



2025

Ducommun's
Task Force on
Climate-Related
Financial
Disclosures
(TCFD) Report



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Introduction

Ducommun is committed to understanding and managing the risks and opportunities presented by climate change. As an aerospace manufacturing company, our Company recognizes that our operations, supply chain and long-term competitiveness are influenced by environmental factors. This report represents our first climate-related disclosure in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD). It also offers a snapshot of our current understanding of climate-related impacts on our operations across 16 performance centers and our strategy across various climate scenarios.

Covering the reporting period from January 1 to December 31, 2024, this report shares insights into how we assess and manage climate-related risks and opportunities across our organization. In line with our commitment to data integrity, Scope 1, 2 and 3 greenhouse gas (GHG) emissions data have been subject to limited assurance by Yorke Engineering, an external verification partner.

This disclosure outlines how climate change may impact Ducommun's manufacturing operations at 16 Performance Centers across the U.S. and Mexico. It describes our approaches to managing associated transition risks and opportunities. Additionally, we further assess the physical climate risks associated with our top 30 suppliers to identify potential supply chain disruptions. We view climate resilience as essential to our long-term strategy and are committed to advancing our sustainability performance year over year. A map showing the locations of these performance centers and suppliers is provided in [Appendix 1](#).



About this Report

This report provides our disclosures aligned with the TCFD framework, prepared in accordance with California SB 261. It details the climate-related risk management strategies, response activities and performance across all our manufacturing operations, offering a transparent view of how we address climate impacts within our business.

TCFD Overview

The TCFD was an international initiative established by the Financial Stability Board (FSB). TCFD is now integrated into the International Financial Reporting Standards (IFRS), with its recommendations incorporated into IFRS S2. While we recognize the growing adoption of IFRS S2 globally, we plan to report against the TCFD framework so long as SB 261 utilizes the TCFD framework as its template. Any future shift in our approach will be based on legal or regulatory developments.

Climate change presents significant risks and opportunities for businesses, affecting areas such as physical assets, supply chains, operations and markets. The TCFD has published recommendations on the types of information companies should disclose.

TCFD Recommendations:

		Pages
Governance	a. Describe the board’s oversight of climate-related risks and opportunities.	see page 6
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	see page 7
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	see pages 9-14
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.	see pages 15-16
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	see pages 16-20
Risk Management	a. Describe the organization’s processes for identifying and assessing climate-related risks.	see pages 22-23
	b. Describe the organization’s processes for managing climate-related risks.	see pages 22-23
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	see pages 22-23
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	see pages 25, 27
	b. Disclose Scope 1, Scope 2, and, if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks.	see pages 25, 27
	c. Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against the targets.	see pages 26, 27

The table above is based on the TCFD framework and requirements are written as stated in the TCFD recommendations, which SB 261 follows.

Our Process

By applying the TCFD framework centered on Governance, Strategy, Risk Management and Metrics and Targets, our Company demonstrates how we strive to identify, assess and manage climate-related risks while pursuing strategies that help to unlock sustainable opportunities. Below is a summary of how we view each of the TCFD pillars:

GOVERNANCE



Our Company's governance structure establishes clear oversight of climate-related risks and opportunities.

STRATEGY



We consider the actual and potential impacts of climate-related risks and opportunities on our business, strategy and financial planning.

RISK MANAGEMENT



We have defined processes to identify, assess and manage climate-related risks across the organization.

METRICS AND TARGETS



We use specific metrics and targets to evaluate and manage relevant climate-related risks and opportunities.



Governance

Ducommun endeavors to drive its climate action through transparent and effective governance. Our Board of Directors, particularly through the Corporate Governance and Nominating Committee, manages and oversees our Corporate and Environmental Responsibility (CER) initiatives, including climate-related risks and opportunities. In addition to the CER initiatives, the Board takes responsibility for overseeing risk management both as a collective body and through its individual committees. They regularly review risks related to our operations, liquidity, cybersecurity and CER programs and work closely with management to identify and manage these risks.

The Governance Committee reviews and provides input on key CER metrics for the Company and its stakeholders. In 2020, based on management’s recommendations, the Corporate Governance and Nominating Committee approved the development of a CER program. In 2021, we added a corporate-level managerial role to lead Ducommun’s CER efforts and convened a CER Steering Committee. The committee is comprised of senior executives to ensure cross-functional leaders appropriately allocate resources and support CER initiatives that are approved by the Corporate Governance and Nominating Committee. At least annually, the corporate CER manager reports on the progress of those initiatives to the Governance Committee, and in turn, to the Board.

The Board plays a central role in overseeing all Enterprise Risk Management (ERM) programs, including but not limited to sustainability initiatives, business continuity planning (BCP) and related risk management processes. The Corporate Governance and Nominating Committee is responsible for evaluating the effectiveness of our governance practices and the Company’s CER and sustainability performance, including the identification, assessment and management of climate-related and financial risks as part of our integrated ERM and BCP frameworks.



2024 Governance of Climate-Related Risks and Opportunities by the Board and Management

The corporate CER Steering Committee is responsible for developing the Company's climate change strategy with a focus on key initiatives that help us reduce potential impacts of climate-related events on our operations. It also oversees environmental performance and ensures integration across all performance centers.

In addition, each performance center has its own CER/Environment, Health and Safety (EHS) Steering Committee, which meets quarterly to review progress on CER/EHS initiatives with a primary focus on environmental projects. These efforts are aligned with the Company's four key environmental pillars: energy efficiency, waste reduction, water and wastewater efficiency and auditable CER data.

Each performance center also has CER Champions who play a hands-on role supporting sustainability at the site level. These champions include maintenance managers/supervisors, as well as engineers and members of the EHS team. They are responsible for identifying improvement opportunities and helping implement environmental initiatives. These champions meet monthly with their counterparts at other performance centers to share best practices, align on initiatives and provide updates on ongoing projects to support consistent progress and knowledge exchange across the Company. **Figure 1** on the right depicts an illustration of our CER governance structure and responsibilities for oversight of climate-related risks and opportunities.

Figure 1: Governance Oversight of Climate-Related Risks and Opportunities



Strategy

While scenario analysis does not predict the future, it allows us to better understand climate-related risks and their potential impact on our Company. It offers critical insights into the possible effects of climate change on our business. This approach is essential for guiding strategic decisions, managing risks and building resilience.

In 2023, Ducommun focused on the continued operations of our performance centers and the safety of our employees. We partnered with our insurance company to assess physical climate risks, including extreme weather events such as floods, drought, wildfires, hurricanes and heatwaves, across all our performance centers. This assessment helped us identify vulnerabilities and opportunities to increase resilience. The findings guide our efforts to reduce exposure to potential disruptions, invest in adaptive infrastructure and enhance business continuity planning. We view this work as part of a broader opportunity to align our operations with a changing climate landscape, ensuring we remain competitive, prepared and responsible over the long term.

In addition to evaluating the risks to our own manufacturing operations, Ducommun CER leaders extended our analysis to our supply chain by identifying climate-related exposures across 30 key suppliers. The team used the Climate Mapping for Resilience and Adaptation (CMRA) datasets developed by the National Oceanic Atmospheric Administration (NOAA) to better understand physical climate risks across critical supplier locations. Alongside physical risks, we also evaluated transition risks, including regulatory policy shifts, emerging technologies, changing market dynamics, supply chain disruptions and potential reputational impacts. These risks are analyzed over short, medium and long-term horizons, enabling us to prepare for a wide range of future scenarios and guide strategic alignment. We use simulation modeling to assess the potential directional impacts of both transition and physical climate risks on Ducommun.

Furthermore, our approach to identifying opportunities is based on observing tangible changes within the aerospace industry as it adapts to low-emission technologies, alongside insights gathered from customers' sustainability expectations. This practical combination is designed to ensure our strategy is rooted in actual market needs rather than solely on assumptions.



Climate Modeling Approach

Simulation modeling was used to assess the potential directional impacts of both transition and physical climate risks on Ducommun. Risk categories are aligned with TCFD recommendations and are summarized in Table 1 below.

Ducommun recognizes that climate-related risks and opportunities can influence our operations across multiple time horizons. For assessment purposes, we define short-term as 1-5 years, medium-term as 5-15 years and long-term as beyond 15 years. These timeframes were chosen to help us identify and respond to climate-related issues. These timeframes were carefully selected to help us effectively identify and respond to climate-related issues in a way that aligns closely with Ducommun’s strategic and financial planning cycles. By focusing on these specific periods, we seek to ensure that our climate risk assessments are integrated into our broader business

planning, allowing us to anticipate challenges and opportunities as they arise. The table below provides a breakdown of climate risks and opportunities across each time horizon, along with our management approach. To strengthen visibility into our existing management of climate-related risks and opportunities, a **current state column** has been added to the assessment framework, as presented in Table 1 below. This column provides a transparent view of the adequacy of current controls and oversight mechanisms. Based on the assessment conducted, all risks and opportunities are deemed covered, confirming that our current governance framework and operational processes effectively manages these exposures with no material deficiencies identified. Discussion of how these risks and opportunities may change over different time horizons are addressed elsewhere in the report.

