ELMA
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Sustainability Report **2024**

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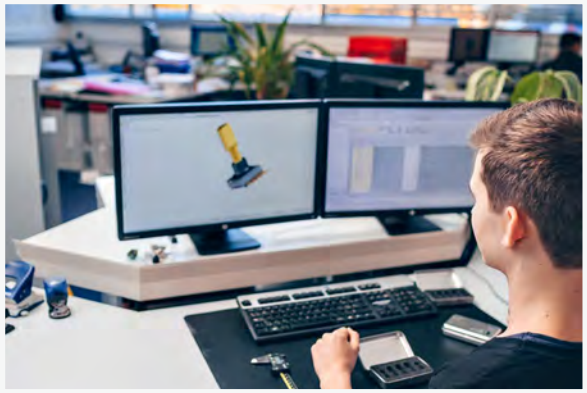

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Foreword

Dear Stakeholders,

The 2024 reporting year has been pivotal in advancing our sustainability efforts. We're proud to have our Science-Based Targets (SBTi) validated, a key step in our commitment to take action and focus on real, measurable progress. While we recognize the complexity and challenges of climate change, this milestone is a strong statement of our sustainability engagement.

We continue to invest in our facilities with two key sustainable buildings in development in Wetzikon and Timișoara which will help achieve our CO_2 reduction targets for scope 1 and 2.

Partnerships along our value chain and the contributions of our employees are essential to meeting approved science-based targets and driving progress. We aim to strengthen our relationships and initiatives with our clients and suppliers in the coming months. As always, our employees are the main driver for change. This report shares what we've achieved together and the work still ahead. Thank you for being part of our journey.

Martin Wipfli
Chairman of the Board of Directors

Thomas Herrmann
CEO

Elma 2024 highlights

170.1
million CHF order income

11.7
million CHF operating profit

177.8
million CHF net sales

73%
Employee engagement score

70%
Employees trained in the online Elma Climate School

–45%
Scope 1 and 2

–25%
Scope 3

2030
Approved science-based targets

Absolute CO_2e reduction compared to the base year 2021

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Elma Group Overview

Elma's corporate values (progress, sincerity, collaboration and ownership) are based on the Elma Group's mission statement, which was revised in 2022. Elma provides solutions for customers in various industries such as aerospace, defense, artificial intelligence, industrial automation, smart grid, research, science, communication or transportation. Elma's products are built to last and are manufactured by qualified professionals.

Business model of the Elma Group

Elma is a global manufacturer of electronic packaging products for the embedded systems market – from components, backplanes, power supply solutions, storage boards and chassis platforms to fully integrated systems.

Elma is listed at the Swiss Stock Exchange, with subsidiaries in ten countries on three continents (America, Europe, Asia). To ensure our integrated solutions are optimized to our customers' needs, Elma partners with leading board manufacturers in the industry. Elma also provides enclosure solutions and rotary switches for demanding applications for electronic companies.

The company has a broad base of proven standard products which can be tailored to individual applications: Elma offers services from the initial concept to volume production.

Business results 2024

In 2024, the Elma Group increased sales by 6.4% order income though decreased by – 3.9% compared with the previous year. The company's net profit improved from CHF 6.7 million in the previous year to CHF 11.7 million in 2023. The Board of Directors will propose to the 2024 Annual General Meeting an unchanged dividend payment of CHF 2.0 per share. Detailed information on the business results for 2024 can be found in the Management Letter on pages 6 to 12 of the 2024 Annual Report. See also:

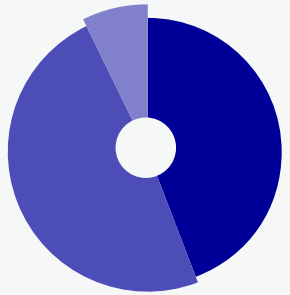
↘ https://www.elma.com/en/investors/reports

Quality and Compliance

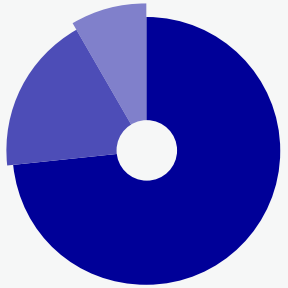
Elma adheres to internationally recognized standards in various areas of its operations. Compliance with laws is paramount to Elma. Therefore, Elma meets the locally required ISO quality standards and holds the necessary certificates in all regions. Further details can be found on the website:

↘ https://www.elma.com/en/resources/quality-compliance

Net sales by region 2024
in %



Net sales by product line 2024
in %



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Regions

Americas

With two operating companies, Elma Electronic Inc. and Optima Stantron Corp., as well as several sales, engineering, and production sites, the Americas region provides the entire product portfolio of the Elma Group.

Europe

In the Europe region, Elma is represented by six group companies located in Switzerland, Germany, the UK, France, Romania, and Israel. The regional production site in Romania ensures the supply of the region with rotary switches, enclosures and components.

Asia

Elma has three subsidiaries in Asia located in China, Singapore, and India. The sales organization in Singapore is responsible for the market development in Southeast Asia. The subsidiary in China primarily serves the local market, but also supplies the region with a wide range of enclosures and components. The company in India specializes in sophisticated electronics design and software.

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Product portfolio

System Solutions

Elma develops and manufactures advanced and integrated system solutions for highly demanding and long-lasting applications in harsh environments.

ProSys Embedded computing platform. Industrial applications Systems © Elma

Compact case 20. Measure & Control applications E&C © Elma

Enclosures & Components

As a manufacturer of enclosures and components for industrial embedded packaging solutions and electronic cabinets, Elma offers standard products, modified standard products, as well as customized solutions, all of which meet the highest quality standards.

Rotary Switches

The rotary switch portfolio offers customers a wide range of high-quality deployment solutions. The selector switches, coded switches, and encoders are mainly used in challenging applications where the highest reliability on technical equipment with direct feedback is required, such as 2-way radios, targeting sights, control units, and many more.

Switch MR50. Multi communication applications such as Aircraft cockpits Rotary Switch © Elma

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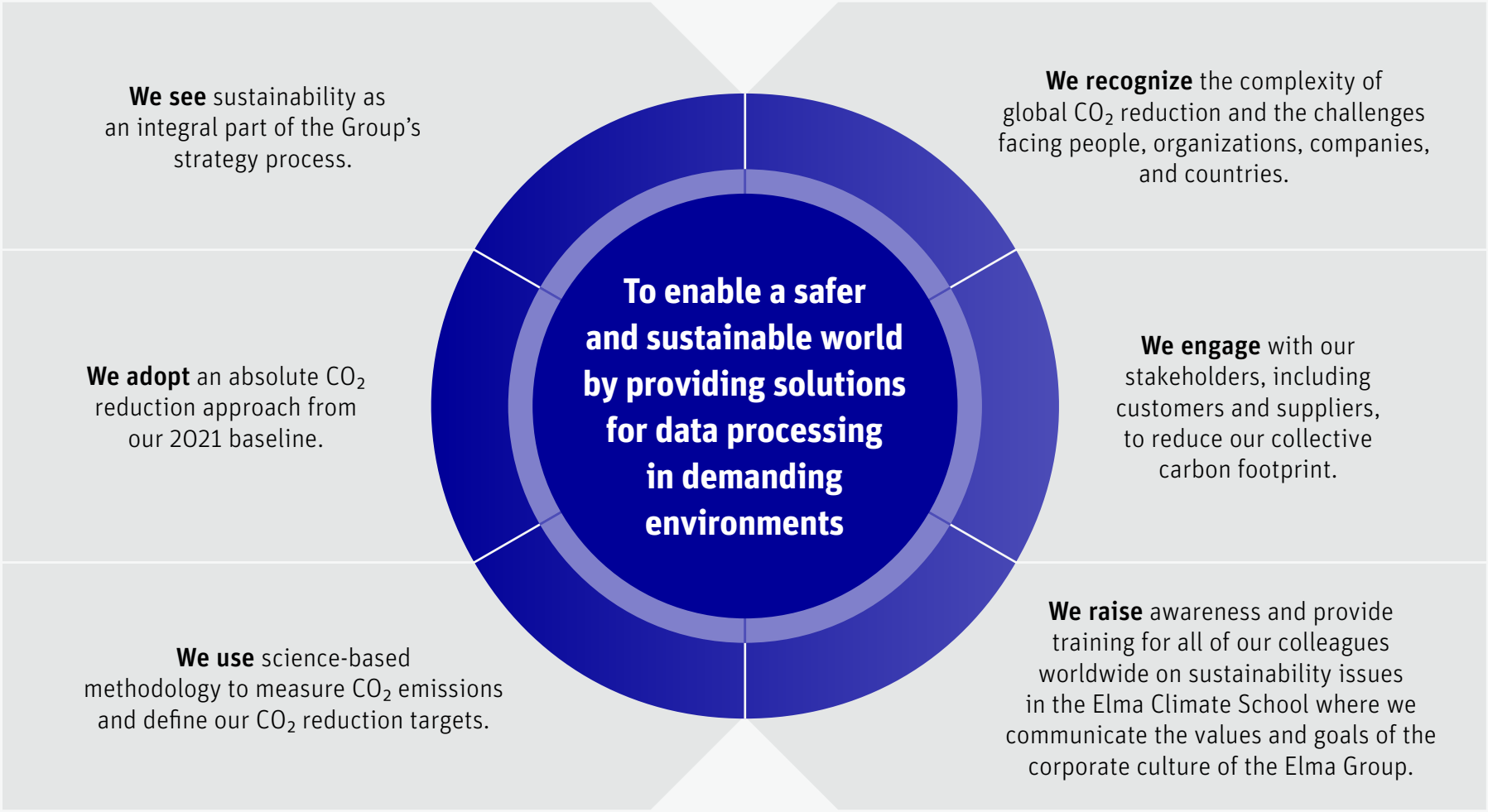
Our principles and approaches to Sustainability



