Air Methods - TCFD-Aligned Climate Disclosure (CARB SB-261)

GENERAL

Air Methods, LLC ("Air Methods" or "the Company") is a national air medical service provider offering emergency air transport, critical-care response, and patient transfer services through a network of aircraft bases and hospital partnerships across the United States, including multiple operations in California. Founded in 1980 and headquartered in Greenwood Village, Colorado, Air Methods operates a fleet of helicopters and fixed-wing aircraft and provides emergency air medical transport services in both rural and metropolitan regions.

We have elected to disclose climate-related financial risks in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD, June 2017), which is an approved framework under SB-261, administered by the California Air Resources Board (CARB). This report is Air Methods' first climate-related financial risk disclosure.

As the Company is in the early stages of developing formal climate governance and data processes, certain TCFD recommended disclosures—such as quantitative scenario analysis, climate-related metrics, and Scope 1–3 emissions reporting—are not yet established. We anticipate building processes and expand disclosures over time, with an emphasis on strengthening governance practices, further integrating climate considerations into enterprise risk management, and improving to the availability of environmental data.

GOVERNANCE

Air Methods maintains an established corporate governance structure supported by clear leadership roles, defined accountability mechanisms, and coordinated enterprise-wide decision-making. Our Company operates under a centralized leadership model led by the Chief Executive Officer and an Executive Leadership Team responsible for oversight of strategic direction, financial stewardship, and overall organizational performance. In alignment with evolving regulatory expectations, we are placing increased attention on climate-related matters in response to California's climate-risk disclosure requirements. This focus is helping the company strengthen cross-functional coordination and build a stronger foundation for climate-related governance.

Board Oversight of Climate-Related Risks and Opportunities

At the Board level, climate topics have started to receive increased attention, particularly within the Audit Committee. While a formal, recurring oversight process is still being established, the growing focus on climate and ESG matters reflects the Board's responsiveness to evolving regulatory requirements. While climate and ESG responsibilities are not yet formally reflected in committee charters, the Board, executive leadership, and cross-functional management groups have begun assuming a broader role in overseeing climate-related considerations, risk assessments, and progress toward resilience and performance objectives.

Management Oversight of Climate-Related Risks and Opportunities

Senior leaders across the organization are now actively engaged in climate-related matters. Executive leadership (CEO, General Counsel), senior operational leaders (EVPs), financial leaders (CFO & Controller), and teams across Legal, Compliance, and Risk all participate in climate-related discussions and contribute collectively to evaluating the associated organizational implications.

Operational and service-delivery leaders—including supply chain, facilities, and aviation safety—have started providing inputs on physical and operational climate risks. Technology teams have begun supporting these efforts as climate considerations touch core systems and data needs. From a workforce standpoint, the senior HR leader has started contributing insights as climate-related issues begin intersecting with employee safety, training, and organizational resilience.

Although climate-related responsibilities have not yet been formalized within existing governance framework, internal engagement already extends across multiple functions. The Company is planning to formalize these responsibilities and enhance climate-related oversight, underscoring its commitment to a more robust and forward-looking governance approach.

STRATEGY

Air Methods has completed its first climate-related risk and opportunity assessment as part of its SB-261 response, providing an initial view of how climate-related factors intersect with the Company's operations, financial planning, and long-term service delivery. Although a fully defined climate strategy is still evolving, this assessment offers preliminary insights into the potential risks and opportunities that may influence operational resilience across short-, medium-, and long-term time horizons.

Identification of Climate-Related Risks and Opportunities over the short, medium, and long term and Impact of climate- related risks and opportunities on the organization's operations, strategy, and financial planning

As part of the initial climate risk assessment aligned with the TCFD framework, a qualitative four-step methodology was employed to identify, evaluate, and validate climate-related risks and opportunities:

Step 1: Define potential risks and opportunities using industry peer benchmarking and cross-sector climate risk research.
Step 2: Assess risks and opportunities through a climate-impact survey and educational workshop, including qualitative scoring of likelihood, impact, and applicable time horizons.
Step 3: Validate the risks and opportunities by considering qualitative scoring and geographic analysis.
Step 4: Summarize risks and opportunities across short-, medium-, and long-term time horizons.

To support this process, three defined rating dimensions were incorporated in alignment with the Company's Enterprise Risk Management methodology: likelihood of loss (Remote, Occasional, Probable, Almost Certain, impact of a potential loss (Negligible, Marginal, Significant), and time horizon (Short-term <5 years, Medium-term 5–10 years, Long-term >10 years). These ratings were aggregated to develop Air Methods' initial climate-risk profile. Most items reflected a remote likelihood of occurrence, a negligible or marginal potential impact, and varied time horizons based on the nature of the risk or opportunity. Based on the risk and opportunity assessment, Air Methods does not identify any climate-related risks as material at this stage.

