co-owners gathered together for a company celebration.

## Employee Stock Ownership Plan

Through our [Employee Stock Ownership Plan \(ESOP\)](#), more than 1,000 employees hold an ownership stake in D&H. This shared ownership allows employee co-owners to participate in the company's success and contribute feedback on benefits and working conditions. We also recognize Employee Ownership Month each October in partnership with the National ESOP Association.

Employees become ESOP-eligible after 90 days, reach partial vesting after two years, and are fully vested after six years. Following eligibility, D&H's co-presidents meet with employee co-owners to review ESOP benefits, and regular Town Hall meetings provide ongoing opportunities for dialogue and idea-sharing.



## Learning & Development

The development and advancement of our workforce is a key focus for D&H. We believe that ongoing learning is critical to our continued success and engaging our workforce. We offer online learning, virtual instructor-led learning as well as provide a learning library that is free for employee co-owners and includes thousands of courses, videos, and certificates.

### Training provided includes:

- Anti-harassment: provided upon hire and every few years or sooner as determined by local regulations
- Corporate values and culture: provided upon hire
- Diversity, equity, inclusion, and belonging: typically provided every two years to the manager and employee co-owner levels on various topics, such as unconscious bias training
- Health and safety: provided upon hire and with rotating topics on a monthly basis
- Leadership development: offer four different curriculums
- Cybersecurity: provided upon hire and incrementally
- Role-focused skills: provided upon hire and incrementally as curriculums evolve/change
- Anti-bribery and Anti-corruption: provided upon hire and regularly in accordance with compliance requirements

## Employee Engagement

We believe employee engagement is imperative to encouraging a collaborative and productive workplace. Our engagement strategy includes gathering insights from our employee co-owners to identify opportunities for improvement as well as encouraging team building and volunteering. Key engagement initiatives include:

- **Annual engagement survey:** Administered through the “Best Places to Work in PA” independent survey, annual engagement survey results have helped us place on the list for the last 6 years as well as identify strengths and areas where we can improve the employee experience.
- **Annual team building budget:** Departments receive an annual team-building budget, which allows them to host group activities that strengthen work relationships and collaboration. Activities hosted in 2024 included bowling, pumpkin carving contests, outdoor games, mini golf, canvas painting, and more.
- **Employee volunteerism:** Through D&H Cares, employee co-owners receive opportunities to give back within the community and support valuable causes. Read more about this on [page 26](#).



### Commitment to Diversity, Equity, Inclusion & Belonging

D&H recognizes that to be considered a great place to work, it is important to embed diversity, equity, inclusion, and belonging (DEI&B) throughout our business. We maintain a DEI&B committee that assists the company with embracing diversity and maintaining an inclusive workplace where all individuals feel respected, are treated fairly, are provided a work-life balance, and have the opportunity to excel in their chosen careers.

## D&H Cares Foundation

Established in 2008, the D&H Cares Foundation is an employee co-owner-led initiative that engages employees, customers, and partners in supporting communities in need. Operated independently from corporate donations, the Foundation raises tens of thousands of dollars annually for local 501(c)(3) charities and provides volunteer opportunities for employees.

### D&H Support for Charities

We support many national and local charities and organizations annually, including:



Employee co-owners volunteer with Habitat for Humanity.

## Prioritizing Workforce Health & Safety

The health and safety of our workforce is a top priority at D&H. We promote a strong culture of safety and compliance through our health and safety **H&S policy**, which outlines expectations for maintaining a safe workplace.

Given the nature of our operations, the most common injuries involve slips, trips, falls, and overexertion. Injuries are reported promptly, ideally within the same shift or within 24 hours, and are reviewed through root cause analysis to support corrective action and shared learning across our distribution centers. All employee co-owners at distribution centers receive classroom and hands-on safety training, and equipment operators are required to maintain appropriate certification.



Our team came together to celebrate the grand opening of our Tampa location.



## Governance

We prioritize responsibility and integrity across our operations, reinforced through effective governance, supplier screening and engagement, and robust cybersecurity measures to protect company and stakeholder information.

## Our Approach to Corporate Governance

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D&H is committed to supporting our partners, customers, and vendors through a strong leadership and governance framework.