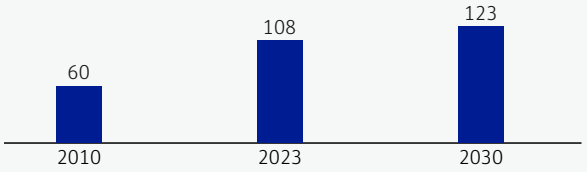
Climate Change Context

In last year's sustainability report we provided an overview of the systemic global challenges to reduce greenhouse gas emissions. We stated an example of the energy mix of countries we operate in with large disparities between low carbon and fossil fuel sources. In addition, we highlighted the impact of the energy transition on the demand for raw materials utilized in the electronic industry. This year, we provide an overview of aluminum, one of the key materials used in our products.

Key items

- Aluminum's role in global decarbonization efforts is critical and its global demand will continue to grow.
- According to the International Energy Agency, the world production of Aluminum should increase by 14% by 2030 from 2023.

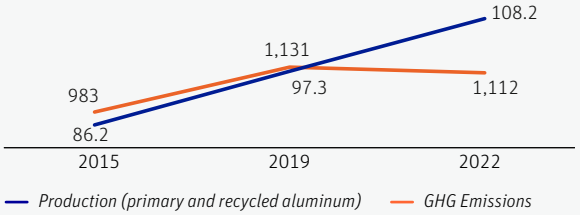
Aluminum world production
(in million tons)



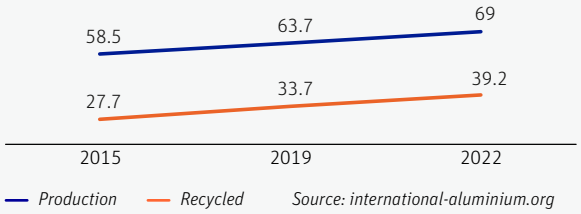
Source: IEA World Energy Outlook 2024, Stated Policies, page 301

- In 2022, 59% of greenhouse gas emissions from primary aluminum production arose from electricity use which was mainly based on fossil fuels.
- The shift towards low carbon electricity sources, and increased recycling, have contributed to the observed decoupling of aluminum production and GHG emissions.
- Production of recycled aluminum grew by 11.5 million tons to 39.2 million tons between 2015 and 2022, an increase of over 42% for the period.

Production vs GHG emissions
(in million tons)



World Production of recycled aluminum
(in million tons)



Source: international-aluminium.org

Why it matters

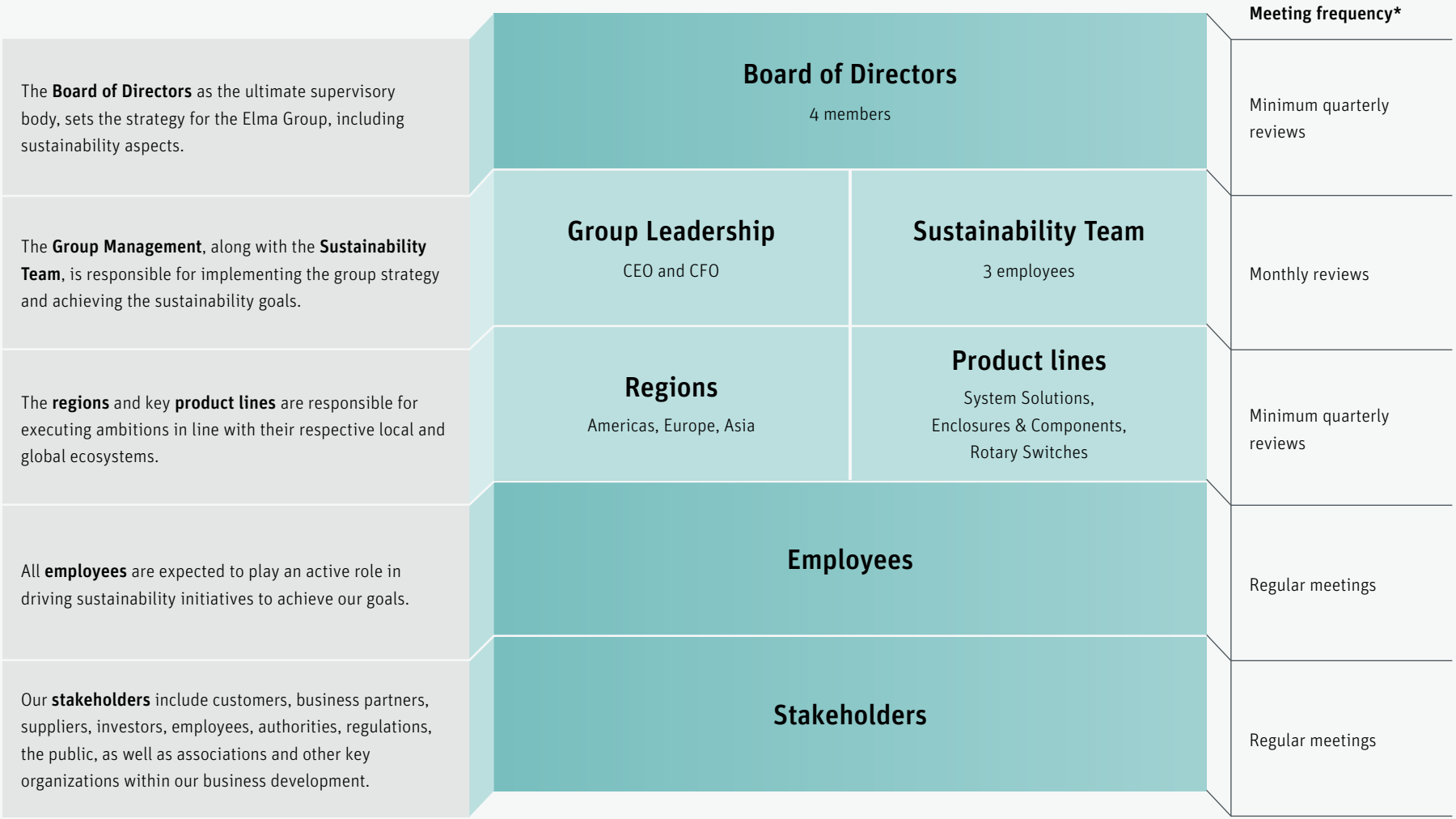
- Aluminum is one of the main raw materials we use in our products. Elma uses over 150 tons per year.
- Aluminum is a key enabler to reduce emissions in the sectors we serve, such as automotive, transport, defense and aerospace.
- We aim to utilize more aluminum from recycled or low carbon sources according to our customers' requirements.
- We will collaborate further with our suppliers and customers to secure sourcing, cost control and CO_2 reductions in line with our commitments.