Table 1: Risks and Opportunities

Risk						Opportunities	
Type	Physical (Acute and Chronic)	Policy and Legal	Technology	Market and Reputation	Supply Chain	Products and Services	Markets
Risk Rating	Medium	Medium	Low	Low	Medium	High	High
Influencing Factor	<ul style="list-style-type: none"> ➢ Extreme weather events (e.g. hurricanes, wildfire and floods) ➢ Heatwaves and rising temperatures ➢ Changing precipitation patterns ➢ Sea level rise ➢ Regional climate variability 	<ul style="list-style-type: none"> ➢ Implementation of climate policies imposing carbon costs via emissions taxes or cap-and-trade programs¹ 	<ul style="list-style-type: none"> ➢ Aerospace customers adapting to low-emission technology ➢ Changing customer preferences may shift demand toward more sustainable suppliers 	<ul style="list-style-type: none"> ➢ Stakeholder demand for transparent sustainability ➢ Evolving customer expectations ➢ Customer preference for CER aligned partners 	<ul style="list-style-type: none"> ➢ Shift toward sustainability procurement standards for all customers ➢ Rising frequency of extreme weather events 	<ul style="list-style-type: none"> ➢ Aerospace industry adapting to low emission technology 	<ul style="list-style-type: none"> ➢ Strategic growth through entry into emerging aerospace markets

¹ California’s Cap-and Trade Program is a market based regulation that sets statewide limits (or “caps”) on greenhouse gas emissions from major sources, including industrial facilities, power plants and fuel distributors. Entities are required to hold tradeable permits (allowances) for each ton of CO₂e they emit, and can buy or sell allowances through quarterly auctions or secondary markets. The program is administered by the California Air Resources Board (CARB) and is a key component of the state’s efforts to reduce emissions and meet climate targets.

Risk	Opportunities
<p>Description</p> <ul style="list-style-type: none"> ➤ Increasing occurrences of storms, hurricanes, wildfires, floods and other extreme weather events pose direct threats to our operations, infrastructure and supply chain ➤ Variability in precipitation patterns can cause droughts or floods, impacting water availability and operational continuity ➤ Performance centers located near coastal communities face risks of flood and infrastructure damage from rising sea levels and storm surges 	<ul style="list-style-type: none"> ➤ Ducommun views the aerospace industry's commitment to fuel efficiency and emissions reduction as a key opportunity for growth and innovation. We collaborate closely with our customers to design and manufacture products that meet evolving performance and environmental standards. For example, our Orange, CA Performance Center utilizes chemical processing on fuel bottle lines used by space rockets to minimize weight, resulting in a lighter rocket for improved efficiency and performance. Additionally, BLR designs winglets, FastFins™ and Vortex Generators to optimize airflow, and the Whisper Prop™, a carbon fiber propeller using natural composite materials instead of metals. BLR's products are intended to reduce drag, thereby enhancing the fuel efficiency and performance of helicopters

Risk						Opportunities	
Probability	Possible	Likely	Possible	Possible	Possible	Likely	Possible
Impacts	<ul style="list-style-type: none"> > Increased operational costs > Disruptions of operations > Supply chain interruptions > Increase capital expenditures > Potential asset impairment or write downs > Revenue loss due to downtime, delayed delivery of products and services or customer disruption > Reputation damage 	<ul style="list-style-type: none"> > Higher cost from carbon taxes and cap-and trade programs > Increased compliance and reporting requirements > Increased capital expenditures in energy efficiency projects > Complex compliance across different regions 	<ul style="list-style-type: none"> > Loss of competitiveness > Reduced market relevance > Missed business opportunities > Reputational damage 	<ul style="list-style-type: none"> > Erosion of market share > Negative brand perception > Disqualification from bids or supply chains > Increased investor scrutiny 	<ul style="list-style-type: none"> > Loss of business opportunities with customers who require sustainability compliant supply chain > Supply chain disruptions from climate events > Extended lead times or production delays > Material shortages 	<ul style="list-style-type: none"> > Revenue growth opportunities > Cost efficiencies > Enhance customer retention 	<ul style="list-style-type: none"> > Revenue growth opportunities > New customers
Time Horizon	S, M, L	S, L	S, L	L	S, M	S, M, L	S, M, L
Current State	Covered	Covered	Covered	Covered	Covered	Covered	Covered

Risk	Opportunities
<p>Mitigation and Management</p> <ul style="list-style-type: none"> ➤ Maintaining comprehensive insurance coverage across all performance centers, with ongoing collaboration with our insurer to assess and manage exposure to physical climate risks ➤ Completion of an annual comprehensive assessment by our insurance company. Last year’s assessment identified 14 actionable recommendations, of which 11 have been implemented and completed with the remaining 3 on track for short-term completion ➤ Integration of climate-related considerations into our business continuity and crisis management plans to enhance organizational resilience and response capabilities 	<ul style="list-style-type: none"> ➤ Ducommun’s commitment to environmental sustainability is structured around four pillars: energy efficiency, waste reduction, wastewater efficiency and auditable data. Our focus on energy efficiency has enabled a reduction in our Scope 1 and 2 GHG emissions by 50% from 2019 to 2024. We are committed to continuing our investments in energy efficiency. We also stay informed about new reporting requirements and carbon pricing mechanisms that may impact our operations ➤ Ducommun recognizes many of our customers have set ambitious GHG emissions reduction goals for fuel efficiency in the design and manufacture of aerospace products. As a supplier to major aerospace companies, Ducommun is committed to helping meet the evolving needs of our customers through the leadership of high-performance engineering and manufacturing teams, customer relationships and participation in industry associations. We are working closely with our customers to innovate improvements in product design with a focus on reducing drag and overall weight to help improve the fuel efficiency of commercial aircraft and space rockets ➤ Ducommun is well equipped to manage CER-related risks through robust and mature practices. We have reported annually on our Scope 1 and 2 GHG emissions since 2019 and Scope 3 since 2023. Our pursuit of ISO-14001 certification at all performance centers demonstrates a strong commitment to environmental responsibility. Informed by our annual double materiality assessment completed by employees, customers, regulatory agencies, community members, suppliers and our internal leadership team, our program accurately reflects the perspectives of all stakeholders on the issues material to our success. Rather than seeing these developments as risks, Ducommun embraces them as catalysts for continuous improvement and long-term value creation ➤ To advance our supply chain sustainability, our team performed a physical risk assessment of our top 30 suppliers using NOAA’s CMRA tool to evaluate their vulnerability to climate-related disruptions. To assess our suppliers’ environmental practices, we distributed a CER supplier survey to the top 10 suppliers at each facility to gather data on their current Scope 1 and 2 GHG emissions. We communicated the critical importance of partnership and collaboration with all our suppliers, encouraging them to work with us to enhance resiliency across our supply chain network ➤ We will continue to refine and enhance our processes to drive both operational and environmental performance excellence. This commitment is exemplified each year during our Annual Engineering Week, where teams from across our performance centers submit breakthrough projects aimed at improving productivity and reducing GHG emissions. These initiatives reflect our belief that innovation and sustainability go hand in hand ➤ Ducommun’s product line of fuel-saving aerospace components, characterized by drag reduction and lightweight construction, is well established in the market, and we continue to invest in marketing and development to expand adoption across diverse aircraft platforms

> Climate Strategy in Action from Climate Risk to Business Opportunity

With sustainability becoming a key driver in the aerospace sector, we see a clear opportunity to lead as a technology enabler in the transition toward a low-carbon economy. Our manufacturing expertise helps us tackle climate risk and opportunity while unlocking productivity gains across our operations.

Engineering Week showcases this mindset in action, with teams submitting projects that were aimed to improve productivity while reducing waste and energy consumption. We are also committed to supporting the industry's mission to lower fuel consumption

through our targeted products and services. Our 'Climate Opportunity in Focus' below spotlights the products we offer that contribute to reducing fuel consumption in aircraft and supporting increasingly sustainable aviation. In addition, through an R&D partnership with our Lightning Diversion Systems Performance Center in Huntington Beach, CA and Wichita State University, we are working to improve wind farm protection against lightning strikes, enhancing the resilience and reliability of renewable energy systems.



Climate Opportunity in Focus

> Supporting Key Customers in Fuel Efficiency Improvements

Our BLR performance center in Everett, WA designs winglets, FastFins™ and Vortex Generators to optimize airflow, and the Whisper Prop™, a carbon fiber propeller using natural composite materials instead of metals. BLR's products are intended to reduce drag, thereby enhancing the fuel efficiency and performance of helicopters and airplanes.



> Smart Engineering: Powering Productivity and Sustainability

During Engineering Week, teams across performance centers submitted projects focused on sustainability initiatives such as improving efficiency, reducing energy use and minimizing waste. This demonstrates how practical bottom-up improvements can contribute directly to our climate strategy by reducing environmental impact, positioning the business to adapt, compete and lead in a low-carbon economy.



**Top Honors - Nobles Worldwide
St. Croix Falls, WI Performance Center**

› Climate-Related Risk and Opportunities Impact on Strategy and Financial Risks Management

We have identified our climate-related risks and opportunities, allowing us to understand their impact on both our strategy and financial risk management. This assessment covers our 16 performance centers across the U.S. and Mexico, as well as our top 30 suppliers. To deepen our understanding of supplier-related risks, we engaged with them through a targeted survey using a double materiality framework, assessing both the impact of climate-related risk on their operations and the impact of their activities on climate-related issues. This has provided valuable insights into supplier vulnerabilities and key topics, enabling us to address climate risks and opportunities across our value chain.

› Climate Risk Assessment and Adaptation

We prioritize mitigating risks based on the degree of exposure and potential financial impact. This approach means that performance centers facing the most significant climate vulnerabilities receive focused attention and resources. For example, performance centers exposed to extreme weather are prioritized for infrastructure enhancements via our capital project process. Similarly, supplier engagement efforts focus on those most susceptible to physical and transition risks to ensure supply chain continuity. Integrating supplier data into our process enables us to potentially forecast and mitigate risks related to supply chain disruptions.



