

2025 TCFD Report

Climate-related Financial Risks & Opportunities



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Executive Summary

Kidde Global Solutions (KGS) is dedicated to protecting people, property, and communities through trusted fire and life safety solutions. As climate change presents both risks and opportunities for our business, we are exploring ways to integrate climate considerations into our sustainability approach to support resilience and inform future planning.

Established as an independent company in December 2024, 2025 served as our baseline year for sustainability and climate data. We have set the foundation for the future development of long-term, measurable goals that reflect our values and mission, while continuously improving processes. As of 2025, our Environmental, Social, and Governance (ESG) Committee considers climate and sustainability across three pillars:



People – Address workforce health, safety and engagement, including measures to mitigate heat exposure, improve indoor air quality, and enhance workforce awareness of climate-related risks.



Planet – Incorporate climate considerations through efforts to improve energy efficiency, reduce greenhouse gas emissions, and advance responsible resource management.



Community – Collaborate across our value chain to promote resilience, ethical practices, and the well-being of the communities we serve.

Our sustainability approach is rooted in a compliance-driven framework that ensures alignment with international regulations while driving tangible sustainability actions. KGS remains committed to transparent, responsible disclosures while establishing a structured approach to governance, strategy, risk assessment, and performance measurement and continuing to advance our sustainability and climate effort.

KEY TAKEAWAYS



Governance

- In 2025, we established an ESG Committee with senior executives and board members to oversee sustainability and climate matters.
- The Committee meets at least twice a year to monitor ESG performance, review disclosures, and address climate issues at the highest levels of decision-making.



Strategy

- Our strategy addresses the risks and opportunities of climate change by integrating sustainability into business planning, operations, product development, and investment decisions, all within a compliance-driven framework.



Risk Management

- We identify and address climate-related risks through structured processes within our EH&S Operating System. This promotes consistency, compliance with international standards, and proactive measures to protect operations and communities.



Metrics & Targets

- In our baseline year, we have collected data on GHG emissions, energy use, sustainability initiatives, and disruption history.
- We will consider setting formal reduction targets in the future and focus on operational improvements in the interim.

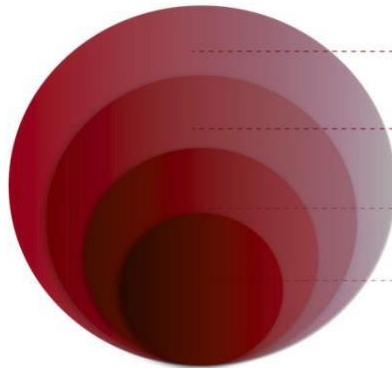
Introduction

ABOUT THIS REPORT

This report follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and captures our baseline reporting period in 2025. The report covers 10 of the 11 TCFD disclosures, omitting KGS' greenhouse gas emissions since we have not yet calculated them for our 2025 operations. Our intent with this report is to provide stakeholders with a clear view of how our organization evaluates climate considerations through governance, strategy, risk management, and performance measurement. Using the TCFD framework as a guide, we are building our foundation for climate disclosures with a vision to strengthen accountability and support informed decision-making across our business.

ALIGNMENT WITH TCFD RECOMMENDATIONS

This report follows the four foundational pillars of the TCFD framework:



Governance: Oversight and accountability for climate-related issues at the Board and management levels.

Strategy: How climate-related risks and opportunities influence our business model and financial planning.

Risk Management: Processes for identifying, assessing, and managing climate risks.

Metrics and Targets: Quantifiable measures used to track performance and evaluate progress against climate-related goals.

SCOPE AND BOUNDARIES

KGS' third-party consultants followed TCFD-recommended climate scenario analysis approaches to identify climate-related risks and opportunities. The analysis described herein considered the following scope and boundaries:

- **Geographical Scope:** Our operations span North America, Europe, Asia, and Latin America, with manufacturing in Mexico, Brazil, Poland, and China; R&D centers in the U.S., U.K., Spain, Poland, and India; and distribution hubs in Canada, the U.S., and Netherlands.
- **Time Horizons:** The time horizons considered for this report are short-term (2-years), medium-term (5-years), and long-term (10-years). Our business strategy and decision-making are primarily focused on the short-term.
- **Climate Scenarios:** The analysis considered physical climate-related risks under different emission scenarios, including SSP5-8.5, SSP2-4.5 and SSP1-2.6, as well as transition risks and opportunities associated with the transition to a low-carbon global economy.

