

SB261 Financial Disclosure Report

1. Introduction

This report is prepared for California Climate-Related Financial Risk Act (SB 261) compliance (California Health and Safety Code § 38533). This report covers the calendar year ended December 31, 2024. It has been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) where appropriate.

Idemitsu Apollo Corporation (IAC) has prepared this report. IAC is sometimes referred to herein as the “Company.”

The Company performed an assessment of physical and transitional climate-related risks. While the Company has concluded that none of these climate-related risks are material at this time, information regarding potential risks and mitigation measures has been provided below to be consistent with the TCFD guidance.

We have limited our disclosures to those required under the California Air Resources Board’s (“CARB”) Climate-Related Financial Risk Disclosures Checklist, updated November 17, 2025. Disclosures related to Metrics and Targets and resilience of our strategy taking into consideration the future impacts of climate change under various climate scenarios have been excluded, as the Company does not currently collect quantitative climate-related metrics and has not yet assessed the resilience of strategies under various climate scenarios.

Additional disclosures may be added in the future if climate-related risks become material to our business and as more guidance becomes available.

We note that the legality of SB 261 is currently being challenged in federal court and, due to an ongoing injunction by the United States Court of Appeals for the Ninth Circuit, CARB is not legally authorized to enforce SB 261 during the pendency of this litigation until and unless otherwise ordered by the Court. Thus, at this time, the Company makes this report on a voluntary basis, anticipating an eventual lifting of the Court injunction at some point in the future.

This report may contain forward-looking statements that reflect expectations, estimates, and projections as of the publication date, and actual results may differ due to a range of

factors, including evolving market conditions, Company priorities, regulatory developments, and events that may disrupt or alter Company operations and strategy.

2. Governance

IAC has determined that climate-related risks are not material to its business or financial position at this time, and the Company does not currently maintain a dedicated committee or other dedicated governance structure specifically for identifying, assessing, and managing climate-related financial risks. At present, directors do not possess specific experience in ESG, climate science, or climate-risk management, but would retain climate advisors if and when the directors determine that the companies may face material climate risks.

Management's Role in Assessing and Managing Climate-Related Risks and Opportunities

Management is responsible for overall operations and holds monthly meetings. The meetings are attended by the President, Senior Vice-Presidents, and Vice-Presidents. The Human Relations, Risk Management, and Administration Department oversees operational risks; however, formal, enterprise-wide responsibilities for climate-related risk oversight have not yet been established. Current practice is that, if climate-related risks are identified to the management group and deemed significant, the management group will determine if additional action is required.

3. Strategy

Core Business and Footprint of the Entity

- Primary marketing and wholesale distribution of refined petroleum products; trades and imports oil products.
- Office in Sacramento, CA.
 - Access to/through third-party terminals and storage

Entity	Timeli ne	Risk Type	Description	Mater ial?	Mitigation ideas
IAC	Short - 0-2 years	Physical	Acute storms, flooding, and strong winds are disrupting terminal operations, port access, leased terminals, and transportation. Wildfire-related closures and smoke impacts. Utilization of coastal and wildfire-prone logistics nodes and offices. Revenue loss during power outages and supply chain disruption	No	Evaluate locations and backup power
			Employee safety for commuting and at the office	No	Employee safety protocols and site access planning
		Transitional	Market and regulatory volatility (e.g., LCFS, carbon intensity requirements) may impact pricing dynamics and market conditions. Reputational sensitivity from the fossil product profile may impact revenue and Company reputation	No	Increase renewable diesel/biodiesel blending. Reconfigure usable capacity to handle low-carbon fuels. Reconsideration of the product profile and marketing effort may positively impact the Company's reputation
	Mid 3-10 years	Physical	More frequent extreme precipitation and wind events cause downtime in transportation. Landslide subsidence risk affecting pipelines. Higher insurance and permitting costs Wildfire seasons intensify safety for employees	No	Diversify port/ terminal footprint to lower-risk zones. Voluntary safety training
		Transitional	Tightening fuel standards and higher effective carbon prices reduce fossil demand. Standard risk for fossil-only fuel configurations. If the majority of revenue is tied to fossil products, large revenue at risk depends on the trajectory and customer mix.	No	Convert infrastructure access for renewable diesel. SAF and e-fuels. Secure long-term offtake for low-carbon products. Enhance emissions data transparency.
	Long >10 years	Physical	Sea-level rise and chronic coastal flooding threaten terminal viability. Potential asset relocation or hardening requirements.	No	Long-term resilient siting and design. Expand logistics capabilities for renewable fuels (such as renewable diesel and Sustainable Aviator Fuel) to future-proof assets. Parametric insurance

Entity	Timeli ne	Risk Type	Description	Mater ial?	Mitigation ideas
		Transitional	Structural decline of certain fossil product lines due to electrification/hydrogen scale. Asset impairment if adaptation lags (via reduced utilization contract value rather than asset write-downs)	No	Transform business model toward logistics for low-carbon molecules and energy carriers. Partnerships in regional fuel transition hubs.

Impact of climate-related risks and opportunities

Due to the inherent uncertainty regarding the timing, location, and severity of climate-related weather events in the future, and the mitigation measures listed above, IAC does not believe it is necessary or reasonably feasible to predict with any certainty the likelihood or magnitude of impacts associated with specific physical climate risks at this time. Rather, IAC manages climate-related risks and opportunities on a case-by-case basis, as none of the companies currently maintains a dedicated committee for climate-related risk oversight. Project teams evaluate these factors and apply the results to inform project strategy, planning, and decision-making in each individual case.

Resilience of Strategy

Regarding physical risks, we are evaluating the use of IPCC climate scenarios, and for transition risks, IEA scenarios. While we understand the implications of these scenario frameworks, this is our first year conducting climate-related scenario analysis and our resources and internal expertise are limited. Additional time is required to assess each scenario and evaluate the potential impacts of our selected scenarios on the business. We are therefore continuing to evaluate our options and anticipate finalizing scenario selection and incorporating the chosen scenarios into our next reporting cycle within two years.

4. Process for identifying climate risks

Risk management

IAC does not currently maintain a formal process for identifying and assessing climate-related risks. In the interim, it relies on site-specific data and records of past climate-related incidents. As discussed above, climate-related risks are then evaluated on a case-by-case basis, including (as needed) retaining outside consultants to advise on such risks.

At this time, none of the risks detailed above are considered material to the Company's business or financial position.

Process for managing climate risks

As discussed above, IAC does not currently maintain a dedicated formal process for managing climate-related risks. In the interim, it relies on site-specific data and records of past climate-related incidents. IAC plans to incorporate a dedicated method of evaluating and managing climate risks in the near future.

Integration with overall risk management

Although IAC currently does not have a formal, dedicated climate-related risk management process due to the lack of resources and expertise, we plan to form a climate-related risk management team. This team will evaluate climate risks using the same scoring and prioritization framework applied to other business risks, and ensure these are regularly reviewed by internal risk committees or senior leadership in the near future.