ACUREN

SB 261 Report

Climate-Related Financial Risk Disclosure Report

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INTRODUCTION

This Climate-Related Financial Risk Disclosure Report, prepared in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the requirements of California Senate Bill 261 (SB 261), reflects Acuren's commitment to transparency regarding climate-related risks and opportunities. As a leading provider of tech-enabled engineering, testing, inspection, and consulting solutions, Acuren's core mission is to ensure the integrity, safety, and operational longevity of critical infrastructure assets in the built environment. Our business is intrinsically linked to the effects of climate change; the increasing frequency and intensity of extreme weather events directly expose our clients' assets—and consequently, our project demand—to material risk. Conversely, the rising global necessity for resilient infrastructure, utility hardening, and energy transition presents significant long-term growth opportunities for our specialized services. This report details our current governance structures, strategies, risk management processes, and key metrics used to address the financial implications of climate change across our value chain and time horizons.

TIME HORIZONS FOR ASSESSMENT:

- **Short Term:** 1 year (Focus: Operational interruption, insurance costs, immediate storm response).
- **Medium Term:** 3–5 years (Focus: Regulatory shifts, service line investment/re-balancing, client decarbonization mandates).
- **Long Term:** 5+ years (Focus: Strategic market positioning, infrastructure adaptation, technological obsolescence).

1. Governance

A.1 Board Oversight of Climate Related Risks and Opportunities

Oversight of climate-related financial risks and opportunities is vested in the Acuren Board of Directors. The board meets quarterly and will review climate-related issues and reporting on an annual basis.

A.2 Management's Role in Assessing and Managing Climate Related Risks and Opportunities

Management's commitment to sustainability is driven by an integrated approach:

- **Executive Accountability:** Sustainability is formally owned by the Chief Human Resources Officer (CHRO) at the executive level, demonstrating a core commitment to employee safety and social risk management.
- **Reporting Structure:** All ESG and climate-related reporting is centrally managed by the Senior HR Business Partner, Corporate, who acts as the project lead. This central role ensures accountability and crossfunctional alignment.
- **Data Collection & Analysis:** The internal process for identifying and assessing non-financial risks involves annual data collection and analysis facilitated by external partners (e.g., Tablecloth). This process draws detailed inputs from multiple functions, including: QHSE (Safety, Waste Management), IT (Cybersecurity), Asset Management (Fuel Data), Operations (Project-related data), Legal/HR (Ethics and compliance), andFinance (Financial data, real estate). The analysis informs the Annual Sustainability Report and is shared with management to guide risk mitigation and strategy.

2. Strategy

B.1. Climate-Related Risks Identified

Acuren's risk profile is dominated by **client asset exposure** in key operational geographies:

Assessment of Acuren's Locations vs. Client Assets

Acuren has assessed its total portfolio of 132 locations. The majority of these locations are considered **Low Criticality** due to the company's strong capacity to transition employees to a remote work environment, ensuring business continuity. Of the total locations, only **6** were identified with a high critical score. These 6 locations, which represent 1,910 employees out of the company's total workforce of over 6,500, are primarily offices, and 4 are owned with a total book value of approximately $8 million USD. Consequently, the direct financial risk to Acuren's **owned physical assets** is considered low.

The material financial risk lies in the disruption of **client infrastructure** in concentrated high-workload regions.

Risk Category	Key Material Risk	Geographic/Market Exposure	Strategic Financial Impact (Time Horizon)
Physical Risks*	**Acute Weather Disruption**	**Gulf Coast (TX, LA):** Hurricanes, flooding, and power outages (e.g., Storm Enzo). **Fort McMurray, AB, Canada:** Wildfires and extreme cold conditions.	**ShortTerm (1 yr):** Immediate cessation of inspection work, leading to lost revenue and increased OPEX (e.g., non-billable staff time, equipment stand-by).
	Chronic Weather Impacts	**Kentucky/Ohio Area:** Unexpected winter conditions, severe storms. Global regions where high heat or drought compromise utility function.	**MediumTerm (3-5 yrs):** Potential increase in insurance premiums, and higher ongoing costs for safety and logistical planning.

Transition Risks	**Policy & Regulatory Roadblocks**	U.S. and Canadian markets subject to new permitting, building codes, or regulatory friction.	**Short to Medium Term:** Any regulatory restriction or delay in building or expanding infrastructure directly reduces Acuren's addressable market and revenue base.
	Market Shift (Subsidy Volatility)	Renewable Energy sector (Wind/Solar).	**MediumTerm (3-5 yrs):** A decrease or withdrawal of subsidies could impact client investment decisions, dampening demand for Acuren's specialized renewable energy services.

