Stifel Financial Corp.
Climate Risk Statement

Introduction

Stifel Financial Corp. is a full-service wealth management and investment banking firm with a distinguished 135-year history. Our affiliates provide securities brokerage, investment and commercial banking, trading, and investment advisory, as well as related financial solutions to individual investors, institutions, corporations, and municipalities. Our global Stifel team is connected by shared culture, values, and governance across our entities and associates worldwide. We strive to make Stifel the Firm of Choice for our associates, the Advisor of Choice for our clients, and the Investment of Choice for our shareholders.

This Climate Risk Statement has been prepared in reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as suggested under California Senate Bill 261. Using the four pillars of TCFD—Governance, Strategy, Risk Management, and Metrics & Targets—this statement addresses the climate-related financial risks that Stifel is or may be facing, encompassing "material risk of harm to immediate and long-term financial outcomes due to physical and transition risks, including, but not limited to, risks to corporate operations, provision of goods and services, supply chains, employee health and safety, capital and financial investments, institutional investments, financial standing of loan recipients and borrowers, shareholder value, consumer demand, and financial markets and economic health."[1]

While Stifel is in the early stages of developing comprehensive climate-related metrics and targets, in this statement we have disclosed available information and identified our current gaps. We are actively working to enhance our data collection and reporting capabilities to support future disclosures. Our approach to this statement reflects a good-faith effort to comply with SB 261 and demonstrates our commitment to transparency and continuous improvement in climate risk management.

Governance

Board oversight of climate-related risks and opportunities

The Stifel Financial Corp. Board of Directors has ultimate responsibility for the level of risk taken by the Firm and its subsidiaries. The Board, primarily through its Risk Management Committee (RMC), is responsible for determining the Firm's risk appetite (or acceptable ranges of risk), overseeing the development and implementation of the RMC, and maintaining an adequate monitoring and reporting mechanism.

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[1] Bill Text - SB-261 Greenhouse gases: climate-related financial risk.

The RMC, supported by our Enterprise Risk Management and Compliance Departments, oversees major risk exposures including market, credit, liquidity, reputational, strategic, and regulatory developments—and oversees technological and operational risks such as cybersecurity, vendor management, and business continuity to ensure effective mitigations.

The Nominations and Corporate Governance Committee oversees our sustainability initiatives and receives periodic updates on the firm's extensive sustainability work from Stifel's Chief Corporate Responsibility Officer. These meetings provide dedicated time to develop, focus, and report on topics ranging from the environment and corporate governance to philanthropy and community investments.

Management's role in assessing and managing climate-related risks and opportunities

Stifel's senior management plays an active role in our risk management process, relying on specific administrative and business functions to assist in the identification, assessment, monitoring, and control of various risks. The Enterprise Risk Management program, which falls under the direction of our Chief Risk Officer, coordinates with other management committees, including the Operational Risk Committee, Asset Liability Management Committee, Products & Services Committee, Conflicts of Interest Committee, and the Disclosure Committee. The firm's Enterprise Risk Management group helps ensure the processes of the RMC are effectively carried out.

Additionally, Stifel Europe has an internal committee that provides advice on sustainability matters, including ongoing changes to CSRD requirements across Europe. The committee reports to Stifel Europe's Chief Operating Officer and works closely with the Chief Corporate Responsibility Officer. This collaboration maintains the integration of sustainability across Stifel, reinforcing our commitment to responsible corporate citizenship and our dedication to long-term value creation.

Strategy

As a wealth management and investment banking firm, Stifel is committed to protecting our company from climate-related risks and capitalizing on climate-related opportunities to maintain our resilience and long-term financial growth. At the same time, we are also well-positioned to advise our clients on the risks or opportunities they may encounter as the world continues to pivot toward a low-carbon future. To further our progress, we have begun the process of identifying both risks and opportunities across our operations and are planning to embark on a formal Climate Risk Assessment in 2026.

Stifel's climate-related risks and opportunities

Stifel is subject to both physical and transitional risks relating to environmental, social, and governance matters, including those posed by climate change, which could adversely affect our operations, financial condition, or reputation. Although we have not yet articulated the specific time frames associated with each risk, they have the inherent potential to impact our company over all time frames, from short-term to long-term.

