# TCFD REPORT

As a global company with a long-term focus, the Komax Group pursues a sustainable growth strategy. Addressing climate change and its consequences is an essential part of its corporate responsibility. It therefore actively addresses the associated opportunities and risks. The Komax Group is also involved in various organizations to counteract climate change. These include the ESG Alliance in China, for example. The company is pursuing a climate strategy with the aim of reducing greenhouse gases to net zero by 2050, and is guided by the Swiss climate targets and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In the following section, physical and transitory climate risks and opportunities, possible future scenarios, and the climate transition plan are discussed, with reference to the TCFD recommendations.

**KOMAX SHANGHAI IS A MEMBER OF THE ESG ALLIANCE**

Komax Shanghai in China is a member of the ESG Alliance, a project of the German Chamber of Commerce in China which brings together numerous German companies operating in China to exchange ideas and jointly promote ESG. Among other things, the organization offers training on sustainable management in the areas of operations and supply chains. The aim is to sustainably develop business in China. This has enabled Komax Shanghai, for example, to prepare its purchasing department specifically for supplier discussions with regard to ESG and EcoVadis ratings.

## GOVERNANCE

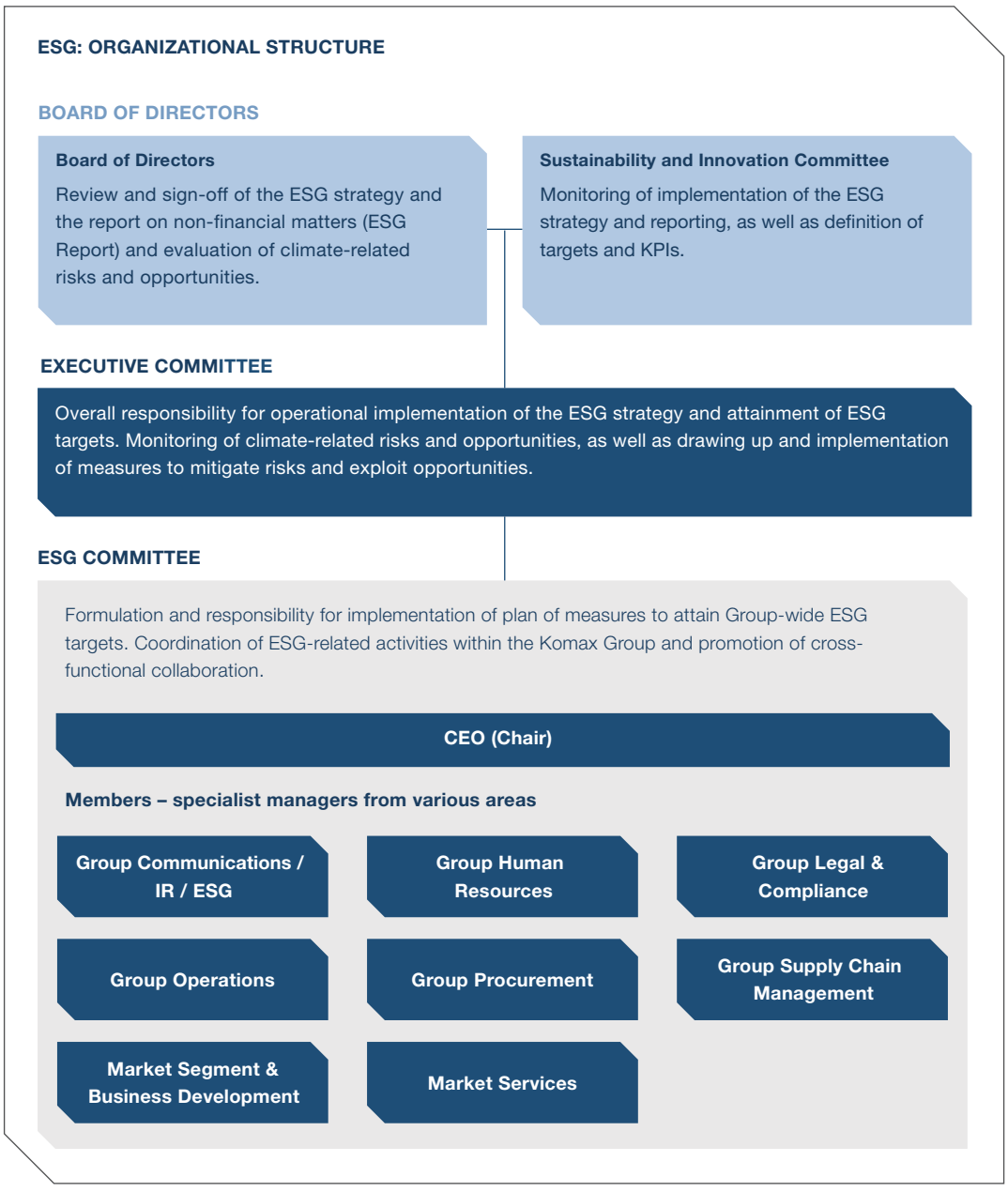
The principle of sustainability has been applied to the management of the Komax Group for several decades now. ESG was finally defined by the Board of Directors as one of the Group's key strategic targets in 2022. Key figures on environmental and social aspects have been compiled and documented across the Group since 2021. The Komax Group has firmly anchored ESG in its strategy and within the company. Important steps in this regard were the comprehensive revision of the Articles of Association at the Annual General Meeting on 12 April 2023, including the introduction of Article 2a., "Sustainability," which underlines the principle of sustainability already pursued by the Komax Group.

