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# Sustainability Report **2025**

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# Foreword

## Dear Stakeholders,

Sustainability is a key component of our corporate strategy and shapes our actions across our value chain. In 2025, we were able to further develop our sustainability activities thanks to the commitment and expertise of our employees. We continue to invest in our employees, recognizing their engagement and continuous development as key drivers of our long-term success.

Additionally, we have made further progress on our construction projects in Switzerland and Romania. Their sustainable design supports our Scope 1 and 2 decarbonization targets, aligned with the Science Based Targets initiative (SBTi).

We recognize that the majority of our emissions originate from the upstream and downstream value chain. By applying Eco-Design principles at the product and process level, we focus on reducing our most significant emission sources. To minimize the environmental impact and improve the efficiency of our solutions we will strengthen our collaboration with our customers.

We would like to thank all employees and partners who are actively helping to shape this path.

**Martin Wipfli**
Chairman of the
Board of Directors

**Thomas Herrmann**
CEO

## OUR PRINCIPLES AND APPROACHES TO SUSTAINABILITY

We see sustainability as an integral part of the Group's strategy process.


We adopt an absolute $CO_2$ reduction approach from our 2021 baseline.


We use science-based methodology to measure $CO_2$ emissions and define our $CO_2$ reduction targets.

We recognize the complexity of global $CO_2$ reduction and the challenges facing people, organizations, companies, and countries.

We engage with our stakeholders, including customers and suppliers, to reduce our collective carbon footprint.


We raise awareness and provide training for all of our colleagues worldwide on sustainability issues, values and goals of the Elma Group.

To enable a safer and sustainable world by providing solutions for data processing in demanding environments.

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# Climate Context

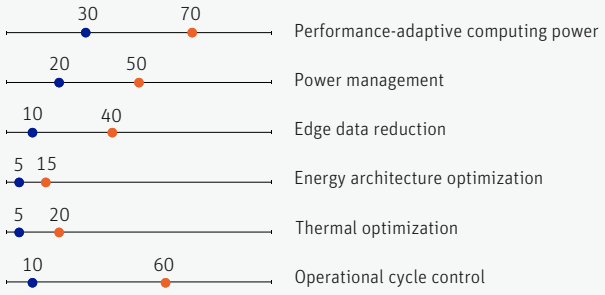
In last year's annual report, we highlighted the importance and challenges of aluminum as a key material within Elma's value chain. This year, we focus on Eco-Design as a strategic initiative to address climate-related challenges across our manufacturing and electronics value chain.

In embedded systems, environmental factors are considered already during the early concept phase, from material and component selection to energy-efficient operation, without compromising reliability or performance.

## Core Aspects

- Embedded Systems have a lifespan of 10 to 30 years and therefore have a long-term impact on energy use.
- Depending on the market segment, energy may originate from either emission-intensive production or renewable sources.
- Power supplies can reach efficiencies of approximately 70–80%, depending on their application, which results in thermal losses and additional energy consumption.
- Housings made of aluminum and steel, with a recyclability of around 90%, offer significant potential for resource conservation at the end of their life cycle.

**Typical performance reduction in electronic systems**
(in %) ● *low* ● *high*




*Source: IEA Digitalization and Energy, EU Ecodesign Regulation for External Power Supplies, ASHRAE Thermal Guidelines for Electronics.*

## Relevance

- The use of sold products amounts to 65% of Elma's Scope 3 emissions.
- Purchased goods and services account for 18% of total Scope 3 emissions.
- The reduction of energy- and material use during production lead to cost savings as well as optimized manufacturing.
- Early collaboration with customers during the innovation and concept phase supports the development of efficient and resource-conscious solutions.

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# Basis for Preparation

## General Information

Since the introduction of Article 964b of the Swiss Code of Obligations, Elma has been required to prepare a report on non-financial matters starting from the 2023 financial year. In addition, the Swiss Climate Ordinance, which mandates reporting on climate-related topics, came into effect on 1 January 2024. This report covers the period from 1 January to 31 December 2025 and includes all company sites.

The sustainability report was prepared by the group management in collaboration with the internal sustainability team. It was subsequently reviewed and approved by the Board of Directors, which recommends to the 2025 General Meeting that the report on non-financial matters be approved in an advisory vote.

The report is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and serves as the basis for disclosing material sustainability topics. Full implementation of these recommendations is still in progress and will continue to be further developed. ↘ Page 27

## General Conditions

The Elma Group's 2025 Sustainability Report is based on the following laws, regulations, and guidelines:

- Swiss Code of Obligations (as of 9 February 2023)
- Articles of Association of the Company (as of 24 April 2025)
- Organizational Regulations of the Company (as of 22 February 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)

## Scope

In addition to information on the integration of sustainability into corporate governance, the topical aspects are organized into three key areas: Environmental, Social, and Governance (ESG). This structure enables a transparent presentation of our impacts, measures, and targets in the most material topics.

## Method of Measurement

Greenhouse gas (GHG) emissions are calculated according to the guidelines of the GHG Protocol, and targets are aligned with the requirements of the Science Based Targets initiative (SBTi). Primary data are prioritized during data collection. Where primary data is not available, either secondary sources are used or well-founded assumptions are made. Any changes to assumptions or data collection methodologies are disclosed in the relevant sections. Unless otherwise stated, assumptions, data collection methodology, and data sources have remained unchanged since the 2021 base year.