Governance

Strong governance is key to our sustainability efforts. By embedding sustainability into our governance structures, we align decision-making processes with environmental, social, and economic priorities. This approach is reinforced by the decentralized structure of Elma to enable employees to take action. This section outlines the key principles guiding our governance framework and sustainability strategy.

Corporate Governance

The scheme below shows how the governance of sustainability is structured and how often meetings and reviews on these topics took place in 2024.



** In 2024, the Board of Directors addressed the topic of sustainability in every meeting, monthly meetings took place between the Group Management and the Sustainability Team.*

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Corporate Governance

Transparent Corporate Governance

Transparent corporate governance is of utmost importance to the Board of Directors and Group Management of Elma. As a publicly listed, globally active company, Elma is committed to appropriate corporate governance to ensure the sustainable development of the company. Further information can be found in the 2024 Annual Report under the Corporate Governance section.
See also:

↘ https://www.elma.com/en/investors/reports

Additionally, Elma Group adheres to a comprehensive code of conduct and ethics, outlining the values, corporate principles, and rules that are binding for Elma. Further information is available on the website:

↘ https://www.elma.com/en/investors/corp-governance

Active Stakeholder Dialogue

Elma is committed to engaging on the topic of environment with customers, business partners, suppliers, investors, employees, authorities, regulators, the public, as well as associations and other organizations. Our business managers are in direct and constant contact with customers and other business partners, and Elma offers a comprehensive range of resources, tutorials, and case studies. Elma regularly and extensively reports on the course of business and maintains open communication with shareholders, the capital market, and the public. For this purpose, the CEO and CFO are available for direct contact.

Risk Management

Risk management is an integral part of the group-wide planning and control processes and encompasses all activities to assess risks and monitor them consistently. The principles, responsibilities, processes, and tools of the risk management system are outlined in the risk policy.

Essential goals of Elma's risk management system are: protection of employees and corporate values, strengthening of reputation, trust of customers and partners, and to establish a robust decision-making process. Further information can be found in the Corporate Governance Report and in the Financial Report of Elma Group as part of the 2024 Annual Report.

↘ https://www.elma.com/en/investors/reports

In 2023 Elma started to develop its climate risk management processes to be integrated into the current risk policy. Climate-related risks and opportunities will be incorporated into Elma's risk policy in 2025. The principles, responsibilities, processes, and tools related to climate risks will then be publicly reported. For further details on Elma's current climate risk management, see section **Climate Risk Management**.

Sustainable Strategy

Sustainability is an integral part of our group strategy process, driving innovation, operational efficiency, and long-term resilience of the organization.

Our Mission and Values are the guiding principles on how Elma operates and shapes the company's culture and decision making. The Elma group strategy goals will be achieved in alignment with our SBTi commitment and social principles.

Elma's SBTi targets are embedded in the product lines and regional entities with a decentralized organizational approach to maximize local decision making.
As such, Elma product lines and regional entities drive the changes, select the relevant local initiatives and implement the actions.

This covers building efficiency, energy and material consumption, waste management, transport, product design and operational activities. The sustainability function is a key partner and enabler for business improvements such as the sustainable supply chain initiatives and ecodesign adoption.

Sustainable Strategy

New buildings with a sustainable approach

Exterior visualization: © Elma; Created by: © Duplex Architekten, Studio Blomen

WETZIKON – SWITZERLAND

In Elma's headquarters in Wetzikon, the existing building will be redeveloped into a new space, "The Forest Campus", aiming for construction to be completed in early 2028. The building's surroundings will be reforested so that the building will gradually be overgrown by the forest.

The new building will no longer have separation of company divisions but sees various departments in one open-space building to ensure efficient operational processes.

The new headquarters are designed with sustainability in mind, the production building from 1969 will be preserved and renovated. The existing structure made of precast concrete elements will be preserved and the extension will be built using lightweight construction to enable future transformations. Maintaining the original structure can reduce greenhouse gas emissions from construction by approximately 25%.

Exterior visualization: © Elma; Created by: © Efeso Management Consultants

TIMIȘOARA – ROMANIA

A new building for Elma's Timișoara, Romania site is currently in development. Production, storage, and offices will be 50% larger than the current facility. The completion and full operation of the new building is planned for Q1 2026.

The building will be constructed using a lightweight design and aims to achieve a sustainable building certification of "BREEAM Excellent".

The building will have improved thermal insulation, heat pumps with heat recovery systems and LED lighting. These measures will significantly reduce overall energy consumption. Solar panels will be installed on the roof and will cover more than two thirds of annual electricity requirements. Charging stations for electric vehicles and e-bikes will also be installed.

Sustainable Strategy

Sustainable Supply Chain as part of the Supply Chain strategy

In 2024 Elma took the first step towards integrating sustainability into its supply chain strategy. This initiative marks an important move toward building a network of suppliers in line with Elma's sustainability targets. In 2024, a supplier questionnaire related to sustainability was developed and shared with suppliers covering 90% of global spend.

Elma aims to incorporate sustainability criteria into its supplier selection process. This will allow Elma to align its supply chain with its environmental objectives and help us to create a network that supports long-term sustainable growth.

Another important part of this joint initiative between sustainability and supply chain is to focus on improving the efficiency of Elma's supply chain, including but not limited to: sharing best practices, supplier selection, and emissions calculations. Collaboration is an important part of a business' sustainability strategy, as reductions in emissions depend on actions taken by every department.

Ecodesign pilot project: Life Cycle Assessment (LCA)

Another initiative undertaken in 2024 was the implementation of a pilot Life Cycle Assessment (LCA) for one of Elma's key products. The specific product chosen was an Air Transport Rack (ATR). The ATR was chosen to be representative of Elma's System Solutions product line. These products make up the majority of Elma's sales, and also use the most electricity during their use, therefore being the cause of "Use of sold products" being Elma's largest source of emissions.

Life Cycle Assessment (LCA) is a methodology used to evaluate the environmental impact of a product throughout its entire life cycle, from raw materials through production, distribution, usage, and end-of-life disposal. This approach provides a holistic view of the environmental footprint of a specific product and enables businesses to make informed decisions that minimize their ecological impact.

The pilot results show that most of the emissions associated with an ATR come from the electricity use of the final product. The upstream emissions of materials and components used for assembly are the second-largest contributor. Emissions from product-related transportation and associated electricity and energy use contribute only a small amount. The results of this pilot align with Elma's overall emissions profile.

As part of the group strategy, Elma will use LCA insights to focus on the largest emission sources and apply ecodesign principles to selected products. This ensures sustainability is built into Elma's design and innovation processes, reducing environmental impact while meeting customer needs.

Example of an Air Transport Rack (ATR) sold by Elma Systems © Elma

Climate Risk Management

In 2024 we started integrating climate risks into the company's broader risk management processes while maintaining alignment with business priorities and global sustainability goals. This task will be completed in 2025.

	Key activities	Progress
Physical risks	› Assess Elma's manufacturing, assembly and office locations › Update emergency contingency plans for our manufacturing and assembly facilities › Define risk assessment process with our customers and suppliers › Adopt customer and supplier climate risk profiles into our strategic planning	› General third party assessment conducted on key Elma sites › Start a detailed analysis in 2025
Transition risks	› Setup Product strategy process to address the impacts of climate change › Incorporate low-carbon materials and content into our pricing and pricing strategy › Integrating the risks and opportunities of our customers and suppliers into our commercial, operational, and supply chain processes › Through continuous innovations, we reduce electricity consumption and material waste, and improve ergonomic design › Management and employees embrace ecological, social, and corporate responsibility	› In place. To be revised on annual basis › On going process with new materials assessment initiatives › LCA, Ecodesign and sustainable supply chain initiatives ongoing › Climate school training provided leading to local actions

As part of our commitment to climate risk management, we conducted a preliminary analysis using ThinkHazard to assess potential physical risks in key Elma regions. The table below provides a sample assessment, offering guidance on prioritizing sites for further evaluation. Based on the pre-selected climate risk criteria, the Elma USA sites in California and Georgia will be evaluated first. In line with our strategy development, a comprehensive site-specific risk assessment is planned for 2025.