In addition, the Board of Directors formed the Sustainability and Innovation Committee in 2023. The Committee meets twice a year for around four hours each time, and regularly informs and advises the Board of Directors on new developments in the various ESG areas. It discusses regulatory innovations and makes recommendations regarding climate risks and opportunities. The committee defines ESG targets and KPIs, and informs the Board of Directors once a year about the status and progress of the climate transition plan, the status of ESG targets and material climate risks, and monitors sustainability reporting (› pages 144–145). Risk and governance issues are also discussed in the Audit Committee. The climate transition plan is approved annually by the Board of Directors. Several members of the Board of Directors have expertise and many years of experience in one or more of the ESG core elements due to their professional background and/or other board mandates in listed companies.

To analyze the Komax Group's ESG performance, a software-based dashboard was set up in 2025 in which all key ESG KPIs are recorded and monitored over several years. The dashboard is available to all members of the Executive Committee, all key management functions of the Komax Group, and internal specialists involved in the implementation of the ESG strategy and the collection

of ESG data. The data is updated once a year as part of the ESG reporting and presented to the Sustainability and Innovation Committee, which informs the Board of Directors on individual topics, if necessary. Based on this ESG data and the continuous development of ESG topics throughout the year, strategic and operational initiatives are launched within the company to further improve the Komax Group's ESG performance.

The CEO has overall responsibility for the operational implementation of the ESG strategy, and is supported by the Executive Committee in this regard. He drives this forward together with the Vice President Investor Relations / Group Communications / ESG, who steers and supervises implementation in the business processes. This takes place within the framework of the interdisciplinary ESG Committee. It consists of eight specialist managers from a wide range of divisions in order to provide broad support for implementation at an operational level and to make progress with the various ESG initiatives as planned.



The members of the ESG Committee are responsible for ESG issues in their divisions, and have personal ESG objectives. For Executive Committee members and various other managers, the degree of achievement of ESG targets is a criterion for the amount of variable compensation (cash bonus) that they receive. The Executive Committee members have a bonus-relevant $CO_2$ reduction target for 2026. With that, the Komax Group aims to efficiently drive forward the implementation of its ESG objectives. The ESG Committee meets at least twice a year and discusses, among other things, the current transition plan based on the scenario analysis (› pages 96–97), and provides input to the Vice President Investor Relations / Group Communications / ESG, enabling him to continuously develop the plan based on the annual ESG data and information.

**STRATEGY**

The Komax Group's ESG strategy is set out in the section "Sustainable, social, and responsible" (› pages 80–82). The core strategic element Climate Protection includes measures and targets relating to climate-related risks and opportunities, and the comprehensive capturing of energy and emissions data of the Komax Group. This data forms the basis for the climate transition plan, with which the Komax Group intends to play its part in combating climate change. The results of the evaluation of the ESG data are incorporated into the Komax Group's overall strategy via the ESG Committee, and the Sustainability and Innovation Committee.