> Financial Impact

While we have identified certain risks and have begun mitigation, we will continue to assess the detailed qualitative financial impacts of these and other climate-related risks and opportunities over the course of 2026 and 2027. This ongoing evaluation will inform more precise capital allocation and risk management decisions, ensuring that our financial planning remains aligned with evolving climate realities. We plan to update this report with those findings in the next reporting cycle.

> Strategic Focus on Opportunities

When exploring opportunities, we focus on those with immediate and measurable benefits. This includes energy efficiency improvements, waste reduction and water use optimization that can be quickly implemented with clear cost savings.

> Scenario-Based Risk Assessment

For our physical risk assessment, we applied climate scenarios established by the IPCC (Intergovernmental Panel on Climate Change) to evaluate potential exposure across our performance centers. Specifically, we used two widely recognized Representative Concentration Pathways (RCPs): RCP 2.6 and RCP 8.5.

- > RCP 2.6 assumes the implementation of ambitious global carbon policies aligning with efforts to limit warming to well below 2°C above pre-industrial levels. This represents a best-case scenario where mitigation efforts moderate physical climate risks.
- > RCP 8.5 assumes continued high greenhouse gas emissions without significant policy intervention, resulting in approximately 3.5°C to 5.1°C by 2100 of warming by the end of the century. This scenario represents increased risks of extreme weather events such as floods, droughts, wildfires, hurricanes and heatwaves.

For our analysis, we examined both short-term impacts by 2030 and long-term impacts through 2050. This dual timeframe enables us to understand immediate vulnerabilities as well as evolving risks, helping to inform strategic planning, infrastructure investment and resilience-building efforts across our operations. When assessing physical risks in partnership with our insurance company, we focused on short-term and long-term impacts rather than including the medium-term for several key reasons:

1. Risk Management Strategy Alignment: Our partnership with our insurance company is driven by our goals to align risk management efforts with practical insurance solutions. Insurance models are often geared towards covering short-

term events like natural disasters and long-term systemic risks such as the impacts of climate change over decades. The medium term does not fit as neatly into these frameworks, as it often falls into a gray area where neither the costs nor the impacts are sufficiently clear to provide comprehensive coverage or actionable mitigation strategies.

- 2. Financial Impact Considerations:** Short-term risks are directly linked to immediate financial impacts, which can be more easily translated into insurance premium, claims and coverage. Long-term risks, while harder to quantify, have clearer financial implications over time, especially as they relate to asset depreciation, changes in property values and the costs of adapting to climate-related shifts. The medium-term however, presents a challenge in financial modeling because it is difficult to assess a level of accuracy for effective insurance underwriting.
- 3. Focus on Actionable Risks:** Our aim is to prioritize risks that we can act upon in the present or in the foreseeable future. Short-term risks like extreme weather events demand immediate responses, whether through physical mitigation strategies (e.g. flood barriers or enhanced storm drainage) or financial mechanisms (e.g., emergency insurance claims). Long-term risks, on the other hand, require strategic planning for adaptation (e.g., relocation, infrastructure redesign or ecosystem restoration). The medium-term risks, which may involve a mix of slow-onset events and episodic but less predictable impacts, do not yet offer the clarity needed for specific and actionable intervention.

> Methodology

Our physical risk assessment evaluates the exposure of each of the 16 performance centers to climate-related hazards over both short-term (by 2030) and long-term (by 2050) horizons. We assign objective, risk-based scores to quantify the potential impact of each hazard, considering the vulnerability of assets, operations and local infrastructure. Many climate-related hazards were analyzed include flooding, wildfires, extreme heat and severe storms.

Projections are developed using a combination of historical weather data, current risk assessments and scenario-based climate models under multiple climate change pathways. This approach allows us to estimate how the frequency and severity of these hazards may evolve over time and to identify the performance centers most at risk. Table 2 below summarizes the key climate variables and scenarios considered,

providing a foundation for our risk management, resilience planning and adaptation strategies in alignment with TCFD recommendations.

We modeled baseline and projected risk scores and analyzed the results at both the site and regional levels, focusing on each of our performance centers to assess potential climate-related risks. This assessment identified which performance centers are most exposed to climate variables such as temperature extremes, precipitation changes, wind and sea level rise. By understanding the specific locations and climate factors contributing the highest risk, we can prioritize mitigation actions, enhance operational resilience and guide future investments in climate adaptation measures across our operations. These insights continue to inform our long-term strategy to protect our facilities, workforce and supply chain from the evolving impacts of climate change.

Table 2: Future Climate Change Variables and Scenarios²

Variable	Definition	Time Horizon	Climate Scenarios
Mean Temperature	Mean near-surface air temperature, representing average temperature conditions over a specified period.	2030 / 2050	RCP 2.6, RCP 8.5
Maximum Temperature	Maximum of daily near-surface air temperature, indicating extreme heat events.	2030 / 2050	RCP 2.6, RCP 8.5
Maximum 1-Day Precipitation	Maximum precipitation accumulated over a 24-hour period, reflecting short-term heavy rainfall events.	2030 / 2050	RCP 2.6, RCP 8.5
Maximum 5-Day Precipitation	Maximum precipitation accumulated over a consecutive 5-day period, capturing prolonged heavy rainfall events.	2030 / 2050	RCP 2.6, RCP 8.5
Standardized Precipitation Index (SPI)	Index comparing accumulated precipitation over six months to climatological norms, used to assess drought conditions.	2030 / 2050	RCP 2.6, RCP 8.5
Consecutive Dry Days	Maximum number of consecutive days with precipitation below 1 mm, indicating prolonged dry periods.	2030 / 2050	RCP 2.6, RCP 8.5
Wind	Mean near-surface wind speeds, capturing average wind conditions for potential storm or extreme weather impacts.	2030 / 2050	RCP 2.6, RCP 8.5
Sea Level Rise	Increase in global sea levels due to land ice melt and thermal expansion of ocean water, affecting coastal and low-lying areas.	2030 / 2050	RCP 2.6, RCP 8.5

² All definitions of climate change variables and scenarios are provided by our insurance company.

Climate Physical Risk Assessment Results

Ducommun manufacturing operations are distributed across multiple regions, providing geographic diversification under both high- and low-warming scenarios. No single climate-related risk is concentrated across our sites. Physical risks are projected to be higher under RCP 8.5 due to increased global emissions, although some increases in risk levels are also observed under RCP 2.6. Our analysis, conducted by the type of climate-related event, highlights the regions and performance centers most affected or projected to experience the largest increases in risk. Out of 16 performance centers 9 are potentially exposed to varying climate impacts. We identified 13 actionable recommendations, 10 of which have already been implemented, with the remaining 3 scheduled for short-term completion. While future risk levels are generally expected to rise under both scenarios, the magnitude of change is moderate, and our geographic diversification enhances resilience. Completion of most recommended actions positions Ducommun to respond effectively to physical climate risks. We will continue to update our risk scenarios in collaboration with our insurance partner to maximize preparedness and resilience.

Transition Risk Analysis

Our transition risk assessment examines the potential financial impacts of carbon pricing policies, including carbon taxes and adjustments to cap-and-trade thresholds, with a focus on California. We analyzed the effect of these policies on Scope 1 emissions costs and on Scope 2 electricity costs, which may rise due to pass-through charges from utilities subject to carbon pricing.

Scenario Selection

To assess transition risks, we selected the International Energy Agency (IEA) as our primary reference because of its specialized focus on energy policies, market dynamics and technology pathways that directly influence the economic and regulatory environment during the transition to a low-carbon economy. Unlike the IPCC, which primarily concentrates on the physical impacts of climate change, the IEA provides detailed scenario analysis related to policy shifts, carbon pricing, energy demand and technology adoption, all critical elements for understanding transition risks. For this particular exercise we modeled the potential financial and operational impacts of regulatory and market shifts related to the transitions risks identified by topic below. The analysis considers two scenarios across a time horizon from our base year of 2019 to 2050:

- **IEA Stated Policies Scenario (STEPS, 2.6°C)** - Represents moderate policy action where governments implement planned policies, including carbon pricing mechanisms and electricity decarbonization.
- **IEA Sustainable Development Scenario (SDS, 1.5-2°C)** - Represents aggressive action to limit global warming, with rapid implementation of policies such as a forecasted carbon price of USD 100 per MTCDEs (Metric Ton of Carbon Dioxide Equivalent) by 2030.



Carbon Pricing

Risk Type: Policy and Legal

Time Horizon: Medium-Term

Description:

Potential financial impacts of carbon pricing policies, including carbon taxes and adjustments to cap-and-trade thresholds, with a focus on California.

Key Assumptions:

Carbon pricing under SDS assumed at US \$100/MTCDE by 2030

Scope:

- > Direct carbon taxes/fees on Scope 1 emissions
- > Emissions trading costs for over-allocated centers
- > Indirect impact on electricity (Scope 2) via pass-through costs

Scenario Methodology:

Our transition risk assessment focuses on the potential financial impacts of regulatory changes, particularly carbon pricing mechanisms and the California cap-and-trade program. Under the IEA Stated Policies Scenario (STEPS, 2.6°C) and Sustainable Development Scenario (SDS, 1.5-2°C), spanning from our 2021 baseline through 2050, we analyzed the effects of projected carbon prices on Scope 1 and Scope 2 emissions.