## External Validation

Apart from the external review of the GHG inventory conducted by Carbone 4, the sustainability disclosures were prepared without third-party assurance.

## Updates in the 2025 Sustainability Report

In the sustainability report 2025 Elma implemented following changes:

- Assessment of physical risks
- New structure to provide a clearer and more comprehensive presentation of corporate governance

# Business Conduct

## Integration of the climate risk process into the company risk management framework

The Board of Directors (BoD) supervises Elma's risk management process and is responsible for implementing the organization's risk management framework. The BoD further defines Elma's climate risk strategy, tolerance limits, and establishes the internal control system framework. The Group Management and Sustainability Team are responsible for implementing the climate risk policy and associated processes. They issue relevant procedures and assign roles and responsibilities to ensure that the climate risk management process is carried out as outlined. The Local Risk Coordinator (LRC) is represented by the unit's local Finance Manager. The LRC serves as the direct contact person for the Group Management and ensures that the risk management process is executed properly at the local level. The Local Risk Owner holds ultimate accountability for the identified risks and is responsible for their active management.


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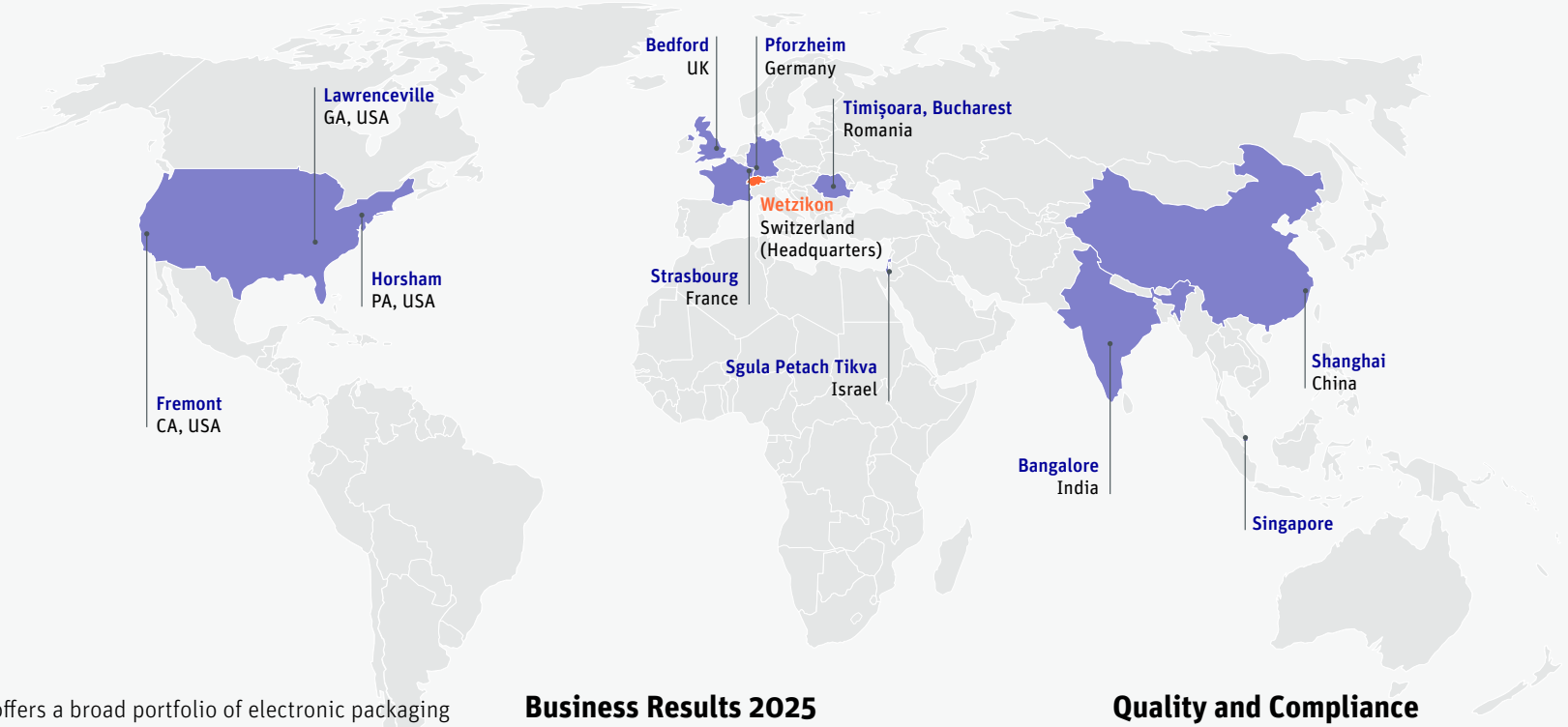
# Business Model of the Elma Group

As a publicly listed international company, Elma is guided by the values of progress, sincerity, collaboration, and ownership, delivering durable and reliable solutions for industries such as aerospace, defense, artificial intelligence, industrial automation, smart grids, research, communications, and transportation.