COMPANY CONTEXT

KGS is a global leader in fire and life safety solutions from complex commercial installations to residential homes. Formed in late 2024, KGS brings together industry-defining heritage brands like Kidde, Kidde Commercial, Edwards, GST, Badger, Gloria, Aritech, EMS, and AirSense. Through these iconic brands, KGS provides residential and commercial customers with advanced solutions to protect people and property in a wide range of applications worldwide.

OUR COMMITMENT

This report represents the first step in KGS' journey to climate-related risk and opportunity awareness and disclosure. KGS is committed to supporting public policies that aim to advance meaningful and equitable climate action. We believe that well-designed regulation has the potential to drive emissions reductions, foster innovation, uphold affordability, and contribute to environmental justice. By aligning with the TCFD recommendations, KGS is strengthening our foundation for accountability and resilience as we navigate an ever-evolving society and planet.



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ESG FRAMEWORK



Knowledge-Driven Compliance

Ensure global ESG compliance and informed board-level decision-making.



Inclusive Growth

Create a culture of safety through an engaged and inclusive workforce.



Decarbonization & Efficiency

Sustainability through operational excellence and efficiency.



Deliberate Governance

Act with integrity to uphold ethical leadership and regulatory compliance via robust oversight.



Engaged Stakeholders

Foster trust through transparent engagement across value chains while exceeding customer expectations.



*Estimate as of December 2025

TCFD Disclosures

The following disclosures outline how KGS is identifying, evaluating, and responding to climate-related risks and opportunities in alignment with TCFD recommendations. Our strategy emphasizes governance, preparedness, and adaptability to enhance resilience under both operational and climate-related stress scenarios. Risk management is intrinsic to our identity as a life-safety product company. While our products represent a small share of a building's environmental footprint, we actively pursue initiatives to minimize the impact of our products and logistics, reflecting our commitment to sustainability and stakeholder priorities.

GOVERNANCE

Governance Structure for Managing Climate-Related Risks

Oversight of climate matters is embedded within KGS' broader Environmental, Social, and Governance (ESG) framework to help integrate climate considerations into strategic and operational decision-making.

The ESG Committee, established in March 2025, includes senior executives, functional leaders, and a Board representative. The ESG Committee is scheduled to meet at least twice per year and serve as the coordinating body for KGS' sustainability and climate initiatives across the organization.

Its responsibilities include monitoring climate-related performance and regulatory requirements, overseeing the identification, assessment, and management of ESG-related and climate-related risks, and supporting the preparation and review of ESG and climate disclosures. The ESG Committee provides updates and recommendations to the Board of Directors, which maintains ultimate oversight of climate-related risks and opportunities as part of its broader responsibility for ESG matters.

To ensure the company has the appropriate skills and knowledge to evaluate climate-related risks and opportunities, KGS leverages a combination of internal expertise and external subject matter experts. Functional leaders represented on the ESG Committee receive ongoing exposure to evolving climate-related regulatory requirements and disclosure expectations through third-party advisors, industry guidance, and external trainings, seminars, and webinars. Climate- and ESG-related topics are incorporated into Committee discussions and briefings to build internal capability and support informed decision-making.

Management Oversight and Accountability of Climate-Related Risks and Opportunities

Management monitors climate-related risks and opportunities through the ESG Committee and the Environmental, Health and Safety (EHS) Management Operating Review (MOR). These groups facilitate collaboration among the Operations, EHS, Supply Chain, and Logistics teams to address risks and opportunities in a structured and consistent manner.

Climate-related risks are managed at both the site and enterprise levels, with operational leaders and third-party logistics operators monitoring local weather conditions and escalating concerns through established communication channels. The newly established *Global No-Surprise Communication* process exemplifies this commitment by ensuring that potential disruptions, whether operational, supply chain, environmental, or weather-related, are swiftly escalated, addressed, and tracked. This mechanism reflects KGS' broader philosophy of embedding resilience into operations through integrated approvals, corrective actions, and continuous-improvement initiatives.