Potential Impact on Business:

For our operations, this scenario assumes no significant physical impacts by 2030, allowing us to focus exclusively on regulatory and market-driven transition risks. The main impacts identified are increased manufacturing costs associated with natural gas-related GHG emissions and higher energy and raw material costs due to the pass-through effects of carbon pricing.

Following a detailed assessment of carbon pricing and cap-and-trade policies, we have determined our current operations are minimally exposed to this transition risk. Our total Scope 1 emissions have already been reduced by 33% compared to our 2019 baseline (see Metrics and Targets section). Within our California performance centers, only 2 of 6 facilities use natural gas for process heating, and across all 16 performance centers, only 5 use natural gas. Furthermore, we have implemented several energy-efficiency and operational improvement projects that have reduced reliance on natural gas, making this risk effectively non-material.

Management Approach:

Operational improvements, equipment upgrades, process redesigns and the purchase of renewable energy. Energy efficiency remains a critical lever for reducing GHG emissions, and these efforts form the initial steps of our broader transition plan.

Compliance Costs and Reporting Obligations

Risk Type: Policy and Legal

Time Horizon: Short-Term

Description:

As regulators strengthen climate and sustainability rules, Ducommun may face higher compliance costs and stricter reporting obligations. Customers may also demand greater supply chain transparency. Falling behind these requirements could lead to penalties or loss of competitive standing.

Key Assumptions:

- > California climate disclosure laws (SB 261) due to revenue threshold
- > Customers will continue tightening supplier sustainability standards, requiring verified emissions reporting

Scope:

- > Exposure to new or expanded sustainability reporting requirements
- > Increased sustainability clauses in customer contracts
- > Risk of penalties, fines, litigation or contract loss for failure to meet compliance obligations

Scenario Methodology:

- > Customers embed stricter sustainability compliance clauses in supplier contracts
- > Ducommun faces higher compliance costs, increased data management needs and reputational/legal risk if requirements are not met consistently

Potential Impact on Business:

- > Potential financial penalties if disclosures are incomplete, inaccurate or delayed
- > Increased costs for data collection, third-party assurance and reporting to meet California disclosure requirements
- > Customers may require suppliers to demonstrate verified compliance with sustainability standards. Failure to comply could limit our ability to compete for contracts

Management Approach:

- > Oversight of policy and legal risks is embedded into executive level sustainability governance, with regular updates to the Board
- > EHS and Legal team monitor regulatory developments and integrates requirements into business planning
- > Investment in sustainability data systems to ensure accuracy, auditability and transparency across Scope 1, 2 and material Scope 3 emissions
- > Expanding assurance coverage of emissions disclosures to build credibility with regulators, investors and customers
- > Annual review of disclosure practices to align with evolving frameworks (TCFD, SASB, GRI, GHG Protocol)
- > Partnering with customers to meet supply chain sustainability requirements

Materials Technological Transition Risk

Risk Type: Technology

Time Horizon: Long-Term

Description:

The aerospace industry's transition to lower-emission materials creates a technological transition risk. Companies that integrate advanced sustainable materials into their products may strengthen market position, while potentially incurring significant costs to retool operations, reduce emissions and align with customer and regulatory expectations.

Key Assumptions:

- > Demand from our customers to shifts toward suppliers offering lower emission or sustainable materials (e.g. lightweight composite, recyclable alloys)
- > Competitors invest earlier in lower-emission material technologies, potentially reducing the Company's market share if adoption lags

Scope:

- > Competitive pressure from aerospace peers that adopt low-emission products and processes earlier
- > Costs of adopting lower-emission materials, retooling production and investing in new equipment

Scenario Methodology:

- > Customers strengthen supplier requirements for lower-emission inputs and renewable energy sourcing

Potential Impact on Business:

- > Competitive Positioning: Early adopters of lower-emission technologies and materials may gain an advantage in market share and customer preference, leaving Ducommun at a disadvantage if transition is delayed
- > Potential increase in operating costs, capital expenditures and energy procurement costs

Management Approach:

- > Collaborating closely with our customers to ensure our products meet evolving requirements for low-emission supply chains
- > Several performance centers are investing in research and development to expand the use of lightweight composites and advanced manufacturing processes that reduce emissions intensity

Market and Reputational Risk

Risk Type: Market and Reputation

Time Horizon: Short- to Medium-Term

Description:

Market and reputational risks may increase as customers, regulators, investors and other stakeholders place greater emphasis on sustainability practices and the transition to a low-carbon economy. Perceptions of weak performance or failure to meet evolving standards could negatively affect Ducommun's reputation, competitiveness or financial position, while strong action could create opportunities.

Key Assumptions:

- > Customers and supply chain partners will continue to strengthen requirements for low-carbon products and sustainability transparency
- > Investors, insurers and lenders will increasingly factor sustainability performance into capital access and pricing
- > External ratings and rankings will influence investor and customer decision making
- > Perception of environmental stewardship will remain a key differentiator among aerospace manufacturers

Scope:

- > Potential loss of contracts, limited access to new bids or reduced competitiveness if perceived as lagging in sustainability practices or transition to low-carbon economy
- > Negative perception among customers, regulators or investors related to sustainability or non-compliance with evolving requirements

Scenario Methodology:

- > Customers begin integrating low-carbon transition metrics into supplier selection
- > Ducommun could see increased market and reputational risks if lagging behind peers, potentially impacting contract awards and cost of capital and insurance availability. Conversely, strong sustainability performance and adoption of lower-emission aerospace materials create a differentiation opportunity and reputational benefit

Potential Impact on Business:

- > Investors and lenders may demand stronger sustainability performance, weaker scores could limit funding options or increase cost of capital
- > Competitors with stronger sustainability credentials and lower-emission products may win preferred supplier status, putting Ducommun at a disadvantage
- > Failure to demonstrate credible progress on Scope 1 and 2 reductions or transparency in sustainability reporting could restrict participation in bids or limit long-term partnerships

Management Approach:

- > Ducommun integrates sustainability considerations into our long-term business strategy to address evolving stakeholder expectations. We recognize that reputation and market positioning are directly linked to how effectively we demonstrate stewardship and transparency. The following management approaches are currently in place:
 1. Annual CER Report, aligned with leading frameworks such as TCFD, SASB, GRI and the GHG Protocol.
 2. Third Party Assurance of scope 1, 2 and 3 GHG emissions.
 3. Stakeholder communication ensuring transparent and consistent engagement.
 4. Double Materiality Assessments evaluating both financial and environmental impacts through consulting with key stakeholders.
 5. Development of low-emission aerospace materials supporting customers sustainability goals by developing eco-friendly components.
 6. Positioning Ducommun as a preferred supplier.
 7. Continuous Monitoring of sustainability ratings and benchmarking our performance against industry peers.
 8. Promoting a sustainability culture to enhance the credibility of our initiatives.

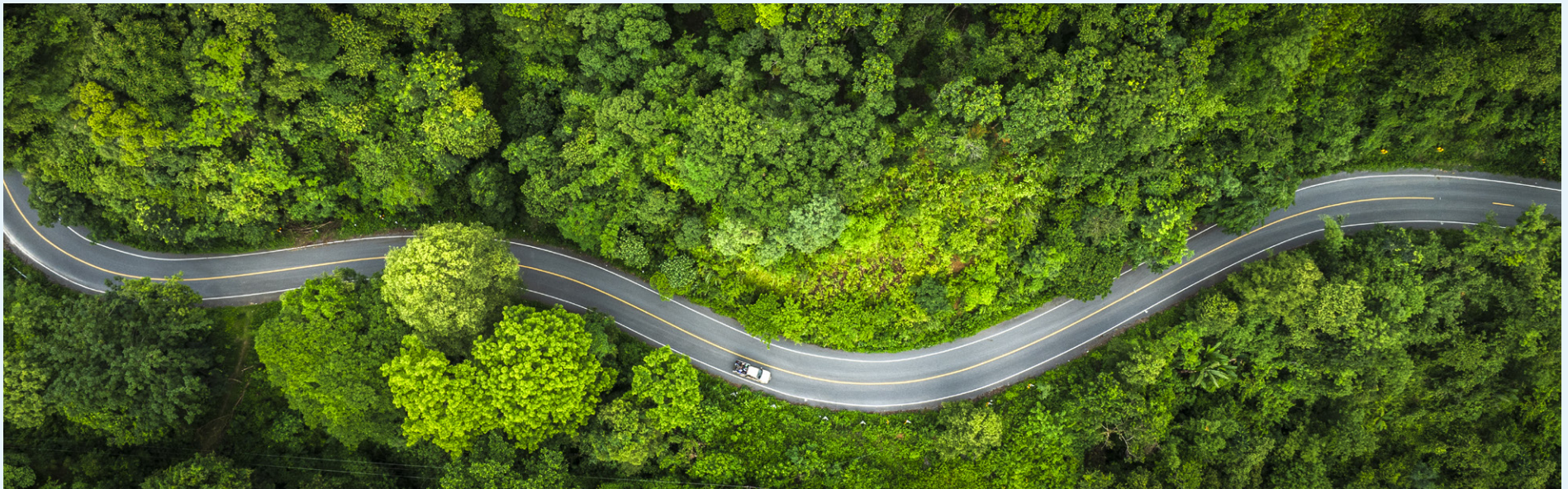
Risk Management

Ducommun's risk management framework is designed to proactively identify, assess and mitigate risks to safeguard operations and support long-term objectives. Early detection is essential for reducing the impact of climate-related risks. To that end, we have implemented a comprehensive process to help identify, assess and manage climate-related risks and opportunities through Business Continuity Plans (BCPs).