Climate change is associated with various risks and opportunities, which are explained on pages 94–95. The ESG Committee implements measures to mitigate the risks in the context of the ESG strategy. These are intended not only to contribute to the net zero target, but also to strengthen the Komax Group's resilience to climate change and the associated consequences. In addition to the numerous ESG measures, consistent, sustainable cost management plays an important role. This increases the company's financial scope for facing future challenges. As the Komax Group addresses climate-related challenges in its ESG strategy at an early stage and plans for them in the long term, it does not currently expect climate change to have a significant, unforeseen impact on its business activities or corporate strategy in the short (1 to 3 years) or medium (3 to 10 years) term.

**Climate transition plan for the reduction of $CO_2$ emissions to net zero by 2050**

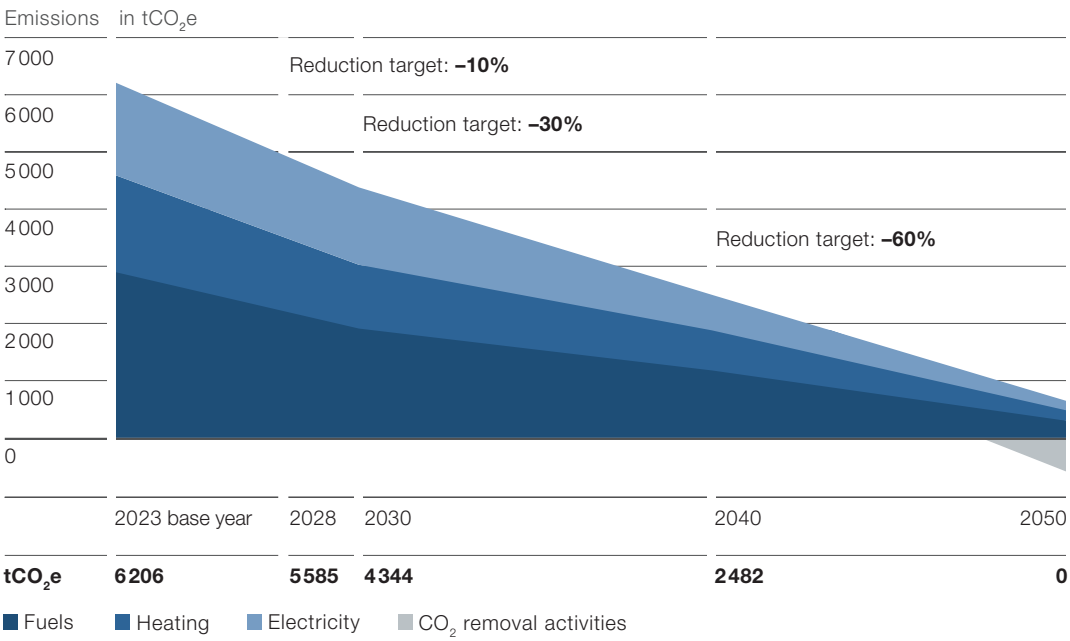
To ensure that the Earth does not warm by more than 1.5°C and that there are no serious disruptions to the environmental system, global $CO_2$ emissions must fall to net zero by 2050. This is shown by the special IPCC report on global warming of 1.5°C. Greenhouse gas emissions must be reduced in all areas of life to achieve this. Industrial production accounts for a significant proportion of these emissions, and accounted for 22.2% of total greenhouse gas emissions in Switzerland in 2023. The Komax Group will also play its part in reducing these emissions, and has developed a climate transition plan with 2023 as the base year. It plans to gradually reduce its own $CO_2$ emissions in the areas of Scope 1 and Scope 2 to zero by 2050. The company has set itself short-, medium-, and long-term targets for this. The first short-term interim target is a 10% reduction of each Scope by 2028 (› page 81, current ESG targets), followed by two medium-term targets of –30% by 2030 and –60% by 2040.

The Komax Group plans to achieve its short-term target primarily by substituting fossil fuels with renewable energies at its sites. The company has already defined targets in the areas of its own direct emissions, and purchased indirect emissions in order to sustainably reduce $CO_2$ emissions and energy consumption. It has introduced numerous measures to achieve this, and made such significant progress that it exceeded the 2028 target in 2025 in the area of Scope 1 already. Scope 1 and Scope 2 emissions fell by a total of 10.8% compared to the previous year (› page 100).

