SB 261 TCFD-Aligned Report – NorthBay Health

prepared by: ecom-energy inc.

Sustainability Compliance | Date: Dec 2025

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INTRODUCTION

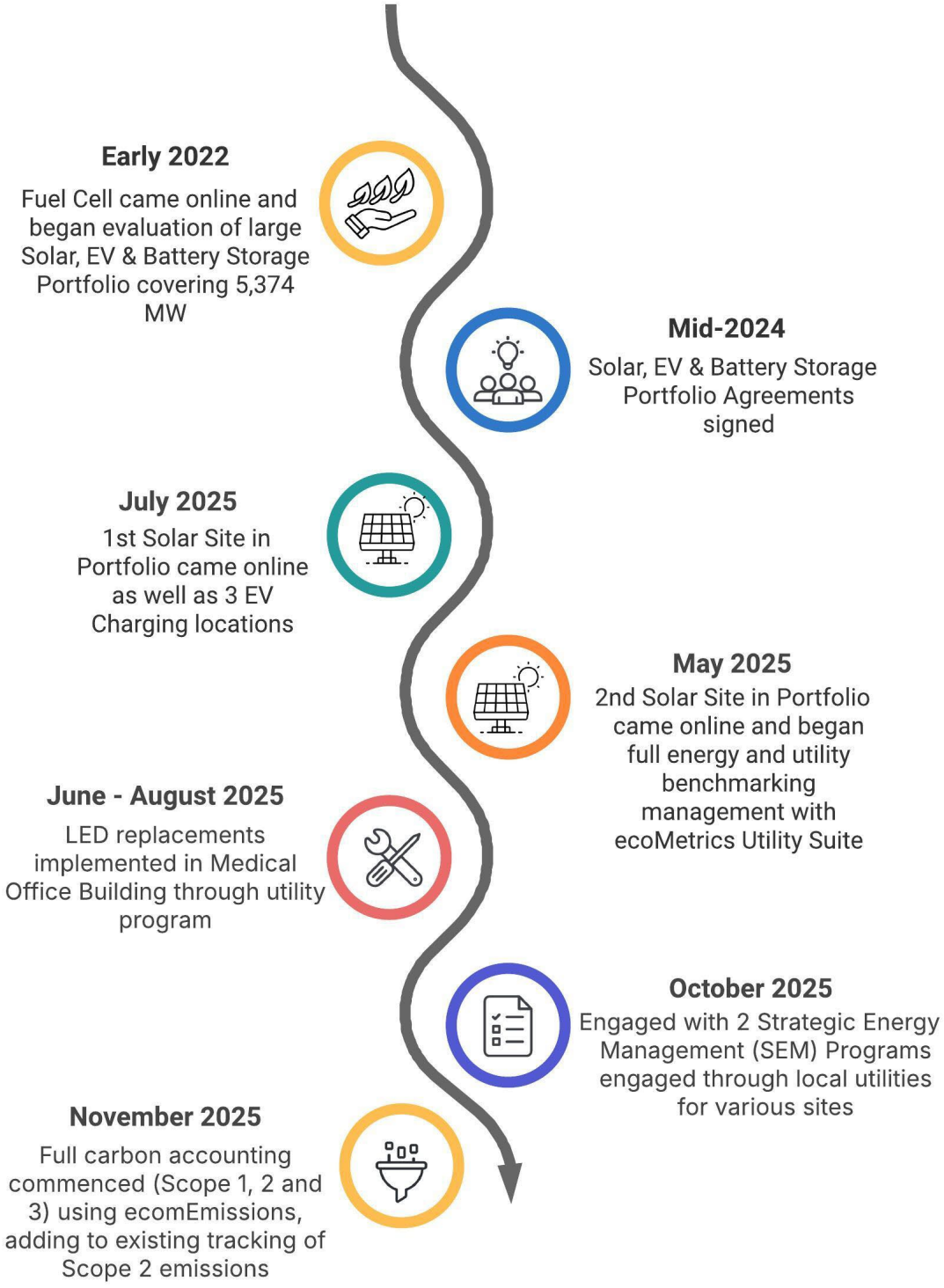
NorthBay Healthcare is a nonprofit integrated health system based in Fairfield, California, primarily serving Solano County and the surrounding Northern California region. Since its founding in 1960, NorthBay has grown to include two acute-care hospitals, a major medical group, and an extensive network of primary and specialty care facilities. The organization's mission centers on delivering compassionate, high-quality care that improves the health and well-being of the communities we serve. Our vision is to be the leader in advanced, patient-centered health services in our region, emphasizing quality, safety, and community responsiveness.

We recognize that proper energy and sustainability management is key to delivering long term benefits to our patients, staff, and operations. Moreover, climate related risks influence the reliability of utilities, the stability of supply chains, the frequency of infectious disease outbreaks, and the severity of natural disasters such as wildfires, drought, and extreme heat. These risks carry not only financial implications but also critical equity considerations, as vulnerable and underserved populations in Solano County are often the first and most severely affected by disruptions in healthcare access.