Each performance center maintains a dedicated BCP to identify potential risks, assess gaps and implement mitigation measures for various types of potential disruptions. These plans provide a structured approach to address both short-term and long-term challenges, ensuring preparedness and resilience across all operations. Over the past

year, we partnered with a third-party property insurer to analyze climate change impacts, evaluating acute and chronic risks for each performance center under various climate scenarios. BCPs incorporate structured methodologies to prepare for, respond to and recover from climate events.

Additionally, a Double Materiality Assessment was carried out, in which Ducommun engaged with external stakeholders—including key customers, suppliers, regulatory agencies and the internal leadership teams—to better understand the issues they deem most material to the Company's success. This exercise informs future engagement and strategic decision-making.



Business Continuity Plans: Preparing for Climate and Operational Risks

Our BCPs and operational resiliency processes are structured around 3 core elements: identifying and assessing climate-related risks, managing those risks and integrating risk management into our overall business strategy. Each Performance Center actively participates in these processes to help ensure site-specific risks are captured, assessed and mitigated effectively.

1. Identification and Assessment of Climate-Related Risks

Each performance center conducts a Risk Assessment & Business Impact Analysis (BIA) to identify potential natural disasters, operational disruptions and supply chain interruptions specific to its location. This includes:

- Assessment of local hazards: Identifying events such as floods, tornadoes, extreme heat and drought that could compromise the facility, operations or critical supply chain links.
- Evaluation of functional and supply chain impacts: Quantifying potential effects on procurement, operations, maintenance, engineering, EHS and critical suppliers or logistics partners.
- Scenario-Based analysis: Utilizing climate science and predictive modeling, including IPCC Representative Concentration Pathways (RCPs 2.6 and 8.5), to assess risks over both short-term (by 2030) and long-term (by 2050) horizons.
- Stakeholder input: A double materiality assessment engages stakeholders, including customers, suppliers, regulatory agencies and internal leadership to identify the climate-related business and supply chain continuity.

This ensures that risk identification is comprehensive, considers multiple perspectives and aligns with operational realities, strategic priorities and supply chain dependencies.

2. Management of Climate-Related Risks

Once risks are identified, each performance center implements mitigation and response strategies through its dedicated BCPs:

- Crisis Response Plan & Situational Awareness Committee (SAC) team activation: Each performance center has a clear communication and escalation protocol for climate-related emergencies. In addition, a Leadership SAC Team can be activated at any time by any member, ensuring rapid decision-making, resource mobilization and cross-functional coordination during crises.
- Business Continuity & Response Plan: Annual updates to BCPs, tabletop exercises and drills simulate extreme weather events, operational disruptions or supply chain interruptions. These exercises identify gaps, refine response strategies and ensure personnel understand their respective roles during emergencies.
- Annual training and exercises: Mandatory training for all employees at each performance center ensures preparedness, familiarity with emergency procedures and continuous improvement in operational resilience.
- Monitoring and mitigation measures: Tracking risk indicators, implementing preventive actions and enabling rapid response to unforeseen events helps preserve operational continuity and supply chain integrity.

These processes help each performance center respond effectively to disruptions, reduce potential downtime and maintain critical operations, including supply chain continuity.

3. Integration into Overall Risk Management

BCP processes are fully integrated into the broader enterprise risk management framework, overseen by the CER Steering Committee leadership team. Integration includes:

- Alignment with corporate risk policies: Ensuring climate-related risk mitigation, supply chain resiliency and operational continuity strategies are consistent with enterprise risk governance.
- Regular reviews and updates: Performance centers conduct annual reviews of BCPs, updating them based on new risks, lessons learned from exercises, SAC Team activations and stakeholder feedback.
- Strategic planning linkage: Climate-related and supply chain risks are incorporated into long-term business strategy, investment planning and capital allocation to enhance resilience and sustainability.

This approach ensures operational and supply chain decisions are informed by climate risk considerations and that mitigation strategies are standardized and continuously improved across all performance centers.

Table 3: BCP Activities and Methodologies

Risk Management Focus	BCP Activities / Methodologies	BCP Activities / Methodologies
Identifying and assessing climate-related risks	Risk Assessment & BIA	Each performance center evaluates location-specific hazards, operational vulnerabilities and supply chain interruptions; scenario modeling using IPCC RCPs; double materiality assessment to capture stakeholder perspectives.
	Climate change impact reports	External partner (property insurer) provides analysis combining site visits, engineering assessments and climate projections; short- and long-term outlook for property, business interruption and supply chain risks.
Managing climate-related risks	Crisis Response Plan & SAC Activation	Clear communication and escalation protocols; Leadership SAC Team can be activated at any time by any member to manage crises and coordinate rapid response.
	BCP	Annual updates to BCPs, tabletop exercises and drills simulating operational and supply chain disruptions; identifies gaps and enhances response strategies.
	Annual Training & Exercises	Mandatory training for all employees; scenario-based exercises ensure personnel readiness and continuous improvement.
Integrating risk management into overall business strategy	Enterprise Risk Management Integration	BCPs reviewed and approved by CER Steering Committee; aligned with corporate risk policies, capital planning and long-term strategic decisions.
	Continuous Monitoring & Review	Annual performance center reviews, updates based on emerging risks, lessons learned, SAC Team activations and stakeholder feedback; ensures integration with corporate priorities.

Metrics and Targets

Ducommun acknowledges that systematic tracking of climate-related metrics and targets is essential for understanding progress and shaping strategy. We have monitored Scope 1 and Scope 2 emissions since 2019, with Scope 3 tracking beginning in 2023. These metrics are disclosed annually in our CER Report, ensuring visibility to stakeholders. We also partner with a reputable verification company to help

ensure the reliability and accuracy of our GHG data. While formal reduction targets are still under development, our 4 environmental pillars—energy efficiency, waste reduction, wastewater efficiency and accurate and auditable data guide operational improvements and support the long-term management of climate-related impacts.



>1. Metrics for Assessing Climate-Related Risks and Opportunities

Ducommun recognizes the critical importance of measuring climate-related performance to track progress and drive continuous improvement. Since 2019, we have systematically tracked Scope 1 and Scope 2 greenhouse gas (GHG) emissions, and since 2023, we have also tracked Scope 3 emissions, covering upstream and downstream activities. Our GHG emission inventory methodology is detailed in [Appendix 2](#), alongside our third-party verification letter. We calculate our GHG emissions in accordance with the GHG Protocol and the latest EPA emissions guidelines. Beyond GHG, we track key environmental performance indicators aligned with our four environmental pillars: energy efficiency, waste reduction, wastewater efficiency and accurate and auditable data.

These metrics allow us to quantify our operational impact, identify trends and prioritize areas for improvement. They also provide insight into energy consumption patterns, water use efficiency, waste reduction efforts and emissions intensity across our performance centers. By leveraging established reporting frameworks such as SASB (Aerospace & Defense), TCFD and the GRI, we strive ensure our metrics are comparable, consistent and aligned with industry best practices.



>2. Targets and Environmental Pillars

While Ducommun has not yet established formal GHG reduction targets, we have implemented a structured approach to improve our climate performance through our 4 environmental pillars. These pillars guide our strategic initiatives, investments and operational decisions while driving reductions in our Scope 1, 2 and 3 emissions. They also enable us to effectively monitor our progress in managing climate-related risks and opportunities.

- **Energy Efficiency:** Optimizing machinery, HVAC systems, lighting and renewable energy usage to reduce Scope 1 and 2 emissions.
- **Waste Reduction:** Implementing recycling, material recovery and process optimization programs to reduce landfill impact and Scope 3 emissions.

- **Wastewater Efficiency:** Enhancing treatment processes and water reuse across our facilities.
- **Accurate and Auditable Reporting:** Ensuring reliable collection, analysis and disclosure of environmental metrics.

Our approach is supported by ongoing assessments and project implementation, with each initiative designed to reduce emissions and resource use while maintaining operational efficiency. These pillars form the backbone of our future strategy and will inform the eventual development of formal, science-based emissions reduction targets aligned with global climate scenarios, including 1.5-2°C pathways.

>3. Tracking Progress and Reporting

Progress against our environmental pillars and climate metrics is tracked annually and published through our CER Report, ensuring transparency with internal and external stakeholders. Each performance center collects and validates its operational data, which is then consolidated for corporate reporting. Below is the link to our 2024 CER report:

https://www.ducommun.com/pdf/CER_2024-Report.pdf

We also partner with a reputable third-party verification company to verify the accuracy and completeness of our GHG data and other environmental metrics. This helps to ensure the reliability of our disclosures and support continuous improvement in measurement, management and mitigation of climate-related risks.

Tracking these metrics enables Ducommun to assess both operational performance and risk exposure, providing a foundation for decision-making, resource allocation and strategic planning. Our metrics inform risk management, supply chain considerations and long-term sustainability initiatives, allowing the organization to respond proactively to emerging climate-related challenges.



>4. Integration with Risk Management and Business Strategy

The metrics and reporting process is closely linked to our overall risk management framework. By tracking GHG emissions, energy consumption, waste generation and other environmental metrics, we gather essential information that supports the integration of sustainability considerations in our risk management and business strategy. Coupled with insights gained from customer sustainability questionnaires on GHG emissions and energy reduction, this approach helps us identify emerging climate-related opportunities to make more informed strategic decisions.

These insights are directly used to inform project prioritization, performance center planning and operational resiliency initiatives, ensuring that our environmental performance aligns with long-term business objectives. In this way, metrics and targets are both a reporting exercise and a strategic tool to enhance resilience goals.

