Climate-related Financial Risk Report

For the reporting period January 1, 2025, to December 31, 2025

Radiology Partners - Climate-related Financial Risk Report

About Radiology Partners

Radiology Partners (the “Practice,” “RadPartners,” “we,” “us,” or “our”), is a leading physician-owned and physician-led radiology practice in the United States, providing diagnostic and interventional radiology services to thousands of hospitals and healthcare facilities across the nation. Using a proven healthcare services model, Radiology Partners provides consistent, high-quality care to patients, while delivering enhanced value to the hospitals, clinics, imaging centers, and referring physicians we serve. More information about our organization, our practices, and our team can be found at https://www.radpartners.com/.

About this Report

This report has been prepared to fulfill the requirements of California Senate Bill 261 (SB 261), *The Climate-Related Financial Risk Act*. These disclosures are intended to provide a comprehensive overview of the material climate-related financial risks and opportunities faced by Radiology Partners and the actions taken to mitigate and adapt to such risks, consistent with recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It is structured around the four core pillars of the TCFD: Governance, Strategy, Risk Management, and Metrics & Targets. Unless otherwise stated, the information presented covers the fiscal year January 1, 2025, to December 31, 2025.

In accordance with SB 261, this report is made available to the public on Radiology Partners’ website. A public link to this report will also be submitted to the California Air Resources Board (CARB) for review as required by law.

Governance

Board Oversight

The Board of Directors (the “Board”) is responsible for overseeing the Practice’s enterprise risks and strategic direction. At present, the Board does not maintain a standing review process or fixed cadence devoted solely to oversight of climate-related matters. However, climate-related risks and opportunities are considered within the existing governance framework and standard risk oversight procedures if they are deemed material or are escalated by executive management.

Management Responsibilities

Management is responsible for aligning the Practice’s business strategy with relevant opportunities and risk mitigation, including climate-related financial risks, where relevant. Responsibility for management of enterprise risks, including those related to climate, is distributed throughout the business based on role and area of expertise. If material climate-related risks arise, management will discuss them with Radiology Partners’ executive leadership team alongside other material business risks. This year, we performed a standalone climate risk assessment to identify and evaluate climate-related risks and opportunities that could be relevant to our business. Procedures performed and results are outlined in the Strategy section.

Strategy

Approach to Climate Risk Assessment

In 2025, we completed a climate risk assessment aligned to TCFD recommendations. We applied a dual-scenario approach to examine a range of potential impacts on the Practice’s operations, strategy, supply chain, and financial condition across short-, medium-, and long-term time-frames. The assessment addressed physical risks (acute and chronic), transition risks (policy and legal, market, reputational, and technology), and climate-related opportunities.

We leveraged the Network for Greening the Financial System (NGFS) pathways to analyze transition risks and opportunities. For physical risks, we utilized the Intergovernmental Panel on Climate Change (IPCC), Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). These scenarios provide a framework of how climate-related risks may evolve, including changes in policy, technology, market conditions, and physical climate stressors.

The low-emissions scenarios reflect global mitigation efforts that limit warming to levels broadly consistent with strong climate policy and improved resource efficiency. Under these scenarios, transition-related impacts may include more stringent emissions requirements and regulation, while physical risks generally remain more moderate.

The high-emissions scenarios assume slower policy development and continued reliance on fossil fuels, resulting in higher warming over the century. While the likelihood of rapid, disruptive transition risks, such as regulatory actions or market shifts, is lower under these scenarios, more severe physical impacts are likely, including higher frequency of extreme heat, flooding, and storm-related disruptions.

Transition Risk and Opportunity Scenario Analysis

To develop a baseline of potential climate-related transition risks and opportunities, Radiology Partners integrated peer benchmarking and industry research with targeted input from internal subject matter experts (SMEs). SMEs evaluated and prioritized potential transition risks and opportunities to

ensure the Practice's scenario analysis reflected internal stakeholder perspectives regarding the estimated likelihood and potential impact of identified factors.

Following this engagement, the Practice qualitatively modeled the prioritized risks and opportunities under two divergent NGFS pathways—Delayed Transition (a disorderly low-carbon pathway broadly aligned with ~1.8–2°C) and Current Policies (a high-emissions pathway resulting in ~3°C by 2100)—across three time-frames:

- Short term (within 1 year): near-term regulatory, market, and operational dynamics
- Medium term (1–5 years): evolving policy, technology, and customer trends
- Long term (5+ years): potential structural shifts with implications for the business and longer-range sustainability considerations

While certain risks such as supply chain disruptions, rising operating costs, and regulatory requirements may affect our business, we do not consider climate-related transition risks and opportunities identified to be material at this time. However, Radiology Partners will continue to monitor these risks and opportunities and update the Practice's climate risk assessment as conditions evolve.