*Risks / **Regions****	Zurich Canton, Switzerland	Karlsruhe Region, Germany	Bedfordshire, UK	Gwinnett County, Georgia	Alameda County, California
Coastal flood	n/a	n/a	n/a	n/a	**High**
Cyclone	n/a	n/a	n/a	**High**	Very low
Extreme heat	**Low**	**Medium**	**Low**	**Medium**	**Medium**
Landslide	**Medium**	**Medium**	Very low	Very low	**High**
Riverflood	**Medium**	**High**	**Low**	**Low**	**Low**
Wildfire	**Low**	**High**	**High**	**High**	**High**

** The physical risks of Elma sites will most likely vary from the regional assessment.*

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Environment

In 2022 Elma committed to reducing greenhouse gas emissions, choosing 2021 as the baseline year. Elma has set near-term and long-term net-zero absolute science-based targets for emissions reduction. Absolute targets ensure net reduction of GHG emissions, and if widely implemented, can result in the best reduction scenario.

In order to achieve net-zero emissions, direct emissions reductions will be prioritized over neutralization efforts, and all residual emissions will be neutralized in line with SBTi criteria before reaching net-zero emissions.

Science based targets

In 2024 the Science Based Targets initiative approved Elma's near-term and long-term science-based emissions reduction targets. The SBTi has verified Elma's net-zero science-based target by 2050.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
@SBTi

Elma approved science-based targets

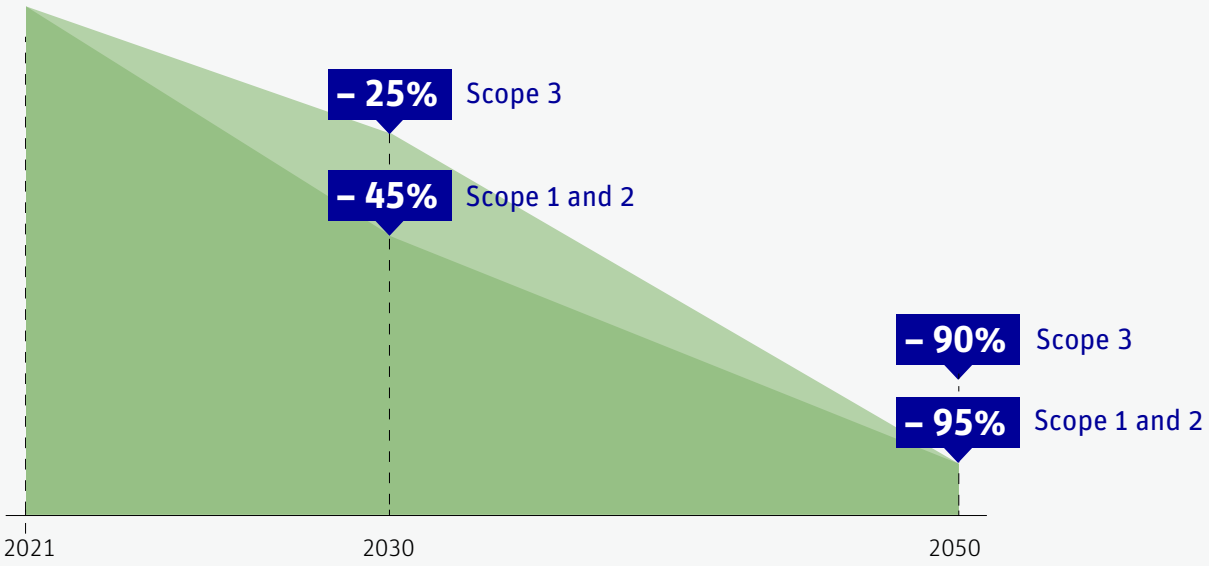
NEAR-TERM TARGETS

Elma commits to reduce **absolute** scope 1 and 2 GHG emissions 45% by 2030 from a 2021 base year. Elma commits to reduce absolute scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products 25% by 2030 from a 2021 base year.

NET-ZERO TARGETS

Elma commits to reach net-zero green-house gas emissions across the value chain by 2050. To achieve this, Elma commits to reduce absolute Scope 1 and 2 emissions 95% and Scope 3 emissions 90% by 2050 from a 2021 base year and to neutralize residual emissions. Elma intends to investigate both natural and technological carbon-offsetting solutions.

Elma's CO_2e reduction commitment

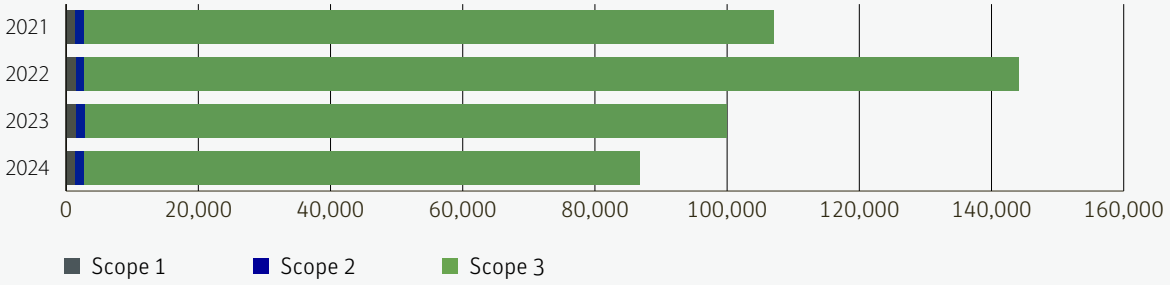


GHG emissions Inventory

Elma performs a full GHG inventory of its scope 1, 2 and 3 GHG emissions on an annual basis. The reporting period of the inventory (scope 1, 2 and 3) covers the financial year from 1 January to 31 December.

The following graphic shows Elma's total Scope 1, 2, and 3 emissions for the years 2021–2024. Full emissions details can be found in the **Appendix**.

CO_2 emissions 2021–2024
(in tons of CO_2e)



GHG Emissions Analysis

The trend in total emissions is variable from 2021 to 2024. Elma's emissions profile fluctuates since the total emissions depend heavily on the product mix of annual sales. While Elma is working on reduction strategies, resulting emissions reductions may take time to implement. By focusing on categories with the largest emissions footprint, Elma will ensure that 2030 reductions targets are met. The two Scope 3 categories "Purchased Goods and Services" and "Use of Sold Products" make up 84% of Elma's baseline year emissions, and 77% of Elma's 2024 emissions. These categories therefore represent key categories to target emissions reduction.

Emissions for the category "Processing of sold products" are estimated as 0.01% of Elma's total emissions and are not included in the target coverage. The screening was undertaken by reviewing literature from similar products and businesses to Elma.

DATA LIMITATIONS

While there are data limitations with all emissions categories, particular attention is paid to those categories that have the highest emissions.

Calculations for category 1 "purchased goods and services" currently use predominantly secondary data, i.e. average emissions factors, with few suppliers providing primary data. As discussed in the section **Sustainable Strategy**, Elma has begun to implement CO_2 sustainability targets into the supply chain strategy. One of the medium-term goals of this strategy is to increase communication with suppliers, including support in emissions calculations.

Calculations for category 11 "use of sold products" involve estimations of how Elma's customers use the final products. In order to increase the precision of these emissions, and also to more accurately track changes, engagement with customers for primary data on usage is essential. In the near future Elma will begin to explore sustainability-focused engagements with a selection of customers.

If changes in methodology result in adjusted emissions values, Elma will perform the corresponding adjustments to the baseline, following our base year emissions recalculation policy.

VERIFICATION OF GHG EMISSIONS

In this report we present newly calculated Scope 1, 2, and 3 emissions for the 2024 calendar year and updated emissions data for the years 2021–2023. Elma collaborated with Carbone 4, an independent company specialized in climate strategies, for emissions calculations. Carbone 4 validated the 2024 emissions calculations, as well as the methodology. Carbone 4 also supported Elma throughout the process of setting targets with SBTi.

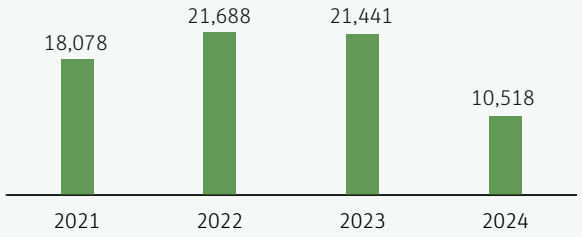
GHG emissions Inventory

Substantial emissions variation

VARIATIONS IN EMISSIONS

The largest variation in emissions between 2023 and 2024 is in the category “Purchased goods and services”. There was a significant decrease in emissions of 51%. This decrease is due to one location purchasing significantly less materials for production in 2024.