Category	Metric/Indicator	Scope/Boundary	Baseline Year	Baseline Year GHG Emissions in CO ₂ e (metric tons)	2024 GHG Emissions in CO ₂ e (metric tons)	Improvements (%)	Initiatives/Actions	Verification	Reporting Framework
Greenhouse Gas Emissions	CO ₂ e metric tons	Scope 1	2019	9,048	6,061	33%	Energy efficiency upgrades, boiler conversions, process optimization	Third-party verification (GHG, data accuracy)	SASB, TCFD, GRI
Greenhouse Gas Emissions	CO ₂ e metric tons	Scope 2	2019	29,009	13,135	55%	Renewable energy sourcing, LED lighting, HVAC upgrades	Third-party verification	SASB, TCFD, GRI
Greenhouse Gas Emissions	CO ₂ e metric tons	Scope 3	2023	94,150	77,498	18%	Supply chain engagement, waste reduction, transportation efficiency	Third-party verification	SASB, TCFD, GRI
Energy Efficiency	Total Energy Usage	Operational sites	2019	396,096	316,379	20%	Equipment upgrades, energy audits, renewable integration	Internal and third-party verification	SASB, GRI

Forward Looking Statements and Related Cautionary Notes

This Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be preceded by, followed by or include the words “could,” “may,” “will,” “believe,” “expect,” “anticipate,” “plan,” “estimate,” “aim,” “strive,” “continue,” “outlook,” “guidance,” “seek,” “ensure” or similar expressions. These statements are based on the beliefs and assumptions of our management relating to our environmental, social and governance initiatives and program, and may be based on standards for measuring progress (including standards for the measurement of underlying data) that are still developing, on internal controls that are evolving, and on assumptions or third-party information that are subject to change in the future. For example, our disclosures based on any standards may change due to revisions in framework requirements, changes in how GHG emissions are calculated, availability of information, changes in our business or applicable governmental policies, or other factors, some of which may be beyond our control. Generally, forward-looking statements include information concerning our possible or assumed future actions, events, or results of operations. Forward-looking statements in this Report address the Company’s goals, targets, aspirations, or expectations regarding sustainability, environmental matters, corporate responsibility, cybersecurity matters and our employees, policies, business opportunities and risks.

These forward-looking statements are subject to numerous factors, risks, and uncertainties that could cause actual outcomes and results to be materially different from those projected. Forward-looking statements are aspirational and not guarantees of future results, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Information included in, and any issues identified as material for purposes of, this Report may not be considered material for SEC reporting purposes. Within the context of this Report, the terms “material” and “materiality” are distinct from, and should not be confused with, such terms as defined for applicable rules and regulations, including SEC reporting purposes. All written and oral forward-looking statements made in connection with this Report that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by “Risk Factors” contained within Part I, Item 1A of our Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC, and other cautionary statements included therein. Furthermore, with respect to our targets, goals, and commitments outlined in this Report and elsewhere, there are additional risks associated with, among other things, socio-demographic and economic trends; energy and fuel prices and availability; technological innovations; Climate-Related conditions and weather events; legislative and regulatory changes; our ability to gather and verify relevant information, including data regarding environmental impacts, and the challenges, assumptions, and other methodological considerations associated with such information; our ability to successfully implement various initiatives throughout the company under expected time frames and at expected levels of cost and complexity;

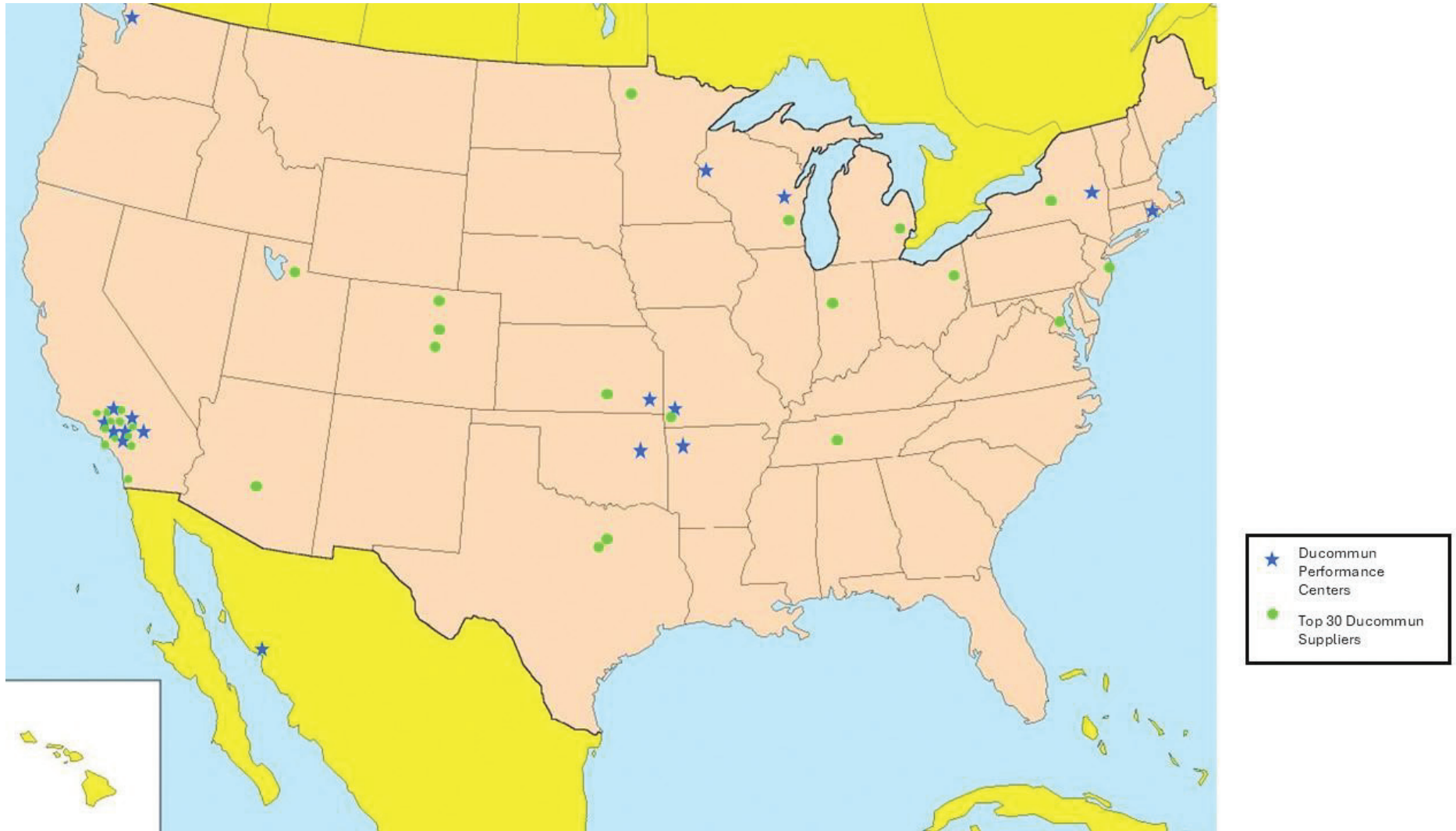
risks related to our public statements with respect to such matters that may be subject to heightened scrutiny from public and governmental authorities related to the risk of potential “greenwashing,” (i.e., misleading information or false claims overstating potential sustainability-related benefits, risks that we may face regarding potentially conflicting anti-ESG initiatives from certain U.S. state or other governments, which could lead to increased litigation risk from private parties and governmental authorities or regulatory bodies related to our sustainability initiatives); the compliance of various third parties with our policies and procedures and legal requirements; our dependency on certain third parties to perform; and other unforeseen events or conditions. We may also rely on information prepared by government agencies or third-party vendors and consultants in certain of our disclosures, including with respect to calculating GHG emissions, which involves certain important risks. For example, third-party information may change over time as methodologies and data availability and quality continue to evolve. These factors, as well as any inaccuracies in the third-party information we use, including in our estimates or assumptions, may cause results to differ materially, and adversely, for to the extent disclosed, we have not undertaken to independently verify this information or the assumptions or other methodological aspects underlying such information. The information should not be interpreted as any form or guaranty or assurance of accuracy, future results or trends, and we make no representation or warranty as to third-party information. These factors are not necessarily all of the important factors that could cause actual results to differ materially, and adversely, from those expressed in any of our forward-looking statements. Other factors could also have material adverse effects on our future results, including factors that are unknown to us and factors that we currently consider to be immaterial.

We urge you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this TCFD aligned Report. We cannot assure you that the results reflected or implied by any forward-looking statement, including any goals or targets, will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this Report are made as of the date of this Report unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances. Unless explicitly noted in each instance where it occurs, the relevant sustainability and TCFD-related data provided in this report has not been audited or subject to any third-party assurance process. The information herein should not be interpreted as any form of guaranty or assurance of accuracy, future results or trends.

Unless otherwise provided, the information contained in this Report, including website references and hyperlinks throughout this document, are provided for convenience only, and the content therein is not incorporated by, nor does it form a part of, any filing of Ducommun made with the SEC, or any other filing, report, application or statement made by Ducommun to any federal, state, tribal or local governmental authority.

Appendices

> Appendix 1



> Appendix 2



Ducommun Green Project Onboarding Report Scope 1-3 GHG Inventory Q1 2024 to Q4 2024

Ducommun engaged Green Project Technologies, Inc. to conduct a Scope 1-3 GHG inventory across Ducommun’s operations for CY24.