Elma offers a broad portfolio of electronic packaging solutions for the embedded systems market, including components, backplanes, power supply solutions, storage boards and chassis platforms, enclosure solutions and rotary switches. In addition, we support customers from concept development through to series production. With subsidiaries in ten countries across three continents, Elma underscores its global presence and commitment to high-quality, customized solutions.

## Business Results 2025

Elma Group's revenue decreased by 1% to CHF 167 million in the past fiscal year compared to the previous year, while order intake increased by 20.5% to 185 million in 2025. EBIT decreased from CHF 11.7 million in the previous year to CHF 6.1 million in 2025. Further details on the 2025 business results can be found in the Management Letter of the 2025 Annual Report.

↘ https://www.elma.com/en/investors/annual-report

## 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

# Strategy

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

Elma Group's targets reflect not only our commitment to the SBTi but also with our social principles.

A decentralized approach allows local teams to take decisions independently, promote sustainability topics, take initiatives and carry out appropriate measures. This enables Elma to effectively implement its climate targets across all business divisions, to establish clear responsibilities, and to account for local conditions.

Our key sustainability initiatives encompass the increase of building efficiency, reducing energy and material consumption, improving waste management, optimizing transportation, incorporating sustainability into product design, and refining operational processes.
The Sustainability team is a key partner and facilitator for business improvement, such as initiatives for a sustainable value chain and the implementation of the Eco-Design strategy.

# Climate Risk Management

To identify and reduce potential environmental, financial, and operational impacts of climate change as early as possible, we continue to improve our climate risk management. Accordingly, in 2025, we conducted an extensive analysis of our physical risks.

Based on the results for each of our sites, in 2026 we will develop targets as well as site-specific measures to increase resilience and reduce potential impacts, securing long-term stability of our company and reinforcing investor confidence.

| | Main activities | Progress |
|---|---|---|
| **Physical risks** | › Assessment of all sites<br>› Increase of resilience by developing and implementing countermeasures<br>› Review of emergency plans for all production and assembly sites<br>› Definition of a risk assessment process with both suppliers and clients<br>› Integration of supplier and client climate risk profiles in our strategic planning | › Complete assessment of all sites<br>› Development of countermeasures for 2026<br>› Continuous risk assessment process within the supply chain<br>› Continuous development of risk profiles within the supply chain |
| **Transitional risks** | › Development of a product strategy to integrate the impact of climate change<br>› Account for low-emission materials and contents in pricing and strategic decisions<br>› Inclusion of risks and opportunities in commercial, operative and supply chain processes<br>› Reduction of electricity consumption, waste generation and improvement of ergonomic designs<br>› Management and employees live environmental, social and entrepreneurial responsibility | › Product strategy available with an annual examination<br>› Continued process with initiatives to evaluate new materials<br>› Hiring an Eco-Design Engineer and selection of 3 products for assessment as a pilot project in 2026<br>› Conducting climate training sessions resulting in local action measures |

## Physical risk assessment

Climate resilience was evaluated based on a holistic assessment of physical climate risks, using an approach that aligns with recognized standards and regulatory frameworks, such as ISO, CSRD, and TCFD.

The assessment focusses on exposition towards climate hazards as well as susceptibility of assets and operative processes. It consists of a site-level analysis and a quantification of hazard exposure values for each site over three-time horizons (2030, 2050, and 2090), based on two IPCC scenarios: SSP5-8.5 and SSP2-4.5.

Drawing on the results, potential climate-related hazards were determined for each site. The assessment covers 13 sites including production, assembly and offices (see table on page 9).

# Climate Risk Management





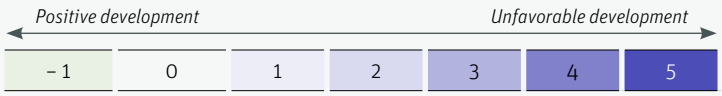
## Results

The following table shows that heat spikes and droughts are among the key climate risks for most of our sites. Projections up to 2050 show that the risk situation will worsen depending on location, which will increasingly jeopardize business continuity. Heat can affect employee health and safety, reduce productivity, and strain assets, while prolonged droughts can limit the water supply for processes and cooling.

The potential climate risks make it essential to conduct target-specific countermeasures to guarantee a long-term resilience of our sites.

| *Risks / **Elma locations**** | Romania, Bucharest | Romania, Timișoara | China | USA, PA | India | Israel | Singapore | USA, CA | USA, GA | Germany | France | UK | Switzerland |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Changes in air/water temperature | 3 | 3 | 2 | 3 | 1 | 2 | 1 | 2 | 2 | 2 | 2 | 1 | 2 |
| Heat spikes | 5 | 5 | 4 | 4 | 3 | 4 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Temperature variability | 3 | 3 | 1 | 1 | – 1 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 |
| Heat waves | 4 | 3 | 2 | 2 | 4 | 4 | 3 | 3 | 3 | 2 | 2 | 1 | 2 |
| Changes in precipitation patterns (rain) | 3 | 3 | 2 | 3 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sea level rise | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Water stress | 3 | 1 | – 1 | – 1 | – 1 | 3 | 1 | 1 | – 1 | – 1 | 1 | – 1 | 1 |
| Droughts | 5 | 3 | – 1 | 1 | 4 | 4 | 2 | – 1 | 1 | 1 | 2 | 3 | 1 |
| Intense precipitations (rain) | 2 | 2 | 3 | 3 | 3 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Flooding due to river overflow | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Flooding due to surface runoff | 3 | 2 | 4 | 4 | 4 | 2 | 3 | 3 | 3 | 3 | 3 | 2 | 2 |
| Flooding due to rising groundwater | 2 | 2 | 3 | 2 | 2 | – 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