Besides the resolute continuation of the ongoing switch to renewable energy sources, additional measures in the areas of fleet management and energy efficiency are necessary to achieve the two medium-term targets. The Komax Group will reduce its emissions as far as possible itself, and use negative emission technologies for the remaining emissions to achieve the net zero target by 2050 at the latest.

The Komax Group has not yet been to implement a systematic, complete survey of Scope 3 emissions due to short-time working and a lack of resources in the year under review. However, the life cycle analyses of its products launched in 2025 laid the foundation for a part of the survey and the subsequent reduction. Scope 3 emissions are therefore not yet included in the transition plan.

**$CO_2$ emissions reduction pathway for Scope 1 and Scope 2 to net zero target**




Despite the long planning horizon, net zero is an ambitious target due to the global orientation of the Komax Group, with over 40 locations worldwide, 24 of which are manufacturing sites. The Komax Group applies the levers where they have the greatest impact.

### Physical and transitory risks

In keeping with the TCFD recommendations, the Komax Group distinguishes between the physical risks that result from changed climatic conditions on the one hand, and the transitory risks and opportunities that arise as a consequence of the transition to a low-carbon economy on the other. Physical risks can be divided into longer-term chronic risks – such as the increase in average annual temperatures, rises in sea levels, and prolonged periods of heat, as well as the acute risks that result from extreme weather events. Among other things, the latter include flooding, hurricanes and tornadoes, and forest fires. While these risks are not new, there are strong grounds for assuming that climate change will make them more frequent and more powerful phenomena in the medium to long term. These risks may have a direct impact on the operating activity of the Komax Group, as they can lead to disruptions to production and supply chains, as well as damage to local infrastructure.

Transitory risks and opportunities may, e.g., arise in connection with regulations, reputational issues, or market changes, as the transition to a low-carbon economy will entail numerous legal, social, and technological changes.

### Climate-related risks and opportunities

The identification and assessment of risks is a core component of the company's strategy and business model. In the previous year, the Komax Group fundamentally revised its internal risk management and risk management process. As part of this process, climate-related risks and opportunities and their short-, medium-, and long-term impact on the Komax Group were also analyzed. The following climate-related risks and opportunities were assigned an above-average probability of occurrence:

### Physical risks (acute/chronic)

| | Potential impact | Measures of the Komax Group |
|---|---|---|
| Acute risks | | |
| Extreme weather events (flooding, hurricanes and tornadoes, forest fires, etc.) | The Komax Group manufactures its individual product lines at dedicated production sites, with these products then dispatched worldwide. In the event of a region that is home to a production site being affected by an extreme weather event, this could temporarily result in the cessation or restriction of the manufacturing of individual products – be it due to damage to local infrastructure, employees no longer being able to commute to work, and/or supply chains being disrupted. The consequence would be lower production volumes and therefore a decline in revenues as well as rising costs due to impaired supply chains. | – Regular review of location-specific risks<br>– Location-specific and risk-specific business continuity planning<br>– Diversification of supply chains |
| Characterization<br>Short, medium, and long term · Likely · Low to medium impact · Upstream and own operations | | |
| Chronic risks | | |
| Rising temperatures and heatwaves | With rising temperatures and the increasing occurrence of heatwaves, the need for cooling is increasing at production sites, other industrial facilities, and office premises. This entails an increase in energy consumption and the volume of coolant required, which in turn increases costs. Heat affects not just infrastructure but also employees, and is likely to have an impact on their productivity if cooling options are limited.<br><br>In the event of average temperatures rising, there will also be opportunities in the form of a reduced need to heat buildings and the improved performance of proprietary photovoltaic systems. | – Fitting of additional air conditioning systems<br>– Building renovations (including improvements to insulation)<br>– Factoring in likely rises in temperature when constructing and renovating buildings<br>– Increasing energy efficiency at the sites to compensate for increased energy consumption<br><br>– Expansion of photovoltaic systems for increased solar power generation |
| Characterization<br>Short, medium, and long term · Very likely · Low to medium impact · Upstream and own operations | | |
| Rising sea levels | The Komax Group has a number of distribution and production sites close to the coast in North Africa and Asia (e.g., Shanghai, Singapore, Tunis). A significant rise in sea levels could have consequences for these locations and call their viability into question. | – Evaluation of possible new locations if there is a credible threat to one or more existing locations in the medium term |
| Characterization<br>Long term · Likely · Medium impact · Upstream and own operations | | |