After reviewing Ducommun’s data, Green Project updated their platform account to reflect their Scope 1-3 emissions footprint for 2024. The report below summarizes potential methodological choices and assumptions utilized during Green Project’s preliminary assessment.

Scope 1

Stationary Combustion

Natural Gas

Data provided: Natural gas usage was obtained at the following facilities via a variety of methods – extracting online utility data via API integration, utility invoices, or from providing the direct consumption of each utility (16):

- > Appleton
- > Berryville
- > Carson
- > El Mirage
- > Gardena
- > Huntsville
- > Joplin
- > LDS
- > Magseal
- > Guaymas, Mexico
- > Monrovia
- > New York
- > Nobles (St. Croix)
- > Orange
- > Parsons
- > Tulsa

Emissions factors: Green Project mapped the gas usage at these facilities to the Natural Gas emissions factor from the US EPA 2024 GHG Emission Factors Hub,

Table 1: Stationary Combustion using the conversion from MMBtu as this was the emission factor that Ducommun had used for past reporting cycles.

Other methodology notes: Since Natural Gas data fluctuates greatly month-over-month, and Ducommun requested that Green Project use estimates for December based on previous data, Green Project utilized the December 2023 data as a proxy for the December 2024 data as this would be more accurate than using the November 2024 data. Please note that this only affects Q4 2024 data.

Propane

Data provided: Additionally, propane usage was provided either for every month or for only a handful of months throughout 2024 for the following facilities (11):

- > Carson
- > Certified Thermoplastic
- > Gardena
- > Guaymas, Mexico
- > Huntsville
- > Joplin
- > New York
- > Nobles (St. Croix)
- > Orange
- > Parsons
- > Tulsa

Emissions factors: The propane emissions factors were mapped to the US EPA 2024 GHG Emission Factors Hub, Table 1: Stationary Combustion.

Mobile Combustion

Data provided: Spend data for the trucks used in operations was provided to Green Project by Ducommun for Q1-Q3, October and November of 2024. Please note that some line items in the truck fuel data were related to expenses from 2023 – Green Project did *not* include these in the analysis of the spend data as the “Transaction Date” of the purchase was not applicable to CY24.

Emissions factors: Green Project used the US EIA Average Monthly Gas & Diesel 2024 prices to convert the spend data to approximate gallons of fuel used across the various months and confirmed the assumption that diesel was the fuel type used with Ducommun. Green Project applied the standard CO₂ emissions factor (in kg/Gal) for Diesel fuel usage. For the CH₄ and N₂O emissions factors, it was assumed that the vehicle type for Ducommun trucks was “Medium- and Heavy-duty” vehicles from the latest EPA vehicle year range (2007-2021). Green Project extrapolated the CH₄ and N₂O distance-based factors from the US EPA 2025 GHG Emission

Factors Hub, Table 4: Medium- to Heavy-duty Vehicles against an mpg of 6.98 to derive the distance-based emission factors for better alignment with the gallons of fuel consumed.

Fugitive Emissions

Data provided: The 2024 refrigerant data was provided for the following facilities (5):

- > Huntsville
- > Joplin
- > New York
- > Nobles (St. Croix)
- > Parsons

Data was provided in the form of invoices, images, or excel files. For any other facilities where Green Project did not receive refrigerant data, it was assumed that refrigerant usage was not applicable for 2024.

Emissions factors: Green Project mapped the refrigerant type to the emissions factors from the US EPA 2024 GHG Emissions Factor Hub, Table 12: Global Warming Potentials for Blended Refrigerants.

Scope 2

Purchased Electricity

Data provided: Electric usage was available for and provided for every facility. Data was either obtained via API integration or extracted from utility invoices. Market-based information was provided for the following facilities (7):

- > New York – the quantity varied depending on the NYPA usage provided for each bill
- > Parsons – 50%
- > LDS – 100%
- > Nobles (St. Croix) – 100%
- > Carson – 100%
- > Gardena – 100%
- > Monrovia – 100%

Emissions factors (location-based): Green Project mapped the electric usage at all facilities to the electric grid emissions factors from the US EPA 2024 GHG Emissions Factor Hub, Table 6: Electricity.

Emissions factors (market-based): For any market-based emissions not coming from renewables, Green Project mapped these to the Green-e Residual Mix 2024 dataset using the same electric grid as the location-based resource. Any location with 100% renewable energy was assigned to an emissions factor of 0 kgCO₂e/kWh under the market-based emissions. For any facilities where they had renewable energy but not 100% coverage, the difference was subtracted from the total kWh quantity and the residual mix emissions factor was applied to the remaining non-renewable portion (Parsons and New York).

Scope 3

3.1 - Purchased Goods & Services

Data provided: Ducommun compiled all facilities' purchased goods & services, as well as capital expenditures, into a consolidated file with various metadata adhered including date of spend, vendor name, commodity category (Tier 1 description), and sub-commodity family (Tier 2 description).

Emissions factors: To provide the highest granularity for Ducommun's spend data, Green Project matched expense items to Supply Chain Emissions Factors at the "Sub-Comm Family" level when the "Commodity Category" name likely spanned many product/industry emissions factors (e.g., "Indirect" or "Raw Material"). Within this approach, Green Project started with the 15 unique Commodity Categories in the "Spend Detail" workbook and indicated which match cleanly to a single Supply Chain Emissions Factor (e.g., "Connectors"), and which require consideration of their "Sub-Comm Family" and "Class" to ascertain the relevant emissions factor. Green Project then mapped over 300 expense descriptions from Ducommun to relevant expenditure emissions factors from the USEPA Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6, July 2024 (2024, Without Margins). All negative and blank values were excluded as they are not relevant to the overall inventory.

3.2 - Capital Expenditures

As any capital expenditures for 2024 were captured in the expenditure data alongside the Purchased Goods & Services, please see the methodology in category 3.1 above for more detail on how the spend data here was assigned to relevant emissions factors.

3.4 - Upstream Distribution & Transportation

Data provided: Spend data for the freight that Ducommun used throughout their operations was provided by facility for each month in 2024.

Emissions factors: Green Project used the US EPA's emissions factor for "General Freight Trucking, Long-Distance, Truckload" from the US EPA's NAICS 2024 dataset. The spend data was then calculated per quarter and applied to this emission factor.

3.5 - Waste Generated in Operations

Non-hazardous Waste

Data provided: Ducommun provided PDF invoices containing details on the amount spent, volume serviced, or weight of waste removed from each site (with the exception of BLR). Based on the descriptions provided by each invoice, waste streams were separated into 9 categories (trash, recycling, cardboard, sludge, special waste, wood, food waste, and brine water).

- > For data where only spend was provided (CTP), spend values were taken and mapped to the US EPA spend-based emissions factor for "Other waste collection".

- For invoices where a direct weight was provided, this weight was taken as the total weight of waste generated and was converted to lbs (if not already in lbs) and mapped to weight-based US EPA emissions factors by waste type.
- For invoices where only a volume was provided, GPT first confirmed with the client the frequency of pick-up, as well as confirmed with the client to assume 100% full containers at every instance of pick-up.
 - For containers picked up once per month, the frequency of pick-up matches the invoice frequency, and thus no further multiplier is needed.
 - For containers picked up more than once per month, the volume of waste was multiplied by its assumed density, then again by the amount of times picked up per month.
 - For containers picked up weekly, monthly totals were assumed to be the weight weekly pickup frequency multiplied by 4.
 - Densities of each waste stream were calculated using US EPA 2016 values for volume-weight conversions for waste. If there was a range provided for the value, the average between the low end and the high end was taken.

Hazardous Waste

Data provided: Ducommun provided Excel files that contained the quantity of hazardous waste generated (either volume-based or weight-based), the type of hazardous waste that was produced, the date of pickup, and the facility where it was generated/picked up. Any volume-based data (e.g., gallons or yards) was converted to weight based on the classification of hazardous waste (e.g., solids vs liquids) using the US EPA's volume-to-weight conversions. The exception to this was paint, oil, and aluminum trihydrate, which had more specific data available for the average weight of each material per unit (e.g., paint weighs approximately 9 lbs/gal).

Emissions factors: Due to limited availability of weight-based emission factors for hazardous wastes (for example, "inorganic acids" do not map well to any Table 9 US EPA emissions factors for waste), all hazardous waste was mapped to the Treatment of hazardous waste, hazardous waste incineration (RoW) emissions factor from Ecoinvent V3.1.

3.6 - Business Travel

Data provided: Ducommun provided business travel data from two sources (i) a business travel management software (Christopherson) that had activity-based data for each travel category and the CO₂e for each activity and (ii) the spend data from fuel used in rental cars.

Emissions factors: Green Project used the activity-based data for the distance of the flight category and the location/number of hotel nights. There was no feasible rental car data so Green Project used the CO₂e values for the rental cars. For the spend data, Green Project used the US EIA Average Monthly Gas & Diesel prices to convert the spend data to approximate gallons of fuel used and assumed that the fuel type used was gasoline.

3.7 - Employee Commuting

Data provided: Ducommun provided the mileage of employees from their home addresses to their respective facility addresses. It was assumed that all employees drive to work and commute to work 5 days a week for 48 weeks of the year. There were 2 separate datasets – one for Q1 and Q2, and another for Q3 and Q4. Ducommun assumed that the employee counts in Q1 and Q2 were similar to one another, and Q3 and Q4 were also similar to one another. Any employee distance that was over 500mi was excluded from the calculation as these are employees that typically do not commute to work.