Table: Climate related risks and opportunities for Air Methods along with the impact on Operations, Strategy and Financial Planning

Risk	Criteria	Description	Outcomes
Physical - Acute	**Increased severity of extreme weather events**	Hurricanes, hail, wildfires, and power outages may disrupt flight dispatch, damage hangars or bases, or block access to hospital helipads, while short-term events such as heatwaves or grid failures may affect fueling, communication, and mission readiness. These events may result in higher operating costs for base repairs, backup power, and cancelled flights, lost revenue from grounded aircraft, and increased insurance premiums and replacement expenses.	Likelihood: Probable Time horizon: Short-Term Impact of potential loss: Marginal
Physical - Chronic	**Changes in precipitation patterns and extreme variability in weather patterns**	Rising temperatures may reduce lift and fuel efficiency; recurring droughts may increase wildfire risk; long-term strain on power grids may affect energy reliability; and sea-level rise may threaten coastal bases or partner hospital helipads. These conditions may lead to higher maintenance and upgrade costs, increased energy and insurance expenses, and recurring investments in infrastructure protection or relocation from high-risk areas.	Likelihood: Remote Time horizon: Short-Term Impact of potential loss: Marginal
Policy and Legal	**Enhanced emissions reporting obligations**	New or emerging climate regulations (such as California SB 253/261 or Hawaii's "Green Fee" program) may require emissions tracking, ESG reporting, or preparation for future electric or hybrid aircraft. These requirements may lead to upfront investments in new reporting systems, ongoing compliance and reporting costs, and potential fines or contract limitations in cases of non-compliance.	Likelihood: Remote Time horizon: Short-Term Impact of potential loss: Marginal
Techno-logy	**Costs to transition to lower emissions technology**	Slow adoption of hybrid-electric aircraft or sustainable aviation fuel (SAF) may leave the fleet less competitive as hospitals and partners move toward low-carbon options. This may require significant investment in future technology upgrades, create potential loss of value in older helicopters, and delay returns on new technology investments.	Likelihood: Remote Time horizon: Long-Term Impact of potential loss: Significant

Market	**Changing preferences in client behavior**	Hospital networks may begin prioritizing air operators with lower emissions or climate-aligned services, and carbon-based budgets may influence future contract terms or renewals. These dynamics may create risks of contract losses or lower-margin renewals, fewer mission requests, and short-term revenue declines.	Likelihood: Remote Time horizon: Long-Term Impact of potential loss: Negligible
Reputation	**Costs of talent attraction and retention**	Limited action on climate resilience or ESG disclosure may weaken Air Methods' reputation with hospitals, regulators, or investors. This may result in contract risks, reduced investor or insurer confidence, and potential impacts to brand value.	Likelihood: Remote Time horizon: Medium-Term Impact of potential loss: Negligible

Opportunity	Criteria	Description	Outcomes
Resource Efficiency	**Opportunity of decrease operational cost**	Installing solar panels, LED lighting, and energy-monitoring systems at bases may reduce power use and improve resilience during outages. These upgrades may lower utility costs and generate long-term savings through reduced energy consumption.	Likelihood: Remote Time horizon: Medium-Term Impact of potential loss: Negligible
Market	**New business opportunities**	Building bases ready for sustainable aviation fuel (SAF), publishing GHG data, and partnering with climate-focused hospital networks may create a competitive advantage. These efforts may support additional contract wins, opportunities for premium pricing, and improved access to sustainability-linked financing.	Likelihood: Remote Time horizon: Long-Term Impact of potential loss: Negligible
Market	**Sustainability criteria in vendor selection**	Partnering with eco-certified fuel, parts, and equipment suppliers may improve reliability during climate-related disruptions. These partnerships may support more stable input costs, fewer supply interruptions, and potential long-term cost savings.	Likelihood: Remote Time horizon: Short-Term Impact of potential loss: Negligible
Reputation	**Enhancement of brand reputation,**	Creating a clear sustainability roadmap, prioritizing crew safety and wellness, and collaborating with hospitals on climate adaptation efforts may strengthen	Likelihood: Remote Time horizon: Short-Term

	improved employee engagement, and stronger talent retention.	hospital relationships, improve contract retention, and build greater trust with investors and insurers.	Impact of potential loss: Negligible

Climate Resilience

The TCFD framework defines resilience as an organization's ability to anticipate, prepare for, respond to, and adapt to both physical and transition-related climate risks. For Air Methods, resilience reflects the capability to maintain safe, reliable air medical operations, safeguard aircraft and facilities, and support financial and operational continuity in the face of climate-driven disruptions. It represents a proactive approach to managing uncertainty and sustaining mission readiness over the long term.