** Development of exposure to physical climate risks by 2050 under a high emissions scenario (SSP5-8.5) with a long-term projected global mean temperature increase of around +4.4 °C by 2100 relative to the pre-industrial reference period 1850–1900.*



# Environmental

Science-based climate approach is part of our strategic decision-making process and an expression of corporate responsibility. Elma has committed to achieving net zero greenhouse gas emissions by 2050 and has defined a near term target for 2030.

# Climate Transition

Elma is committed to science-based emission reduction targets with the Science Based Targets Initiative (SBTi), using the 2021 as a base year. The company aims to achieve net-zero emissions by 2050 with a near term target for 2030.

Our primary focus is achieving GHG emission reductions within our own operations and throughout the value chain. The remaining emissions will be offset according to SBTi criteria. Our in 2024 validated targets align with the 1.5°C target of the Paris Agreement and are consistently implemented across all business areas.

Elma implements operational measures to actively pursue its climate strategy and to integrate sustainability into everyday business practices.

## Key measures to reach our climate targets

Elma not only considers emissions from its own operations but further strives to reduce its emissions along the entire value chain. To achieve our climate goals, it is essential to address all our sources of emissions, most of which come from our activities in the value chain, particularly during the use phase of the products we sell. We are therefore focusing our efforts on these hotspots to maximize our impact and ensure the effectiveness of our climate strategy.

## Emission reductions in our operational activities

While the majority of our GHG emissions arise from our value chain, Scope 1 and 2 emissions are the most visible. Therefore, lowering emissions from our buildings operations is a priority for our near term target. At the same time, it demonstrates to employees, partners, and investors our commitment to actively managing our climate responsibilities.

The existing building in Wetzikon, Swizerland, is being renovated and upgraded with improved thermal insulation to reduce energy consumption and enhance energy efficiency. In addition, the energy supply is being converted to lower-emission sources through connection to the district heating network and the installation of a photovoltaic system on a green roof.


© Wetzikon: Lightweight construction extension on an existing concrete framework

# Climate Transition





In Timisoara, Romania, a new building is being constructed designed with sustainability considerations and targeting BREEAM Excellent certification.
A photovoltaic system also supports the local renewable energy supply and contributes to emission reductions.

## Emission reductions in our value chain

Compared to emissions from our operational activities, those generated within our value chain have a greater impact. The largest portion, hereby, are the result of the use of our products sold, purchased goods and services as well as the upstream transport. To achieve effective emission reductions and advance decarbonization across the entire value chain, Elma collaborates closely with customers and suppliers. Together, we aim to reduce the environmental impacts of our products and contribute to the achievement of broader environmental and climate objectives. A key part of our climate strategy is Eco-Design, which integrates environmental optimization into the product development phase, enabling us to reduce environmental impacts.

© Timișoara: Building in planning with photovoltaic system on the roof

# Eco-Design Project

In 2024, Elma launched its Eco-Design initiative as part of its sustainability objectives to systematically reduce $CO_2$ emissions in line with the requirements of SBTi. Over time, the Eco-Design process is intended to be implemented across the entire product portfolio to enable a systematic and sustainable approach to product development.

In 2025, three embedded systems solutions were selected as pilot projects to build practical experience, strengthen customer collaboration, and generate valuable insights. The three Eco-Design projects are expected to be finalized by the end of 2026.


## JetSys-5330

- As a robust, high-performance AI computing platform, the JetSys-5330 enables application-specific power consumption, thereby reducing unnecessary energy use.
- Its high durability supports an extended product lifetime, contributing to the reduction of electronic waste.

## Small Form Factor Power Supply Unit

- The Power Supply Unit (PSU) was developed for a peak performance of 300 W.
- The PSU has been redesigned to enable future upgrades, enhance adaptability to customer-specific requirements and extend product usability.
- The compact and lightweight design provides valuable insights into the efficient use of materials and packaging.

## VNX+

- The VNX+ is an embedded computing standard in a small form factor (SFF) format and is currently under development.
- It is designed to deliver high-performance computing, AI processing, and networking capabilities.
- The system is optimized for low energy consumption.
- Its compact and lightweight design reduces material use and supports an extended product lifetime.