Physical Risks:

- Acute physical risks: Extreme weather-related events attributable to climate change, such as hurricanes, wildfires, and floods, could result in damage to physical locations, restricted employee access to work sites, and electronic system failures. Unforeseen factors such as this could greatly limit our ability to conduct business, as well as impact services we rely on that are provided by third parties with whom we conduct business. These acute risks also have the potential to disrupt our clients' operations, negatively impacting their finances and thus potentially decreasing our related revenues. Additionally, disruptions in Stifel's supply chain due to infrastructure damage or resource availability could pose risks to Stifel's business continuity.
- Chronic physical risks: Long-term shifts in climate patterns, resulting in conditions such as rising sea levels, increased average temperatures, and changing precipitation patterns could impact certain Stifel facilities and pose risks to the health of Stifel employees.

Transitional Risks:

- Legal and regulatory risks: Global regulations related to greenhouse gas emissions management and reporting, seen as a key lever in addressing impacts of climate change, have been substantial and growing in recent years. The adoption of new rules or changes in the interpretation or enforcement of existing laws, rules, and regulations could negatively affect our revenue, limit our ability to pursue business opportunities, impact the value of our assets, require us to alter our business practices, impose additional compliance costs, and otherwise adversely affect our businesses. Regulatory actions brought against us may result in judgments, settlements, fines, penalties, or other results, any of which could have a material adverse effect on our business, financial condition, reputation, or results of operations. Increasing legal challenges to final, proposed, and other regulatory rules are creating uncertainty in our compliance planning and may result in higher compliance costs.
- Reputational risks: Our reputation as related to environmental, social, and governance matters, including the public's perception of our organizational response to climate change, has the potential to impact our brand and investor confidence. As a large financial institution, we have multiple stakeholders, including our shareholders, clients, associates, federal and state regulatory authorities, and the communities in which we operate, and these stakeholders will often have differing priorities and expectations regarding such matters. Action or inaction that conflicts with one or another of these stakeholders' expectations could result in an increase in client complaints, a loss of business, or reputational harm. We could also face negative publicity or reputational harm based on the identity of those with whom we choose to do business. Such adverse publicity could damage our ability to attract and retain clients and associates, compete effectively, and grow our business. Moreover, there has been increased regulatory focus on the disclosure practices of investment managers offering sustainable and values-based investment strategies, resulting in increased risk that we could be perceived as making inaccurate or misleading statements regarding the investment strategies of our funds and ETFs, commonly referred to as "greenwashing." Such perceptions or accusations could

damage our reputation, result in litigation or regulatory enforcement actions, and adversely affect our business.

Opportunities:

In response to operational needs and stakeholder interest and demand, Stifel has also identified and capitalized on multiple climate-related opportunities across our business.

- Sustainable products and services: Stifel offers an array of products and services to clients who wish to incorporate sustainability factors in their investment decisions. Additionally, our 1919 Investment Counsel subsidiary offers a Responsible Investing (RI) platform that provides clients the ability to decide how factors such as publicly disclosed emissions trends and targets, corporate climate governance and risk management, and any long-term climate-related risk mitigation measures are incorporated into their investment portfolios. 1919's research process sources this data from industry-accepted reporting frameworks, such as CDP, and reporting aggregators, such as Institutional Shareholder Services (ISS).
- Sustainable funding: In 2024, Stifel Public Finance facilitated the underwriting of $9.7 billion in green and social bonds to support upgrades to aging infrastructure, including rebuilding sewers, rehabilitating, and relining conduits, replacing pump stations, addressing lead contamination, and increasing the capacity of existing sewer lines. We also facilitated financial resources to construct and renovate school facilities to increase resource efficiency and climate resilience with sustainable building materials, LED lighting, solar panels, and high-efficiency HVAC systems. Together, these projects not only provide a critical public service to build resilience against the impacts of climate change, but they also offer a valuable opportunity for Stifel to enhance our reputation as a sustainable financing leader committed to climate action.
- Sustainable infrastructure: As part of our ongoing cloud transformation efforts, Stifel is making a strategic shift from on-premises data centers to a comprehensive cloud infrastructure. This shift will improve our disaster recovery and business continuity capabilities as well as overall resiliency. Cloud transformation will enable us to scale our infrastructure on demand without the need for physical infrastructure, allowing us to enhance operational efficiency and realize additional cost savings. Additionally, we have invested in certain climate-resilient building improvements, including using sustainable modular building materials for the construction of our interior branch offices. Stifel also aligns as closely as possible with LEED certifications when feasible.