- The Company is led by Co-Presidents Michael Schwab and Dan Schwab, continuing the legacy established by D&H's Chairman Emeritus, Izzy Schwab.
- Executive oversight is provided by a cross-functional leadership team that includes the Chief Commercial Officer, Chief Operating Officer, Chief Information Security Officer, Chief People Officer, and Chief Financial Officer. Together, this group oversees enterprise operations, risk management, and strategic decision-making and remains actively engaged with employees, partners, and key stakeholders.

## Supply Chain Responsibility

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Our [Supplier Code of Conduct](#) (Supplier Code) defines our approach to corporate integrity, responsible product sourcing, and the safety and well-being of global supply chain workers. It establishes the standards that D&H expects our suppliers to adhere to regarding the treatment of workers, workplace safety, environmental impacts of supplier activities, and ethical business practices of our suppliers. The Supplier Code details expectations and policies on:

- Slavery and human trafficking restrictions
- Legal compensation and benefits for workers
- No discrimination, abuse or harassment
- Safe, healthy and sanitary working environments and facilities
- Intellectual property and confidential information
- Compliance with environmental laws and treaties
- Anti-bribery policy discouraging gifts and entertainment transactions

Management of D&H's supply chain, including risk management, is led by the Vice President of Operations and Senior Director of Operations. These leaders oversee reporting from Distribution Center Managers, Operations Managers, and Operations Supervisors, who manage day-to-day activities at the distribution center and departmental levels. Together, they are responsible for oversight of financial controls, customer contract compliance, and key performance indicators related to quality, safety, inventory, facilities, and audits.

Supply chain activities are guided by standard operating procedures, routing guides, and service-level agreements. D&H has achieved ISO 9001:2015 certification under a multi-site Quality Management System, validating the rigor, consistency, and reliability of our core distribution operations. This certification applies to our Harrisburg (Middletown, PA) and Toronto (Mississauga, Ontario) distribution centers and covers our warehousing, distribution, and configuration services.

Suppliers may report potential violations or submit questions regarding our Supplier Code of Conduct to D&H's Legal Department. All reports are reviewed, and D&H may take corrective action, including termination of supplier relationships, in cases of non-compliance.



## Cybersecurity & Data Privacy

We place a high priority on cybersecurity and data privacy to protect our customers, supply chain, and internal systems. Our data privacy and security program is led by the Chief Information Security Officer (CISO), with support from the security leadership team, including the Vice President of Cybersecurity, who oversees incident response and security reporting.

Our approach is guided by a comprehensive set of internal policies covering website privacy, data classification and handling, acceptable use and monitoring, and data governance. The program aligns with recognized information security standards, including NIST 800-53 and ISO 27001, and we are working toward broader ISO 27000 certification.

We take a proactive, risk-based approach to cybersecurity through continuous monitoring, robust controls, regular testing, vulnerability scanning, and a defined incident response process. Our threat landscape assessment includes risks such as ransomware, distributed denial-of-service attacks, data breaches, supply chain vulnerabilities, and system disruptions.

Cybersecurity training is provided to all new hires and employee co-owners to support awareness and risk prevention, including phishing mitigation. Employees in business-critical roles receive additional, role-specific training focused on threat intelligence, monitoring, and operational security.



### Responsible AI at D&H

D&H recognizes the potential of artificial intelligence (AI) to support our business activities through efficiency and productivity enhancements. We promote a Go Big AI strategy, which is used to educate our partners on the emerging and growing opportunities for implementing AI technology solutions. To encourage safe and responsible AI use, we track and monitor cybersecurity risks associated with the technology. In 2024, we added new AI-related security training for all new hires. Employee co-owners also complete Generative AI security training prior to authorized use. Policies that address AI include our Generative AI Policy, Acceptable Use Policy, and AI guidelines, and a best practices document for both all employees and co-owners.