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# Targets and Progress

## Targets

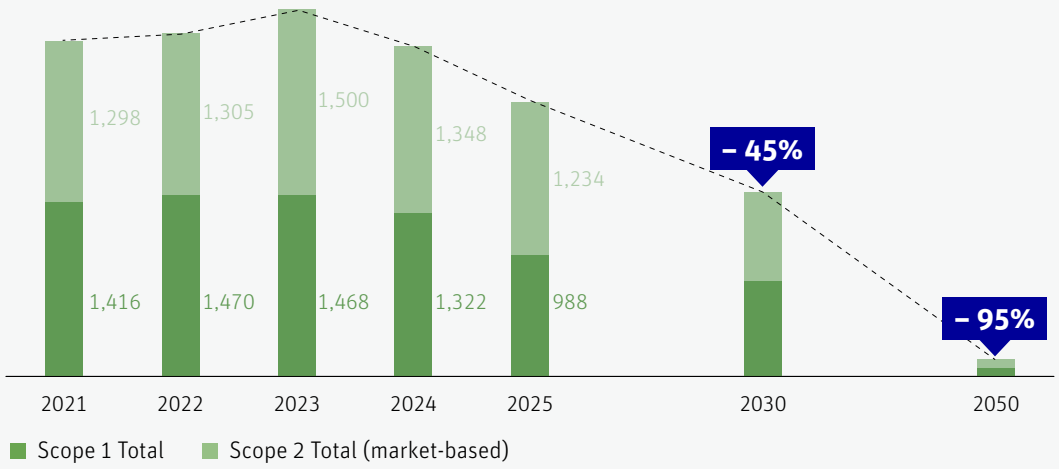
### FIRST TRANSITION WAVE

Elma commits to reduce absolute Scope 1 and 2 GHG emissions 45% by 2030 from a 2021 base year. For scope 3, Elma commits to reducing absolute 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 by 25% by 2030 from a 2021 base year.

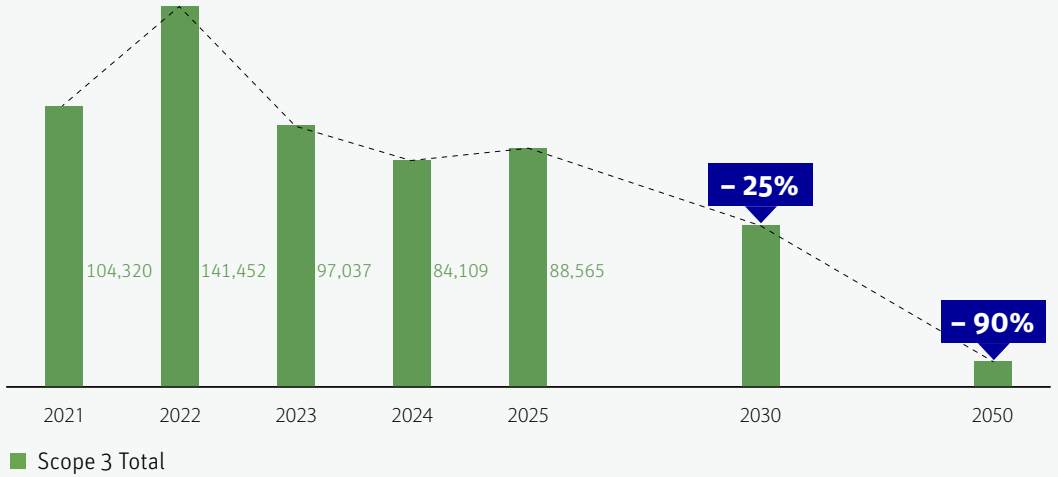
### SECOND TRANSITION WAVE

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.

**Emission Reduction Targets Scope 1 and Scope 2**
(in Tons of $CO_2e$)




**Emission Reduction Targets Scope 3**
(in Tons of $CO_2e$)

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# Targets and Progress

## Analysis of GHG emissions

In total our carbon footprint increased by 4.6% compared to 2024, where a decrease in emissions of 26% of our direct operations occurred. Most of our direct emissions are the result of stationary combustion with our site in Wetzikon, as a large contributor, showing a decrease in emissions of 44%. One of the reasons being the renovation of Plant 1, which led to a lower fuel consumption.

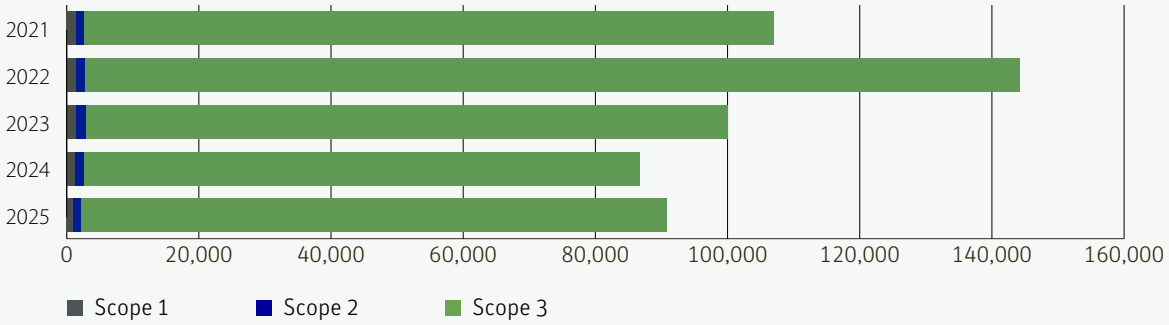
In contrast to the changes in direct emissions, Scope 2 emissions from purchased electricity did not show significant changes compared to the previous year. As for the Scope 3 emissions, an increase of almost 5% compared to 2024 was observed. Since emissions from the value chain represent 98 % of the total carbon footprint, increases in these emissions have a more significant impact.