Physical Climate Risk Resilience

Air Methods maintains comprehensive processes designed to promote operational continuity during physical climate-related events. The Company's Business Continuity and Emergency Preparedness procedures outline defined roles and responsibilities, evacuation protocols, fleet protection measures, and communication procedures to support operations during severe weather, natural disasters, power outages, or other emergency conditions. These procedures are complemented by site-specific response plans across bases, hangars, and dispatch centers.

Operational infrastructure is supported by a range of controls—including backup power systems, fire detection and suppression, emergency lighting, facility maintenance protocols, and temperature and humidity controls—to help maintain essential functions during disruptions. Aviation safety processes, including pre-flight hazard assessments, fuel-availability monitoring, and coordination with hospitals and local emergency agencies, further strengthen readiness. Together, these measures support Air Methods' ability to continue mission-critical operations during physical climate stressors.

Transition Climate Risk Resilience

Air Methods' approach to transition-related climate risks is centered on maintaining operational efficiency, regulatory readiness, and competitive positioning as expectations evolve across the aviation and healthcare sectors. The Company monitors emerging climate-related regulations—including state-level disclosure laws and aviation-sector guidance—and is building internal capacity to meet reporting expectations. Engagement with specialized climate consultants supports the development of foundational climate-risk processes, climate-related disclosures, and emerging emissions-data needs.

The Company's enterprise risk management processes continue to evaluate transition-related factors such as energy availability, technology developments (including hybrid-electric aircraft pathways), and partner expectations for low-carbon solutions.

Scenario Analysis

As part of the climate risk assessment, each identified risk and opportunity was evaluated against the short-, medium-, and long-term time horizons defined earlier in this report. This qualitative approach helps align strategic considerations with the expected timing and potential influence of climate-related factors across the Company's operations.

As part of the SB-261 process, the Company will continue to qualitatively consider how more intense or frequent extreme-weather patterns, heat-related limits on aircraft performance, and changing regional climate conditions could affect flight availability, and cost structure. These discussions remain exploratory and are not yet linked to adjustments in operating strategy or investment planning.

Qualitative insights derived from the assessment suggest the following:

- More frequent severe-weather events could reduce annual transport volume across affected regions.
- Increasing temperatures may influence aircraft lift, fuel efficiency, or maintenance needs.
- Angled climate transitions—from low-carbon procurement expectations to regulatory reporting requirements—could influence insurance requirements, and capital planning.

These considerations are preliminary and represent a starting point for future scenario-based planning.

Air Methods has not yet conducted a formal, quantitative scenario analysis—such as modeling under a 2°C or lower warming pathway—but may consider more advanced approaches as climate-related processes and data availability mature. As an initial step, the Company completed a physical-risk mapping exercise as part of its SB-261 climate risk assessment, using two external datasets to understand geographic exposure.

- WRI Aqueduct Water Risk Atlas, which highlights county-level indicators of water quantity, water quality, and regulatory water pressures across Air Methods' service regions.
- FEMA's National Risk Index, which identifies local exposure to storm severity, extreme heat, wildfire risk, and other natural hazards.

The results show that several Air Methods bases operate in regions with elevated exposure to heat, wildfire activity, and water stress, along with higher-than-average volatility in storm and precipitation patterns. These insights provide a preliminary view of where chronic and acute climate pressures may affect future flight availability, mission volume, and base resilience.

As part of its multi-year climate readiness roadmap, the Company expects to begin quantitative scenario evaluation within the next two to five years. As part of its multi-year climate readiness roadmap, the Company expects to begin quantitative scenario evaluation within the next two to five years. This future work will explore how different climate trajectories—ranging from lower-warming pathways to more severe warming scenarios—may influence long-term operational continuity, regional service patterns, infrastructure needs, and dependencies on power reliability and water availability.

RISK MANAGEMENT

As Air Methods continues to evolve and formalize its approach to identifying, assessing, and managing climate-related risks, the Company acknowledges that some climate considerations have historically been addressed through aviation safety processes, dispatch procedures, and weather-related operational planning. Through its initial SB-261 readiness work, Air Methods is beginning to establish a more structured process that more directly links climate-related risks with its broader operational and enterprise risk activities.

Process for Identifying Climate-Related Risks

As part of the SB-261 process, the Company initiated its first coordinated climate-risk identification effort in 2025. This process included a desktop review of existing operational practices and a workshop designed to introduce climate-related risks and opportunities. Representatives from Operations, Maintenance, Safety, Supply Chain, IT, Legal, Finance, and HR participated, sharing functional perspectives on how physical and transition risks may affect flight activities, base operations, workforce readiness, and regulatory compliance.