Impact of climate-related risks and opportunities on strategy and financial planning

To plan for potential climate-related risks to Stifel, we continually refine our sustainability due diligence to ensure we are responsive, proactive, and carefully weighing both positive and negative financial impacts on our business.

Sustainability is used as an important frame of reference in a portion of the stocks we cover, among other factors. The roll-out of our Equity Research department's Sustainability Assessment

Framework aims to evaluate the impacts of a company's sustainability components—whether positive, neutral, or negative—on its investment profile.

Resilience of Stifel's strategy

Our businesses depend on our ability to process and monitor many complex transactions across numerous and diverse markets daily. Potential climate-related operational on our facilities and/or operating systems could adversely affect our ability to process transactions or provide services. To plan for these potential financial impacts, we have developed, implemented, and continue to enhance our business continuity management program. Our business continuity program is designed to ensure we have the ability to recover our critical business functions and supporting assets, including staff and technology, in the event of a business interruption, including those caused by climate-related events.

To further strengthen our resilience capabilities, we have pursued the following initiatives:

- <u>Investing in our infrastructure</u>: We have continued to bolster our risk management, compliance, and internal audit functions to build out the infrastructure that enables us to continue to execute on our growth strategies and ensure that we fully comply with new and existing regulatory requirements, including those related to emissions and climate change. For example, we continue to invest in personnel and technology systems in this area to enhance firm-wide communication by providing project transparency and ongoing system monitoring.
- <u>Investing in Process Improvements and Controls</u>: We continually enhance our overall control environment by implementing new capabilities, policies, and procedures that ensure effective management of our systems. New internal committees and task forces have been formed to evaluate areas for improvement across the operational platform on an ongoing basis. Similarly, several procedures have been implemented to periodically review existing business controls in addition to the implementation of new controls, which will build our resilience in the face of climate-related and other threats.
- <u>Building on our strong relationships with regulators</u>: Stifel recognizes the critical importance of building strong relationships with regulators to the safety and soundness of our company and the value of our growth strategy. Our history of growth in the heavily regulated financial services industry, both organically and through acquisitions, is evidence of this commitment.

Risk Management

Processes for identifying and assessing climate-related risks

Stifel conducted a robust double materiality assessment in 2024, which analyzed the negative and positive impacts through which Stifel may affect the outside world, and the risks and opportunities that the outside world poses to Stifel's financial health. We have queried a broad spectrum of our internal stakeholders, representing various branches of our organization. Our analysis distilled their perspectives into topics deemed material to Stifel and our stakeholders from an impact and/or financial dimension. This assessment resulted in 18 topics deemed material to Stifel's operations.[2] Of these material topics, Supply Chain Management, Sustainable Investing, Health & Safety, and Community Resources encompass potential climate-related risks that the company may face, now or in the future.

Stifel also conducts liquidity stress tests to measure liquidity outflows across multiple scenarios at our major operating subsidiaries and details the corresponding impacts on our holding company and the overall consolidated firm. These stress tests, which include possible impacts on the Company's cash flows and liquidity position, are modeled over a 30-day liquidity stress timeframe and include the impact of idiosyncratic and macro-economic stress events, such as those related to climate-change induced events.

Additionally, Stifel's banking subsidiaries also conduct regular analyses in our loan assessment process that integrate sustainability factors. We evaluate environmental risks, such as the generation of hazardous waste, a high potential carbon footprint, and a history of noncompliance with environmental regulations.

In 2026, we intend to embark on a formal Climate Risk Assessment to evaluate the potential impacts of climate change on our operations, assets, and financial performance. This assessment will identify both physical risks resulting from climate changes (for example, extreme weather events or rising sea levels) and transition risks that are associated with the shift to a low-carbon economy (for example, new regulations or market shifts).

Processes for managing climate-related risks

Stifel relies on a healthy risk management philosophy to guide how the organization is managed. This philosophy includes a focus on identifying and measuring risk across full economic cycles and on diligent regulatory compliance, both of which are essential to detect and manage both transitional and physical climate-related risks. We monitor and control our operational, legal, and regulatory compliance risks through operational and compliance reporting systems, internal controls, management review processes, and other mechanisms.