Scope 3 categories showing the most change were purchased goods and services, capital goods, up- & downstream transport and distribution as well as use-phase and end-of-life treatment of our sold products.

## Purchased Goods and Services

Emissions from the purchase of goods and services at Elma account for a significant proportion of Scope 3 emissions, accounting for 18% of total emissions within the value chain. Between 2024 and 2025 our emissions in this category increased by 55%, mainly due to increased purchase of electronic and metal components. In addition, several of our sites recorded higher spending on services.

**$CO_2$ Emissions 2021–2025**
(in Tons of $CO_2e$)



# Targets and Progress





## Capital Goods

Compared to last year, emissions resulting from capital goods increased by 67%. This can be partly explained by the large-scale purchase of machinery for our new building in Timisoara Romania. These include, among others, 3D printers, semi-automatic testing stations, and a bending press. However, as emissions from the purchase of capital goods represent only a small share of our Scope 3 emissions, the change from 2024 to 2025 represents a limited overall impact.

## Upstream & Downstream Transportation and Distribution

Emissions from upstream and downstream transportation and distribution decreased in 2025 compared to the previous year. These categories account for approximately 6% of our total Scope 3 emissions and are relevant for us as a manufacturing company.
The decline is mainly due to reduced transport volumes between sites, including a decrease of approximately 40% between California and Georgia. A comparable trend was observed between Romania and Switzerland.

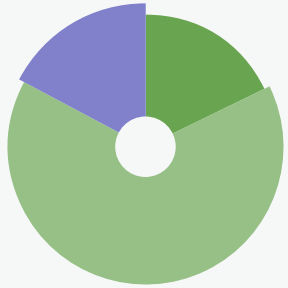
## Waste Generated in Operations

The decrease in emissions associated with waste disposal mainly results from recently implemented measures to reduce waste volumes at our two sites in Romania. Through improved on-site waste management and a targeted increase in the recycling rate, the volume of waste destined for final disposal was significantly reduced.

## Use of Sold Products

The emissions related to the use-phase of our products sold only changed slightly. Nonetheless, the use of our sold products represents 65% of our Scope 3 emissions, hence being the highest emissions source of our carbon footprint. Over 90% of our emissions in this category come from integrated system solutions, where emissions increased by 4.5% compared to 2024.

**Scope 3 Emissions**
(in Tons of $CO_2e$)



- Purchased Goods and Services **18%**
- Use of sold products **65%**
- Others **17%**

**88,565 tons of $CO_2e$**

# Calculation Principles

## 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.

## Accounting Principles

Our accounting principles with regards to reporting boundaries, reporting period, and data collection and calculation methodologies are documented in the Basis for Preparation section. Page 4

To calculate our emissions, we used emission factors from various databases including:

- BEIS 2025, Exiobase 2022
- United States Environmental Protection Agency (EPA) 2022
- GHG Protocol
- base carbone v23.9
- IEA 2024
- AIB 2024

Some of our calculations rely on extrapolation methods including proxies such as expenditures, revenues or FTEs. We are committed to systematically improving the quality and accuracy of our data.

# Metrics

## Emissions data 2021–2025

| *In Tons of $CO_2e$* | 2021 Baseline | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| **Scope 1** | | | | | |
| Stationary combustion | 1,153 | 1,180 | 1,178 | 989 | 733 |
| Mobile combustion | 257 | 287 | 284 | 333 | 254 |
| Refrigerants/fugitive emissions | 6 | 3 | 6 | 0 | 1 |
| **Scope 1 Total** | **1,416** | **1,470** | **1,468** | **1,322** | **988** |
| **Scope 2** | | | | | |
| **Scope 2 Total (market-based)** | **1,298** | **1,286** | **1,297** | **1,305** | **1,267** |
| **Scope 2 Total (location-based)** | **1,298** | **1,305** | **1,500** | **1,348** | **1,234** |
| **Scope 3** | | | | | |
| Category 1: Purchased goods and services | 18,078 | 21,688 | 21,441 | 10,518 | 16,275 |
| Category 2: Capital goods | 514 | 478 | 876 | 1,259 | 2,105 |
| Category 3: Fuel- and energy-related activities | 612 | 641 | 641 | 583 | 563 |
| Category 4: Upstream transportation and distribution | 4,924 | 4,695 | 4,608 | 5,058 | 3,500 |
| Category 5: Waste generated in operations | 62 | 61 | 60 | 136 | 21 |
| Category 6: Business travel | 272 | 406 | 511 | 590 | 339 |
| Category 7: Employee commuting | 1,182 | 1,172 | 1,144 | 1,677 | 1,428 |
| Category 9: Downstream transportation and distribution | 2,067 | 1,688 | 1,509 | 1,866 | 1,401 |
| Category 11: Use of sold products | 71,318 | 104,996 | 60,822 | 56,569 | 57,238 |
| Category 12: End-of-life treatment of sold products | 5,291 | 5,627 | 5,425 | 5,853 | 5,695 |
| **Scope 3 Total** | **104,320** | **141,452** | **97,037** | **84,109** | **88,565** |
| **Total emissions: Scope 1, Scope 2 (market-based) and Scope 3** | **107,034** | **144,227** | **100,005** | **86,779** | **90,786** |

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# Social

Progress, Sincerity, Collaboration, and Ownership are the guiding principles of how we operate. Our goal is to promote a strong commitment to our employees, recognizing their engagement and continuous development as key drivers of our long-term success.

