

CLIMATE-RELATED FINANCIAL RISK DISCLOSURE 2025

PREPARED PURSUANT TO CALIFORNIA CLIMATE-DISCLOSURE LAW (SB 261)



GILLIG'S VISION IS TO IMPROVE QUALITY OF LIFE THROUGH TRANSFORMATIONAL MASS TRANSIT SOLUTIONS.

We believe that understanding and addressing climate-related financial risks is **essential to building a resilient future**—for our business, our customers, and the communities we serve.

In alignment with **California's Climate-Related Financial Risk Disclosure requirements** (SB 261, as amended by SB 219), this report includes:

1. An assessment of climate-related financial risks, following the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)** Final Report (June 2017), and
2. The measures we have adopted to reduce and adapt to those risks.

Consistent with GILLIG's focus on **continuous improvement**, we will build on this work by enhancing the depth and clarity of our TCFD disclosures in future reports.

Note: As a privately held company, GILLIG does not release general-purpose financial statements. The information provided here is solely intended to fulfill California's climate-risk disclosure requirements. See Page 7 for full legal disclosure.

GOVERNANCE

The organization's governance around climate-related risks and opportunities

TCFD DISCLOSURE RECOMMENDATION

a) Board's oversight of climate-related risks and opportunities

GILLIG DISCLOSURE

GILLIG's Board of Directors reviews climate-related risks and opportunities at least annually as part of the company's strategic planning and enterprise risk management process.

Senior management presents climate-related topics, including regulatory developments, product portfolio implications, and operational considerations, during scheduled board meetings. These discussions inform long-term strategy, resource allocation, and capital planning decisions.



GOVERNANCE, CONT.

The organization's governance around climate-related risks and opportunities

TCFD DISCLOSURE RECOMMENDATION

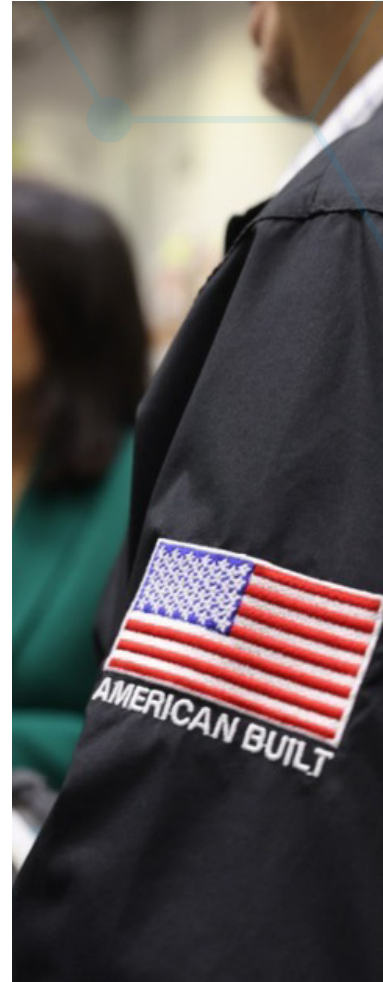
b) Management's role in assessing and managing climate-related risks and opportunities

GILLIG DISCLOSURE

Climate-related risk management at GILLIG is led by the senior management team and supported by leaders from Continuous Improvement, Operations, Engineering, Manufacturing, Marketing, Supply Chain, and Product Planning. This enterprise-wide approach enables climate considerations to be embedded into product development, facility operations, and supply chain decisions.

Our GILLIG Green Champions play a central role in this work. This cross-functional cohort meets bi-monthly to advance GILLIG's climate-related programs and initiatives. They receive ongoing training through our ownership's advisory sustainability program and sister-company network, aligning their efforts with broader enterprise objectives.

Progress is reviewed with the President & CEO during leadership planning cycles. Externally, this document represents our inaugural disclosure with interim updates provided biannually.



STRATEGY

The actual and potential impacts of climate related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

TCFD DISCLOSURE RECOMMENDATION

a) The climate-related risks and opportunities the organization has identified over the short, medium, and long term

GILLIG DISCLOSURE

GILLIG evaluates climate-related risks and opportunities across short-term (<2 years), medium-term (2–5 years), and long-term (>5 years) horizons.

Financial materiality is assessed using quantitative analysis where available, supplemented by qualitative considerations such as operational significance and regulatory exposure. See Risk Matrix on page 3.