**Key** Time frame · Probability · Financial impact · Value chain

## Transitory risks and opportunities

| | Potential impact | Measures of the Komax Group |
|---|---|---|
| Risks | | |
| Regulations | Statutory requirements such as new regulations for products and services, increased reporting, and $CO_2$ pricing take up more time and resources, and therefore increase costs. | – Location-specific investment planning<br>– Reduction of own $CO_2$ emissions and those of the supply chain<br>– Exchange with peers and specialists in order to meet regulatory requirements and establish efficient processes for their implementation |
| Characterization<br>Medium and long term · Likely to very likely · Medium to high impact · Upstream, own operations, and downstream | | |
| Renewable energy sources | The purchase of additional electricity from renewable sources increases costs. The Komax Group has set itself the target of sourcing at least 50% of its electricity consumption from renewable energy sources by 2028, which it has already exceeded with a figure of 58% in 2025. This proportion is to rise to 100% in the medium term. | – Multi-year planning for the conversion of individual locations to renewable energies is a key element of the climate transition plan<br>– Increase in own solar power production through additional photovoltaic systems, which reduces energy costs and increases independence from external energy suppliers<br>– Investment planning for the procurement of more energy-efficient means of production<br>– Plan of measures to reduce energy consumption at the individual locations |
| Characterization<br>Short, medium, and long term · Very likely · Medium impact · Own operations | | |
| Opportunities | | |
| Transformation of automotive industry | The transition to electromobility, which is continuing even if the process has slowed somewhat recently, is opening up new revenue and differentiation potential for the Komax Group. After all, in order to process the high-voltage cables required in electric vehicles, customers require specific machinery, and this is having a positive impact on the development of revenues. | – Comprehensive product portfolio for the processing and testing of high-voltage cables<br>– Targeted strengthening of market position in the area of electromobility with the acquisition of a majority stake in Hosver in 20254, the leading manufacturer of machines for the processing of high-voltage cables in China |
| Characterization<br>Short and medium term · Very likely · Medium impact · Own operations and downstream | | |
| Reputation | Customers from the European automotive industry in particular are increasing the pressure to reduce $CO_2$ emissions, report the carbon footprint of individual products, define ambitious targets, and report on them transparently. With its strategy, the Komax Group has made clear its determination to help tackle climate change and meet the expectations of customers, existing and potential future employees, and society. This issue opens up opportunities for the Komax Group to differentiate itself from competitors, in the knowledge that the importance of sustainability for reputation varies around the world. | – Implementation of ESG strategy and attainment of existing targets<br>– Internal build-up of additional specialist knowledge of various aspects of sustainability<br>– Raising awareness of ESG issues throughout the Komax Group through communication and training |
| Characterization<br>Medium and long term · Likely · Low to medium impact · Own operations and downstream | | |

**Key** Time frame · Probability · Financial impact · Value chain

**Scenario analysis as a basis for the assessment of opportunities and risks**

The Komax Group considered several climate scenarios to assess the impact of climate change on the company. These form the basis of the climate-related risk assessment. To assess the risks associated with climate change and relate them to the company, the Komax Group used three IPCC emission scenarios consisting of two components: the Shared Socioeconomic Pathways (SSP), and the Representative Concentration Pathways (RCP). The Komax Group's identified physical and transitory risks were assessed based on these three scenarios over the short, medium, and long term. The following chart shows the results of these assessments (› page 97). The opportunities and risks were assessed using a four-level scale from low to very high.

## CLIMATE SCENARIOS CONSIDERED

**THE GREEN ROAD – SUSTAINABILITY (SSP1 – RCP 2.6)**

The world becomes increasingly sustainable and the limits of nature are respected. The global community works together to mitigate climate change. Local and global income inequalities are reduced, and consumption is geared towards low material and energy consumption. Instead of economic growth, the focus is increasingly on human well-being. Greenhouse gas emissions are drastically reduced by 2030 in order to keep global warming well below 2°C by 2100, compared to the pre-industrial reference period.

