LEM

Life Energy Motion

Sustainability Report

2025/2026

Contents

Insights from the Chairman and the CEO

Frank Rehfeld
Chief Executive Officer

Andreas Hürlimann
Chairman of the Board of Directors

Dear Shareholders,

We are now three years into sustainability reporting and it has been a journey of progress and evolution. The last year has been a challenging environment for many organizations, including ours, but we have remained true to our principles, focusing on our priorities and on sustainable growth. The sustainability landscape and regulations have shifted significantly over the past year, prompting many companies worldwide to reassess what sustainability means for their business. We believe that sustainability is the right path for LEM; we want to operate with consciousness and consideration, and to map a path for the business that is itself sustainable, avoiding a stop-and-go cycle and consistently moving forward.

Over the last year, we have re-assessed our business strategy and considered which focus areas are right for us in the short, medium and long-term. By taking this more targeted approach, we can chart the right course for our teams and for the planet. We are well-positioned as a business to play an important role in the energy transition and e-mobility. Sustainable requirements will trickle down through these sectors and become increasingly mandatory in design, production and usage; we want to be part of the positive solutions and innovations that will shape this transition.

We continue to believe in collective and community-driven ambition and have remained invested in training our staff on sustainability and the environment. We want all our LEM employees to connect the dots across the business of where they can and should act to be part of the positive change. This comes through in each case study across this report, showcasing our teams who care about what they do and the impact we have. We want to create an environment where every LEM employee's ambitions and skills are amplified and thriving. We recently conducted a study on female empowerment, published our DEI policy and we are developing our action plan for the future.

We also believe that change starts with consideration from the top-down. The Board of Directors recently went through Climate Fresk training (which is being rolled out globally across LEM too) and everyone took something new and surprising away with them.

We also have our new strategy & sustainability charter, validated by the Board of Directors, which has ignited and re-affirmed our commitment to these topics.

We hope you find our latest report insightful and welcome your feedback. We are proud of every person in the organization and the role they play in moving us forward on our sustainable journey.

Download our Annual Report 25/26

Highlights

This section provides a snapshot of our highlights in FY 2025/26. For a more comprehensive and detailed view of our progress, please refer to our data table in Appendix 4.

47% male

53% female

New Modern Slavery Statement / Refreshed Environmental Policy

1,626 employees

7 local Green Committees

"WEPs signatory" (Women Empowerment Principles)

241 participants in 26 workshops

Newly ISO 45001 certified on our 3 key production sites:

China | Malaysia | Switzerland

100% of our own sites using renewable electricity

New Sustainable Purchasing Policy and stronger supplier engagement on due diligence

Ambitious emission reduction commitments:

Carbon neutral in own operations (scope 1 & 2) by FY 2025/26 achieved

90% reduction in Scope 3 emissions by FY 2040/41

Understanding LEM

At LEM, our purpose is to accelerate the transition to a more sustainable future. We engineer the best solutions for energy and mobility, ensuring that our customers' systems are optimized, reliable and safe. For over 50 years, we have been experts in current sensors and at the forefront of global advancements in renewable energy, mobility, automation, and digitalization. Our products play an important role in the innovation of electrical solutions, supporting our vision to power the electrification of the world.

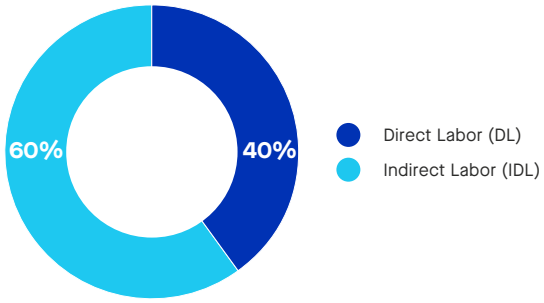
Our strong reputation is built on deep expertise in current sensing: mastering the physics of magnetism, designing system-ready sensors that integrate seamlessly into customer environments, and owning manufacturing, calibration, and testing to deliver precise, reliable, and high-quality solutions across a wide range of applications such as:

1. **Automation** (tooling machines, robotics, elevators, HVAC)
2. **Automotive** (battery management, motor control)
3. **Renewable energy** (solar and wind inverters)
4. **Energy distribution and high precision** (charging stations, test benches, MRI)
5. **Track** (traction, trackside)

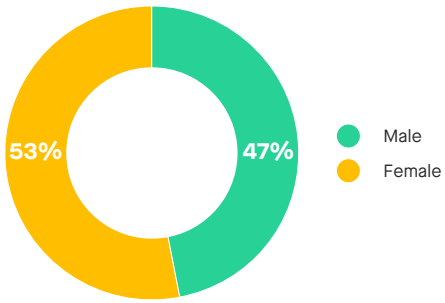
Headquartered in Geneva, we are a pure-play specialist in current sensors with annual sales of over CHF 287.7 million. Our team of 1,626 employees is spread over 16 countries worldwide with production sites in Beijing (China), Sofia (Bulgaria), Penang (Malaysia), Tokyo (Japan), Geneva (Switzerland), and Lyon (France), and LEM engineering teams located in Geneva, Lyon, Beijing, Sofia, Shanghai, Tokyo and Munich. Our global presence ensures we are close to our global customers and that we benefit from an international talent pool. Please visit our website at **www.lem.com** to find out more.

We categorize our permanent employees into two groups: direct labor (DL), which includes production line operators, and indirect labor (IDL), which includes everyone else. DL and IDL account for 40% and 60% of our employees, respectively. Our permanent workforce gender split is 47% male and 53% female. Please see the map showing our different locations on the next page.