## IFRS S2 Index Excerpt

Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Governance</b>	(6) Governance (a) The governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities.	ESG Program Oversight, <a href="#">page 7</a>  Our D&H Leadership Team is responsible for oversight of our climate-related risk management. The team is led by our Co-Presidents, Dan Schwab and Michael Schwab, and includes our C-Suite including our CCO, COO, CIO, CPO and CFO.
	(i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	ESG Program Oversight, <a href="#">page 7</a>  Responsibilities for climate-related risks and opportunities are not currently embedded in formal terms of reference, role descriptions, or policy documents. At this stage, accountability is exercised through the participation of cross-functional leaders in climate risk assessment activities and their role in considering climate-related issues within existing enterprise risk management and operational processes. As the company continues to build internal knowledge and experience, D&H will evaluate whether to formalize responsibilities through governance documents, policies, or role descriptions in future periods.
	(ii) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Our Roadmap, <a href="#">page 7</a>  To oversee climate-related risks and opportunities, D&H engages cross-functional leaders and team members from across the business. Representatives from finance, legal, sales, marketing, human resources, and operations participated in our 2025 climate risk assessment and management processes, bringing relevant expertise in areas such as compliance, governance, customer and vendor engagement, cultural alignment, communications, and data management. Their involvement ensures that climate-related considerations are evaluated through the lens of both enterprise risk management and D&H's broader business priorities.  During our climate risk assessment in 2025, D&H team members and leaders joined several educational and workshop-style sessions with external consultants. These engagements helped to advance the group's knowledge of climate-related risks and opportunities, strengthen internal competencies, and prepare participants to integrate climate-related insights into future enterprise risk reviews and decision-making processes.

<sup>4</sup>The numbering of disclosures in this index follows the structure of IFRS S2, which includes a combination of numerical sections, lettered sub-sections (e.g., (a), (b)), and further sub-levels using Roman numerals and numbers (e.g., (i), (ii), 1, 2). In some cases, certain numbered items in the standard represent statements, instructions or headings rather than disclosure requirements; as such, these have not been assigned a corresponding row in the index, results in non-consecutive numbering.

Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Governance (continued)</b>	(iii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Our Roadmap, <a href="#">page 7</a>  D&H has applied an ad-hoc approach to fulfilling our reporting requirements to publish our first climate-related risk assessment. Our next steps include the establishment of our strategic approach, including our reporting and management approach.
	(iv) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Our Roadmap, <a href="#">page 7</a>  Our Leadership Team is in the process of developing our approach drawing from our first climate-related risk assessment results shared in this report.  Our risk framework for climate is aligned with the COSO framework.
	(b) The management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	ESG Program Oversight, <a href="#">page 7</a> ; Our Roadmap, <a href="#">page 7</a>  Our Leadership Team, responsible for oversight of our climate-related risks and ESG Program, engages managers in multiple departments across our organization and contribute to our sustainability efforts. Departments include but are not limited to: Finance, Security, IT, Human Resources, Sales and Legal. We also plan to engage departmental representatives to contribute their perspectives on our approaches to sustainability reporting and regulatory compliance in the next phase of our Roadmap.
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee;	Oversight of climate-related risks and opportunities is not delegated to a single management-level position or committee. Instead, responsibility is shared across a cross-functional group of senior leaders from finance, legal, sales, marketing, human resources, and operations. These leaders act as executive sponsors, functional representatives, and subject matter experts, ensuring that climate-related issues are considered from multiple perspectives.  Oversight is exercised through engagement of this group in climate risk assessment activities, review of findings in the context of broader enterprise risk management, and sponsorship of initiatives to align outcomes with D&H's culture, compliance obligations, and business priorities. This approach allows climate-related oversight to remain embedded within existing governance and risk management processes while ensuring accountability across the organization.

<sup>4</sup>The numbering of disclosures in this index follows the structure of IFRS S2, which includes a combination of numerical sections, lettered sub-sections (e.g., (a), (b)), and further sub-levels using Roman numerals and numbers (e.g., (i), (ii), 1, 2). In some cases, certain numbered items in the standard represent statements, instructions or headings rather than disclosure requirements; as such, these have not been assigned a corresponding row in the index, results in non-consecutive numbering.

Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Governance (continued)</b>	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	<p>Management oversight of climate-related risks and opportunities is supported by internal controls that emphasize leadership engagement and review. Senior leaders from across the business are actively involved throughout the assessment process, providing validation of assumptions, review of results, and input on prioritization of risks and opportunities. In addition, climate-related disclosures are subject to management sign-off prior to publication to help ensure accuracy, consistency, and alignment with other company reporting.</p> <p>Through these procedures, climate-related oversight is embedded within existing management practices and integrated across key functions, including finance, legal, operations, and human resources.</p> <p>Additionally, D&amp;H used evidence-based research and stakeholder feedback to identify our transition risks. Our prioritization of risk drivers incorporated the COSO Enterprise Risk Management criteria to align our assessment with best practices.</p>
<b>Strategy</b>	(9) Strategy (a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Overview of Our Assessment Results, <a href="#">page 12</a>
	(b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain;	Overview of Our Assessment Results, <a href="#">page 12</a>
	(c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan;	When appropriate, climate-related risks are reviewed alongside financial and operational considerations when overseeing the Company's strategy. In practice, this has included evaluating operational efficiency initiatives, monitoring the regulatory environment and emerging climate legislation, and responding to stakeholder interest in climate-related matters. The recently completed assessment results will be factored within strategy and decision-making in the future when relevant.

<sup>4</sup>The numbering of disclosures in this index follows the structure of IFRS S2, which includes a combination of numerical sections, lettered sub-sections (e.g., (a), (b)), and further sub-levels using Roman numerals and numbers (e.g., (i), (ii), 1, 2). In some cases, certain numbered items in the standard represent statements, instructions or headings rather than disclosure requirements; as such, these have not been assigned a corresponding row in the index, results in non-consecutive numbering.

Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Strategy (continued)</b>	(d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning;	<p>Based on information available for the reporting period, D&amp;H has not identified material effects of climate-related risks on our financial position, performance, or cash flows.</p> <p>Potential future impacts remain uncertain and will depend on the pace and scope of regulatory, market, and physical climate developments. Physical risks could lead to increases in operating costs, incremental investment needs for facility upgrades, or disruptions to services. Transition risks may increase compliance and operational costs under more ambitious regulatory scenarios, while in more moderate scenarios, financial impacts are expected to be incremental and manageable through targeted efficiency measures.</p> <p>D&amp;H currently resources climate-related activities through project-based departmental budgets, with funding allocated for compliance, reporting, and environmental assessments. Insights from our scenario analysis will be used to inform financial planning when relevant, ensuring that climate-related risks are evaluated alongside broader enterprise risk management and strategic priorities.</p>
	(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	<p>Our assessment indicates that our business model is expected to remain viable over the short, medium, and long term, provided that appropriate measures continue to be taken to adapt operations and manage costs. For example, facility-level assessments through our ECLR physical hazard assessment, we identified areas where upgrades or resilience measures may be explored, and scenario analysis has highlighted where targeted investments in efficiency, compliance, or supply chain management may strengthen long-term resilience. Additional protections we have in place include comprehensive business continuity procedures and insurance. See <a href="#">page 14</a> for an overview of planned adaptation and mitigation initiatives.</p>
<b>Climate-related Risks and Opportunities</b>	(10) Climate-related risks and opportunities (a) Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Overview of Our Assessment Results, <a href="#">page 12</a>
	(b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	Overview of Our Assessment Results, <a href="#">page 12</a>
	(c) specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur;	Overview of Our Assessment Results, <a href="#">page 12</a>

<sup>4</sup>The numbering of disclosures in this index follows the structure of IFRS S2, which includes a combination of numerical sections, lettered sub-sections (e.g., (a), (b)), and further sub-levels using Roman numerals and numbers (e.g., (i), (ii), 1, 2). In some cases, certain numbered items in the standard represent statements, instructions or headings rather than disclosure requirements; as such, these have not been assigned a corresponding row in the index, results in non-consecutive numbering.

Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Climate-related Risks and Opportunities (continued)</b>	(d) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	<p>For the purposes of climate risk assessment and disclosure, D&amp;H defines its planning horizons as short term (0–1 year), medium term (1–5 years), and long term (more than 5 years), consistent with IFRS S2 and CSRD guidance. These horizons provide the basis for evaluating when climate-related risks and opportunities may materialize.</p> <p>While our internal business planning often applies shorter timeframes (e.g., monthly or quarterly cycles) to guide operational and financial decisions, the adoption of longer horizons for climate risk assessment ensures alignment with regulatory expectations and supports integration into strategic decision-making.</p>
<b>Business Model and Value Chain</b>	(13) Business Model and Value Chain (a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain;	Overview of our Assessment Results, <a href="#">page 12</a>
	(b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	<p>Overview of Our Assessment Results, <a href="#">page 12</a></p> <p>Our diversified locations help us to mitigate the effects of acute physical risks that cause business disruptions.</p>
	(b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	Overview of Our Assessment Results, <a href="#">page 12</a>
<b>Strategy and Decision-Making</b>	(i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);	At this time, D&H does not anticipate changes to its overall business model in response to climate-related risks and opportunities. Operational efficiency has long been a core focus for the company to drive performance improvements and financial benefits, and this focus also provides a pathway for climate mitigation by reducing energy use and associated GHG emissions. Through this approach, D&H emphasizes strengthening internal practices within its existing operations and does not have plans for material changes to its business model or resource allocation at this time.
	(ii) current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);	Adaptation and Mitigation Strategies, <a href="#">page 14</a>
	(iii) current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);	Adaptation and Mitigation Strategies, <a href="#">page 14</a>

<sup>4</sup>The numbering of disclosures in this index follows the structure of IFRS S2, which includes a combination of numerical sections, lettered sub-sections (e.g., (a), (b)), and further sub-levels using Roman numerals and numbers (e.g., (i), (ii), 1, 2). In some cases, certain numbered items in the standard represent statements, instructions or headings rather than disclosure requirements; as such, these have not been assigned a corresponding row in the index, results in non-consecutive numbering.

Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Financial Position, Financial Performance and Cash Flows</b>	(15) General purpose information: (a) the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects)	Based on information currently available, D&H has not identified effects of climate-related risks on the Company's financial position, performance and cash flows during this reporting period.
	(b) the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	For the reporting period, D&H did not identify material effects of climate-related risks on our financial position, performance, or cash flows. Potential future impacts remain uncertain and will depend on the pace and scope of regulatory, market, and physical climate developments. Physical risks could lead to increases in operating costs, incremental investment needs for facility upgrades, or disruptions to production. Transition risks may increase compliance and adaptation costs under more ambitious regulatory scenarios, while in more moderate scenarios, financial impacts are expected to be incremental and manageable through targeted efficiency measures. Read more about potential impacts and response strategies on <a href="#">page 12</a> .  D&H currently resources climate-related activities through project-based departmental budgets, with funding allocated for compliance, reporting, and environmental assessments. Insights from our scenario analysis are used to inform financial planning when relevant, ensuring that climate-related risks are evaluated alongside broader enterprise risk management and strategic priorities.
	(16) Quantitative and qualitative information: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Based on information available for the reporting period, climate-related risks and opportunities did not have a material effect on the Company's financial position, financial performance, or cash flows.
	(b) the climate-related risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	Based on information available, D&H has not identified climate-related risks or opportunities that present a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the financial statements. The Company will continue to monitor developments that may affect asset and liability valuations in future periods.
	(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	Consistent with past practice, D&H will consider investments as needed to ensure the ongoing efficiency and resilience of its business. This may include adopting new technologies or equipment as they become available, pursuing renewable energy solutions, and implementing other operational improvements that deliver both financial and environmental benefits.

<sup>4</sup>The numbering of disclosures in this index follows the structure of IFRS S2, which includes a combination of numerical sections, lettered sub-sections (e.g., (a), (b)), and further sub-levels using Roman numerals and numbers (e.g., (i), (ii), 1, 2). In some cases, certain numbered items in the standard represent statements, instructions or headings rather than disclosure requirements; as such, these have not been assigned a corresponding row in the index, results in non-consecutive numbering.

Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Financial Position, Financial Performance and Cash Flows (continued)</b>	(i) its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to;	As D&H has done in the past, D&H will continue to explore opportunities to enhance efficiency and operational resilience when able. In D&H's operational investments and initiatives, environmental and climate are among factors D&H considers, alongside core decision-making criteria such as financial viability and return on investment.
	(ii) its planned sources of funding to implement its strategy;	Planned funding needs to implement the strategy are considered as part of the Company's annual budgeting and capital planning processes and are integrated into departmental planning where relevant.
	(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	At present, no material changes to financial performance or cash flows are anticipated. D&H expects to use the results of its climate risk assessment, where relevant, as an input to business strategy and financial planning over the short, medium, and long term. These results will be considered alongside other strategic and financial factors in evaluating potential impacts.
<b>Climate Resilience</b>	(22) Climate Resilience (a) the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:	Strategy, <a href="#">page 9</a>
	(i) the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;	Adaptation and Mitigation Strategies, <a href="#">page 14</a>
	(ii) the significant areas of uncertainty considered in the entity's assessment of its climate resilience;	Assessment Boundaries, Assumptions, and Parameters, <a href="#">page 10</a>  Under the STEPS scenario, longer-term outcomes are uncertain given the focus on developed economies and limited visibility into smaller macro- and micro-economic forces. Under the NZE scenario, uncertainties arise from variations in how stringent global policies are implemented and from microeconomic factors influencing pricing models and investment outcomes.
	(iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including;	D&H retain the flexibility to adjust its approach as needed, taking into account business priorities, regulatory developments, and market conditions. We will continue to monitor developments and evaluate options to support the resilience of the business over time.

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Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Climate Resilience (continued)</b>	(1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;	D&H maintains a range of financial resources and mechanisms that provide flexibility to respond to the potential effects identified in our climate-related scenario analysis when deemed relevant. These resources would support our ability to address climate-related risks when appropriate if they arise.  Our established financial planning and funding processes provide the capacity to reprioritize resources as needed in response to identified risks.
	(2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets;	D&H has the ability to evaluate and take actions regarding our assets (e.g., equipment) where deemed appropriate, including potential redeployment, repurposing, upgrades, or decommissioning. Decisions will be guided by business needs, regulatory developments, market conditions, and financial considerations, with the aim of supporting customer needs, long-term resilience and financial viability.
	(3) the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience;	D&H's investments in operational improvements support efficiency and help ensure reliable outcomes for our customers, while also contributing to reduced emissions and business resilience. For example, where deemed appropriate, D&H upgrade machinery or equipment with newer models or technologies that improve performance and can reduce energy use and emissions. See examples of recent initiatives on <a href="#">pages 19-21</a> .
	(b) how and when the climate-related scenario analysis was carried out, including:	The climate scenario analysis was completed in calendar year 2025. Please see <a href="#">page 17</a> for more details.
	(i) information about the inputs the entity used, including:	Strategy, <a href="#">page 9</a>
	(1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	Assessment Assumptions, Boundaries and Parameters, <a href="#">page 10</a>
	(2) whether the analysis included a diverse range of climate-related scenarios;	Assessment Assumptions, Boundaries and Parameters, <a href="#">page 10</a>
	(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Scenarios were applied for both transition and physical risks. See <a href="#">page 12</a> for more details.
	(4) whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	Yes, D&H applied a range of scenarios tailored to specific risks. For physical risks, the company used a high-emissions pathway (RCP 8.5) across short- and medium-time horizons. For transition risks, D&H considered multiple scenarios, including NGFS Net Zero 2050 and the International Energy Agency (IEA) Net Zero Emissions (NZE) scenario, both of which are aligned with the goals of the Paris Agreement. These scenarios were used alongside other NGFS and IEA scenarios to provide a balanced view of potential policy, legal, energy price, and technology-related developments.