This disclosure marks a step forward in our climate and resilience reporting journey. It highlights the financial exposures we face, ranging from utility disruption risks to pandemic surge costs, as well as the opportunities that can strengthen our system, such as investing in renewables, seismic retrofits, and sustainable supply chain practices. By disclosing these risks and opportunities through this TCFD-aligned framework, we aim to build trust and demonstrate accountability to all our stakeholders.

As part of our commitment to resilience and sustainability, we have integrated energy efficiency and risk mitigation into our operational strategy. This includes expanding renewable energy capacity, enhancing onsite generation systems, and implementing strategic energy management programs to reduce consumption and improve reliability. These efforts not only support environmental stewardship but also safeguard our ability to deliver uninterrupted care during emergencies, aligning with our broader mission of protecting community health and ensuring long-term financial stability.

NorthBay Health
Sustainability Milestones

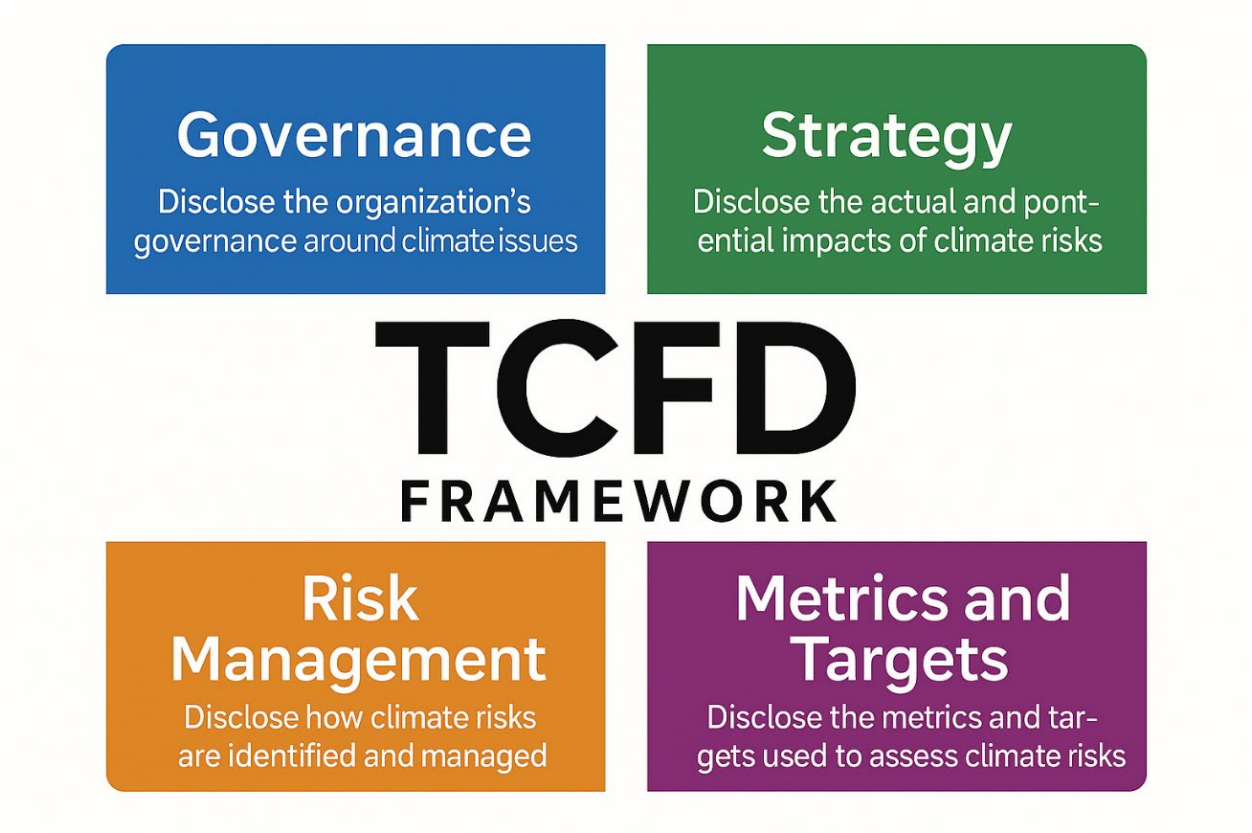


This report has been developed in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD), established in 2015 by the Financial Stability Board (FSB). TCFD provides a globally recognized framework for organizations to disclose climate-related risks and opportunities in a structured, transparent, and decision-useful way. Its recommendations are widely supported by regulators, investors, and businesses, and they form the foundation of emerging disclosure mandates such as California's SB 253 and SB 261, as well as the U.S. Securities and Exchange Commission's (SEC) proposed climate disclosure rule.

The following locations and entities are covered in this report via the below CARB identifiers:

Entity Name	**Entity Number**
NORTHBAY HEALTHCARE GROUP	295902

CARB designated the TCFD (Task Force on Climate-related Financial Disclosures) 4-pillar framework as an acceptable format for SB261 reporting compliance.