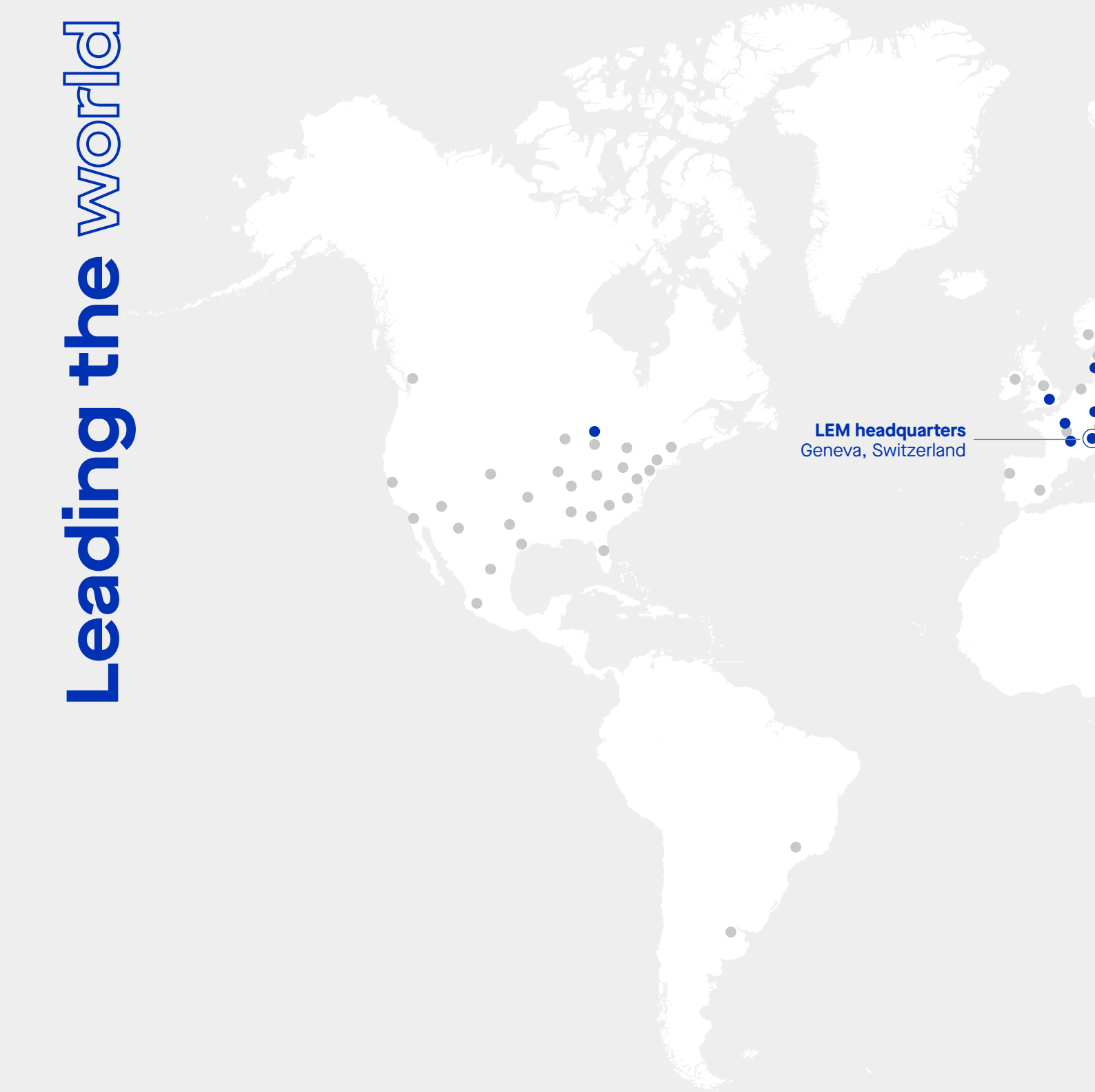
PERMANENT EMPLOYEES



WORKFORCE GENDER SPLIT



Leading the world



LEM sites

Europe:
Austria
Belgium
Bulgaria
Denmark
France
Germany
Italy
Switzerland
United Kingdom

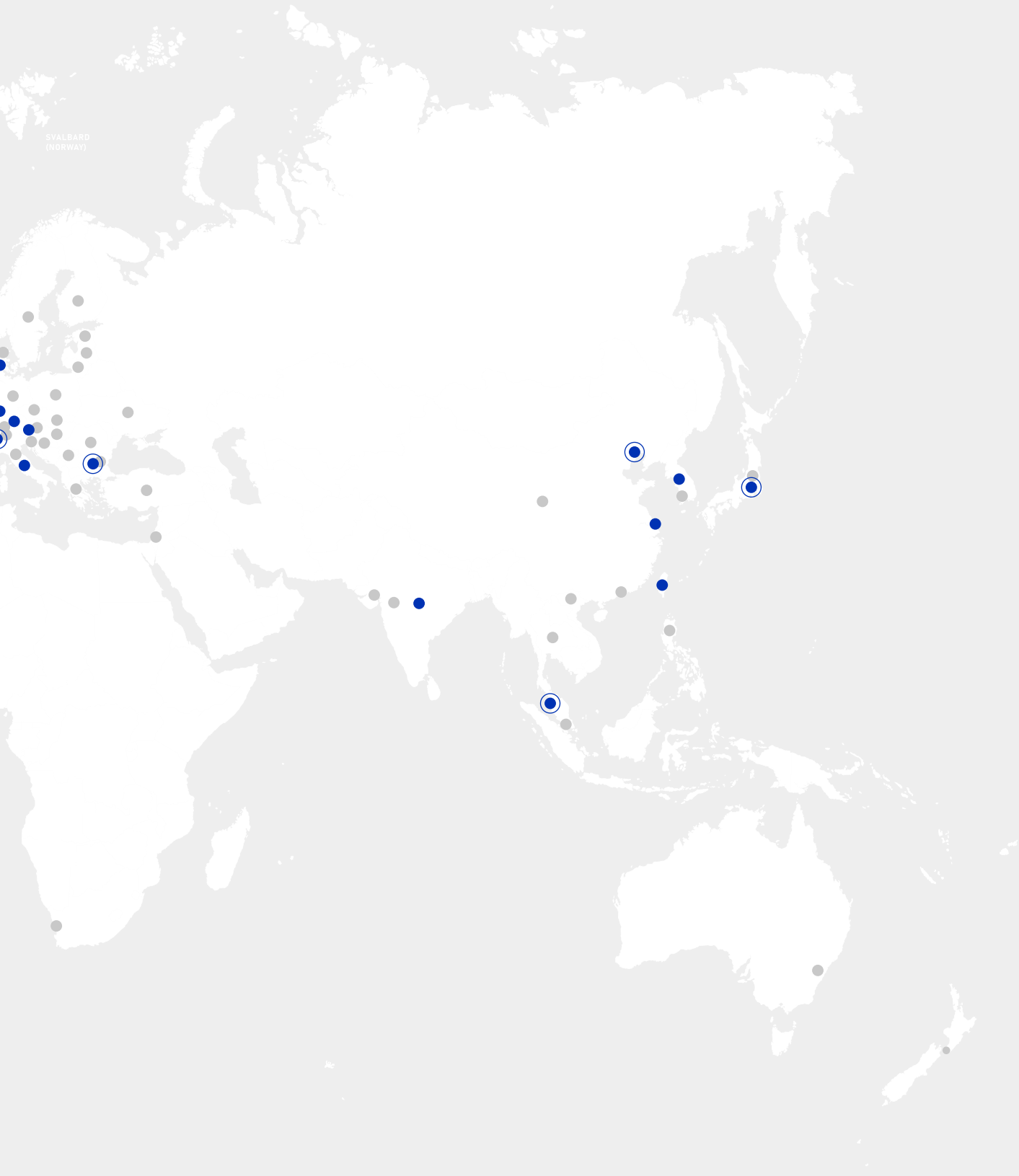
US:
Wisconsin

Asia:
China
India
Malaysia
Japan
South Korea
Taiwan

LEM manufacturing sites

Europe:
Bulgaria (Sofia)
Switzerland (Geneva)

Asia:
China (Beijing)
Japan (Tokyo)
Malaysia (Penang)



LEM sales representatives and distributors

US and Canada:
Alabama
Arizona
British Columbia
California
Colorado
Connecticut
Florida
Georgia
Illinois
Iowa
Kansas
Massachusetts
Minnesota
Missouri
New Jersey
New York
North Carolina
Ohio
Ontario
Pennsylvania
Texas
Wisconsin

LATAM:
Argentina
Brazil
Mexico

Asia:
China
Hong Kong
India
Japan
Philippines
South Korea

EMEA:
Austria
Bulgaria
Croatia
Czech Republic
Denmark
Estonia
Finland
Germany
Greece
Hungary
Ireland
Israel
Italy
Latvia
Liechtenstein
Lithuania
Netherlands
Norway
Poland
Portugal
Romania
Serbia
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Turkey
Ukraine
United Kingdom

Oceania:
Australia
New Zealand

Business purpose and sustainability strategy

The importance of sustainability for our business strategy and purpose

At LEM, sustainability is a core strategic driver of our long-term growth and relevance. The shifts in the world of sustainability, over the last two years, have strengthened our role in the energy and mobility transition. It has reinforced both responsibility and the opportunity to accelerate the shift to a more sustainable future. Our sustainability strategy is anchored in three priorities: (1) enabling the energy transition through our products, (2) decarbonizing our operations, and (3) embedding sustainability into the way we operate and make decisions.

1. The majority of LEM's current sensors already support the transition to lower carbon technologies by enabling electrification, energy efficiency, and smarter energy management. Our solutions are used across electric mobility and renewable energy applications, such as electric vehicles, solar and wind power, and heat pumps. We continue to expand into high growth areas including energy storage, intelligent EV charging, robotics, smart cities, and data centers. By supporting customers in monitoring, controlling, and optimizing energy use, we directly contribute to their own sustainability objectives while positioning LEM for long term growth in structurally expanding markets.
2. Alongside our product impact, we are advancing a decarbonization pathway for our own operations, aligned with our net zero ambitions and working simultaneously on our 3 scopes. Sustainability is embedded at the highest levels of the organization, with strong cross functional leadership and increasing transparency on progress and performance. We continue to strengthen governance, develop our competencies, improve data quality, and assess climate related risks and opportunities to ensure resilience and informed decision making over the long term.
3. Embedding sustainability across LEM requires people, ownership, and cultural alignment. We invest in building sustainability capabilities across the organization through training and continuous learning. We develop partnerships with external stakeholders (universities, technology partners, suppliers and customers) to stay at the forefront of innovation. Each function and key entity has defined a sustainability roadmap aligned with the Group's strategic priorities, ensuring that sustainability is translated into concrete actions across sales, product management, supply chain, operations, HR, IT, and procurement.