# Our Employees

Elma is committed to fulfilling its social responsibilities and ensures compliance with social standards in accordance with local requirements at all locations. Elma complies with local legal requirements in order to guarantee fair working conditions, protect employee rights, and ensure the well-being of its employees.

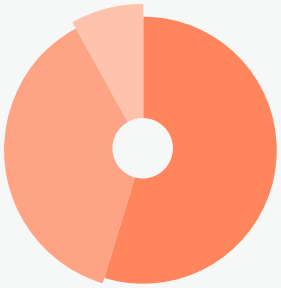
At the end of 2025, Elma employed 821 FTEs worldwide, including temporary staff. Compared to 828 in the previous year. This indicates a stable workforce, particularly considering operational efficiency and the promotion of market growth strategies. The gender distribution within the company is in line with industry benchmarks in the manufacturing and ICT sectors.

However, the proportion of women in engineering remains a key challenge across the manufacturing and ICT industries. Elma is therefore focusing on raising awareness in this area in the future and promoting engineering degree courses in order to encourage a more balanced gender distribution in the long term.

## Internal Communication

Elma continues to hold global town hall meetings twice a year at Group level, as well as quarterly employee meetings in its key country organizations. These initiatives are designed to foster communication and strengthen awareness of the company's activities. The objective is to maintain a proactive dialogue with employees that aligns with the company's values.

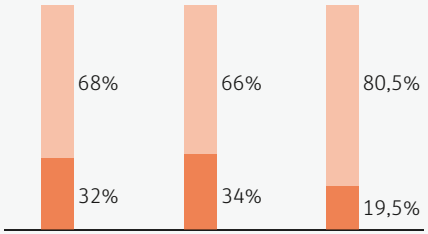
**Employees by region**
Headcount (FTE) 2025



- Europe **445**
- America **302**
- Asia **64**

Elma Group **821**

**Employees by gender**
Headcount in 2025




*Source: World Economic Forum, Eurostat.*


© The team in Germany is an important part of our international network.

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# Our Employees





## Employee Engagement Survey

In 2024, a new internal employee engagement survey was developed and conducted for the first time based on Elma's core values. In 2025, the survey was conducted again across all ten countries where Elma operates.

The results showed an engagement score of 68%, which is below the previous year's score of 73%. As the survey was developed internally, the results are not comparable with those of other companies, However, the survey enables Elma to identify key focus areas and opportunities for improvement, and to implement targeted actions to strengthen employee engagement*.

## Elma Climate School

Launched in 2023, the Elma Climate School continues to serve as a key channel for communicating core sustainability topics to employees. It is an online climate learning program offering a range of courses developed and delivered by AXA Climate School.

In line with Elma's mission to enable everyone to contribute to sustainability challenges and take part in our sustainability journey, new mandatory courses have been introduced on a yearly basis since 2023. These courses are job-specific and help employees better understand how sustainability relates to their daily work, enabling them to integrate sustainability considerations more effectively in their roles.

© AXA Climate

Elma has set up a sustainability training target for 80% of its online employees** to complete at least one introductory sustainability course by 2026.

**80%**

**Goal: Introductory course on sustainability for online employees by 2026**

| Status 2025 | Baseline | Target Year | Target Year |
|---|---|---|---|
| 68% | 2023 | 2026 | 80% |

**What we should continue**

- ✓ Professional development
- ✓ Effective communication worldwide

**What we should improve**

- ✓ Global internal exchange of expertise
- ✓ Cooperation between countries

** Employee Engagement 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 well-being and fulfilment in a specific situation.*

*** Employee with company email address*


© Where commitment meets performance

ELMA
Your Solution Partner

# Attracting talent and collaborating with universities

Elma recognizes the importance of university partnerships to attract new talent and support the development of future skills.

## Polymesse 2025

In April, Elma participated for the first time in the annual three-day job fair by ETH Zurich. Although it is primarily recruitment event, the fair plays an important social role by fostering dialogue between industry and the academic community. Bringing together more than 140 international and national companies, as well as numerous startups, it provides a platform where students can openly explore future career paths and engage with professionals from wide range of sectors.

For Elma, attending the event represented not only an opportunity to connect with potential candidates, but also a chance to contribute to the social mission of supporting emerging talent and strengthening the relationship between education and industry. Through direct interaction with students, the company aimed to promote accessibility to technical knowledge, encourage curiosity, and support a more informed and inclusive transition from university to the professional world.


Three demonstration cases – Jetsys, AI-computer, signal and image processing, Jetsys, flight simulator, and X10A Game (RS) – were showcased at the booth to offer students a hands-on experience of the company's technological capabilities. This interactive approach was designed to make advanced technology more tangible and approachable.


© Elma's booth in the exhibition area.

A multidisciplinary team from Elma was represented, ensuring successful engagement with students. Elma will continue to strengthen the link between academia and industry, while promoting equal access to information, professional development, and future job opportunities.