The TCFD framework offers a structured lens to evaluate how climate-related hazards affect not only our physical operations but also our long-term strategy, financial planning, and community obligations. While traditional sustainability reporting often emphasizes an organization's impact on the environment, TCFD centers on how climate change impacts the organization which is a critical distinction for healthcare providers whose mission depends on resilience during crises.

Through this report, we disclose both acute physical risks (e.g., earthquakes, pandemics, IT outages, utility failures) and transition risks (e.g., regulatory compliance with SB 261, supply chain volatility, cybersecurity, and market expectations). We have also highlighted the financial exposures related to these risks, drawn from Hazard Vulnerability Assessments (HVAs), Emergency Operations Plans (EOPs), and industry benchmarks.

By structuring this disclosure under the TCFD's four pillars, we aim to enhance transparency, improve internal awareness, and strengthen decision-making across our system:

By adopting this framework, NorthBay seeks to build through transparency, strengthen our operational and financial resilience, and demonstrate leadership within the healthcare sector.

GOVERNANCE

NorthBay Healthcare's climate and emergency risk governance is structured through a Hospital Incident Command System (HICS) that ensures clear oversight, accountability, and operational coordination at both system and facility levels.

Executive Leadership Oversight

Hospital Incident Management Team (HIMT):

- **Incident Commander:** Leads overall response and decision-making during emergencies.
- **Finance/Administration Section Chief:** Oversees financial management, procurement, compensation/claims, and cost tracking.
    - *Key roles:* Time Unit Leader, Procurement Unit Leader, Compensation/Claims Unit Leader, Cost Unit Leader.
- **Operations Section Chief:** Directs all operational activities, including medical care, infrastructure, security, hazardous materials, business continuity, and patient/family assistance.
    - *Branches and Directors:*
        - Medical Care Branch Director
        - Infrastructure Branch Director (Facilities Director/Manager)

        - Security Branch Director
        - HazMat Branch Director
        - Business Continuity Branch Director
        - Patient Family Assistance Branch Director
- **Planning Section Chief:** Responsible for resource tracking, situation analysis, documentation, and demobilization.
    - *Key roles:* Resources Tracking Unit Leader, Situation Unit Leader, Documentation Unit Leader, Demobilization Unit Leader.
- **Logistics Section Chief:** Manages service and support functions, including communications, IT, food services, supply, transportation, labor pool, and employee health.
    - *Branches and Directors:*
        - Service Branch Director
        - Support Branch Director

Additional Key Roles:

- **Safety Officer:** Ensures safety protocols are followed.
- **Liaison Officer:** Coordinates with external agencies and partners.
- **Public Information Officer:** Manages communications with stakeholders and the public.
- **Medical-Technical Specialists:** Provide expert guidance on clinical and technical matters.

Facility-Level Governance

Each hospital designates an **Emergency Management Coordinator** who chairs the Emergency Preparedness Committee. This committee includes representatives from nursing, pharmacy, facilities, IT, and security. Committees are responsible for reviewing Hazard Vulnerability Assessments (HVAs), updating Emergency Operations Plans (EOPs), conducting drills, and allocating resources for resilience. Facility committees report into the Environment of Care Committees, which escalate issues to system leadership.

Risk Management Governance

The HICS structure ensures that climate and emergency risks are integrated into enterprise risk management. Regular reviews of HVAs and EOPs are conducted by the Senior Leadership Team. Section Chiefs and Branch Directors are responsible for implementing risk mitigation strategies and ensuring operational continuity.

Summary Table of Key Governance Roles (from NBH HICS Org Chart):

Role/ Section	Key Personnel
Incident Commander	Heather Resseger, Katie Lydon, Doug Nelson, Kim Williamson

Role/ Section	Key Personnel
Finance/Admin Section Chief	Michael Donat, Beth Knittel, Jennifer Viramontes, Sue Bajwa
Operations Section Chief	Tracey Clifton, Kim Williamson, Dr. Seth Kaufman, Dwayne Holliday, Chris Wright, Tyler Jobson, Doug Grundy, Roberts Ramirez, Sue Bajwa, Leslee Fowler
Planning Section Chief	Mia Kim, Shiela Caraballo, Admin Staff, Quality Staff
Logistics Section Chief	Beth Knittel, Jennifer Viramontes, Trisha Runkle, Chris Timbers, Kelly Kline-Cunningham, Jim Anderson, Tina Jackson
Safety Officer	Sean Zortman, James Bocade
Liaison Officer	Heather Theaux, Brian Johnson, Leslee Fowler
Public Information Officer	Yessenia Anderson, Christine Searight, Courtney Clarke
Medical-Technical Specialists	Dr. Seth Kaufman

This structure ensures that NorthBay Healthcare maintains strong governance over climate and emergency risks, with clear lines of accountability and multidisciplinary coordination at every level.