We are proud of the progress achieved in 2025/26. It reflects our strategic focus. We strengthened our governance frameworks with many policies, finalized our quantified climate risk assessment (using TCFD framework), internalized our Company Carbon Footprint (CCF) calculation, transitioned all sites to 100% renewable electricity, advanced our Diversity Equality and Inclusion (DEI) initiatives and continued to engage employees in building climate understanding through the Climate Fresk workshops. External assessments (Bronze for EcoVadis, and B for CDP), certifications (new ISO 45001) and commitments (UNGC CoP and WEP) further show the robustness of our approach. More importantly, these actions reinforce sustainability as a long-term strategic capability, supporting innovation, resilience, and value creation for LEM and its stakeholders.

Insights from our CTO

Dear Shareholders,

At LEM, sustainability is woven into the ways we engineer, innovate, and operate. As CTO, I have the privilege of working closely with the teams shaping LEM's technological future. What inspires me most is how seamlessly our heritage, and our innovation aligns to our global sustainability ambitions.

For more than five decades, our sensors have supported the electrification of trains, industrial drives, renewable inverters and high precision systems – applications that have defined our core business and continue to be fundamental to decarbonization. As we look to the future, we believe our products will be key components in the emerging technologies that will transform society's transition to a cleaner, more resilient world: electric vehicles and smart charging, renewable storage, robotics, and smart cities.

Sustainability may not be my formal responsibility, but it is integral to our technology roadmap. We want to design products that use fewer resources, last longer, consume less energy, and help our customers reduce their impact. Efficiency and durability are the foundations for responsible and sustainable growth, but also business resilience and customer satisfaction.

Sustainability is also not just about the planet; it is about people and society. At LEM, we recognize that it is our people who power our sustainability and technology successes with their commitment and curiosity: the engineers pushing boundaries, the operators delivering with precision, and diverse teams cooperating across 16 countries.

Our globalized world is undeniably shifting, and it has never been more important to consider how we produce, transport and consume energy, and the role we have to play as a technology leader. Collaboration and innovation are key to our adaptability and success; we want to help shape the future of electrification.

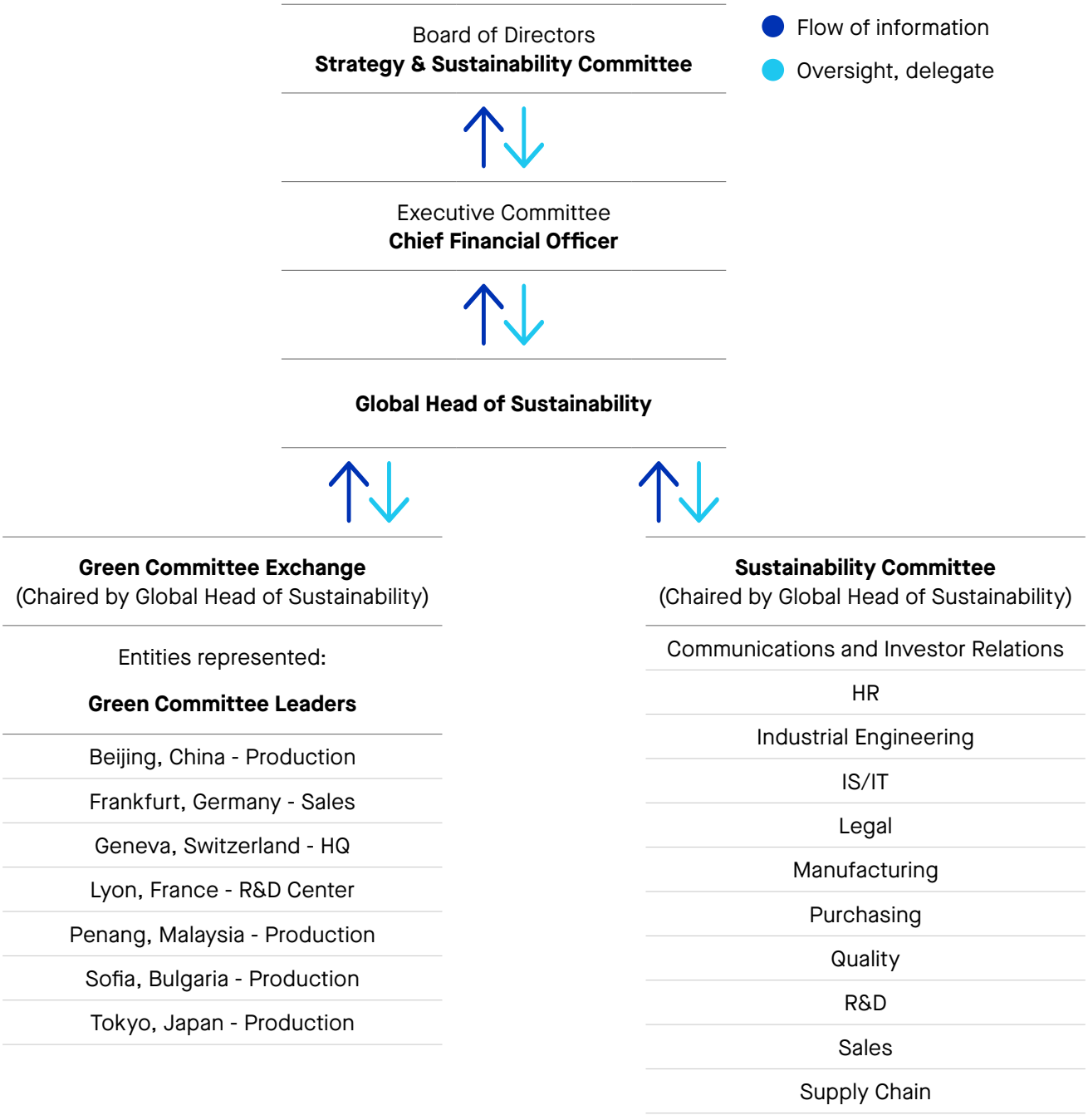
This report illustrates our collective progress towards a more sustainable future for both people and the planet. I hope you enjoy reading it and thank you for your continued trust and collaboration.

Verena Vescoli
Chief Technology Officer

> "As we look to the future, we believe our products will be key components in the emerging technologies that will transform society's transition to a cleaner, more resilient world."

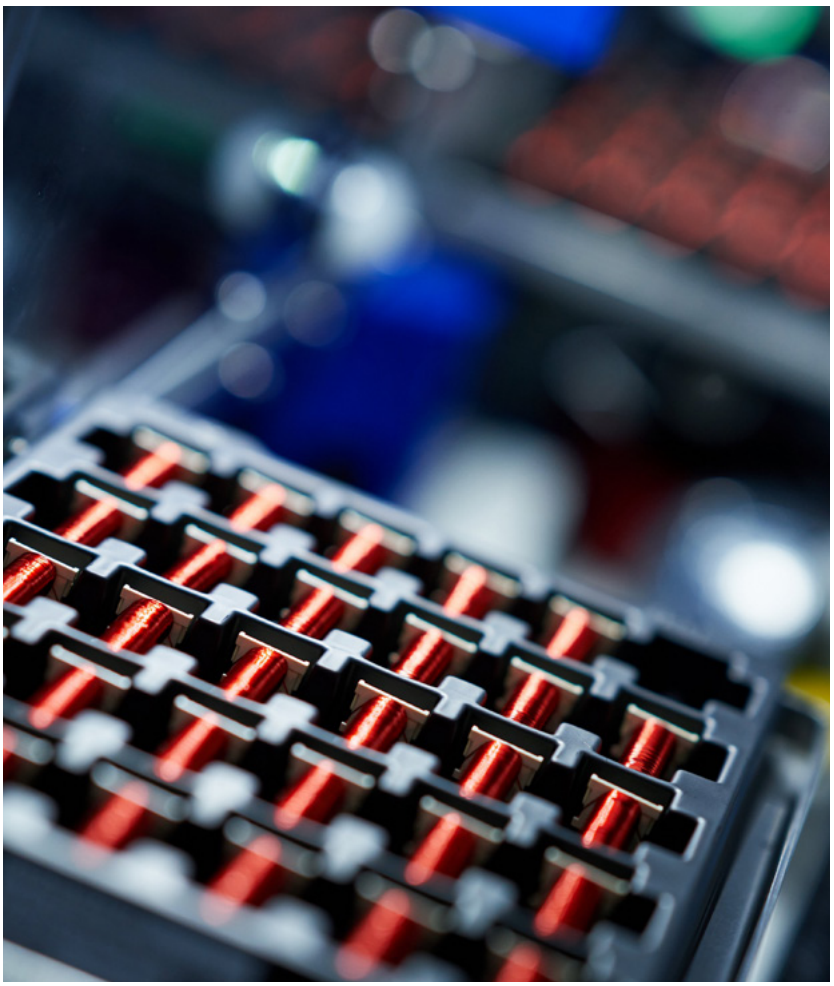
Sustainability governance and accountability