A specific action we are taking to manage our climate-related risks is making a strategic shift from on-premises data centers to a comprehensive cloud infrastructure. This shift will improve our disaster recovery and business continuity capabilities as well as our overall resiliency.

However, despite our risk management and conflicts of interest policies and procedures, we may still be exposed to unidentified or unanticipated risks, including those that may emerge as a result of climate change. While we use limits and other risk mitigation techniques, those techniques and the judgments that accompany their application cannot always anticipate unforeseen economic and financial outcomes or the specifics and timing of such outcomes. In addition, some of our risk management methods are based on an evaluation of information regarding markets, clients, and other matters that are based on assumptions that may no longer be accurate or may have limited

[2] See page 6 of our 2024 Sustainability Report.

predictive value. A failure to manage our growth adequately, including growth in the products or services we offer or through acquisitions, or to manage risks effectively, such as those related to climate change, could materially and adversely affect our business and financial condition.

How these processes are integrated into overall risk management

Stifel's risk governance follows the Three Lines of Defense model, supported by the Enterprise Risk Management (ERM) group. Business units form the first line, owning and managing risks in daily operations. The second line—ERM and compliance functions—sets policies, monitors exposures, and provides independent challenge. The third line—internal audit—validates controls and governance. This layered approach strengthens resilience and transparency across the enterprise. The Firm also maintains a Business Continuity Plan to ensure continued operation of critical business functions in the event of disruptions such as power outages, natural disasters, or public health crises—all of which could result from climate-related events or circumstances.

Metrics & Targets

How we assess and manage relevant climate-related risks and opportunities

Although Stifel's energy use and emissions footprint is relatively small as a financial services company, we are committed to accounting for our impact and striving for efficiency in everything we do. In 2025 we engaged in a structured process to directly measure our Scope 1 & 2 emissions for the first time.

Stifel 2024 Scope 1 & 2 Greenhouse Gas Emissions

Scope	Total Emissions (MTCO2e)
Scope 1 Emissions	**6,818.67**
Scope 1 - Stationary Combustion	6,818.67
Scope 2 Emissions - Market-Based	**27,041.26**
Scope 2 - Electricity, Operations	27,041.26
Scope 2 Emissions - Location-Based	**24,925.61**
Scope 2 - Electricity, Operations	24,925.61

Our 2024 Greenhouse Gas (GHG) Inventory offers a comprehensive view of Stifel's operational carbon footprint, covering both direct (Scope 1) and indirect (Scope 2) emissions across its U.S. and international sites. The inventory was developed in accordance with the GHG Protocol, using a combination of primary data collected from site managers and modeled estimates where direct data was unavailable. In total, Stifel's combined Scope 1 and 2 emissions amounted to approximately 31,744 metric tons of CO_2 equivalent ($MTCO_2e$) on a location-based basis, and

33,860 $MTCO_2e$ on a market-based basis. Scope 1 emissions primarily result from the combustion of natural gas, diesel, and propane for building heating, while Scope 2 emissions were attributable to purchased electricity. The largest sources of emissions were electricity consumption at office locations and natural gas used for heating. This inventory reflects Stifel's commitment to environmental reporting, providing a solid foundation for emissions reporting improvements by increasing primary data coverage.

Stifel currently does not assess our Scope 3 financed greenhouse gas emissions. We will continue to keep an eye on developments in this area to evaluate any material impact on the company and our clients.

Stifel has not yet set quantitative targets to support management of our climate risks, and we have not yet calculated scenario-based financial impacts. However, as part of our developing climate risk management strategy, we are currently evaluating our internal processes and data systems to determine which metrics we will collect to assess and monitor these risks and opportunities across our business activities and operational footprint. We will consider at that time the validity on how these metrics will be integrated into our enterprise risk management and inform our strategic decision-making, financial planning, product development, and client engagement going forward. Once we have determined which climate-related metrics we will be tracking, we will then evaluate appropriate targets to help us manage our performance.

Additionally, we will keenly follow updates to regulatory expectations regarding environmental disclosures and implement internal procedures to uphold full compliance with emerging sustainability frameworks in the U.S. and abroad, ensuring that our reporting is transparent and relevant.

Sources

- Stifel 2024 Sustainability Report & SASB Index
- Stifel 2024 Annual Report
- Stifel 2024 10K
- Stifel 2024 Proxy Statement
- Stifel Business Continuity Letter
- www.stifel.com