Monitoring Climate Policy and Disclosure Requirements

NorthBay Healthcare actively monitors and responds to evolving climate policy and disclosure requirements at the state and federal levels. The Emergency Operations Plan (EOP) is reviewed annually and revised as needed to reflect lessons learned from actual events, exercises, and regulatory changes. NorthBay's EOP is aligned with:

- **CMS Conditions of Participation (42 CFR Part §482.15):** NorthBay maintains compliance with federal emergency preparedness requirements, including the ability to request 1135 waivers during federally declared disasters.
- **The Joint Commission Emergency Management Standards:** The EOP is structured to meet accreditation standards for emergency management and disaster readiness.
- **California State Licensure (Title 22):** NorthBay's plans address Title 22 requirements for disruption of services, patient safety, and reporting.
- **National Incident Management System (NIMS):** NorthBay adopts NIMS principles, ensuring interoperability with local, state, and federal agencies.

California SB 253 and SB 261: NorthBay is preparing for compliance with California's climate disclosure mandates, integrating climate risk into its hazard vulnerability analysis and reporting

frameworks. Oversight of climate policy and disclosure is led by the Emergency Management Committee, Safety Officer, and Senior Leadership, with regular reporting to the Board of Directors. The EOP and associated annexes are reviewed with community emergency response agencies to ensure synchronization and integration with local and regional plans.

NorthBay Healthcare is committed to working with regulators, community partners, and peer institutions to drive systemic resilience. This includes active collaboration with local and county emergency management agencies, alignment with Centers for Medicare & Medicaid Services (CMS) and Joint Commission requirements, and readiness for California's emerging climate disclosure mandates. By integrating these requirements into our Emergency Operations Plans, we ensure continuity of care, protection of our staff, and transparency with our stakeholders.

NorthBay Healthcare's climate data oversight is embedded in its Hazard Vulnerability Assessment (HVA) process and Emergency Management Program. The Emergency Management Committee conducts an annual HVA for each facility, evaluating risks from natural, technological, and human-caused hazards, including those exacerbated by climate change (e.g., wildfire smoke, extreme heat, flooding, utility failures).

- **Data Sources:** HVAs are informed by historical incident data, local and regional hazard assessments, and input from community partners.
- **Integration:** HVA findings are integrated into the EOP, resource planning, and capital investment decisions (e.g., solar, battery storage, seismic retrofits).
- **Continuous Improvement:** Incident logs and after-action reviews are used to update risk scores and mitigation strategies throughout the year.
- **Reporting:** HVA results and climate risk data are reported to the Emergency Management Committee, Safety Committee, and Senior Leadership, and are shared with local emergency planning committees and public health agencies

STRATEGY

NorthBay Healthcare collaborates with local, regional, and state agencies to address climate and resilience challenges. The Emergency Management Committee, chaired by the Emergency Preparedness Manager and Safety Officer, includes multidisciplinary representation and coordinates with:

- Solano County Public Health and Safety Preparedness and Response (PHASPAR)
- Local Emergency Planning Committees (LEPC)
- Solano County Office of Emergency Services
- Regional hospital coalitions and the Hospital Council of Northern and Central California
- Travis Air Force Base (NDMS Regional Coordination Center)
- Community partners for vulnerable populations and disaster response

NorthBay participates in community-wide exercises and maintains mutual aid agreements for resource sharing, surge capacity, and patient movement**.** The EOP is integrated with community emergency preparedness and response plans, ensuring alignment with local hazard priorities and resource needs.

Reducing Our Operational Footprint

NorthBay is undertaking significant capital projects, including the deployment of on-site solar generation, battery energy storage systems, and expanded Electric Vehicle (EV) charging infrastructure across our campuses. To drive continuous operational improvement, we have also implemented an intensive, multi-year Strategic Energy Management (SEM) program for energy efficiency, This comprehensive approach ensures that NorthBay can both mitigate its environmental footprint and strengthen its operational resilience.

These projects are designed to:

- Reduce dependence on grid electricity and fossil fuels
- Provide cleaner, more reliable power during utility disruptions
- Support operational continuity during disasters

Energy efficiency is advanced through a Strategic Energy Management (SEM) program**,** with regular audits, retrofits, and staff training to reduce energy use and emissions.

NorthBay's renewable investments are supported by capital projects and long-term financial planning. As of December 2024, NorthBay's balance sheet reflects over $310 million in property and equipment, with ongoing investments in energy infrastructure and seismic retrofits.

Scenario Planning and Forward-Looking Approach

NorthBay uses scenario analysis to quantify financial exposures from climate-related hazards:

- **Earthquake:** $200–250 million in structural/equipment damage; $20–40 million in business interruption
- **Flooding and Fire:** $15–80 million in combined damage and downtime
- **Utility Failures:** $8–25 million in short-term operational losses

NorthBay Healthcare has conducted dual scenario analyses to evaluate system resilience under both low-warming (1.5–2°C) and high-warming (3–4°C) pathways. These scenarios integrate critical hazard risk data from our Hazard Vulnerability Assessments (HVAs), financial modeling of uninsured losses, and compliance costs associated with emerging state and federal regulation.