Governance structure



Organizational structure

Our organizational sustainability structure is designed to empower individuals from across our business to influence and take part in our sustainability journey. It is important that we have a robust governance structure in place to identify, manage and monitor our salient sustainability-related impacts, risks and opportunities, and to help shape our strategy to deliver on our goals.



To help embed and integrate sustainability across the business, we have Green Committees in all major locations including Bulgaria, China, France, Germany, Japan, Malaysia, and Switzerland that meet on a monthly basis. Each committee is led by a Green Committee Leader and made up of passionate volunteers committed to advancing sustainability efforts.

These committees play an important role in local decision making. Every quarter, committee leaders join the Head of Sustainability at the Green Committee Exchange to share success stories, ideas, and best practices from across our sites. They are regularly consulted on the launch of local sustainability initiatives and are instrumental in championing these programs within their teams.

Accountability and Board oversight

The Strategy and Sustainability Committee (SSC) supports the Board of Directors in carrying out its non transferable duties, including setting the company's strategic direction and overseeing its implementation across LEM and its subsidiaries. While the SSC assists with these tasks, the Board of Directors retains overall responsibility.

The SSC provides regular updates to the Members of the Board, advises on strategic and sustainability matters for LEM and its subsidiaries, and proposes recommendations on sustainability strategy including targets, policies, and measures to support long term value creation and ensure compliance with legal requirements.

Case study

Creating meaningful impact with the LEM Bulgaria Green Committee

The LEM Bulgaria (LBG) Green Committee plays a key role in driving positive change across our organization and the wider community. Over the last year, the committee led a series of impactful initiatives that strengthened employee engagement, supported local causes, and advanced our sustainability culture.

The initiatives were varied and designed to get everyone involved. For example, the commuting challenge encouraged employees to choose car-free, greener modes of transport. The 'Caps for Future' campaign focused on collecting and donating bottle caps as part of a wider initiative to repurpose recycled plastics for healthcare equipment. Employees also participated in blood donation drives and charitable sporting events, including the Sofia Marathon. Broader collaboration was encouraged through a Community Engagement Day, which brought 30 employees together for a park clean up followed by a team cooking session. During the festive season, the team supported children in need through the 'Mercy for You' donation drive and hosted a Christmas market in the office.

Community Engagement Day

2025 Sofia Marathon

Animal welfare emerged as a particularly strong focus area, driven by high employee engagement and sustained commitment rather than one-off actions. Volunteer days at the Gorni Bogrov dog shelter saw employees walking dogs, donating food, and engaging with such enthusiasm that the initiative is now organized every three months. A senior logistics specialist from the shelter shared their appreciation, noting that *"admiration also goes to the volunteers - their love for the animals is evident in the professionalism they bring to everything they do for our four-legged friends."* Employees also dedicated a day to volunteering at Sofia Zoo, further strengthening their commitment to animal welfare.

Within the office, LBG has continued to promote sustainability engagement by removing plastic cups, raising recycling awareness, working towards eliminating office paper use and supporting the delivery of Climate Fresk workshops across LEM. Participation in LBG activities has continued to increase, reflecting growing employee engagement, and we expect this momentum to continue. Over the coming year, we will build on the work of LBG and continue to deepen employee engagement and support the local community in which we operate in.

Sustainability policies

Policy	Description of policy	Relevant stakeholder groups
1. Group Environmental Policy Publicly available on our website	Articulates our dedication to enhanced environmental protection and performance within LEM, with growing attention to the design of products with lower lifecycle carbon footprint – it applies to all LEM entities and employees.	• Our employees • Our customers • Our suppliers • Governments and wider society
2. Conflict Mineral Statement Publicly available on our website	Sets out our implemented procedures designed to demonstrate that the metals our products contain are sourced in accordance with this policy. We require our suppliers to verify and assure in writing there are no conflict minerals in our supply chain.	• Our customers • Our suppliers
3. European End-of Life Vehicles Statement of Compliance Publicly available on our website	In accordance with our Group Environmental Policy, as a downstream user, LEM commits to be in compliance with European End-of life vehicles (ELV) directive 2000/53/EC.	• Our employees • Our customers • Our suppliers • Governments and wider society
4. Group Labor and Human Rights Policy Publicly available on our website	Outlines LEM's commitment to the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Core Conventions on Labor Standards. It applies to all LEM Group including its different subsidiaries, affiliates, establishments worldwide. In addition, we expect and support our upstream and downstream supply chain partners, suppliers, and third-party contractors (consultants, temporary workers, volunteers working on any LEM sites) to comply with the principles set forth in this Policy.	• Our employees • Governments and wider society
5. Group Health and Safety Policy Publicly available on our website	Outlines the expectations and responsibilities for all prospective and current employees of the company, as well as external people on any LEM site (e.g., volunteers, contractors, consultants), to contribute to a healthy and safe workplace.	• Our customers • Our suppliers • Governments and wider society
6. Modern Slavery Statement Publicly available on our website	Outlines efforts made by LEM to address the global issue of human trafficking and modern slavery.	• Our employees • Our suppliers
7. Sustainable Purchasing Policy Publicly available on our website	Outlines commitment to protection of the environment and ensuring the respect of human rights, not only within operations but throughout the upstream and downstream value chain.	• Our employees • Our customers • Our suppliers
8. Group non-discrimination and equal opportunity policy Publicly available on our website	Outlines commitment to a safe and respectful workplace free from discrimination, harassment, and retaliation.	• Our employees
9. Code of Conduct Publicly available on our website	Outlines the behavior LEM expects from every stakeholder around the world and guides our responsibilities to society. It aligns with the principles of the United Nations Global Compact (UNGC), global environmental standards, and our core corporate values.	• Our employees

Policy	Description of policy	Relevant stakeholder groups
10. Group Quality Policy Publicly available on our website	Sets out our commitments to quality, and what we must do to achieve them, by continuously improving our product performances and customer service level as well as by encouraging innovation and access to new technologies.	• Our employees • Our customers
11. REACH Compliance Statement Publicly available on our website	In accordance with our Group Environmental Policy, as a downstream user, LEM commits to be in compliance with REACH obligations.	• Our employees • Our customers • Our suppliers • Governments and wider society
12. Supplier General Requirements Manual Publicly available on our website	Sets out the expected requirements and expectations for all Suppliers: Direct and Indirect, Contractors and Vendors to LEM worldwide who may be Customer directed Suppliers, and who provide services, components, parts, assemblies or sub-assemblies which are used to produce LEM product.	• Our suppliers • Governments and wider society
13. Group Environmental Management system (EMS) Internal	Sets out the Environmental Management System (EMS) supporting multi site ISO 14001 certification, where applicable.	• Our employees • Our customers • Our suppliers
14. Group Anti-Bribery and Anti-Corruption Policy Internal	Ensures that LEM business is handled in accordance with LEM Code of Conduct and any applicable laws regarding bribery and corruption. It applies to any LEM employee in any country where LEM operates and does business, and to any transaction agreed by LEM.	• Our employees • Governments and wider society
15. Group Antitrust and Fair Competition Policy Internal	Protects free and unrestricted competition between all players at all levels of the supply chain by prohibiting agreements or concerted practices (such as a common understanding) that aim at or result in the restriction of competition, and the abuse of a dominant position.	• Our employees • Our customers • Our suppliers • Governments and wider society
16. Group Disclosure and Insider Trading Policy Enforcement Internal	Enforces LEM's Disclosure and Insider Trading Policy. It applies to all directors, officers and employees of LEM and any person who is considered to have Insider Information about LEM or its business.	• Our employees
17. Group Disclosure and Insider Trading Policy Internal	Ensures full compliance of LEM with its legal obligations as a company listed on the SIX Swiss Exchange; applies to LEM insiders.	• Our employees
18. Group Employee Privacy Policy Internal	Sets out the *Where*, *What*, *Why* and *How* elements of data processing for all LEM Entities and LEM Employees within the LEM Group.	• Our employees
19. Group Whistleblowing and Investigation Policy Internal	Defines the whistleblowing and investigation policy for LEM and all of its subsidiaries, offices and sites worldwide. It includes all members of the Board of Directors, executives, officers and employees, irrespective of their location. Any third party may report a potential breach to the LEM's Code of Conduct or to any applicable law and regulation pursuant to the terms of this Policy.	• Our employees • Governments and wider society