© Our dedicated team is representing Elma live at the Polymesse trade fair.

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# Governance

Elma is committed to complying with all legal requirements but also to operating on the basis of integrity and responsible corporate governance.

# Compliance

## 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 2025 Annual Report under the Corporate Governance section. See also:

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

## 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, the entire Elma Group adheres to a comprehensive code of conduct and ethics, outlining the values, corporate principles, and rules that are binding for Elma. 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

The corresponding documents can be found here:

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

### Swiss supply chain due diligence requirements regarding conflict minerals and metals as well as child labor

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.

# Compliance





**Elma's Child Labor due diligence approach**
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 high-risk 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. In the 2025 reporting year, the questionnaire was systematically extended to all newly onboarded suppliers. 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 targets progress

Elma's progress toward achieving its approved SBTi targets.

| Target name and description | Categories covered | Baseline values FY2021* | Emissions covered by targets | | | | | FY2025 *change (from 2021)* | Target completion *from Baseline year* |
|---|---|---|---|---|---|---|---|---|---|
| | | | Base year *in tons of $CO_2e$* | FY2022 *in tons of $CO_2e$* | FY2023 *in tons of $CO_2e$* | FY2024 *in tons of $CO_2e$* | FY2025 *in tons of $CO_2e$* | | |
| 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 | 2,221 | –18% | 40% |
| 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 | 10,852 | –14% | 57% |
| | Category 2: Capital goods | 514 | 344 (67%) | 308 | 706 | 1,089 | 1,935 | increased | increased |
| | Category 3: Fuel- and energy-related activities | 612 | 612 (100%) | 641 | 641 | 583 | 563 | –8% | 32% |
| | Category 4: Upstream transportation and distribution | 4,924 | 3,447 (70%) | 3,218 | 3,131 | 3,581 | 2,023 | –41% | 100% |
| | Category 5: Waste generated in operations | 62 | 42 (67%) | 41 | 40 | 116 | 1 | –98% | 100% |
| | Category 6: Business travel | 272 | 182 (67%) | 316 | 421 | 500 | 249 | increased | increased |
| | Category 7: Employee commuting | 1,182 | 827 (70%) | 817 | 789 | 1,322 | 1,073 | increased | increased |
| | Category 9: Downstream transportation and distribution | 2,067 | 1,385 (67%) | 1,006 | 827 | 1,184 | 719 | –48% | 100% |
| | Category 11: Use of sold products | 71,318 | 47,783 (67%) | 81,461 | 37,287 | 33,034 | 32,272 | –32% | 100% |
| | Category 12: End-of-life treatment of sold products | 5,291 | 3,704 (70%) | 4,040 | 3,838 | 4,266 | 4,108 | 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 | 2,221 | –2% | 19% |
| 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 | 14,468 | –11% | 12% |
| | Category 2: Capital goods | 514 | 463 (90%) | 427 | 825 | 1,208 | 2,054 | increased | increased |
| | Category 3: Fuel- and energy-related activities | 612 | 612 (100%) | 641 | 641 | 583 | 563 | –8% | 9% |
| | Category 4: Upstream transportation and distribution | 4,924 | 4,432 (90%) | 4,203 | 4,116 | 4,566 | 3,008 | –32% | 36% |
| | Category 5: Waste generated in operations | 62 | 56 (90%) | 55 | 54 | 130 | 15 | –73% | 81% |
| | Category 6: Business travel | 272 | 245 (90%) | 379 | 484 | 563 | 312 | increased | increased |
| | Category 7: Employee commuting | 1,182 | 1,064 (90%) | 1,054 | 1,026 | 1,559 | 1,310 | increased | increased |
| | Category 9: Downstream transportation and distribution | 2,067 | 1,860 (90%) | 1,481 | 1,302 | 1,659 | 1,194 | –36% | 40% |
| | Category 11: Use of sold products | 71,318 | 64,186 (90%) | 97,864 | 53,690 | 49,437 | 48,675 | –24% | 27% |
| | Category 12: End-of-life treatment of sold products | 5,291 | 4,762 (90%) | 5,098 | 4,896 | 5,324 | 5,166 | 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.*

# Appendix





## Task Force on Climate-related Financial Disclosures (TCFD)

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 2025 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. | **Business Conduct** |
| 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**<br>**Environmental**<br>**Emissions data 2021–2025**<br>**Emissions Targets Progress** |

# Appendix





## References/Contacts

**Digitalization and Energy, IEA**
**Data Centres and Data Transmission Networks, IEA**
**Ecodesign for Sustainable Products Regulation, European Commission**

**Global Gender Gap Report 2025, World Economic Forum**
**ICT specialists in employment, Eurostat**

**GHG Protocol**

**Task force on Climate-related Financial Disclosures (TCFD)**

**SBTi**

**UNICEF Children's rights in the workplace index**

**US Bureau of International Labor Affairs – Better Trade Tool**

## Bilder

**Cover page, Adobe Stock Images**

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

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

**AXA Climate School Logo**

**Polymesse**

### SUSTAINABILITY REPORT 2025

The Sustainability Report 2025 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/sustainability-report**

### 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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