Continuous-improvement reviews and third-party verifications, such as property risk assessments conducted by our global property insurance provider FM Essential, as well as ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety) certifications, provide standardized management-system performance. Beyond immediate risk mitigation, KGS emphasizes a culture of preparedness and continuous improvement across the entire company. Cross-functional collaboration through the MOR process facilitates accountability for both operational and climate-related performance, safeguarding employee safety, regulatory compliance, and business continuity. Through this oversight structure, KGS maintains accountability for identifying, assessing, and managing climate-related risks across the organization.

STRATEGY

KGS uses a qualitative approach to determine material strategy and financial implications of climate-related risks and opportunities. In 2024, KGS assessed climate-related risks and opportunities as part of a divestiture due diligence process. The assessment, conducted by third party consultants, was designed to inform strategic planning and included a scenario-based analysis of physical climate risks at the site-level, and a qualitative review of transition risks and opportunities. The assessment provided valuable insight into KGS' exposure profile, identifying some potential for financial impacts at a small number of facilities related to physical climate impacts. The assessment and its review by leadership provided a starting point for our climate-risk management efforts.

KGS views this assessment as an important foundation for developing a climate-risk management framework and is committed to deepen its understanding of both physical and transition risks, supporting long-term resilience and growth.

What are Climate Risk and Opportunities?



Physical Risks

Risks arising from exposure to climate-related hazards such as flooding, extreme heat, or severe weather events that may disrupt operations, supply chains, or assets.



Transition Risks

Risks linked to the global shift toward a low-carbon economy, including evolving political and regulatory requirements, economic changes, and technological developments.

Opportunities

Potential to strengthen competitiveness and resilience by leveraging the low-carbon transition through efficiency gains, sustainable products, and access to new markets.

Identification of Actual and Potential Climate-Related Risks and Opportunities (Short, Medium, and Long-Term)

KGS takes climate-related risks and opportunities into account as part of its environmental management processes at both the enterprise and site levels. These considerations are integrated into the company's overall ESG framework to help guide operational planning, investment decisions, and long-term business strategy.

Each production facility supports specific geographies and products, and although we continue to look at localization and diversification, disruption at any site could be a risk to business continuity. A site could be critical when it:

- Produces products that cannot be easily substituted or relocated without major delay;
- Supports regional compliance or certification requirements that restrict production flexibility; and

- Provides life-safety products where supply interruption could affect customer safety or regulatory compliance.

Disruptions at any of these sites could have consequences for our operations, customer commitments, and market presence. Accordingly, maintaining stable operations across critical facilities is viewed as both an operational and financial priority for the company.

Physical Risk Identification

The 2024 assessment evaluated KGS' 14 critical facilities, including manufacturing sites, research and development (R&D) sites, and distribution centers, located across North America, Latin America, Europe, and Asia. The assessment identified site specific risk to the following 11 physical climate hazards: extreme heat, extreme cold, drought, precipitation, flooding, hail, thunderstorm, wind, wildfire, wet bulb temperature, and water stress, under multiple emissions scenarios¹. The scenarios evaluated include a high emissions scenario (SSP5-8.5), moderate emissions scenario (SSP2-4.5), and low emissions scenario (SSP1 2.6). The results gave us insight into our facility exposure to various climate hazards at 5-year increments out to 2100, against a 1995 historical baseline. To understand our exposure to physical climate hazards identified in the assessment as they most closely align with our strategic planning horizons of short-term (2-years), medium-term (5-years), and long-term (10-years), we evaluated the climate hazards identified in 2020, 2030, and 2040.

Transition Risks and Opportunities Identification

The 2024 assessment evaluated transition-related risks and opportunities alongside physical risks to understand how evolving policy and regulations, technological developments, market shifts, and changes to stakeholder expectations and reputation may influence operations and long-term strategy. KGS continues to identify enterprise-level climate transition risks and opportunities through ongoing regulatory monitoring and input from internal functional leaders and external advisors, with oversight by the ESG Committee.

Summary of Key Risks and Opportunities

Moderate potential for financial impacts were identified at a small number of facilities related to physical climate impacts.

