

# **Climate Financial Risk Report**

Midwest Veterinary Supply, Inc.

*December 2025*

## **Executive Summary**

Midwest Veterinary Supply, Inc. is a family and employee-owned veterinary distributor founded in 1961 and headquartered in Lakeville, Minnesota. Midwest Veterinary Supply, Inc., together with its wholly owned subsidiary JAT Pharmacy, LLC (collectively, “the Company”), has a team of over 900 employees. We provide full-service distribution for everything a veterinary clinic needs to deliver exceptional care to animals of all types. Beyond products, we offer innovative tools and business solutions to help practices thrive. Our commitment to strong relationships and dependable service has made us a trusted partner in the animal care community for more than six decades.

This report outlines our initial approach to identifying, assessing, and managing climate-related risks in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework across four key areas: Governance, Strategy, Risk Management and Metrics and Targets. As we begin our sustainability journey, our goal is to strengthen organizational adaptability, reduce our carbon footprint, and deliver long term value for our stakeholders.

## **Governance**

The Company’s Board of Directors is comprised of five members elected annually by the shareholders. The Board provides governance and oversight for the Company and meets four times a year. The President and Chief Financial Officer (CFO) attend these meetings to ensure alignment with strategic and compliance priorities.

At present, climate-related oversight is limited and not embedded in formal governance processes. The CFO currently holds responsibility for climate-related matters, with plans to assign these duties to a dedicated role as governance evolves. While climate considerations are not yet embedded into our risk assessments, we recognize the importance of formalizing roles and processes.

## **Strategy**

The Company is in the early stages of assessing climate-related risks and opportunities within our operations and strategic planning. At present, our approach to managing climate-related risks is primarily focused on risk mitigation through insurance coverage. Operationally, we have implemented temperature monitoring and adjusted shipping protocols for temperature-sensitive products to maintain compliance with pharmacy standards and product efficacy during extreme weather conditions. We also introduced returnable totes for local deliveries to reduce packaging waste and improve resource efficiency. While these actions represent early steps, climate-related factors are not yet systematically embedded in strategic or financial planning, but recognition of their importance is driving these efforts.

As the Company’s approach evolves, there are significant opportunities to strengthen strategic resilience by integrating climate considerations into risk assessments, operational planning, scenario analysis, and strategic and financial decision-making across short-, medium-, and long-term horizons. These enhancements will not only prepare the Company for future climate impacts but also unlock opportunities for efficiency improvements, cost savings, and sustainable growth, positioning the Company to proactively manage emerging risks and opportunities.

## **Risk Management**

The Company does not currently have a formal process for identifying, assessing or prioritizing climate-related risks within our existing risk management framework. At present, climate considerations

are addressed indirectly through insurance coverage for acute physical risks. Beyond these measures, the Company has not established processes to evaluate the relative significance of climate related risks compared to other operational or financial risks. Familiarity with emerging climate-related regulatory requirements remains limited, aside from packaging regulations encountered in certain states.

The Company plans to develop a structured approach to integrate climate-related risks into our broader enterprise risk management framework. This will include defining processes to identify and assess material risks, determining potential financial and operational impacts, and prioritizing them along with other enterprise risks. Future processes will incorporate scenario analysis to evaluate resilience under different climate pathways and monitor evolving regulatory requirements to ensure compliance. These actions will help ensure the company remains agile and well-positioned to address climate challenges while strengthening our overall risk management approach.

## **Metrics and Targets**

The Company is in the beginning stage of integrating climate-related metrics into business operations. The Company has begun measuring greenhouse gas (GHG) emissions for Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the generation of purchased energy) across our footprint. The Company monitors certain operational indicators that have environmental implications, such as reducing the number of small shipments, tracking returns and damages to improve packaging and shipment packing quality to reduce waste, and using reusable totes for local deliveries to minimize packaging waste. Additionally, the Company tracks the dollar value of expired products, which informs efforts to reduce waste.

The Company plans to expand data collection capabilities and refine calculation methods to improve accuracy and coverage of climate-related metrics. As these capabilities advance, the Company will be well positioned to set and track meaningful sustainability targets. The Company recognizes the importance of integrating these metrics into our broader impact reporting framework, ensuring climate considerations become a core component of performance measurement and long-term planning.

## **Conclusion**

The Company is committed to advancing our climate resilience and sustainability across operations. As we embark on our initial efforts to measure greenhouse gas emissions and expand climate-related data collection, we recognize the critical role these metrics play in shaping broader impact reporting. Continued improvements in data availability and reporting will enable us to establish meaningful sustainability targets and strengthen our ability to manage climate-related risks and opportunities. By embracing transparency and proactive planning, the Company aims to create value for stakeholders while contributing to responsible environmental stewardship.