Purchased goods and services
(in tons of CO_2e)



Purchased goods and services can vary year by year for a variety of reasons, including overstock from previous years and variation of the product types manufactured and sold in the reporting year.

Between 2021 and 2024 there are also large variations in the category “Use of sold products”. The emissions from this category are heavily dependent on the mix of products sold each year, which can be highly variable, depending on customer needs. If more products that consume high amounts of electricity are sold on any given year, there will be a sudden increase in emissions.

Additionally, as part of the SBTi criteria, emissions from the base year and previous years must be recalculated when new methods are available. This may result in changes to past data and is the reason for any discrepancy between previously reported emissions, and those in this report. It is important to always use up-to-date methodology to recalculate past years so that there are no apparent changes in emissions data due to improved methodology. Types of improvements in calculations include up-to-date emissions factors and new information from suppliers and customers.

ELMA’S RECALCULATION POLICY

In line with SBTi criteria, Elma commits to recalculate the emissions baseline at minimum once every 5 years. Additionally, when there are significant changes to company structure, base year inventory, methodologies, etc. a significance threshold representing a 5% change in baseline emissions triggers recalculation.

However, emissions may be updated when there is a change of less than 5% when more accurate calculations are made available. For example, if new emissions factors are found to be more appropriate, Elma will recalculate the appropriate baseline emissions so that the different years of emissions calculations remain consistent.

Since Elma has committed to absolute emissions reduction targets, changes in baseline emissions do not trigger target recalculations. The percentage reduction remains the same, although the emissions reduction value changes depending on the baseline.

Actions towards meeting science based targets

In 2024, Elma's SBTi emissions reductions targets were approved. While Elma works to develop its transition strategy to meet near-term and net-zero targets, investigations into reduction initiatives focused on the largest emissions sources have begun.

Elma's emissions targets are in line with Switzerland's climate objectives. Elma is working towards implementing a detailed transition plan to meet these objectives. In 2024, key areas of improvement were investigated, and initiatives targeting emissions reductions have begun. The emissions categories "Use of Sold Products" and "Purchased goods and services" make up 84% of Elma's baseline emissions. More emphasis is placed on initiatives related to these two categories since they can have the highest impact.

In order to meet targets associated with "Purchased goods and services", in 2024 Elma began investigating two different emissions reduction initiatives. Firstly, Elma began its journey towards incorporating sustainability philosophy into its supply chain strategy. Through this initiative, we intend to collaborate with our suppliers in order to work towards a supply chain which is in line with Elma's emissions reduction targets. Further information can be found in the **Sustainable Strategy** chapter of this report.

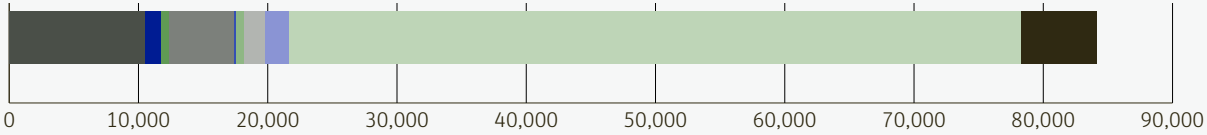
The second project was a pilot **Life Cycle Assessment** for a specific Elma product, chosen to be representative of Elma's largest product line. Although most of the emissions associated with Elma's Systems Solutions come from the electricity use of the final product, the upstream emissions of materials and components used for assembly are the second-largest contributor. The pilot study highlighted which materials and components have the highest contribution to emissions, and therefore also can have the highest impact on emissions reduction. The results from this pilot allow Elma to begin to plan its journey towards incorporating ecodesign into the design of its products.

Emissions from downstream use of Elma's products are determined by the source of electricity used. Therefore, these emissions may be decreased by improving how the products are used, for example by utilizing low-carbon electricity. In order to have the highest impact, Elma will need to collaborate with customers, to better understand how Elma's products are used, and how we can work together to decrease emissions across the value chain.

Initiatives affecting other emissions categories were also started in 2024. For example, as mentioned in the **Employee commuting** chapter, Elma began to collect data for calculations, and also to understand what improvements can be made. Other sustainability related targets are also discussed in the section **Sustainability Targets**.

Scope 3 Emissions 2024

(in tons of CO_2e)



Categories	Emissions in tons of CO_2e
Category 1: Purchased goods and services	10,518
Category 2: Capital goods	1,259
Category 3: Fuel- and energy-related activities	583
Category 4: Upstream transportation and distribution	5,058
Category 5: Waste generated in operations	136
Category 6: Business travel	590
Category 7: Employee commuting	1,677
Category 9: Downstream transportation and distribution	1,866
Category 11: Use of sold products	56,569
Category 12: End-of-life treatment of sold products	5,853
Total	**84,109**

Social

Elma's values are Progress, Sincerity, Collaboration and Ownership.

In 2022, Elma reported new company values that were based on inputs from all employees. These values serve as guiding principles for how Elma operates as a company and are crucial considerations in recruitment, training, and corrective measures. Diversity, equality, and inclusion are embedded in our values.

Our Employees

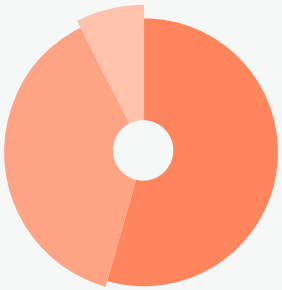
Elma is a global company with employees all over the world. Progress, Sincerity, Collaboration and Ownership are Elma's four values for all employees to live by.

As of the end of 2024, Elma employed 828 individuals worldwide, including temporary staff (FTE) (previous year: 798 FTE). Of these, 54% worked in Europe, 39% in North America, and 7% in Asia. The proportion of women in the total workforce at the end of 2024 was 32% with 263 women worldwide.

Internal Communication

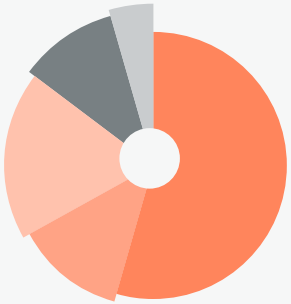
Global townhall meetings keep everyone in the company informed, engaged, and connected. In this spirit we have established bi-annual townhall meetings for all our colleagues around the world. Similar meetings are held by the local entities on a quarterly basis. These meetings give employees the opportunity to hear directly from leaders about the company's goals, achievements, and challenges. Recognizing employee contributions and addressing questions during these sessions aims to further build trust and collaboration. Employees are encouraged to share their ideas and feedback, strengthening the company's identity as one global team.

Employees by region
Headcount (FTE) 2024



- Europe **445**
- America **321**
- Asia **62**

Employees by function
Headcount (FTE) 2024



- Production **451**
- Engineering, F&E **105**
- Marketing, Sales and Procurement **152**
- Management and Administration **85**
- Interns and Temporary staff **35**

A town hall meeting in Elma Wetzikon, Switzerland. © Elma

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Our Employees

Employee engagement*

In the 2023 report, Elma announced the start of an initiative focused on employee engagement, with two pilot locations undertaking engagement surveys.
In 2024, a new annual employee engagement survey was developed and launched in-house. The preparation of this survey involved Elma Group's Management, Human Resources and the Sustainability Team.
The survey was developed based around Elma's values of Progress, Sincerity, Collaboration, and Ownership.
The survey was rolled out across all 10 Elma countries, with the intention to keep the questions coherent every year. This year will act as Elma's baseline, and will enable short-and long-term, company-wide and location-specific results.

≥80%

2026 Employee engagement target

Employee surveys are a predictor of behavior and are a vehicle for supporting change. By measuring the pulse of our employees, we build a feedback culture to achieve and support our business growth and performance.

The survey results showed 73% employee engagement worldwide. Since the survey was developed in Elma, these results should not be benchmarked against other companies' results, but used as an internal tool to improve engagement, and other aspects covered. The survey results allow Elma to identify hotspots and areas of improvement. The group management has set a goal to ensure an employee engagement score of at least 80% by 2026.