- **Short-term (2020):**
 - Physical Risks: Extrema, Brazil emerged with priority risk to flooding across all scenarios. Furthermore, each scenario found high risk exposure to heat for manufacturing sites in Mexico and the Hyderabad, India warehouse, and extreme cold at a manufacturing site in Qinhuangdao, China. Thunderstorms emerged as a high risk for sites in North America and Asia, as well as Barcelona, Spain, under all scenarios evaluated, and heavy precipitation was identified as a high risk for manufacturing, warehouse, and R&D locations in Mexico, the U.S., and China.
 - Transition Risks: Emerging disclosure and compliance requirements, e.g., California Senate Bill 261.
 - Transition Opportunities: Early alignment to climate-disclosure frameworks and improved data transparency can enhance regulatory preparedness, investor confidence, and credibility with customers and stakeholders.

- **Medium-term (2030):**

Physical Risks: Flood risk at Extrema remains a priority in the medium-term. Similarly, heat exposure remains high for sites in Mexico and India and emerges for a R&D site in the U.S. Heavy precipitation exposure increases in the medium-term for

¹ A *climate scenario* is a structured representation of potential future climate conditions based on different greenhouse gas (GHG) emission pathways, socioeconomic developments, and policy responses. Scenarios are not predictions, but analytical tools used to explore how varying levels of global warming (e.g., 1.5°C, 2°C, or higher) could affect physical, transition, and financial risks to organizations.

Navojoa, Mexico under all scenarios. Thunderstorm exposure similarly intensifies for sites in China and Spain under the scenarios evaluated.

- *Transition Risks:* Potential risks related to increasing stringency on disclosure and compliance requirements, e.g., International Financial Reporting Standard 2 (IFRS S2) for California Senate Bill 261, European Union Corporate Sustainability Reporting Directive (CSRD), U.S. Securities and Exchange Commission (SEC) Climate Rules, may require additional resources to collect and verify data across global operations.
- *Transition Opportunities:* Product innovation aligned with adaptations such as heat and humidity-resilient life-safety equipment as well as integration of sustainability features into materials and design, could strengthen operational resilience and product differentiation.
- **Long-term (2040):**
 - *Physical Risks:* Flood risk at Extrema remains priority long-term across all scenarios evaluated. Heavy precipitation at Qinhuangdao, China intensifies significantly under a high emissions scenario. Thunderstorm risk at Extrema and Barcelona similarly intensifies under a high emissions scenario. Wind event risk emerges at Hyderabad under both a moderate and high emissions scenario. Extreme heat risk continues to intensify at exposed locations under all scenarios evaluated.
 - *Transition Risks:* Technology shifts toward low-carbon processes could increase capital requirements for equipment modernization, while evolving customer expectations heighten reputational and supply-chain exposure.

Impact of Climate-Related Risks and Opportunities on Operations, Strategy, and Financial Planning

KGS has experienced localized climate-related disruptions, including flooding and heatwaves, that have temporarily affected facility operations, logistics, and employee safety. These events have informed adaptive planning across KGS' operations, governance, and capital investment.

Operationally, KGS integrates lessons learned from past events into its *Emergency Action Plans*, infrastructure upgrades, and business-continuity strategy, prioritizing employee protection and supply reliability. Facility investments such as enhanced drainage, HVAC capacity, and power resiliency demonstrate a shift toward proactive adaptation and reduced downtime risk.

Strategically, KGS has adopted a site-specific resilience model emphasizing employee safety, operational continuity, and climate resilience. Key elements include:

- *Flexible work arrangements:* Office employees are empowered to work remotely during adverse weather.
- *Operational adaptability:* Distribution centers adjust shift schedules to manage temperature-related risks.
- *Facility resilience:* Processes are in place to support continuity in extreme-weather regions, with ongoing improvements to mitigate potential disruptions from blizzards, wildfires, and heatwaves.
- *Emergency response:* Daily updates, call-in systems, and alerts support real-time threat assessment.
- *Escalation & improvement:* Site managers use discretion and data to activate contingencies, with after-action reviews guiding future planning and investments

Resilience of the Organization's Strategy Under Multiple Climate Scenarios

Building on insights from the 2024 assessment, KGS qualitatively evaluates the resilience of its strategy under a range of plausible climate futures—spanning moderate transition pathways with gradual policy shifts to higher-impact physical risk scenarios involving more frequent and severe weather events.