	Client Reporting Mandates	Major corporate clients require vendor sustainability/emissions data (e.g., EcoVadis/Scope 3 disclosure).	**ShortTerm:** Requires investment in new internal data collection and reporting systems. Failure to comply could lead to competitive disadvantage and loss of major contracts.

Acuren's physical risk assessment is scoped to client infrastructure only, as the financial risk associated with the company's own assets was determined to be immaterial due to low book value and high remote work capacity. The physical risk data used for this assessment, including flood and wildfire vulnerability, was sourced from **FEMA (Federal Emergency Management Agency) data.*

B.2. Impact of Risks and Opportunities on Business Strategy

Acuren's strategy leverages its core capabilities to capitalize on climate-driven demand:

- **Adaptation & Response Work:** Extreme or negative weather events generate work, including storm response type work, winterizing wind turbines, and ice/snow mitigation. This includes leveraging advanced solutions like Rope Access and Nondestructive Testing (NDT) to safeguard assets.
- **Emissions Mitigation as Service:** Acuren actively supports clients in reducing their own greenhouse gas emissions by identifying and repairing leaks in industrial systems through its facilities and piping management programs.
- **Operational Decarbonization Advantage:** Services like Rope Access offer a direct, quantifiable climate benefit by replacing traditional steel scaffolding, resulting in an average reduction of 5,400 kg of CO_2 per project.
- **Competitive Advantage:** The company's core services of integrity and inspection are critical for extending asset lifespan and reducing failure risks, making Acuren an essential partner in responsible stewardship of critical infrastructure.

B.3. Resilience of Strategy (Qualitative)

The business model is resilient because its services are non-discretionary and required across different climate scenarios. The ability to re-balance services across markets and the intrinsic link between safety/integrity and sustainability allows Acuren to thrive in both futures: one with high physical impact (driving demand for storm response) and one with high transition ambition (driving demand for renewable energy services and leak detection).

3. Risk Management

C.1. & C.3. Integration with Enterprise Risk Management (ERM)

Acuren's processes for identifying, assessing, and managing climate-related risk are integrated into the core business through the **Integrated Management System (IMS)**, which aligns with **ISO 45001** (Occupational Health and Safety). Climate risk is managed under the comprehensive **QHSE (Quality, Health, Safety, and Environment)** framework, ensuring environmental and safety factors influence all operational decisions. Risk management is viewed as a key strategic component of the IMS, designed to prevent or reduce undesired effects and exploit available opportunities.

FORMAL INTEGRATION AND ASSESSMENT

- **Financial Risk Tracking:** Acuren has established a forward-looking process, **the Abnormal Weather Event Financial Impact Assessment Policy**, to quantify and report the operational financial impacts of climaterelated weather events. This process involves the Regional Controller to gather data and the Corporate Finance team for final validation against EBITDA and cash flow metrics. Acuren has not experienced a single climate event requiring an insurance payout to date.
- **Project Level Assessment (Pre-Job):** Risk identification is operationalized through Pre-Job Safety Assessments and Job Hazard Analyses. This process explicitly includes evaluating risks such as exposure to extreme temperatures (Heat/Cold) and other physical hazards before work authorization is granted.
- **Environmental Oversight:** The IMS mandates the development of a Site-Specific Environmental Compliance Plan (S-SECP) for high-risk operations to manage potential impacts.
- **External Compliance:** The EcoVadis Assessment and the multi-functional data collection provide the formal mechanism for continuously monitoring and disclosing climate and ESG performance to clients, integrating compliance directly into business development.
- **Disruption Management:** Risk controls are underpinned by Acuren's Life Saving Rules (e.g., Working at Height, Confined Space) which provide non-negotiable protocols for employee safety in hazardous environments. The organization recognizes the necessity of formalizing its approach to major disruptions and is actively working toward developing a comprehensive Disaster Recovery / Business Continuity Plan.

C.2. Specific Mitigation & Adaptation Procedures

Acuren implements specific, non-discretionary controls to manage identified acute physical risks and environmental obligations:

- **Physical Risk Mitigation:** Field teams are governed by the Pre-Job Safety Assessment process, which includes mandatory checks for hazards like extreme temperatures to protect personnel and prevent operational disruption (e.g., heat-related shutdowns). Furthermore, Acuren supports customer adaptation goals by aiding in the retrofitting and conversion efforts of foundational energy assets.
- **Operational Emissions and Waste Reduction:** Mitigation efforts target the company's internal footprint and client processes:
  - **Fleet:** Implementing the Vehicle Right-Sizing Initiative to reduce fuel consumption and increase fleet efficiency.
  - **Process (Emissions & Safety):** Deployment of specialized services like Rope Access, which minimizes environmental disruption and reduces CO2 emissions compared to traditional scaffolding (by an average of 5,400 kg of C O2 per project).
  - **Waste Management:** Procedures are in place for the management, recycling, and disposal of hazardous waste. Proactive mitigation includes:
    - **Chemical Processing:** In 2025, installation of chemical processing systems in U.S. operations to remove silver and balance pH, rendering those streams free of hazardous chemicals, which reduces hauling and storage requirements.
    - **Radiography Transition:** Advancing the use of Digital Radiography (DR/CR) methods in lieu of wet film radiography, which significantly reduces chemical waste streams and can reduce the radiation required by 80% or more.