NorthBay's loss estimates are calculated by integrating HVA probability scores with financial data drawn from internal audits, insurance coverage limits, and industry disaster cost benchmarks. This

methodology models potential capital damage, business interruption, and surge-response costs under each risk scenario. The loss modeling integrates independent hazard damage estimates with audited asset values to quantify total exposure, then applies insurance coverage data to determine residual, uninsured risk. This process ensures that risk-reduction measures are prioritized based on true systemic exposure rather than solely on insurance limits. Quantitative loss estimates are provided only for the high-warming scenario, as physical damage under the low-warming pathway are substantially mitigated and primarily addressed through existing resilience and transition plans.

Low Warming (1.5–2°C, High Policy Response)

In a coordinated global effort to limit warming to 1.5–2°C, the physical risks that threaten our operations—such as extreme heat, wildfire smoke, and utility failures—are substantially reduced through stronger national and regional resilience planning.

However, in this scenario, transition risks increase as climate policies and disclosure requirements expand under California's SB 253 and SB 261, and forthcoming federal rules. NorthBay Healthcare faces heightened regulatory and reporting demands, accelerated decarbonization timelines, and rising supply-chain expectations for sustainability.

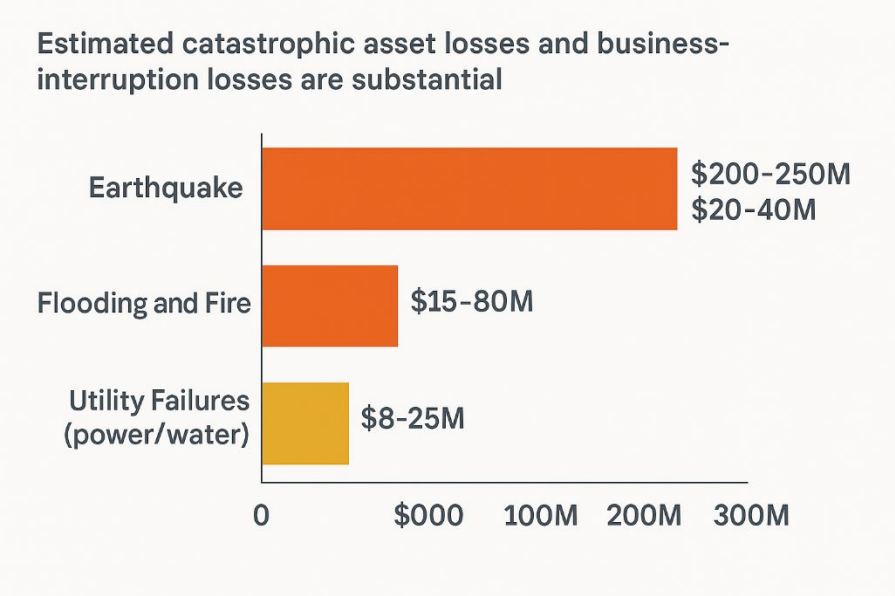
Our capital priorities shift to accelerate our existing transition strategy, emphasizing renewable energy and efficiency improvements. These investments—including the deployment of our solar and battery storage portfolio and the intensive Strategic Energy Management (SEM) program—are structured to provide net economic and operational benefits in the near-term while reducing long-term exposure to catastrophic physical losses. Successfully navigating this transition will strengthen financial stability, position the system for improved credit resilience, and ensure continued compliance in a low-carbon economy.

High Warming (3–4°C, Limited Policy Response due to increased physical risks?)

In a high-warming future marked by limited policy action, the NorthBay system faces escalating physical disruption from the acute and chronic hazards prevalent in our region, including major earthquakes, persistent flooding, wildfires, and frequent utility failures.

The estimated catastrophic asset losses and business-interruption losses are substantial:

Together, these hazards produce a system-wide financial exposure that exceeds $320 million to $535 million in combined asset loss and operational disruption. This scenario underscores the critical importance of continued seismic retrofits, proactive fire and flood mitigation, and accelerating investment in resilient on-site energy infrastructure, such as microgrids and battery storage, to maintain continuity of care.



The following section provides a campus-level overview of climate and operational risk priorities across our medical centers. The summaries highlight three key elements for every site: identified risks, preparedness measures currently in place, and strategic implications for long-term resilience and sustainability. By reviewing each campus individually, we clearly demonstrate how risk assessment informs our investment in renewable energy, redundant utilities, and improved emergency management capabilities.