Across these futures, KGS' business model—centered on life-safety products and regulatory compliance—remains inherently resilient, supported by diversified manufacturing, flexible logistics, and robust supplier oversight. Key operational initiatives such as localization, transfer-of-work planning, and infrastructure hardening maintain continuity under adverse climate conditions.

Resilience is reinforced through standardized *Emergency Action Plans*, the *Global No-Surprise Communication* process, and structured after-action reviews that translate event learnings into facility improvements and governance updates. Initial capital investment decisions continue to focus on facility, reliability, efficiency, and employee safety with priorities refined through continuous process improvements. Ongoing investments in energy efficiency and emissions reduction, combined with supplier-performance monitoring, position KGS to manage both the physical and transition dimensions of climate change while maintaining operational and financial stability.

RISK MANAGEMENT

Identification and Assessment of Climate-Related Risks

Risk management is intrinsic to our identity as a life-safety product company. While our products represent a small share of a building's environmental footprint, we actively pursue initiatives to minimize the impact of our products and logistics, reflecting our commitment to sustainability and stakeholder priorities.

KGS identifies, assesses, and manages climate-related risks through both site-level and enterprise-wide processes. Climate-related risks are evaluated alongside safety, quality, environmental, and financial considerations within KGS' broader risk-management framework. Oversight of these processes resides with the ESG Committee and the Executive Leadership Team as described in the [Governance](#) section. The identification process draws on multiple inputs:

- **Climate-related physical and transition risk reviews** conducted during divestiture due diligence and annual insurance risk assessments.²
- **Operational incident tracking and “no-surprise” escalation procedures** that surface site-level weather impacts in real time.
- **Supplier and logistics risk monitoring** covering tariff, geopolitical, and transportation disruptions exacerbated by climate or energy transitions.
- **Environmental performance data** collected through ISO 14001/45001 audits, which evaluate compliance and opportunities for risk reduction.

² Recommendations from the annual insurance risk assessment are reviewed at the site level and prioritized or escalated based on risk severity and business impact. In 2024, annual insurance risk assessments were conducted primarily for divestiture due diligence and insurance quoting purposes, covering building integrity, production machinery, and critical systems. Upcoming global assessments will include inspections of structural components, production equipment, and high-risk systems to identify opportunities for risk reduction. Recommended improvements will be evaluated, and those approved will be implemented.

These mechanisms enable KGS to evaluate both acute and chronic physical risks, assessing their potential to affect operations, financial results, and customer obligations. KGS prioritizes risks based on their severity, business impact, and operational criticality, using these insights to guide site-level resilience investments.

Management and Integration of Climate-Related Risks

KGS has implemented a responsive framework for managing climate-related risks across its operations. Site-specific Emergency Action Plans (EAPs) guide responses to extreme weather events, with local teams monitoring forecasts and assessing potential business impacts. Decisions regarding operational closures or adjustments are communicated in real time through the Operations communication channel, which includes the Supply Chain, EHS, Logistics, and Operations teams.

During flooding and tropical storm events in 2024 and 2025, site teams implemented these plans by cutting power, deploying sandbags, coordinating with local authorities, and initiating controlled shutdowns to protect employees and equipment. Following these events, corrective measures were implemented, including elevation of electrical systems, flood-barrier installation, and upgrades to drainage and pumping capacity. Similarly, extreme-heat incidents in Europe prompted infrastructure investments such as HVAC capacity increases, relocation of climate-testing chambers, and enhanced ventilation systems to maintain safe working conditions and protect product-testing integrity.

KGS reinforces this approach through after-action reviews and continuous-improvement programs, ensuring lessons learned inform capital planning and future preparedness. The *Global No-Surprise Communication* process enables leadership to track events, assign corrective actions, and verify completion.

Monthly Operations Reviews (MORs) provide a governance forum to review operational performance and mitigate risk, across safety, quality, financial performance, environmental compliance, and energy and utility usage, linking climate-related issues directly to business oversight. This forum enhances our ability to navigate transition risks while capturing opportunities associated with the global shift toward low-carbon, resource-efficient operations.