Sustainability topics and their relevant policies

The table below outlines the sustainability topics we report on, along with the corresponding policies that govern their management.

Sustainability topic	Relevant policy
Transitioning to a sustainable future	
Our decarbonization journey	1, 13
Waste reduction	1, 3, 13
Innovation and circular economy	1, 3, 7, 13
Working responsibly	
Investing in our people	4, 5, 6, 8, 9
Diversity, equity and inclusion (DEI)	8
Health, safety and wellbeing of employees	5
Fostering responsible business practices	
Business ethics	9, 10, 14, 15, 16, 17, 18, 19
Human rights and sustainable supply chains	4, 6, 9
Due diligence and transparency	2, 9, 12, 19

Sustainability priority areas

Sustainability double materiality

In 2023, we conducted our first-ever Double Materiality Assessment (DMA). This involved an in-depth evaluation of LEM's impacts on people and the environment, as well as the financial risks and opportunities associated with sustainability. From climate change to human rights, we examined relevant sustainability topics across the value chain.

In 2024, we revisited our DMA to ensure continued alignment with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This review also incorporated perspectives from a broad range of external stakeholders – including suppliers, customers, civil society representatives, investors, and employees – reflecting the evolving needs of the business as we entered 2025.

Our 2025 review highlighted that ESRS implementation was postponed following the Omnibus proposal, with data points not yet finalized. Under the revised Omnibus regulation, we fall below all reporting thresholds and will therefore undertake reporting on a voluntary basis.

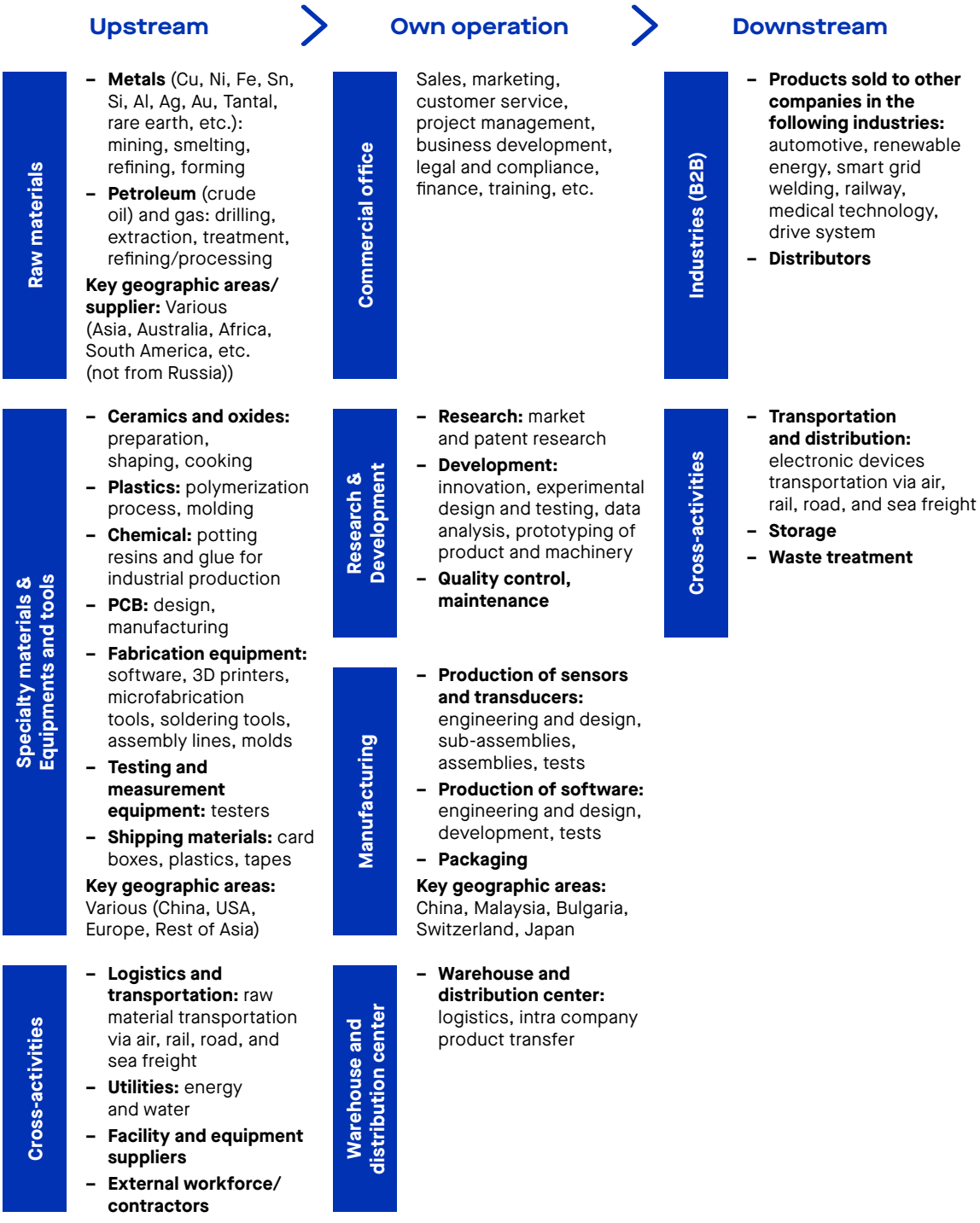
As a result, we did not revise our priorities and instead focused on other essential initiatives, including strengthening our internal capability to independently calculate our Corporate Carbon Footprint (CCF).

Despite regulatory uncertainty and changes, we are committed to our record of consistent and transparent disclosure. Our goal remains: to identify the most relevant sustainability topics for LEM and ensure our reporting and disclosure is compliant with relevant regulation. Furthermore, the DMA process has added value to the business beyond compliance as the results have helped to redefine our sustainability priority areas.

he assessment was done in five stages. We:

1) identified a long-list of potentially material matters based on existing peers' DMA results, internal documentation and discussion as well as rating agencies' results;
2) reduced the long-list to a more manageable short-list;
3) defined the Impacts, Risks and Opportunities (IROs) associated with those matters through several workshops;
4) evaluated and prioritized the IROs from the two perspectives: impact, and the financial risks and opportunities that the matters present to LEM, which allowed us to fix our materiality threshold;
5) validated the results with internal stakeholders. Key internal stakeholders, including subject-matter experts, were consulted throughout the different steps of the process to ensure a wide range of perspectives.