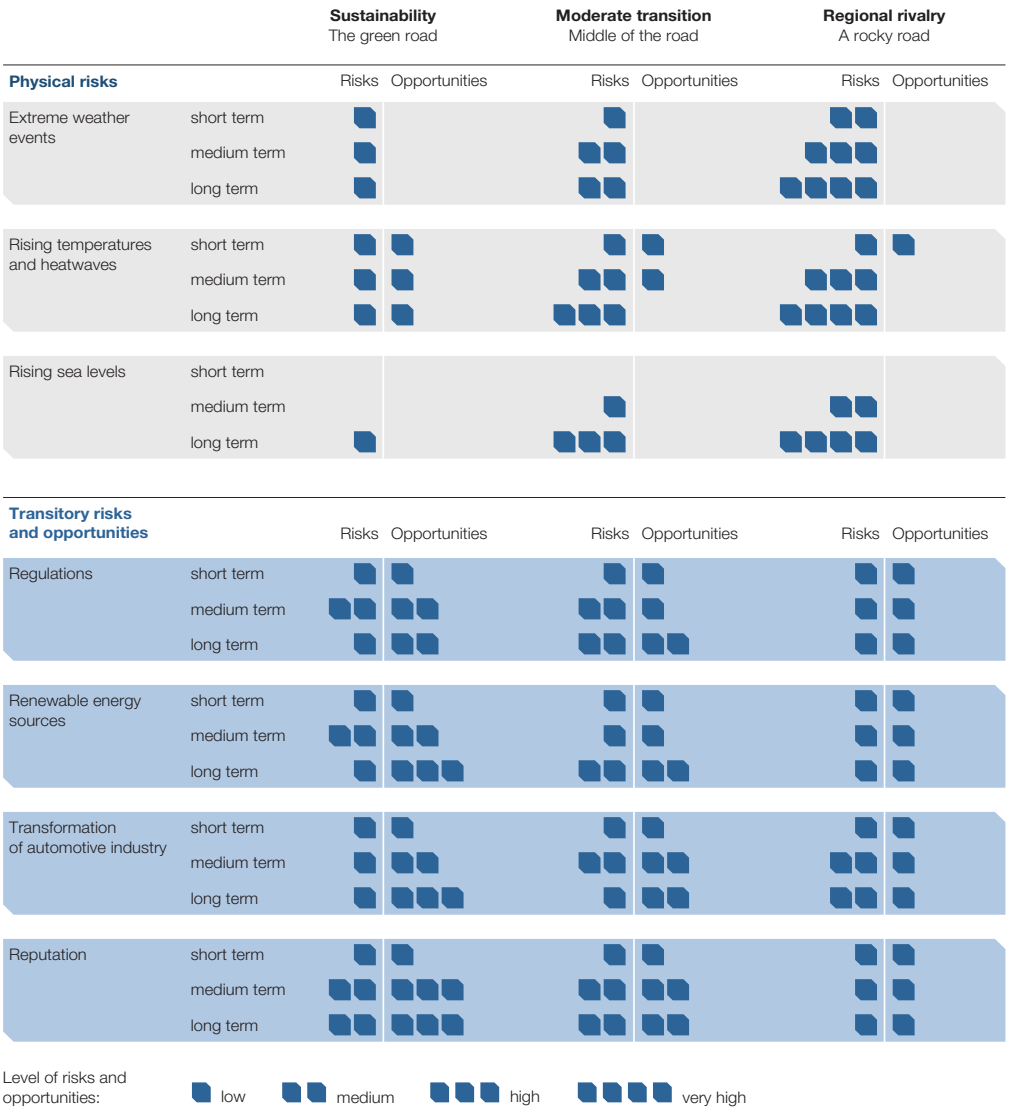
**MIDDLE OF THE ROAD – MODERATE TRANSITION (SSP2 – RCP 4.5)**

The current trend continues – social, economic, and technological developments remain more or less the same. Despite some progress, environmental problems increase. States cooperate to a certain extent, but without intensifying this cooperation. Income inequality changes locally, but remains the same overall. Global population growth is moderate, and slows down in the second half of the century. Greenhouse gas emissions peak around the middle of the century, and are halved by the end of the 21st century. This leads to global warming of between 2°C and 3°C.