Facility-Specific HVA Findings and Physical Risk Assessments

NorthBay Medical Center:

- **Top Risks:** Earthquake, flood, wildfire smoke, power outages, hazardous materials
- **Preparedness:** Disaster Resource Center designation, redundant power/medical gas, HICS-led surge planning
- **Strategic Implications:** Seismic retrofits, renewable energy, and disaster readiness are prioritized

VacaValley Hospital:

- **Top Risks:** Earthquake, utility failures, infectious disease surge, IT/cyber outages
- **Preparedness:** Integration with regional disaster networks, COOPs, cyber protection

Transition Risk Assessment

- **Regulatory Compliance:** Ongoing readiness for SB 253/261, CMS, and Joint Commission standards
- **Insurance:** Comprehensive coverage for property, liability, cyber, environmental, and business interruption risks
- **Operational Growth:** Investments in renewables and digital infrastructure to meet future energy demand and resilience needs

RISK MANAGEMENT

Hazard Vulnerability Assessment Framework

NorthBay's HVA framework is an evolving document, updated annually and after major incidents**.** It evaluates probability, human impact, property impact, business impact, preparedness, and response capacity for each hazard. Top risks are prioritized for mitigation and response planning.

Identification and Assessment

- **Annual HVA:** Conducted for each facility, with input from multidisciplinary teams and community partners
- **Incident Logs:** Used to track actual events and update risk scores
- **Integration:** HVA findings drive updates to the EOP, resource inventories, and capital planning

Oversight and Accountability

- **Emergency Management Committee:** Oversees risk identification, assessment, and mitigation
- **Senior Leadership:** Reviews HVA results and EOP updates annually
- **Board of Directors:** Receives regular reports on risk management and compliance

Mitigation and Response

- **Mitigation:** Seismic retrofits, flood and fire mitigation, on-site energy generation, redundant IT systems, PPE caches, and strategic stockpiles
- **Response:** HICS-led incident management, regular drills, mutual aid agreements, and business continuity planning

Integration of Climate Risk

- Climate risk is embedded in the HVA and EOP, with specific annexes for utility failures, infectious disease, cyber events, and hazardous materials.

Top Risks, Financial Exposure, and Mitigation

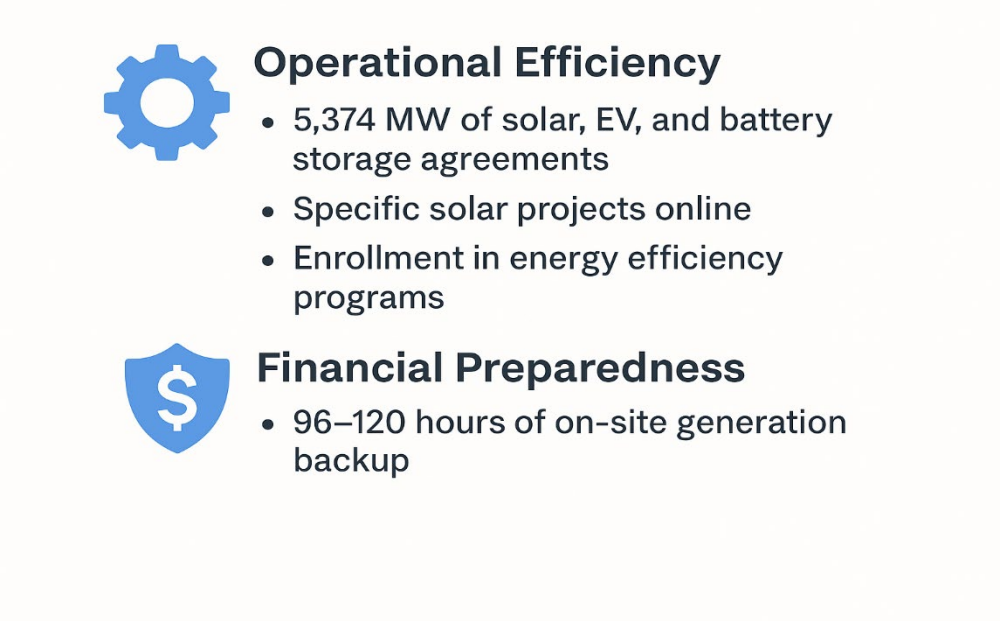
Risk	Likelihood (HVA Score)	Potential Financial Exposure	Time Horizon	Mitigation / Response in Place	Mitigation / Response Potential Add
Earthquake	Medium (16%)	$200-250M in physical damages + 20-40M in BI = Total losses = $220 – 290M	Short to Long	Seismic retrofits, Property Insurance	Disaster reserve fund
IT Outage / Cyber Attack	Medium (16%)	$5-10 (BI + forensic + reputational)	Short	Backup data centers, 24/7 monitoring	Redundant IT systems
Pandemic / Influenza	Medium (8%)	$15-25M (surge staffing + BI)	Short to Medium	Infection prevention, surge staffing	PPE caches, MOUs with suppliers
Supply Chain Shortages	Low (4%)	$2-5M (delayed procedures + BI)	Short to Medium	Stockpiles, MOUs, secure caches	On-campus emergency storage
Utility Failure (Water/Power)	Medium (13%)	$3-7M (BI + emergency generation)	Short	96–120 hr backup, on-site generation	Microgrid, battery storage
Regulatory Compliance	High (recurring)	$1-3M (fines + remediation)	Short to Medium	Annual board review	ESG reporting, ERM integration
Flooding	Medium (10%)	$10-20M (physical damages + BI)	Medium to Long	Flood Hazard Coverage	Drainage upgrades, equipment elevation
Fire	Medium-High (32%)	$25-50M (physical damages + BI)	Short to Medium	Fire suppression, drills, Insurance	Smoke filtration, retrofits

Insurance Coverage: NorthBay maintains comprehensive insurance for property, liability, cyber, environmental, and business interruption risks, with limits and deductibles aligned to modeled exposures.