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Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Climate Resilience (continued)</b>	(5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	<p>D&amp;H selected its climate-related scenarios to capture a range of plausible climate pathways that are relevant to both physical and transition risks. For physical risks, a high-emissions pathway (RCP 8.5) was applied to stress-test potential exposure under severe climate outcomes across the short- and medium-term. For transition risks, D&amp;H drew on scenarios from the Network for Greening the Financial System (NGFS) and the International Energy Agency (IEA) to reflect different policy, legal, energy price, and technology cost trajectories. These included scenarios aligned with the Paris Agreement (such as NGFS Net Zero 2050 and IEA Net Zero Emissions) alongside scenarios based on current and stated policies.</p> <p>This combination provides a balanced view of potential futures—from business-as-usual conditions to accelerated global climate action—allowing D&amp;H to assess its resilience to a spectrum of changes, developments, and uncertainties that could affect its operations and value chain.</p>
	(6) the time horizons the entity used in the analysis;	Assessment Assumptions, Boundaries and Parameters, <a href="#">page 10</a>
	(7) what scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);	The assessment included D&H’s full scope of operations.
	(ii) the key assumptions the entity made in the analysis, including assumptions about:	Assessment Assumptions, Boundaries and Parameters, <a href="#">page 10</a>
	(1) climate-related policies in the jurisdictions in which the entity operates;	Our analysis reflects the policy pathways embedded in the IEA scenarios applied. The STEPS scenario reflects current stated government policies and commitments, while the NZE scenario assumes rapid strengthening of global climate policies, including expanded carbon pricing and renewable mandates.
	(2) macroeconomic trends;	The STEPS scenario reflects current stated policies, assuming stronger economic and population growth with correspondingly higher energy demand. Under the NZE scenario, assumptions include moderated GDP growth and shifts in global energy demand consistent with rapid decarbonization.
	3) national- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources);	These scenarios incorporate region-specific assumptions such as population and demographic trends, energy demand, resource availability, and infrastructure development, which provide context for potential local impacts across the jurisdictions where we operate.
	(4) energy usage and mix;	The STEPS scenario assumes a slower transition with continued reliance on fossil fuels alongside gradual growth in low-carbon sources. The NZE scenario assumes a rapid shift toward renewable energy and electrification.

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Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Climate Resilience (continued)</b>	(5) developments in technology;	The STEPS scenario assumes more gradual advances aligned with current policies and market trends. The NZE scenario assumes rapid innovation and deployment of low-carbon technologies.
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	The scenario analysis was completed during fiscal year 2026.
<b>Risk Management</b>	(25) Risk Management (a) The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about:	Risk Management, <a href="#">page 16</a>
	(i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	Assessment Boundaries, Assumptions and Parameters, <a href="#">page 10</a>
	(ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	Yes, D&H completed climate scenario analysis in 2025. See <a href="#">page 12</a> for additional details.
	(iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	Assessment Boundaries, Assumptions and Parameters, <a href="#">page 10</a>
	(iv) whether and how the entity prioritizes climate-related risks relative to other types of risk;	As our assessment was recently completed, D&H is now in a position to consider our climate-related risks relative to other risks monitored and managed by the enterprise.
	(v) how the entity monitors climate-related risks;	Our monitoring approach is currently in development.
	(b) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities;	D&H does not formally assess climate-related opportunities at this time. We will evaluate the feasibility of assessing climate-related opportunities in the future.
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Our risk framework for climate is aligned with our COSO framework.

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Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Metrics and Targets</b>	(29) Climate-related metrics (a) Greenhouse gases—the entity shall: (i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO <sub>2</sub> equivalent (see paragraphs B19–B22), classified as: (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions;	GHG Emissions & Energy Consumption, <a href="#">page 17</a>
	(ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25);	Calculation Methodology, <a href="#">page 18</a>
	(iii) disclose the approach it uses to measure its greenhouse gas emissions including: (1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; (3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Calculation Methodology, <a href="#">page 18</a>  This is our first year of reporting our GHG emissions.
	iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: (1) the consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and (2) other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries);	GHG Emissions & Energy Consumption, <a href="#">page 17</a>

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Section <sup>4</sup>	IFRS S2:	Response Location/Direct Response
<b>Metrics and Targets (continued)</b>	(v) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs B30–B31);	GHG Emissions & Energy Consumption, <a href="#">page 17</a>
	(vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57, disclose: (1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and (2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63);	GHG Emissions & Energy Consumption, <a href="#">page 17</a>

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