To complement internal insights, Air Methods conducted a qualitative scan of external data sources to understand location-specific exposure. This included FEMA's National Risk Index for natural hazard severity and the WRI Aqueduct water-risk indicators for water scarcity, water quality, and regulatory pressure, as described in the Scenario Analysis section under Strategy. Together, these inputs informed the initial climate risk and opportunity matrix presented in the

Identification of Climate-Related Risks and Opportunities table in the Strategy section, covering physical acute risks, physical chronic risks, transition risks, and climate-related opportunities.

This foundational work represents the Company's first cross-functional approach to identifying climate-related risks and sets the ground for more structured risk intake and documentation as part of Air Methods' evolving climate governance and risk management processes.

Process for Assessing Climate-Related Risks

Air Methods completed its first structured climate-risk assessment in 2025 through an internal survey approach. All identified climate-related risks and opportunities were organized into three categories—physical risks, transition risks, and climate-related opportunities. For each item, stakeholders reviewed (1) whether the risk or opportunity is applicable to Air Methods, and (2) what financial implications may arise for the Company.

The survey required participants from Operations, Safety, Maintenance, Supply Chain, IT, Legal, Compliance, Finance, and HR to score each climate-related item using three criteria:

- Time horizon (short-, medium-, or long-term)
- Likelihood of a loss
- Impact of a potential loss

Responses were averaged and aggregated to create a preliminary view of Air Methods' climate risk profile. These results—summarized in the Strategy section table—represent the Company's first attempt at a structured internal evaluation of climate-related risks and opportunities.

The assessment is qualitative in nature, and Air Methods has not yet quantified the financial magnitude of climate-related risks or fully evaluated preparedness levels. In the near future, the Company may plan to further align its climate-risk scoring approach with its broader enterprise financial-risk criteria.

Once this methodology is adopted, climate-related risks will be assessed, compared, and prioritized in the same manner as other enterprise risks, allowing for more consistent integration with operational and strategic decision-making.

Process for Managing Climate-Related Risks

Current management of climate-related risks takes place through established operational and safety practices rather while climate-specific mitigation plans continue to evolve. Examples include:

- grounding aircraft or adjusting flight schedules during severe weather
- implementing seasonal wildfire protocols
- modifying maintenance and operational procedures during extreme heat periods

- coordinating with hospitals when environmental conditions affect mission availability
- using backup power, alternate communications channels, or temporary base adjustments during outages

Integration with Enterprise Risk Management (ERM)

Air Methods manages risk through an established ERM framework that focuses on operational reliability, safety, regulatory compliance, and financial stability across the organization. Environmental risks are already considered within this structure as part of broader operational and safety reviews. Climate-specific considerations are beginning to be explored as part of the ERM program, though they are not yet incorporated into the Company's quarterly or annual risk cycles.

As the ERM function matures in 2026 and beyond, Air Methods may plan to begin incorporating climate-related risks into its enterprise-level assessments. This may include:

- adding climate risks to the annual enterprise risk inventory
- applying ERM scoring scales to climate-related risks
- incorporating climate-related items into quarterly leadership risk discussions
- including climate considerations in materials prepared for the Board and Audit Committee
- linking climate-related risks to budgeting, insurance, and operational planning activities

Over time, climate-related risks will be managed alongside other enterprise risks, enabling more consistent prioritization and resource allocation.

METRICS AND TARGETS

Air Methods is in the formative stages of developing metrics to assess and manage climate-related risks and opportunities. The Company has not historically reported climate-related performance indicators, greenhouse gas (GHG) emissions, or environmental efficiency metrics, and may plan to begin collecting and organizing the operational data needed to calculate GHG emissions in alignment with the GHG Protocol—an effort prompted by the requirements of SB-253.

Current Metrics Collection

Air Methods does not yet publish climate-related metrics or targets. However, preliminary data collection efforts are underway to support future reporting and to inform the Company's understanding of climate-related operational and financial exposures. These metrics will form the foundation for ongoing measurement and future disclosures under SB-253.

Use of Metrics to Assess Climate-Related Risks and Opportunities

Air Methods currently evaluates operational performance through a range of indicators, and some of these measures relate indirectly to climate exposure. At this stage, Air Methods does not yet use formal climate-related metrics to manage climate risk. Operational indicators—such as weather-related cancellations, downtime, maintenance impacts, and energy use—are tracked independently through existing systems but have not been integrated into a climate-specific reporting framework, an area that will be explored in future reporting cycles.

As the Company progresses in its climate-risk assessment and ERM integration, these metrics may be used to support:

- trend analysis for weather-related mission disruptions
- evaluation of operational reliability at bases with higher hazard exposure
- financial modeling related to fuel use, energy costs, and infrastructure needs
- assessment of long-term opportunities for operational efficiency and resource optimization