METRICS AND TARGETS

NorthBay Healthcare utilizes a robust framework of metrics and targets to track performance related to climate-related risks, opportunities, and overall operational resilience. This approach allows us to measure progress, inform capital allocation, and ensure accountability to our stakeholders.

Our metrics fall into two primary categories: operational efficiency and financial preparedness.



On the operational front, we have made significant progress in deploying sustainable infrastructure. A key indicator of our commitment is the 5,374 MW of Solar, EV and Battery Storage Portfolio Agreements that have been signed for deployment across more than 11 sites. Already, specific projects such as the 4520 Business Center Dr Solar and 421 Nut Tree Solar facilities have come online. To drive continuous improvement in consumption, we track our engagement with energy efficiency initiatives, demonstrated by our enrollment in two distinct Strategic Energy Management (SEM) Programs with Marin Clean Energy (MCE) for our Fairfield location and PG&E for our Vacaville sites. Furthermore, we monitor our resilience to acute physical risks, with our existing on-site generation capability providing a critical 96–120 hours of backup power during utility failures. Critically, to establish a verifiable baseline for future reduction goals, we have commenced our Scope 1 and 3 emissions inventory and data collection as of November 2025, partnering with ecomEmissions.

For financial and risk resilience, we quantify our exposures using data derived from our Hazard Vulnerability Assessments (HVAs). Our analysis indicates an estimated system-wide financial exposure ranging from $320 million to $535 million in asset loss and operational disruption from high-priority climate and non-climate hazards. This assessment is supported by quantified risk metrics, such as the HVA-scored likelihood for top hazards like Fire (32%), Earthquake (16%), and Utility Failure (13%).

Targets for Future Resilience

NorthBay Healthcare is committed to a forward-looking strategy that establishes clear targets for emissions reduction and resilience enhancement.

In the long term, NorthBay is working to formalize a greenhouse gas emissions reduction target to align with broader state and industry decarbonization goals. In the short term, our immediate focus is on completing a full Scope 1, 2, and 3 emissions inventory (already completed Scope 2) to establish a verified baseline of our total carbon footprint, which will inform our long-term target-setting process.

To bolster our energy resilience and self-sufficiency, a short-to-medium-term target is to increase the percentage of power supplied by our on-site renewable energy projects, actively pursuing the implementation of both microgrid technology and battery storage to further isolate critical operations from grid failures. In tandem with this infrastructure investment, we aim to achieve a measurable reduction in system-wide energy consumption, with a target of, for example, a x% reduction in MWh/sq. ft. through the ongoing implementation of our Strategic Energy Management (SEM) programs.

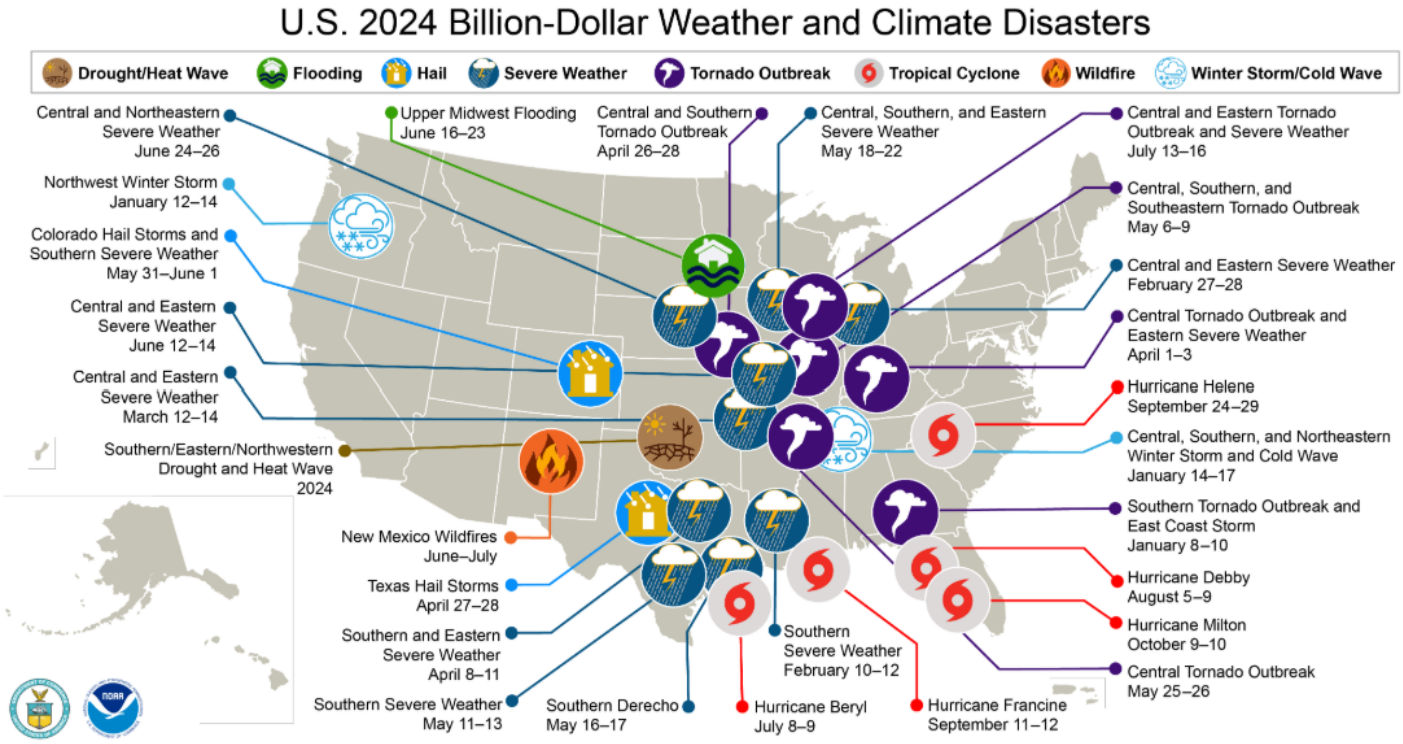
Finally, our commitment to financial resilience is an ongoing target: maintaining board-designated disaster reserves and ensuring that our comprehensive insurance coverage limits are continually reviewed and aligned to meet or exceed our modeled maximum financial exposure of $535 million.