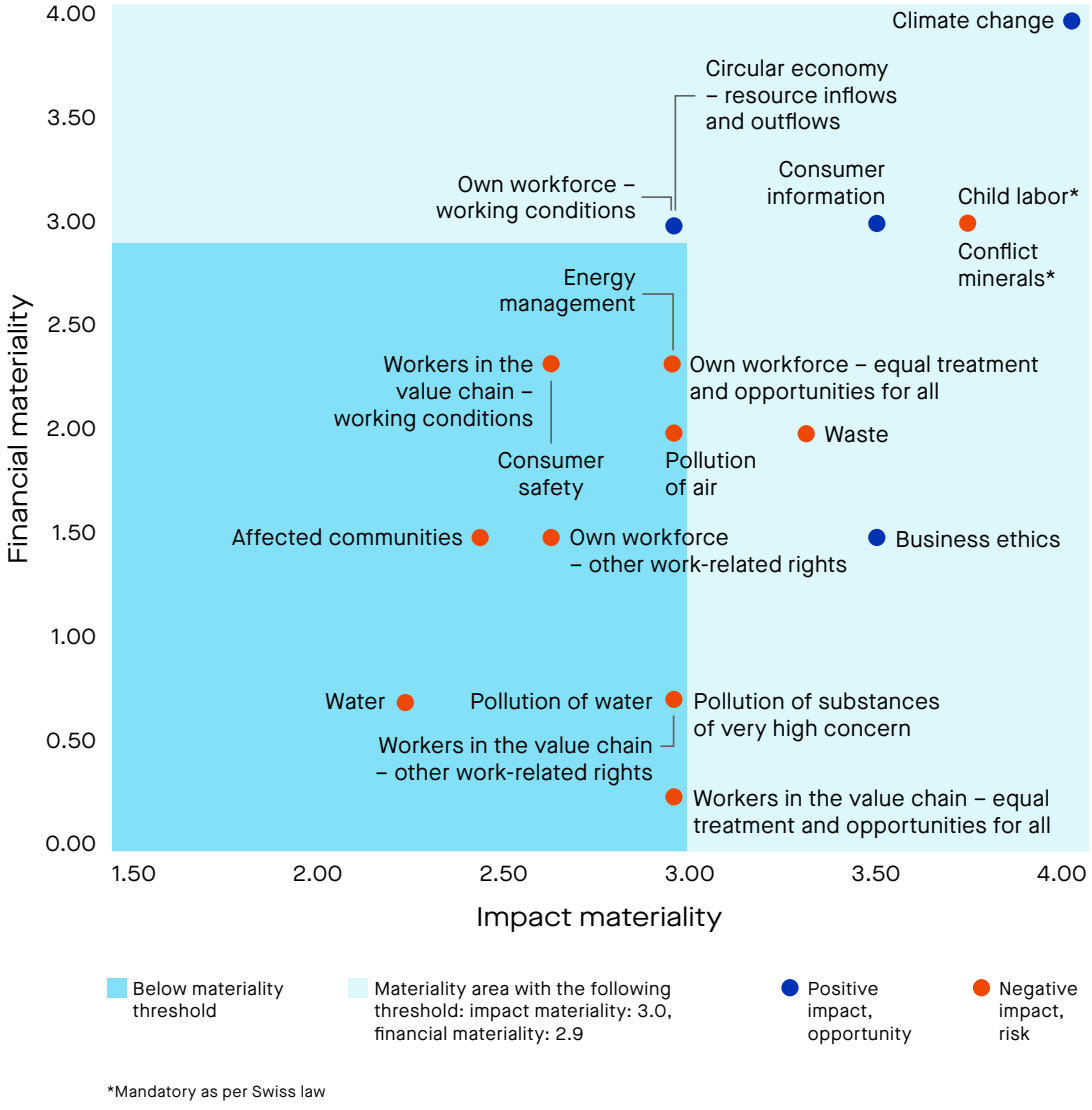
Throughout this process, we considered LEM's value chain and mapped the IROs to the relevant value chain stage. We first split our value chain into upstream, own, and downstream operations. At each stage, we considered the key inflows and outflows, the relevant activities, and we identified the underlying IROs. For example, our upstream value chain includes the raw material inflows and their relevant geographies, cross-activities like logistics and equipment suppliers, and the specialty tools and equipment we rely on like 3D printers or testers. The diagram below illustrates the key elements which make up LEM's value chain and were considered in the DMA process.



The assessment identified eight material topics, shown in the matrix and table below. The impacts (positive and negative), risks and opportunities were defined and assessed by our internal subject matter experts. The rating was then harmonized to ensure consistency across all material topics. As shown in the matrix below, the impact materiality threshold was set at 3 out of 5 and the financial materiality threshold was set at 2.90 out of 5.

Double Materiality Assessment (DMA) matrix

DMA results highlighting the material topics for the company as a whole, with a rating aligned to the Enterprise Risk Management system.



*Mandatory as per Swiss law

Priority areas

We have not made any changes to our priority list since last year. Therefore, the most relevant sustainability topics summarized in the table below remain our sustainability strategic priorities.

Material topic	Material negative impact	Material positive impact	Material risk	Material opportunity	Description of the impacts, risks and opportunities	Page reference
Climate change *(Our Decarbonization Journey)*	●	●		●	**Negative impact** on global warming through energy use and Scope 3 GHG emissions in the supply chain. The biggest impact drivers in LEM's Scope 3 emissions are the purchased products and upstream and downstream transportation. **Positive impact** on global warming through Scope 3 GHG emissions from product use. Due to the fact that by using our products the emissions and energy consumption will be reduced. **Opportunity** to implement these criteria into the Procurement Risk Assessment to make good choices upfront and anticipate risks.	25-30
Waste *(reduction)*	●				**Negative impact** on the environment through waste generated in operations, taking into account efforts to minimize waste.	31-32
Circular economy – resource inflows and outflows *(Innovation and circular economy)*				●	**Opportunity** to (timely) develop and deploy products, solutions and technologies that meet changing customer demand for more sustainable products (product lifetime, use of scarce and non-renewable materials in product design, and carbon-neutral products).	33-34
Consumer Information *(Innovation and circular economy)*			●		**Positive impact** on consumers through innovative electrical solutions that can help consumers and society accelerate the transition to a sustainable future (sensors and solutions play a key role in the following six areas: drives, power conversion, electrical safety, battery management, energy monitoring, and energy metering).	33-34

● Positive impact, opportunity

● Negative impact, risk

● Positive impact, opportunity

● Negative impact, risk

Material topic	Material negative impact	Material positive impact	Material risk	Material opportunity	Description of the impacts, risks and opportunities	Page reference
Own workforce – working conditions *(Investing in our people)*				●	**Opportunities** in employee engagement and young talent attraction and retention supporting business growth with brand image of the company.	38-41
Business ethics		●			**Positive impact** on society, employees, customers, shareholders and suppliers through behaviors that support transparent and sustainable business practices to the benefit of all stakeholders, taking into account (effectiveness of) whistleblowing protection, policies, training and other initiatives that promote ethical business conduct.	48-50
Conflict minerals *(Human rights sustainable procurement, and due diligence)*	●		●		**Negative impact** in potentially contributing to conflict through LEM's mineral sourcing practices. This contribution can lead to sources of conflict, human rights abuses and insecurity. **(Reputational) risk** of financial loss or damage caused by failure to comply with RBI-DDTrO regulations.	51-53
Child labor *(Human rights sustainable procurement, and due diligence)*	●		●		**Negative impact** on children through potential failure to address this issue through the sourcing of products and services. Failure to have robust due diligence processes and procedures in place could increase the risk of LEM's operations and procurement financing suppliers from different tiers located in countries where the risk of child labor is high. **(Reputational) risk** of financial loss or damage caused by failure to comply with RBI-DDTrO regulations.	51-53

Transitioning to a sustainable future

Our decarbonization journey

Climate change is one of the biggest challenges of our time, and addressing it is a responsibility we take on together at LEM. Our sustainability strategy is aligned with the objectives of the Paris Agreement, contributing to the global effort to limit temperature rise to well below 2°C.

Through our climate risk assessment, including the TCFD analysis (see page 58-62), we have confirmed that both physical and transition risks linked to climate change have direct implications for our operations, supply chain, and long term resilience. As a team, we are committed to translating this understanding into action by reducing our emissions, adapting our operations, and integrating climate considerations into everyday decision making. This transformation cannot be achieved by individual functions or entities alone. It relies on strong collaboration across the organization and active engagement with our customers, suppliers, and business partners, working together to support their own transitions and collectively deliver meaningful and lasting climate impact.