Employee commuting

In 2023, Elma launched an annual employee commuting survey. This survey had two purposes. Firstly, to collect data on employees commuting habits for Scope 3 emissions calculations. Secondly, to understand how our employees feel about their commute and how it could be improved.

In this way, Elma has the opportunity to implement changes not only to reduce environmental impacts but also to help to improve employees' commute. For example there were many requests for the installation of car charging stations. Several charging stations will be installed in 2025 that can be used by employees free of charge. This survey is distributed annually in order to maintain up-to-date data for accurate emissions calculations.

Elma Employees in Fremont, California, USA.
Elma Americas © Elma

Leadership awareness training

A strong corporate culture and a shared leadership understanding are important success factors for sustainable business growth. They not only promote collaboration and employee engagement but also foster innovation. By establishing clear values and common goals, Elma enhances its performance and market position effectively in a demanding market environment. In 2024, members of the management team from Germany and Switzerland/Timișoara were trained as part of our internal leadership program to develop a shared leadership understanding and actively implement the importance of a strong corporate culture.

** Refers to the active participation and enthusiasm of employees. A committed person is highly motivated, engages with their tasks, shows responsibility and looks for solutions. In contrast to this: employee satisfaction only measures the well-being and fulfilment in a specific situation.*

Elma Climate School

In 2023, Elma launched the Elma Climate School, an online training, with more than 20 diverse courses about different aspects of sustainability provided by AXA Climate School.

© AXA Climate

In the first year, introductory content focusing on understanding the fundamentals of climate change was made mandatory for employees of Elma. Our goal is to educate all of Elma's employees on the challenges of sustainability, in order to enable everyone to contribute to the challenge and take part in our journey. With these goals in mind, the entire catalogue of AXA Climate School is available to Elma employees.

In 2024, a second phase of mandatory courses began. The new courses focus on job-specific actions, to help our colleagues to understand the impacts sustainability has on their jobs, and how they can contribute to sustainability within their role.

In order to expand our collective understanding of climate change, this phase also explores the impacts of climate change already seen across the globe.

In-person Climate School

As part of Elma's ambition to train all employees, a special offline training was conducted in June 2024 at Elma Americas locations. These locations were identified as those with a high population of employees in operations with limited access to a work computer.

In order to facilitate learning, these employees were given the opportunity to receive in-person introductory sustainability training from the company's sustainability team.

The training was presented as an interactive group-based workshop with tailor-made content from different AXA Climate School courses combined with Elma- and location-specific questions. We introduced key concepts and current impacts of climate change, and how they relate to Elma's business.

The initiative had a very positive response, with 94% of attendees rating the training as "good" or "excellent". The impact of the Elma Climate School online and offline trainings is instantly recognizable as discussions about sustainability become more common around the workplace, and new suggestions and ideas for improvement arise. With sustainability in mind, Elma's employees are empowered to make positive changes.

In-person Elma Climate School workshop, Elma Lawrenceville, Georgia, USA. © Elma

Employee-driven community initiatives

Elma strives to be an employer of choice in all aspects, including social and community events. Elma encourages our colleagues to drive activities inside and outside of the scope of their work. Some examples from the year 2024 are shown below.

› **A bake-off in Elma UK to raise money for Macmillan Cancer Support charity** where employees competed with different baked goods. The event was widely attended and the treats were thoroughly enjoyed.

Elma UK © Elma

› Elma Americas started an employee engagement and community committee for the first time. In 2024 they successfully hosted their first event: a **BBQ lunch hosted at all locations**. In November each location also hosted a holiday lunch where members of leadership served a buffet to their employees.

Holiday luncheon Elma in Lawrenceville, Georgia.
© Elma

› After introductory sustainability training in one Elma Americas location many discussions were had about recycling in the offices. Eventually this led to great success where the operations team were able to arrange removal of recyclables and have now installed **new recycling facilities.**

Elma Americas © Elma

NATIONALER ZUKUNFTSTAG

Seitenwechsel für Mädchen und Jungs

© Nationaler Zukunftstag

› In 2024 Elma Switzerland was once again involved in the **Swiss Nationaler Future day (Zukunftstag)**. This day gives school children the opportunity to explore different career prospects. Elma has participated in Future day for several years. This year, we were happy to welcome six students to spend the day learning about different jobs at Elma.

› Throughout 2024 **Elma Switzerland employees collected PET bottle caps as part of a local initiative.** The proceeds from this activity go to training guide dogs for the blind at two local schools.

© Elma

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Sustainability Targets

Elma has developed non-financial KPIs and targets with the aim of improving various social and environmental impacts. Further details on many of these initiatives can be found in the sections Social and Environment of this report. Below is a description and a summary table for each target. Elma will continue to report progress against these targets annually.

GHG Emissions targets

Elma is committed to sustainability. In 2024 the Science Based Targets initiative approved Elma's near-term and long-term science-based emissions reduction targets. The SBTi has verified Elma's net-zero science-based target by 2050.

All of Elma's emissions targets are absolute reduction targets. More details on SBTi targets can be found in the **Environment** section, progress towards targets is presented in the **Appendix**.

Short-term Targets

	Baseline year	Target year	Target value
Scope 1 and Scope 2	2021	2030	45%
Scope 3	2021	2030	25%

Long-term Targets

	Baseline year	Target year	Target value
Scope 1 and Scope 2	2021	2050	95%
Scope 3	2021	2050	90%
Net Zero	N/A	2050	N/A

Employee engagement

Employee engagement is an indicator of employee behavior and can be used as a vehicle for supporting change. With this target Elma aims to build a feedback culture to achieve and support business growth and performance.

Target: Employee engagement

Status 2024	Baseline year	Target year	Target value
73%	2024	2026	80%

Employee training on sustainability

Employee training is an important contributor to growth in a company. In order for Elma to succeed in meeting sustainability targets, all employees need to be a part of Elma's journey. In 2023 the Elma Climate School was launched as a mandatory training for all employees. As such, a target was put in place that 80% of online Elma employees complete their introductory training in sustainability by 2026.

Target: Employee sustainability introduction

Status 2024	Baseline year	Target year	Target value
70%	2023	2026	80%

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Sustainability Targets

Waste Management

Appropriate waste handling is important for many aspects of sustainability, including circular economy, land use, and emissions reduction.

In order to minimize environmental impacts of poor waste handling, Elma intends to set targets related to recycling and waste management. In 2024 an initiative to collect data on global waste management, and research and understand areas to improve was started. The goal is to optimize waste management, although since the investigation is ongoing, the targets are currently undefined.

Target: Waste Management

Baseline year	Target year	Target value
Under review	2030	Not yet defined

Accidents

Ensuring the health and safety of Elma's employees is of utmost importance. Therefore, in 2024 a global initiative began to review the current health and safety programs and practices at Elma production sites.

Elma has production locations in 7 countries across 3 continents. Compliance with the law is a top priority for Elma. Therefore, in all regions where Elma is active, it complies with all laws and regulations.

The laws and regulations in the regions vary in their classification of different types of accidents. Therefore, Elma aims to develop a unified, global definition to enable consistent long-term tracking of accidents.

There is not yet a unified definition of major accidents across Elma. Despite this, in 2024, accidents of any definition (including minor accidents) across all Elma entities were lower than the European average for major accidents.

While the initiative to standardize all safety practices across Elma is ongoing, the global baseline year and target years remain currently undefined. However, each Elma location has its own tracking and targets and strives to keep accidents to a minimum.

Target: Major accidents

Baseline year	Target year	Target value
To be defined when Global practices in place	Not yet defined	Not yet defined

Water usage

In many industries, water usage is an important sustainability metric. For this reason, in 2024 we started a project to collect data on water usage at all company locations. The average water usage in office environments globally is approximately 50 liters per person per day.

Elma's production uses very limited amounts of water and most use comes from regular domestic use. At the locations we investigated the water usage was lower than the average global water use in offices. The environmental impact of water use in Elma is relatively low when compared to emissions or other sustainability metrics. For this reason, Elma will not set a target for reducing use of water but will strive to keep water use as minimal as possible.

Compliance

Basis for reporting on non-financial matters

In its 2024 Sustainability Report, the Elma Group discloses information regarding non-financial matters, emphasizing its commitment to sustainability.