4. Metrics & Targets

D.1 Metrics Used to Assess Climate-Related Risks and Opportunities

OPERATIONAL & ENVIRONMENTAL METRICS

To effectively measure the company's exposure to climate-related risk, the following operational and environmental metrics are tracked annually. These metrics are critical for assessing performance against reduction targets and evaluating the effectiveness of adaptation strategies.

These metrics follow operational control boundaries and are reported annually, covering the full calendar year (January 1st through December 31st).

Metric	Units	2024 Value	Notes
Scope 1 GHG Emissions	Tonnes of CO2 equivalent	30,184	Primarily driven by vehicle fuel usage.
Scope 2 GHG Emissions	Tonnes of CO2 equivalent	4,482	Location based value based on purchased electricity at each company location.

Metric	Units	2024 Value	Notes
Emissions Intensity	Tonnes of CO2 equivalent per employee	5.5	Calculated using total Scope 1 and Scope 2 emissions, divided by the average headcount for the year. Value was 5.4 in 2021, so the value has not changed significantly since it has been tracked.
Total Energy Usage	MWh	133,933	Primarily driven by vehicle fuel usage.
Percent Renewable Energy	Percent	1. 9 %	Overall low percentage because most energy usage is for vehicle fuels. Renewable energy usage is based on location and grid mix for purchased electricity. The company does not currently have on-site renewable energy generation.

STRATEGY, RISK, AND PERFORMANCE METRICS

Metric	Units	Value	Notes
Estimated Revenue Impact from Abnormal Weather	USD (Millions)	$2.5M	**Event:** Winter Storm Enzo (Jan 2025)

Metric	Units	Value	Notes
Estimated EBITDA Impact from Abnormal Weather	***USD (Millions)***	$0.38M	**Event:** Winter Storm Enzo (Jan 2025)
Climate Opportunity Revenue Tracking	% of Total Revenue	NA	Measuring revenue from climate related incidents is **currently under discussion**.

D.2 Targets Used to Manage Climate-Related Risks and Opportunities

- **Operational Target:** Acuren implemented the Vehicle Right-Sizing Initiative primarily to drive a pricing reduction. The data collected during 2026 will be analyzed for subsequent changes in fuel consumption and will inform strategic decisions on future operational efficiency initiatives that may reduce operational emissions.
- **Formal Targets:** Formal targets are currently in process of being set, focused on emissions reduction by FTE based on the vehicle right -sizing program. (Formal targets do not yet exist.)

5. Conclusion

Acuren's inaugural SB 261 TCFD disclosure confirms that climate risk is managed as a material operational and strategic factor within the organization's established IMS. Our strategy demonstrates intrinsic resilience, as ourspecialized services are vital for both mitigating operational impacts and enabling the long-term energy transition for our clients.

As a first-year reporter, Acuren acknowledges the need for continuous improvement in data granularity. To ensure full alignment with TCFD recommendations in the next biennial cycle (2028), Acuren is prioritizing the development of robust internal processes for quantifying the financial costs of physical risks and plans to conduct a quantitative scenario analysis to model the resilience of its strategy against various climate futures. This methodical, data-driven approach will ensure that Acuren continues to provide reliable, transparent, and decisionuseful information to its stakeholders.

References and Supporting Documentation

Document Type	Specific Document Name(s)	Relevance to this Report
Public Disclosure	Acuren Annual Sustainability Report (2023, 2024)	Source for all disclosed GHG Emissions (Scope 1 & 2) and Safety/TRIR Metrics (Pillar D). Metrics data collected and verified by ESG vendor, Tablecloth.
Risk Management	Integrated Management System (IMS) Manual (ACU IMS-22M001)	Defines the foundational QHSE and ERM Integration Framework and operational risk management philosophy (Pillar C).
Operational Control	CANSMS10F002 Pre Job Safety Assessment & SWP 46	Provides evidence of operational risk management protocols, including mandatory assessment of extreme temperatures at the job site (Pillar C.2).
Physical Risk Data	FEMA (Federal Emergency Management Agency) Data	External data source used to identify and map the material physical risks (Wildfire, Flooding) across key client geographies (Pillar B.1).

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