Material drivers

As a business, from the Board of Directors down, we all recognize that climate change is the most pressing issue facing us all and it naturally emerged as one of our principal material topics. We also recognize that as a business, we have a role to play and we must significantly reduce the risks and impacts of climate change, and at the same time capitalize on the opportunities. We are in a strong position to help enable the transition to low carbon technologies through electrification for our customers.

Through our DMA process, we identified two principal climate-related risks that have been confirmed during our specific TCFD exercise. Firstly, climate-induced disruptions in our supply chains due to adverse weather events (production lines, damage to assets and supply chain disruption).

The second risk relates to not meeting customer demand for more sustainable products due to lack of innovation or adaptability in our products, solutions, and technologies. A detailed list of our climate-related risks and opportunities can be found in the TCFD Statement on page 54-62.

However, there is also an opportunity for LEM. Ongoing geopolitical tensions, including the conflict in the Middle East, continue to place pressure on fossil fuel prices and highlight the importance of energy security. At the same time, governments are accelerating efforts to electrify the economy as part of their net-zero commitments. Together, these factors are driving a shift toward the electrification of mobility and infrastructure, as well as increasing demand for energy-efficient solutions. We are well positioned to take advantage of and help drive the transition as we continue to focus on the development of related new solutions. This transition will also contribute to the overall reduction of greenhouse gas (GHG) emissions.

Policies

Sustainability topic	Relevant policy
Our decarbonization journey	1, 13

> **We are in a strong position to help enable the transition to low carbon technologies through electrification for our customers**

Commitments, targets, and measures

In 2025, we improved the precision and consistency of our CCF calculations by investing in an online tool that allows us to fully internalize this process and have more robust and comparable emissions data. The tool embeds key emission factor sources and ensures consistent methodologies across all sites. Using this approach, we recalculated and restated our 2024 footprint, giving us a clearer basis for year on year comparison.

We are proud to see that our decarbonization efforts are paying off, with year-on-year reductions across Scopes 1 and 2 as well as specific categories of Scope 3. Despite a 5% increase in product volume in 2025, total emissions rose by only 2%, resulting in a reduction in gCO_2e per product sold. Our overall Scope 3 emissions have risen, this increase is primarily driven by the higher volume of products placed on the market. Given that around 91% of our total emissions are linked to our products (Scope 3 Category 1: Purchased Goods and Services and Category 11: Use of Sold Products), this growth was expected in the current circumstances. We also saw a rise in transportation-related emissions (more details on page 27-28).

For Scope 3 Category 1 (partially) and Category 2, a spend based methodology continues to be applied. A detailed exercise was undertaken to map all relevant operating expenditure and capital expenditure accounts from the profit and loss statement and balance sheet to the appropriate emissions categories and underlying emission factors. This was done to ensure the completeness and robustness of the CCF calculation for these categories. The 2024 figures disclosed in this report have been restated using this new method and the updated emission factors to improve comparability with 2025 data.

In 2021, we committed to reach net zero emissions by FY 2025/26 in our own operations (Scope 1 and 2 market-based). While this ambition has not yet been fully realized, we continue to actively work towards the target and regularly review our progress to identify further opportunities for emissions reduction. In 2025, we achieved carbon neutrality for Scope 1 and 2 (market-based) by offsetting 130 tons of CO_2 through certified carbon credits (VCS2609 Kuamut Rainforest Conservation Project in Malaysia, selected through an employee vote). We continued to transition our modest vehicle fleet to electric and started the electrification of our shuttle buses in China. We maintained 100% renewable electricity consumption (10,785 MWh), supported by green tariff contracts, on site solar generation and Energy Attribute Certificates. Electricity use rose modestly due to higher production volumes especially in Malaysia, the inclusion of the Paris office and a larger EV fleet. We also slightly increased our natural gas consumption in the US and Bulgaria.

Our target remains to reduce our Scope 3 emissions by 90% by FY 2040/41 from a FY 2023/24 baseline. We strengthened our data quality by adding estimated product weights and average energy consumption figures to be more exhaustive in the calculation of Categories 1 and 11. Transportation emissions rose due to increased air freight usage, following prolonged disruption to rail routes between Asia and Europe. Business travel emissions continued to decline.

Improving product efficiency remains central to our Scope 3 decarbonization efforts.

Our ongoing work on product miniaturization reduces material use and product weight, lowering emissions and supporting more energy efficient applications, such as electric vehicles.

Finally, we continued to strengthen our climate risk management by completing a financial quantification and qualitative assessment of our previously identified climate related risks and opportunities. Further detail is provided in our TCFD statement on page 54-62.

Key Performance Indicators

We have been improving the calculation of our Scope 1, 2 and 3 footprints annually, all of which are calculated according to the GHG Protocol. The following KPIs provide an overview of our performance and progress in relation to energy use and GHG emissions.

KPI – Energy use and GHG emissions	Units	2025/26	2024/25 (restated)
Global energy consumption	MWh	10,812	9,865
Thereof. Energy self-produced via solar panels	*MWh*	*920*	*756*
Global energy consumption from fossil fuel	MWh	7	40
Global energy consumption from nuclear	MWh	20	97
Global energy consumption from renewable	MWh	10,785	9,728
Global energy consumption intensity	MWh/CHF	0.038	0.032
Global Scope 1	tCO_2e	129	120
Global Scope 2 (location based)	tCO_2e	4,446	4,190
Global Scope 2 (market-based)	tCO_2e	0	20
Global Scope 3	tCO_2e	192,768	188,728
Category 1: Purchased Goods and Services	tCO_2e	57,778	58,805
Category 2: Capital Goods	tCO_2e	2,393	5,561
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	tCO_2e	1,512	1,343
Category 4: Upstream Transportation and Distribution	tCO_2e	6,906	5,033
Category 5: Waste Generated in Operations	tCO_2e	32	38
Category 6: Business travel	tCO_2e	1,653	1,742
Category 7: Employee Commuting	tCO_2e	1,863	1,847

KPI – Energy use and GHG emissions	Units	2025/26	2024/25 (restated)
Category 8: Upstream Leased Assets	tCO_2e	0	1
Category 9: Downstream Transportation and Distribution	tCO_2e	2,000	1,870
Category 10: Processing of Sold Products	tCO_2e	N/A	N/A
Category 11: Use of Sold Products	tCO_2e	116,927	110,864
Category 12: End-of-Life Treatment of Sold Products	tCO_2e	1,704	1,624
Category 13: Downstream Leased Assets	tCO_2e	0	0
Category 14: Franchises	tCO_2e	N/A	N/A
Category 15: Investments	tCO_2e	N/A	N/A
Global Scope 1 and 2 (location-based)	tCO_2e	4,575	4,310
Global Scope 1 and 2 (market-based)	tCO_2e	129	140
Global Scope 1, 2 (location-based) and 3	tCO_2e	197,343	193,038
Global Scope 1, 2 (market-based) and 3	tCO_2e	192,897	188,868
Global Scope 1, 2 (location-based) and 3 CO_2e intensity	gCO_2e/product	3,545	3,648
Global Scope 1, 2 (market-based) and 3 CO_2e intensity	gCO_2e/product	3,465	3,570
Global Scope 1, 2 (location-based) and 3 CO_2e intensity	gCO_2e/revenue	686	629
Global Scope 1, 2 (market-based) and 3 CO_2e intensity	gCO_2e/revenue	670	615
Offsets purchased	tCO_2e	130	0

Plans for the future

Looking ahead, many of our sustainability initiatives will be driven by the functional roadmaps defined across the organization as discussed on page 10, with a focus on addressing the most material sources of emissions within each function and region. Planned actions include the retrofit of aging production equipment at our Sofia site to extend asset lifetimes and improve performance, the continued development of a Green IT culture supported by best practice guidance (including the responsible use of AI), and the introduction of a more sustainable IT hardware lifecycle. Further initiatives include renewed efforts to reduce airfreight and warehouse consumable waste within the supply chain, as well as locally driven actions to reduce commuting impacts and encourage more sustainable travel. Additional R&D and procurement initiatives are outlined in the circular economy section on page 33-34. In parallel, we will strengthen the accuracy of our CCF through improved data completeness, enhanced collection processes and greater automation of calculation and reporting via our internal tool. Employee awareness will continue to be supported through the ongoing rollout of Climate Fresk workshops across our European sites and into Asia.