The following laws, regulations, and guidelines form the foundation of the Elma Group's Sustainability Report 2024:

- Swiss Code of Obligations (as of February 9, 2023)
- Regulation on Reporting on Climate Issues (effective from January 1, 2024)
- Company Articles of Association (as of April 13, 2023)
- Regulation of Organization/Company bylaws (as of February 22, 2024)
- Code of Conduct and Ethics 2023
- Anti-Bribery Policy 2023
- Greenhouse Gas (GHG) Protocol
- Science Based Targets initiative (SBTi)
- Swiss Climate Ordinance
- Task Force on Climate-related Financial Disclosures (TCFD)

Unless otherwise specified, the information in this report relates to the base year of 2021 and the years 2022, 2023, 2024. Any data from external sources is appropriately credited.

Since the introduction of Article 964b of the Swiss Code of Obligations, Elma must create a report on non-financial matters starting from the fiscal year 2023. Additionally, the Swiss Climate Ordinance on mandatory climate disclosures came into effect on 1st January 2024.

The present report was crafted by Group Management of the Elma Group in collaboration with an internal sustainability team and external experts from Carbone 4.

The German version of the report received approval from the Board of Directors. The Board of Directors suggests endorsing the non-financial matters report in an advisory vote at the 2025 Annual General Meeting.

The English version is provided only for communications purposes and should not be considered legally binding.

Compliance

Elma adheres to internationally recognized standards in the various areas of its operations. Compliance with the law is a top priority for Elma. Therefore, in all regions where Elma is active, it complies with guidelines and regulations required in these regions. Further details can be found on Elma's website:
https://www.elma.com/en/resources/quality-compliance

Additionally, Elma's approach to sustainability also includes social affairs, employee matters, protection and safety of employees, human rights, and anti-bribery compliance. Various internal and external directives issued by Elma reinforce their efforts in the area of sustainability.

These include:

- Corporate Governance Report
- Code of Conduct and Ethics
- Anti-Bribery Policy

COMPLIANCE TRAINING

In 2025 we will deploy global compliance training to ensure alignment with governance frameworks and international standards. Tailored to regional and business-specific risks, it will combine digital learning, workshops, and assessments to foster a culture of integrity and accountability. The new global compliance training platform will be deployed in 2025.

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Compliance

Swiss supply chain due diligence requirements
In Switzerland, due diligence and transparency obligations are set out in the Swiss Code of Obligations (CO), Articles 964j-l, and the corresponding Ordinance on Due Diligence and Transparency concerning Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO). The ordinance mandates companies to conduct supply chain due diligence for child labor when the risk cannot be excluded and for critical minerals and metals when imported or processed in Switzerland above the defined thresholds.

As Elma falls within the scope of DDTrO, it is required to assess the applicability of these obligations to its operations and supply chains:

- For child labor, Elma must implement due diligence and reporting measures for products and services where child labor risk cannot be excluded. To ensure compliance, the company is enhancing its due diligence approach, integrating risk analysis tools, and strengthening supplier engagement.

- For conflict minerals and metals, Elma has determined, based on its assessment, that it is exempt from due diligence and reporting obligations. The company neither imports nor processes tin, tantalum, tungsten, or gold in Switzerland above the thresholds set by CO Article 964j para. 2, DDTrO Article 4, and Annex 1 of the DDTrO. Elma procures electronic components for sale and export which can include metal in the form of tin, tantalum, tungsten or gold. To ensure compliance with legal requirements, and that imports are under the thresholds, Elma maintains internal documentation of imports of these materials.

Elma's Child Labor due diligence approach
For the 2024 reporting period, Elma details the due diligence measures undertaken to assess and mitigate child labor risks within its supply chain. The company primarily procures metal products and electronics, with the majority of its top suppliers located in countries classified as low risk ("Basic") based on UNICEF's Children's Rights in the Workplace Index. However, Elma does have key suppliers located in countries classified as "Enhanced" risk (i.e., China and US), meaning child labor concerns cannot be fully excluded. Additionally, sourcing from distributors poses challenges in determining the exact manufacturing locations of some products. Given these factors, Elma recognizes the need for a structured and proactive approach to child labor due diligence.

To systematically manage these risks, Elma has begun developing a comprehensive child labor due diligence management system, which includes:

1. Elma actively analyzes its supply chains, mapping supplier locations, reviewing the nature of purchased goods, and conducting online research.

2. The company leverages UNICEF's Children's Rights in the Workplace Index and the US Bureau of International Labor Affairs (ILAB) Better Trade Tool to assess highrisk regions and products. As suppliers operate in Enhanced risk countries, these tools play a crucial role in identifying and addressing potential risks.

3. In 2024, Elma launched a compliance questionnaire sent to suppliers covering 90% of total spending. The questionnaire gathers information on supplier and sub-supplier locations, existing due diligence processes, and child labor-related policies. Additionally, the questionnaire requires suppliers to commit to Elma's Code of Conduct, which explicitly requires adherence to human and labor rights.

Through these measures, Elma has conducted a preliminary risk evaluation and, at this stage, has found no evidence of child labor within its supply chain. However, as some suppliers are in Enhanced-risk countries, Elma acknowledges the need for ongoing monitoring and further risk mitigation measures.

Recognizing that child labor due diligence is an ongoing process, Elma is committed to further developing and formalizing its child labor management system. Key next steps include:

- Implementing a Child Labor Policy to reinforce due diligence obligations and risk mitigation strategies.

- Enhancing Supply Chain Traceability by improving transparency in sourcing and supplier oversight.

Elma remains dedicated to continuous improvement in its child labor due diligence practices by expanding supplier engagement, refining internal policies, and integrating best practices in risk management.

Appendix

Emissions data 2021–2024

in tons of CO_2e	2021 Baseline	2022	2023	2024
Scope 1				
Stationary combustion	1,153	1,180	1,178	989
Mobile combustion	257	287	284	333
Refrigerants/fugitive emissions	6	3	6	0
Scope 1 Total	**1,416**	**1,470**	**1,468**	**1,322**
Scope 2				
Scope 2 Total (location-based)	**1,298**	**1,286**	**1,297**	**1,305**
Scope 2 Total (market-based)	**1,298**	**1,305**	**1,500**	**1,348**
Scope 3				
Category 1: Purchased goods and services*	18,078	21,688	21,441	10,518
Category 2: Capital goods	514	478	876	1,259
Category 3: Fuel- and energy-related activities	612	641	641	583
Category 4: Upstream transportation and distribution	4,924	4,695	4,608	5,058
Category 5: Waste generated in operations	62	61	60	136
Category 6: Business travel	272	406	511	590
Category 7: Employee commuting	1,182	1,172	1,144	1,677
Category 9: Downstream transport	2,067	1,688	1,509	1,866
Category 11: Use of sold products**	71,318	104,996	60,822	56,569
Category 12: End-of-life treatment of sold products	5,291	5,627	5,425	5,853
Scope 3 Total	**104,320**	**141,452**	**97,037**	**84,109**
Total emissions: Scope 1, Scope 2 (market-based) and Scope 3	**107,034**	**144,227**	**100,005**	**86,779**

** Further information* ***on page 18***
*** Further information* ***on page 19***

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Appendix

Emissions targets progress

Elma's progress on their approved scopes 1, 2 and 3 science-based targets.