**A ROCKY ROAD – REGIONAL RIVALRIES (SSP3 – RCP 7.0/8.5)**

Countries focus on national security and economic interests, international cooperation declines. Regional conflicts push global issues such as environmental and climate policy into the background. The population grows rapidly, particularly in developing regions, which leads to high demand for raw materials and energy. Instead of renewable energies, fossil fuels remain dominant and are used intensively. Investment in education and technological development decreases, while social inequalities increase. In some regions, there is severe environmental degradation. The climatic changes are extensive, and adapting to climate change is challenging. Greenhouse gas emissions increase by the end of the century, which causes global warming to exceed at least 3°C and possibly even 4°C.

**SCENARIO ANALYSIS**




### Influence of risks and opportunities on business and strategy

Overall, the Komax Group assesses its physical risks as moderate from a financial perspective. The company is insured against various events at its locations, and pursues a consistent dual-source strategy. In addition, business continuity plans are in place to strengthen the Komax Group's resilience to such events. In the event of a total failure of IT systems, for example, internal communication is ensured independently of the company's own systems.

Nonetheless, certain risks could lead to potential damage at individual locations in the short term. This primarily relates to acute physical risks such as flooding and tropical storms with prolonged heavy rainfall, which can occur in locations like Shanghai. The risks are known locally and business continuity plans are in place. As a company with a global setup, the Komax Group has the necessary flexibility to respond to local events rapidly and minimize their impact on the company.

Overall, the Komax Group considers the risks and financial impact of extreme local weather events to be moderate. The two largest sites – Dierikon and Thun – are responsible for over 40% of the company's value creation and are located in Switzerland, in comparatively safe locations in terms of climate, geography, and geopolitics. The remaining revenues are spread across many smaller units, whose potential individual risks do not have a significant long-term impact on the Komax Group as a whole, or for which there are opportunities to reduce such risks.

The Komax Group also assumes that the impact of chronic risks will not have a significant influence on its business activities. Although it can be assumed that the impact will increase over the coming decades, the Komax Group has sufficient time to respond to potential challenges, which it is already doing to some extent. One example – the company is countering the rising average temperatures by installing additional cooling systems.

The Komax Group believes the transition to a low-carbon economy entails more opportunities than risks in the long term. This is partly due to the shift in the automotive industry towards low-$CO_2$ drive concepts (› pages 44–45). Furthermore, the automation of wire processing is conducive to the process of customer nearshoring: Thanks to the Komax Group technologies, wire processors and automotive manufacturers can significantly shorten their supply chains and bring production back to their traditional locations. This means fewer negative climate impacts in the medium term due to shorter transportation routes. As a market and technology leader, the Komax Group can use its products and services to create a unique selling proposition in terms of sustainability in the market, and thus make a contribution to a more sustainable future.

Rising costs of a low-$CO_2$ future – such as through higher $CO_2$ prices or sustainably made products – are already addressed by the Komax Group via its investments in sustainable technologies. At the locations, dependency on fossil fuels is being reduced through alternative energies, particularly in terms of energy consumption (› from page 102).

On the product side, the Komax Group carried out initial life cycle analyses in 2025, which form the basis for reducing the carbon footprint of its products in the medium term (› pages 105–106).

Through its Sustainability and Innovation Committee as well as the ESG Committee, the Komax Group is systematically monitoring potential long-term changes of requirements on the part of customers and regulators with foresight, introducing the necessary measures at an early stage. The corresponding costs and investment requirements associated with such changes can therefore be planned for promptly. The Komax Group has had a robust financial base for many years, and does not consider the financial cost of mitigating climate-related risks and exploiting corresponding opportunities to be material over the coming five years.

### RISK MANAGEMENT

The Komax Group has a systematic risk management function in place. Further information on this can be found in the ESG Report (› page 127) and in the Financial Report (› from page 198). Climate-related risks are also an element of the risk matrix of the Komax Group, which comprises 13 risk categories. Climate risks were classified as a sub-area of environmental risks in the risk matrix, with their probability of occurrence and impact on revenues, EBIT, and reputation assessed in the same way as for other risks. The risk assessment process takes place once a year. Thanks to this approach and the strategy adopted in response to these risks, the Komax Group has the most resilient framework in place to combat climate-related changes.

### METRICS AND TARGETS

As part of its non-financial reporting, the Komax Group discloses comprehensive key figures in the ESG area and has defined the corresponding targets. The key figures and targets in question and the associated explanations in connection with overcoming the challenges of climate change can be found in the Climate Protection section (› from page 99) and in the climate transition plan section (› from page 92).