Physical Risk Scenario Analysis

To evaluate physical climate risks, the Practice leveraged a climate risk modeling tool that incorporates widely recognized IPCC datasets with two climate scenarios: SSP1/RCP2.6, a lower-emissions pathway consistent with roughly 1.5–2°C of warming above pre-industrial levels, and SSP5/RCP8.5, a high-emissions pathway associated with approximately 3–4°C of warming by 2100. The tool applies established climate and hazard models to assess physical risks at each of the Practice's operating locations. The assessment continuously evaluates exposure through 2050 under both climate scenarios; this provides a forward-looking, location-specific view of vulnerabilities aligned to asset-level planning and resilience.

Risk Type	Risk Name	Risk Description
Physical – Acute and Chronic	Extreme Weather Impacts to Operations	Extreme weather events and long-term climate shifts could disrupt operations, damage assets, pressure supply chains, and increase operating and capital costs, which may adversely affect the business, results of operations, and financial conditions.

Across both low- and high-warming scenarios, Radiology Partner's operations are exposed to a range of physical climate risks primarily concentrated in Florida, Tennessee, and Texas. Acute and chronic physical risks at our operating locations include surface flooding, subsidence, and extreme heat. Under the high-warming scenario, extreme heat and drought are expected to be both more frequent and more severe, amplifying the potential operational and financial impacts across Radiology Partners' most exposed locations. These overlapping hazards can increase operating costs, pose risks to equipment cooling and power reliability, and increase downtime risk.

Business Impacts and Resilience Strategies

Radiology Partners' business model provides operational strengths that enhance resilience to physical climate risks:

- Nationwide footprint across all 50 states reduces the concentration of risk and mitigates disruption from localized weather events.
- Patient demand for diagnostic imaging is time-sensitive. When a site is affected by extreme weather, appointments are often rescheduled or redirected to nearby Radiology Partners facilities, minimizing risk of lost revenue.
- A robust remote (teleradiology) practice, supported by AI-enabled workflows, enables consistent turnaround times and dynamic load balancing across locations.
- The Practice's leasing model for many clinical facilities and imaging assets reduces site-specific repair and replacement costs after severe weather-related damage.

Taken together, these attributes minimize the impact of localized disruptions, preserve patient access, and enable rapid recovery as climate-related risks evolve.

Limitations

Radiology Partners' climate scenario analysis involves inherent uncertainty. Climate change is complex and translating temperature and extreme-weather projections into impacts on the Practice's operations, assets, and value chain is challenging, especially as customers, suppliers, and competitors adapt. Shifting regulations and stakeholder expectations may also introduce new or heightened risks.

Scenario frameworks rely on assumptions about technology, policy effectiveness, and societal behavior that may diverge from actual outcomes. The lower-emissions case assumes rapid global decarbonization, significant infrastructure investment, and coordinated international action, while the higher-emissions case may understate the potential for accelerated mitigation or fail to capture non-linear climate dynamics at higher warming levels.

The goal of this analysis is to explore plausible futures and stress-test the resilience of Radiology Partners' strategy, not to predict specific outcomes. The analysis can inform decision-making while acknowledging the fundamental uncertainty surrounding climate trajectories and responses.

Risk Management

Identifying, Assessing, and Managing Climate-Related Risks and Opportunities

Management continuously identifies, assesses, and manages enterprise risks. In 2025, the Practice completed a climate risk assessment and gathered feedback from internal stakeholders on potential business impacts. We evaluated climate-related risks and opportunities using a standardized 1–6 scale for both likelihood and financial impact. Impact scales were defined with input from the finance team using qualitative and quantitative ranges to assess materiality of risks and opportunities identified. We mapped each risk and opportunity identified to its primary financial channel—revenue, assets and liabilities, or operating expenditure—and assessed across short (≤1 year), medium (1–5 years), and long (5+ years) horizons. We solicited leadership feedback from multiple departments on the potential likelihood and impact scores to determine a composite risk rating. We then focused our qualitative scenario analysis on those with higher composite risk ratings most likely to affect the Practice's operations and/or financial position. Based on the results of our climate risk assessment, Radiology Partners does not expect relevant climate-related risks and opportunities to be material in the near term and has not developed a dedicated process for managing climate-related risks and opportunities at this time. We will continue to evaluate climate initiatives, monitor regulatory and policy changes as they arise, and integrate climate considerations into our ongoing risk management framework, as appropriate.

Metrics & Targets

Metrics & Targets Used to Assess Climate-Related Risks and Opportunities

Radiology Partners has not publicly disclosed any specific, quantitative climate-related metrics or targets. We have started evaluating data for greenhouse gas (GHG) disclosures and will present climate-related metrics in future reports in accordance with regulatory requirements.