Target name and description	Categories covered	Baseline values FY2021*	Emissions covered by targets: Base year *in tons of CO_2e*	FY2022 *in tons of CO_2e*	FY2023 *in tons of CO_2e*	FY2024 *in tons of CO_2e*	FY2024 *change (from 2021)*	Target completion *from Baseline year*
Scope 1 and 2 (market-based) [NT-ABS1] 45% absolute reduction by 2030	Scope 1 + Scope 2 (market based)	2,714	2,714 (100 %)	2,775	2,968	2,670	– 2%	4 %
Scope 3 [NT-ABS2] 25% absolute reduction by 2030	Category 1: Purchased goods and services	18,078	12,655 (70%)	16,265	16,018	5,095	– 60%	100%
	Category 2: Capital goods	514	344 (67%)	308	706	1,089	increased	increased
	Category 3: Fuel- and energy-related activities	612	612 (100%)	641	641	583	– 5%	19%
	Category 4: Upstream transportation and distribution	4'924	3,447 (70%)	3218	3,131	3,581	increased	increased
	Category 5: Waste generated in operations	62	42 (67%)	41	40	116	increased	increased
	Category 6: Business travel	272	182 (67%)	316	421	500	increased	increased
	Category 7: Employee commuting	1,182	827 (70%)	817	789	1,322	increased	increased
	Category 9: Downstream transportation and distribution	2,067	1,385 (67%)	1,006	827	1,184	– 15%	58%
	Category 11: Use of sold products	71,318	47,783 (67%)	81,461	37,287	33,034	– 31%	100%
	Category 12: End-of-life treatment of sold products	5,291	3,704 (70%)	4,040	3,838	4,266	increased	increased
Scope 1 and 2 (market-based) [LT-ABS1] 95% absolute reduction by 2050	Scope 1 + Scope 2 (market based)	2,714	2,714 (100 %)	2,775	2,968	2,670	– 2 %	2 %
Scope 3 [LT-ABS2] 90% absolute reduction by 2050	Category 1: Purchased goods and services	18,078	16,270 (90%)	19,880	19,633	8,710	– 46%	52%
	Category 2: Capital goods	514	463 (90%)	427	825	1,208	increased	increased
	Category 3: Fuel- and energy-related activities	612	612 (100%)	641	641	583	– 5%	5%
	Category 4: Upstream transportation and distribution	4,924	4,432 (90%)	4,203	4,116	4,566	increased	increased
	Category 5: Waste generated in operations	62	56 (90%)	55	54	130	increased	increased
	Category 6: Business travel	272	245 (90%)	379	484	563	increased	increased
	Category 7: Employee commuting	1,182	1,064 (90%)	1,054	1,026	1,559	increased	increased
	Category 9: Downstream transportation and distribution	2,067	1,860 (90%)	1,481	1,302	1,659	– 11%	12%
	Category 11: Use of sold products	71,318	64,186 (90%)	97,864	53,690	49,437	– 23%	26%
	Category 12: End-of-life treatment of sold products	5,291	4,762 (90%)	5,098	4,896	5,324	increased	increased

**This target does not cover Scope 3 the category "Processing of Sold Products" since these emissions are estimated by a screening as 0.01% of Elma's total emissions.*

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Appendix

Task Force on Climate-related Financial Disclosures

In accordance with the Swiss Ordinance on Climate disclosures, Elma will prepare annual non-financial reports, covering the recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD). In 2023 Elma began to review climate related risks with a qualitative approach.

Processes regarding climate related risk governance, strategy, risk management, and metrics and targets are not yet in place in Elma. Work to define these procedures is undergoing, along with investigation into methodology for defining and categorizing climate related risks.

For this reason, in 2024 Elma does not report a full quantitative climate related risk assessment and do not report all TCFD requirements. The following table presents sections relevant to TCFD reporting, although these sections do not cover all recommendations.

Thematic area	Description	Reference in the report
Governance	Disclose the organization's governance around climate-related risks and opportunities.	**Risk Management**
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.	**Climate Risk Management**
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	**Climate Risk Management**
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	**Climate Risk Management** **Environment** **Emissions data 2021–2024** **Emissions targets progress**

References/Contact

Climate Change Context, World Energy Outlook 2024, IEA

Climate Change Context, IAI (International Aluminium Institute)

Water usage, Inspired PLC

Water usage, South Staffs Water

Greenhouse gas (GHG) Protocol

Task Force on Climate-Related Financial Disclosures (TCFD)

Science-Based Targets initiative (SBTi)

Climate Risk: Thinkhazard

UNICEF Children's rights in the workplace index

US Bureau of International Labor Affairs – Better Trade Tool

Images

Cover page, Adobe Stock Images

Wetzikon building render,
Created by: **Duplex Architekten**, **Studio Blomen**

Timişoara building render,
Created by: **Efeso Management Consultants**

SBTi logo

Nationaler Zukunftstag

AXA Climate School logo

SUSTAINABILITY REPORT 2024

The Sustainability Report 2024 in German is authoritative. It is only available online. The English version is available for communication purposes only and is not legally binding. Both documents can be found on the internet at:
https://www.elma.com/en/investors/reports

EXPLANATION OF STATEMENTS ABOUT THE FUTURE

This sustainability report contains statements about what the future might hold for Elma, and these are of course subject to uncertainties and risks. The reader must therefore bear in mind that statements of this kind may ultimately be at variance to actual events occurring at a future date. These statements about future prospects take the form of projections of potential developments. All statements about the future are based on data available to Elma at the time this sustainability report was being produced. Elma does not accept any obligation for updating the statements about future prospects contained in this sustainability report to reflect new information, future events or similar developments.

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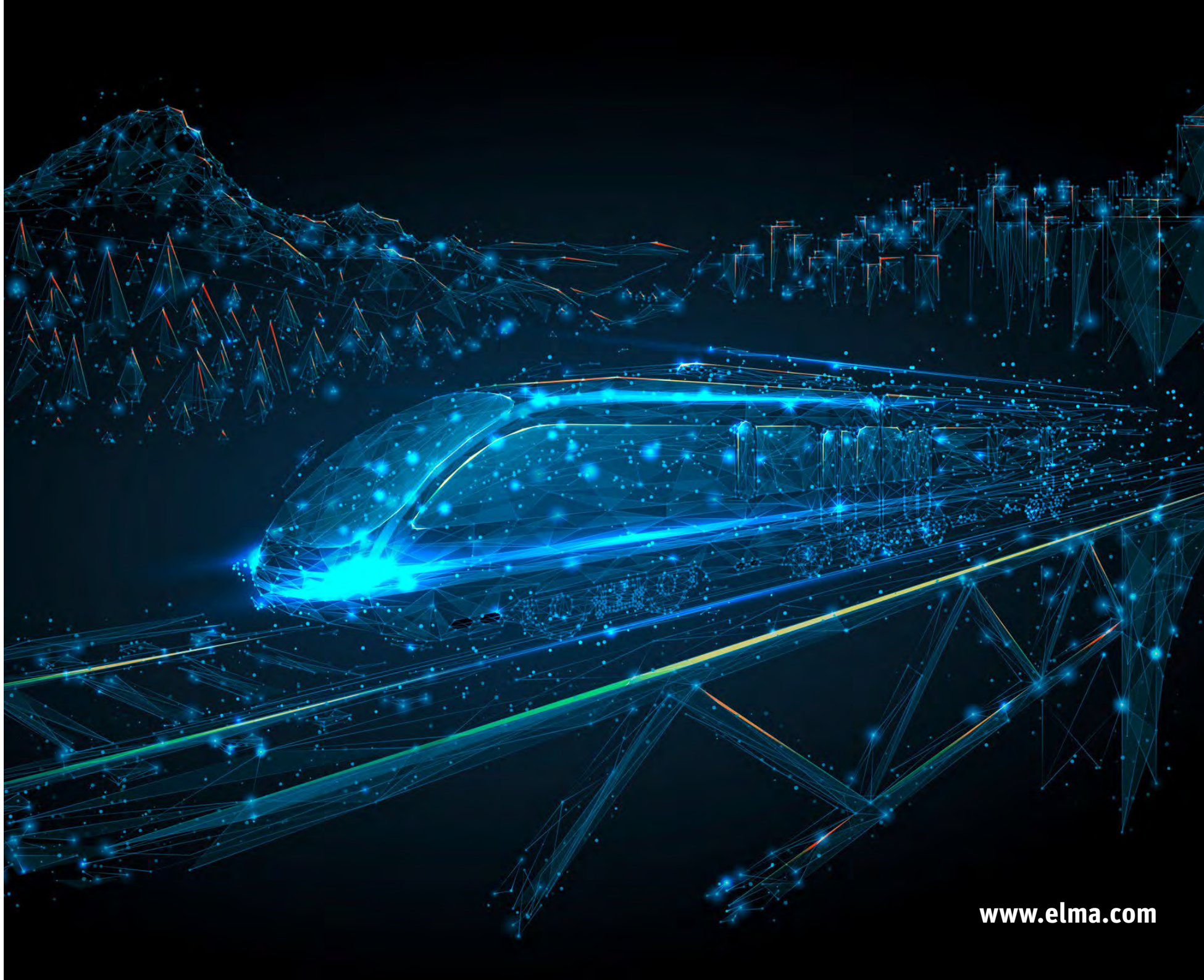

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