RISK MATRIX

RISK TYPE & TIME HORIZON	RISK DESCRIPTION & IMPACT ON BUSINESS	RISK MITIGATION
<p>TRANSITION RISK: TECHNOLOGY</p> <p>TIME HORIZON: MEDIUM TO LONG-TERM</p>	<p>The shift away from traditional internal combustion engine (ICE) transportation toward alternative vehicle power systems is accelerating, but technical challenges - like fueling infrastructure—will influence the pace of change and in turn customer expectations and OEM investment priorities. This expands the role of the OEM to provide fact-based expertise and support to customers, transit agencies, and broader stakeholders.</p>	<p>GILLIG continues to advance product performance across Clean Diesel, Compressed Natural Gas (CNG), Hybrid Electric, and Battery Electric buses, while also investing in the development of hydrogen fuel-cell bus.</p> <p>Across all propulsion systems, GILLIG is committed to long-term durability, engineered to deliver a minimum service life of 12 years.</p>
<p>TRANSITION RISK: MARKET & REGULATORY</p> <p>TIME HORIZON: SHORT TO MEDIUM-TERM</p>	<p>Shifts in energy policy impact government incentives and introduce uncertainty in public transit funding. As a result, zero-emission bus cost-benefit analyses change and the public perception of the investment value may change.</p> <p>Together, these dynamics directly affect agency purchasing decisions, the pace of fleet transitions, and what types of vehicles are ultimately procured.</p>	<p>GILLIG manages this risk through a multi-pronged approach: maintaining a diverse propulsion portfolio to provide agencies with flexible options; advancing next-generation vehicle designs that reduce fuel consumption; and actively engaging with policymakers and stakeholders at local, state, and federal levels to inform funding discussions and demonstrate the viability of our solutions.</p>
<p>PHYSICAL RISK: OUR FACILITIES</p> <p>TIME HORIZON: SHORT TO LONG-TERM</p>	<p>Third-party climate risk analysis indicates that GILLIG's California facilities are located in areas facing chronic water stress and drought risk, with moderate wildfire exposure. Acute risks such as flooding, extreme precipitation, and wind are assessed as negligible to low.</p> <p>Heatwaves are projected to become more frequent, which could affect workforce productivity. A detailed summary of facility-specific risks is provided in the accompanying chart. See Physical Risk Array.</p>	<p>GILLIG incorporates resilience measures into facility planning. In 2017, we invested in a new manufacturing facility with water-efficiency and cooling systems to reduce exposure to heat and water stress. Ongoing facility assessments will continue to inform investments in resilience features as risks evolve.</p> <p>Note: Due to the timing of its acquisition, the Loveland, CO site has not yet been evaluated and will be included in future risk reporting.</p>

RISK MATRIX, CONT.

RISK TYPE & TIME HORIZON	RISK DESCRIPTION & IMPACT ON BUSINESS	RISK MITIGATION
PHYSICAL RISK: SUPPLIERS TIME HORIZON: SHORT TO LONG-TERM	<p>Extreme weather events (e.g., wildfires, hurricanes) as well as changing weather patterns (e.g., heat waves, droughts) may disrupt transportation routes or the operations of key suppliers.</p> <p>These disruptions can affect the availability of components, extend lead times, and increase costs, particularly where multiple manufacturers rely on the same lower-tier suppliers.</p>	<p>GILLIG proactively manages supplier risk through multi-tier assessments and strategic diversification. We identify shared lower-tier suppliers to avoid concentration risk, evaluate climate-related vulnerabilities in our supply chain, and maintain optionality across sourcing arrangements.</p> <p>In addition, GILLIG engages in ongoing dialogue with suppliers to encourage resilience planning, and monitors potential disruption signals to adjust procurement strategies as needed.</p>

PHYSICAL RISK ARRAY: 4.4° CELSIUS SCENARIO ANALYSIS

	LIVERMORE, CA			HAYWARD, CA		
	2020	2030	2050	2020	2030	2050
DROUGHT <small>TOTAL WATER STRESS (DEMAND/SUPPLY)</small>	1.92	2.1	1.9	1.92	2.1	1.9
WILDFIRE <small>ANNUAL % PROBABILITY</small>	.21%	.214%	.218%	.03%	.033%	.034%
EXTREME HEAT <small>ANNUAL DAYS ABOVE 35° C (95° F)</small>	25	28	35	3	4	6
EXTREME COLD <small>ANNUAL DAYS BELOW 0° C (32° F)</small>	4	3	2	2	2	1
FLOOD <small>SEA LEVEL RISE (M)</small>	0	0	0	0	0	0

Analysis covers locations of GILLIG's HQ & Manufacturing Plant (Livermore, CA) and Parts office & warehouse (Hayward, CA). Leased office space and technology center not separately analyzed for inaugural report.