- **Policy and Regulation:** The tracking of new climate-related regulations such as California SB 261, and the EU CSRD are monitored through the ESG Committee and EHS governance processes. This oversight enables emerging requirements to be reviewed, resourced, and communicated across business units.
- **Technology and Market:** Adoption of lower-emission and energy-efficient technologies presents both risks and opportunities. KGS has implemented energy- and material-efficiency projects—including LED retrofits, high-efficiency HVAC systems, compressor upgrades, and packaging optimization—that reduce emissions and resource use while improving competitiveness. Product innovation focused on reduced-current designs, lower chemical use, and recyclable materials aligns with growing customer demand for sustainable, high-performance safety solutions in the building-safety and industrial-equipment sectors. In parallel, potential cost impacts from energy-price volatility and carbon-intensity changes could influence manufacturing and logistics costs.
- **Reputation and Stakeholder Trust:** Strong governance, ISO 14001/45001-certified management systems, and transparent ESG disclosures reinforce credibility with customers, investors, and regulators. Demonstrating measurable progress on energy, waste, and GHG-reduction goals supports customer retention, market access, and brand reputation, positioning KGS as a trusted leader in life-safety and sustainability.

Through these combined mechanisms, third-party climate-risk modeling, EAPs, MORs, FM Essential assessments, and the ERM framework, KGS maintains a consistent, auditable process for identifying, assessing, and managing climate-related risks across its global operations.

METRICS AND TARGETS

KGS monitors environmental and operational performance indicators that provide insight into its exposure to, and management of, climate-related risks. These metrics are reviewed through established business processes and inform decisions to reduce risk, improve resilience, and support long-term operational reliability.

Metrics Used to Assess Climate-Related Risks

Metrics are integrated into regular MORs to mitigate operational risks. These reviews include detailed action plans to measure and track risks and support continuous improvement. Within the EHS MOR process, sites report detailed action plans to measure and evaluate the following metrics to promote accountability and proactive management of both operational and climate-related risks.

- Energy consumption and intensity,
- Scope 1 and Scope 2 Greenhouse gas (GHG) emissions,
- Water and utility usage, and
- Unplanned downtime or operational impacts associated with severe weather or environmental events.

These metrics are reviewed at minimum quarterly to evaluate performance trends, identify corrective actions, and drive site-level improvements. Findings are integrated into ESG Committee reviews and Board discussions to ensure metrics are considered alongside broader business performance.

Targets to Manage and Reduce Climate-Related Risks

KGS continues to refine its climate-related performance targets as data quality, systems, and oversight processes mature. Our short-term focus is on establishing baselines for energy and GHG performance to support the development of measurable, time-bound goals. Key efforts include improving energy and emissions data capture, aligning operational KPIs with enterprise sustainability objectives, and integrating climate-related metrics into business reviews.

The ESG Committee oversees the evaluation of potential future targets related to GHG emissions, energy efficiency, and operational resilience. These targets will be informed by regulatory developments, customer expectations, and the results of ongoing facility-level risk assessments and improvement initiatives.

KGS also tracks insurance and risk-transfer metrics related to weather and property coverage, using information from FM Essential assessments and other external reviews to monitor exposure trends. These data sets help quantify financial exposure to climate-related events and inform mitigation priorities.

Together, these metrics and targets inform ongoing operational decisions, risk-mitigation planning, and future sustainability goal-setting across KGS' facilities.

Looking Ahead

NEXT STEPS

We are committed to three actions over the next two years.



Develop actionable sustainability and climate initiatives, building on our current progress.

Continue strengthening ESG Committee oversight of climate risks, disclosures, and performance monitoring.

Expand the collection, monitoring, and reporting of ESG data to promote consistency, reliability, and accountability.

COMMITMENT TO TRANSPARENCY

Kidde Global Solutions is committed to clear and consistent disclosure of our climate-related risks, opportunities, and performance. By aligning with the TCFD framework, we strive to provide stakeholders with transparent, decision-useful information that reflects both our progress today and our path toward a resilient, sustainable future.