Emissions factor: Green Project utilized the US EPA 2024 GHG Emission Factors Hub, Table 10: Passenger Car emission factor.

Water

Data provided: Water usage was provided for all facilities.

Notes & Assumptions

- *Overall* - as Ducommun requests the report to be completed in December '24, any remaining November or December data that was not provided by the reporting deadline uses the prior months as a proxy.
- *Stationary combustion* - as only the facilities captured above had provided data around propane usage, Green Project assumed that only those locations had relevant propane resources for 2024. Additionally, not every facility that had propane resources did have propane usage each month. If Ducommun had not provided propane data for a certain month, it was assumed there was no usage.
- *Mobile combustion* - it was assumed that the vehicle type for the trucks used in operations were "Medium- and Heavy-Duty Vehicles" due to larger spend data for each refill of fuel. It was also assumed that the fuel type was diesel for these trucks.
- *Fugitive emissions* - Green Project assumed that only the locations outlined above in the "Fugitive Emissions" section had relevant refrigerant data. It was assumed that for any locations that did not provide refrigerant data that this was not a relevant resource for 2024.
- *Waste* - as several locations only provided invoices with the pickup frequency and the volume of the containers used for various waste types, Green Project assumed that these containers were 100% full each time they were serviced.
- *Business travel* - the rental cars that were not tracked on the business management software (Christopherson) were assumed to be gasoline passenger cars.
- *Employee commuting* - any employees that traveled over 500 miles in the provided employee commute data were excluded from the calculations as they do not commute regularly if at all.



December 30, 2024

Mr. Pedro Dumaua
 Regional EHS Manager
 Ducommun Incorporated
 23301 South Wilmington Avenue
 Carson, CA 90745
 Work: (310) 513-7200 x3688
 Cell: (310) 387-4968
 E-mail: PDumaua@Ducommun.com

Subject: Ducommun Voluntary Third-Party Limited Assurance Verification of GHG Emissions for 2024

Dear Mr. Dumaua:

Ducommun engaged Yorke Engineering, LLC (Yorke) to complete a third-party limited assurance verification for the company’s reported Scopes 1, 2, and 3 greenhouse gas (GHG) emissions footprint for Reporting Year (RY) 2024 from January 1, 2024 through December 31, 2024. Ducommun’s GHG emissions were calculated and reported in accordance with the guidelines provided in the International Organization for Standardization 14064: International Standard for GHG Emissions Inventories and Verification (ISO 14064) and The Greenhouse Gas Protocol (GHG Protocol).

BACKGROUND

Ducommun is a global provider of manufacturing and engineering services, developing innovative electronic, engineered, and structural solutions for complex applications in aerospace, defense, and industrial markets. Ducommun’s full-service collaborative approach, broad capabilities, and value-added services, such as new product introduction, supply chain strategies, and program management, deliver value for customers and innovative solutions for their complex electronic and structural needs. Ducommun operates facilities in 18 locations, 17 in the United States and one in Mexico, as summarized below.

LOS ANGELES/ORANGE COUNTY/RIVERSIDE/VENTURA/SAN DIEGO/FRESNO/BERKELEY/BAKERSFIELD
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Table 1: Summary of Ducommun Facilities Included in Limited Scope Verification

- › Appleton, WI
- › Berryville, AR
- › BLR, WA
- › Carson, CA
- › Certified Thermoplastic, CA
- › El Mirage, CA
- › Gardena, CA
- › Guaymas, Mexico
- › Huntsville, AR
- › Joplin, MO
- › LDS, CA
- › Magseal, RI
- › Monrovia, CA
- › Cossackie, NY
- › Orange, CA
- › Parsons, KS
- › St. Croix Falls, WI
- › Tulsa, OK

Ducommun has contracted with Green Project Technologies (Green Project) to compile and manage GHG emissions information. Green Project provides a data management platform that utilizes Ducommun’s activity data (i.e. utility invoices, purchase records) to calculate Scope 1, Scope 2, and Scope 3 GHG emissions for the various Ducommun facilities.

As part of the limited assurance verification, Yorke reviewed the Ducommun Green Project Onboarding Report (Onboarding Report) which summarizes emission calculation methodologies and assumptions used to prepare the GHG report. The methodologies proposed and documented in the Onboarding Report were found to be appropriate, reasonable, and consistent with the GHG Protocol.

VERIFICATION TEAM

Yorke’s GHG staff involved in this third-party verification for Ducommun consisted of the following members:

- › Lead Verifier - Jessica Mohatt
- › Independent Reviewer - Joseph Steirer

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SCOPE 1 GHG VERIFICATION

Scope 1 GHG emissions consist of direct GHG emissions from on-site combustion (i.e., natural gas and propane), as well as fugitive emissions from refrigerant usage at the Ducommun facilities. All of the facilities, with the exception of BLR, reported GHG emissions from on-site natural gas combustion. Twelve facilities reported GHG emissions from stationary propane combustion. Five facilities reported emissions from refrigerants. Mobile combustion of diesel fuel was reported at the corporate level.

Yorke reviewed emission factors used to calculate the GHG emissions from natural gas combustion, propane combustion, diesel fuel combustion and fugitive refrigerant emissions. The emission factors used were consistent with the references identified in the Onboarding Report and appropriate for the source category. A selection of activity data was reviewed to confirm data input accuracy including utility bills and purchase invoices. Yorke performed GHG emission calculations for a selection of data. No errors or discrepancies were identified during the data checks.

SCOPE 2 GHG VERIFICATION

Scope 2 GHG emissions consist of indirect GHG emissions from electricity, steam, and other thermal energy purchases, which for Ducommun include electricity and other utilities data. Electricity purchases were reported for all 18 Ducommun locations. The emission factors used were specific to the facility location. Several facilities purchase or utilize renewable energy for the location, for example, the Carson location purchases electricity from Southern California Edison and the Clean Power Alliance, which provides this location with 100% green power. For applicable facilities, the emissions are adjusted to account for the reduced GHG emissions.

Yorke reviewed emission factors used to calculate the GHG emissions from electricity grid purchases and verified the percentage of renewable energy when applicable. The emission factors used were consistent with the references identified in the Onboarding

Report and appropriate for the source category and adjustments due to the use of renewable energy were confirmed by utility bills or additional research. A selection of activity data was reviewed to confirm data input accuracy including utility bills. Yorke performed GHG emission calculations for a selection of data. No errors or discrepancies were identified during the data checks.

SCOPE 3 GHG VERIFICATION

Scope 3 GHG emissions consist of indirect GHG emissions associated with an entity's operations. Scope 3 verification focused on GHG emissions from the following four of the fifteen total GHG Protocol Scope 3 emission categories:

- > Purchased goods and services;
- > Waste generated in operations;
- > Business travel; and
- > Employee commuting.

Purchased goods and services were reported either at the facility or corporate level. Employee commutes were reported for all facilities. Business travel was reported at the corporate level. Fifteen facilities reported waste generation based on the quantity of material disposed, two facilities reported waste emission based on spending data, and BLR did not report GHG emissions from waste generation.

Yorke reviewed emission factors used to calculate the GHG emissions from supply chain purchases, business travel (including flights and hotels), employee commutes, and waste generation. The emission factors used were consistent with the references identified in the Onboarding Report and appropriate for the applicable source category. A selection of activity data was reviewed to confirm data input accuracy including invoices and calculation workbooks. Yorke performed GHG emission calculations for a selection of data. No errors or discrepancies were identified during the data checks.

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VERIFICATION FINDINGS

Based on the limited scope verification activities conducted for Scope 1, Scope 2, and Scope 3, there is no evidence that Ducommun’s reported GHG emissions contain inconsistencies in reporting nor any material misstatements. The verification team also found no deviations from the GHG Protocol methodology. The methodologies for collection and analysis of data appear to be appropriate and the GHG emission calculation methodologies reviewed were found to be reasonable. Based on the emissions sources checked, we were able to reasonably confirm GHG emissions and source data match as reported in the Green Project Onboarding Report. Since the verification was completed prior to the end of the reporting period, it is assumed that the data for the remainder of the 2024 calendar year will be evaluated and reported in a manner consistent with the previous reporting and that the activity data will be accurately compiled. A summary of the verification checks is provided in Table 2.

Table 2: Summary of GHG Emission Verification Checks

Category	Yorke Verified Emissions (MT CO ₂ e)	Green Project Reported Emissions Verified (MT CO ₂ e)	Total Reported GHG Emissions (MT CO ₂ e)
Scope 1	1,400	1,404	6,061
Scope 2	1,315	1,319	13,135
Scope 3	5,976	5,975	77,498
Total	8,692	8,699	96,694

Note: Total GHG emissions include values reported in Green Project through December 20, 2024.

CONCLUSION

Based on Yorke’s limited assurance review of the Scope 1, Scope 2, and Scope 3 GHG emissions from Ducommun’s eighteen locations, there is reasonable assurance that the reported GHG emissions are correct and a fair representation of GHG emissions. Should you have any questions or concerns, please contact me at (949) 248-8490.

Sincerely,



Jessica Mohatt
 Senior Engineer/Lead Verifier
 Yorke Engineering, LLC
JMohatt@YorkeEngr.com

Sincerely,



Joseph Steirer
 Senior Engineer/Independent Reviewer
 Yorke Engineering, LLC
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cc: Natalie Ireland, Ducommun Incorporated
 Paul Liao, Yorke Engineering, LLC
 Wendy Fairchild, Yorke Engineering, LLC



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