APPENDIX A - Methodology

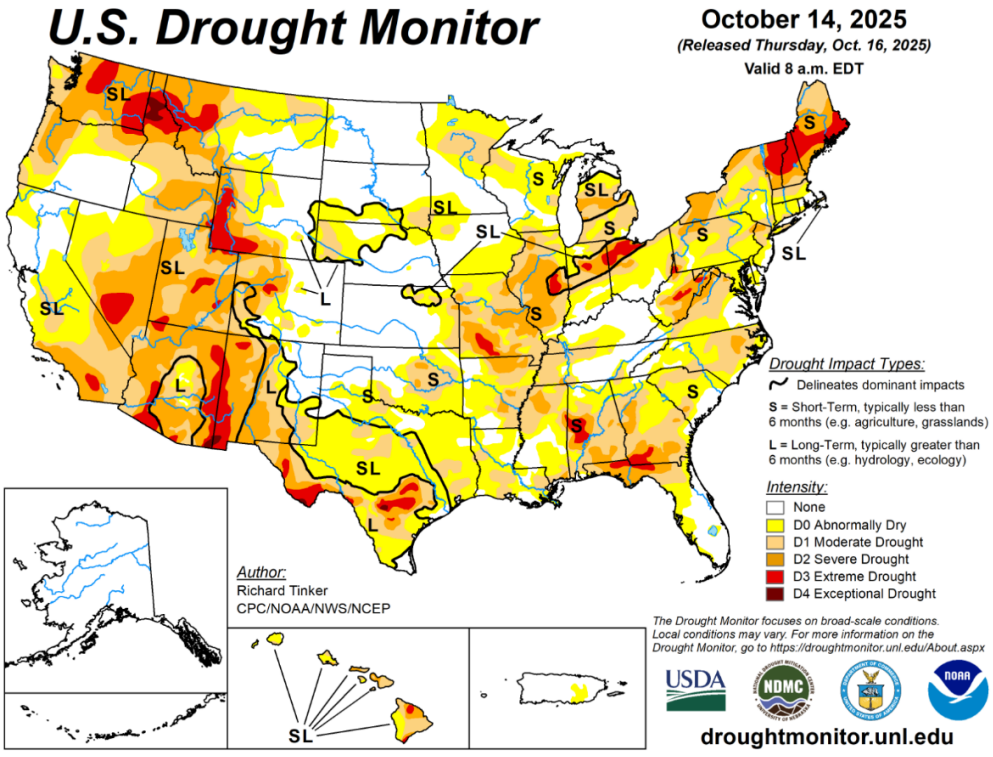
- Quantitative ranges (e.g., potential earthquake losses) are modeled estimates based on NorthBay's risk priorities, insurance program data, audited financial statements and FEMA/ ASHE loss-ratio benchmarks.

- Pandemic and infectious-disease risk estimates are modeled using NorthBay's HVA probability ratings and FEMA/ HHS reimbursement data.

APPENDIX B – Physical Climate Risk Maps



*This map denotes the approximate location for each of the **27 separate billion-dollar weather and climate disasters that impacted the United States in 2024.***



2025 Wildfire Incidents Summary in California

The image below illustrates the number of wildfires which occurred in 2025 and their detrimental impacts.