STRATEGY, CONT.

The actual and potential impacts of climate related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

TCFD DISCLOSURE RECOMMENDATION

b) The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

c) the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.

GILLIG DISCLOSURE

GILLIG's analysis of climate-related risks and opportunities informs strategy and financial planning, anchored in our vision to improve quality of life through transformative mass transit solutions.

With resiliency as a guiding principle, R&D investments maintain propulsion diversity (Clean Diesel, Compressed Natural Gas, Hybrid Electric, and zero-emission solutions such as Battery Electric) to help customers meet evolving regulations, infrastructure readiness, and community needs. Climate risk reviews support strategic supplier diversification and resilience planning to reduce vulnerability to disruptions. Compliance costs, regulatory requirements, and incentives are factored into long-term planning, product development, and pricing.

By integrating these elements, GILLIG strengthens its ability to withstand transition and physical risks while staying true to its vision and supporting the growing demand for sustainable transit solutions.

For GILLIG, transition and physical risks do not vary significantly between low- and high-temperature change scenarios. Our risk mitigation strategies are therefore designed to strengthen resilience across multiple futures.

Across all evaluated climate scenarios, GILLIG sees clear value in prioritizing mitigation strategies for long-term adaptability, including but not limited to continued investment in R&D and proactive supplier evaluation



RISK MANAGEMENT

How the organization identifies, assesses, and manages climate-related risks

TCFD DISCLOSURE RECOMMENDATION

GILLIG DISCLOSURE

a) The organization's processes for identifying and assessing climate-related risks

For physical risk, GILLIG uses third-party climate risk analysis to understand how extreme weather and long-term climate trends could impact our operations, assets, and communities. Analyses are conducted considering various warming scenarios at 1.8, 2.7, and 4.4 degrees C above pre-industrial levels (aligned with scenarios SSP1/RCP2.6, SSP2/RCP4.5, and SSP5/RCP8.5). The software outputs risk scores per facility, then our risk and operations teams discuss and determine which risks are a priority to address.

For transitional risks and opportunities, GILLIG monitors and analyzes regulatory updates, technological advancements, and market insights, including via direct engagement with customers.

b) The organization's processes for managing climate-related risks

GILLIG's cross-functional sustainability team collaborates with ownership's risk advisors to assess and communicate climate-related risks and opportunities to functional leaders. These leaders are expected to integrate climate risk considerations into their team's planning and operations, reinforcing a culture of shared accountability.

Current priorities include addressing the impacts of heat on workforce health and productivity, supporting business continuity, and aligning engineering innovation with evolving customer expectations.

c) How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

GILLIG views climate-related risk management as part of building a customer- and future-focused culture. Climate risks are identified and assessed through enterprise risk processes that include cross-functional reviews, third-party climate analytics, and engagement with ownership's risk advisors. These processes enable climate related risks to be considered alongside operational, financial, and strategic risks.

Recognizing our unique role in supporting public transit agencies, GILLIG also integrates climate considerations into customer engagement. We offer tailored scenario analyses of greenhouse gas emissions across the lifecycle of bus fleets, helping agencies evaluate options and align with long-term sustainability goals. This dual approach—internal risk evaluation and external customer partnership—means climate-related risks and opportunities are embedded into our overall risk management framework.

METRICS & TARGETS

The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

TCFD DISCLOSURE RECOMMENDATION

GILLIG DISCLOSURE

a) Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

GILLIG is advancing the development of specific metrics to better assess material climate-related risks and opportunities, in a manner that best integrates with existing strategy and risk management processes.

b) Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

GILLIG tracks its Scope 1, 2, and 3 emissions annually. For Scope 3 emissions, all relevant categories are included, using a combination of mass-based and economic-based analysis approaches. These efforts support a better understanding of the company's environmental footprint and help identify opportunities for improvement.

c) Targets used by the organization to manage climate-related risks and opportunities and performance against targets

GILLIG has not established targets to manage climate-related risks and opportunities, nor performance against targets.

LEGAL DISCLOSURE

Forward-looking statements represent our current judgment about possible future events. In making these statements, we rely upon assumptions and analysis based on our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we consider appropriate under the circumstances.

We believe these judgments are reasonable, but these statements are not guarantees of any future events or financial results. We caution readers not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other factors that affect the subject of these statements, except where we are expressly required to do so by law.