Case study

Smart Energy Management at LEM's Headquarters

As part of our sustainability strategy and efficiency efforts, we launched an Electricity Control Pilot Project in March 2024 in Geneva, Switzerland. We started the project with a strong base, as LEM's headquarters building is certified for high energy performance, however, energy monitoring was limited to a single centralized system which made detailed analysis difficult. To improve visibility and identify optimization opportunities, we set out to measure electricity consumption across specific zones such as offices, workshops, individual machines, technical infrastructure, compressors, heat pumps and EV charging stations.

To achieve this, we partnered with a smart monitoring solutions company and installed 20 self-powered induction sensors and six gateway receivers, giving us access to live electricity consumption data. The cloud-based system automated reporting and provided alerts, allowing our team to closely track consumption across the site.

LEM headquarters

The system quickly helped us pinpoint our main electricity consumers, including heat pumps and compressors, and uncover hidden consumption sources such as test benches, equipment left on during downtime and EV charging usage. These insights enabled us to develop a targeted action plan to reduce our consumption. For example, a rarely used pilot line had been running continuously and consuming about 20 kWh per day; by automatically switching it off during standby periods, we now save around CHF 1,000 annually. In another case, compressors and air renewal systems were operating outside production hours, consuming about 6.4 MWh per week; optimizing their operating cycles reduced this waste and generated annual savings of roughly CHF 25,000.

The project has been a clear success, demonstrating how data driven insights can deliver meaningful reductions in energy use while supporting our sustainability ambitions and generating significant operational cost savings. Building on this success, we are exploring opportunities to extend this approach to other LEM sites to further amplify its impact. Following the project, LEM International took a formal step forward by signing a Universal Objectives Agreement with the Swiss Confederation. This rigorous framework commits LEM to a trajectory of continuous improvement in energy efficiency and, beyond ensuring legal compliance, enables us to turn energy related challenges into opportunities for innovation while supporting the optimized management of operational costs.

25,000 CHF **approx. annual savings** due to optimized operating cycles

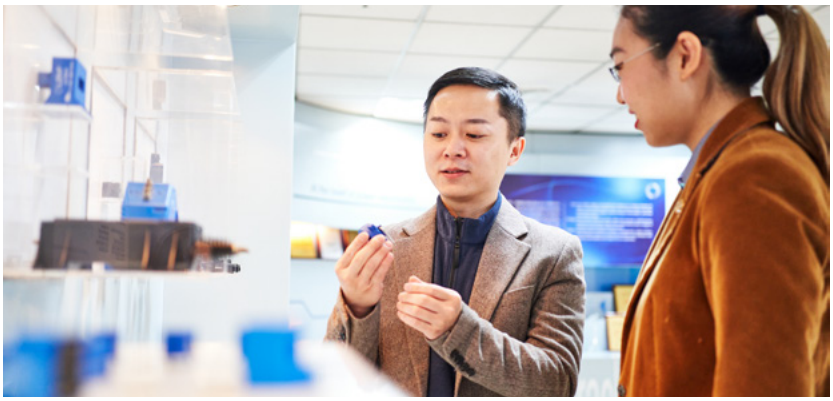
230 MWh **approx. annual reduction**

Waste reduction

We all have a role to play in reducing the waste we produce and improving how we manage it. We are approaching this challenge from both sides: leveraging innovation and design, reducing our demand for raw materials and resources, and actively trying to lower our impact through improved waste reduction and management methods.

Material drivers

Through our DMA process, we identified a material negative impact on the environment from waste generated in operations. Our business relies on raw materials to assemble our products and packaging and to receive and ship them – these activities generate the majority of our waste. Like most industries, we want to reduce our environmental impacts and help contribute to a sustainable future. Therefore, we need to reduce and even avoid some of the waste we produce. A successful transformation of the inflows, the better use of, and the outflows of materials in our own operations, will enable us to reduce our reliance on non-renewable resources and decrease our environmental footprint. We can also then support our customers and clients with their own waste goals by reducing packaging or reusing it where possible.



Policies

Sustainability topic	Relevant policy
Waste reduction	1, 3, 13

Commitments, targets, and measures

We manage both hazardous and non hazardous waste in our supply chains and operations. All our commitments are guided by the waste hierarchy: prevention, reuse, recycling and recovery, prioritized in that order. We are committed to proactively reducing waste generation across our sites and through our product designs. For example, the miniaturization of our products helps reduce production scraps and our sorting processes allow us to collect by products that can be reused or sold to other industries, such as plastic and copper. For certain waste types, including metals, we work with specialized waste management partners who handle sorting and resale. These partnerships reduce our impact by improving efficiency, allowing us to participate in secondary markets and reducing our reliance on virgin materials.

We are compliant with all relevant environmental regulations and the Basel Convention Guidelines (which control transboundary movements and disposal of hazardous waste). Our reporting process follows GRI 306: Waste 2020, including their categorization of waste types and streams.

We are committed to the continuous improvement of our waste reporting and data collection. During the last year, we harmonized waste reporting practices across all facilities by standardizing monthly data collection and applying the European Waste Catalogue to ensure consistent waste categorization across sites. We are now collecting data using 24 different waste codes. We also developed a clearer understanding of waste treatment routes, including recycling, landfill and incineration, through closer work with our service providers. These improvements have enhanced the accuracy of our reporting and CO_2 emission calculations.

We are committed to the continuous improvement of our waste reporting and data collection

Key Performance Indicators

There is a slight increase from 2024 to 2025, primarily driven by a general rise in activity and volume.

KPI – Waste management	Units	2025/26	2024/25 (restated)
Total amount of waste generated for the group	tons	303	289
Hazardous waste	tons	48	54
Non-hazardous waste	tons	255	235

Plans for the future

Over the next year, we will continue to improve the consolidation of site-level action plans for waste reduction – providing a more precise understanding of our waste streams and their final destinations – as part of our targeted reduction measures. We will also strengthen these plans by setting waste reduction targets, expanding recycling initiatives that divert material from landfill and increasing employee awareness.

Innovation and circular economy

As highlighted by our CTO, sustainability at LEM is woven into the ways we engineer,innovate and operate. We believe innovation is essential to addressing the circular economy challenge. By embracing circular principles, we can develop creative solutions across materials, resources, product longevity, recyclability and end-of-life considerations. We aim to stay responsive to emerging challenges and customer expectations by integrating their environmental requirements early in the product development process. This adaptability strengthens our resilience as a business, helping us navigate market shifts and turn them into opportunities for long term success.

Material drivers

Circular economy (resource inflows and outflows) emerged as a material topic to the business and stakeholders in the DMA. The process identified a positive impact on the transition to a regenerative economy – driven by our design innovation to reduce our product impacts (production, use, and disposal) – and a negative impact from our use of non-renewable resources in our supply chain and operations and from our products (use-phase emissions and end-of-life waste).

Alongside these impacts, several risks and opportunities were identified, primarily the delicate balance between complex production, design-innovation and meeting customer expectations. Another relevant topic was consumer information: the wider shift towards electric solutions is an opportunity for LEM as our products inherently contribute to and accelerate the electrification transition. Clear and transparent consumer information will be key to building strong associations between this transition and our sensors and solutions, which can be found, for example, in:

- Electric Motor Drives
- Power conversion
- Electrical safety
- Battery management
- Energy harvesting and energy monitoring
- Energy metering

Policies

Sustainability topic	Relevant policy
Innovation and circular economy	1, 3, 7, 13

Commitments, targets, and measures

Our customers increasingly expect reduced emissions from the solutions we provide, and this reinforces our focus on integrating sustainability into product design. Achieving meaningful reductions will require targeted redesign, requalification and the introduction of new materials, supported by strong collaboration with our suppliers to test and adopt technologies with reduced environmental footprints. While these improvements may need additional investment, we remain committed to exploring solutions that balance environmental performance with customer expectations and market realities.

Key Performance Indicators

We continue to strengthen our data collection on waste and circularity, with the aim of reporting on the total weight of products, the recycled content and the technical/biological materials used during the reporting period. We plan to use the relevant ESRS guidance and data points to define appropriate KPIs for this topic.

Plans for the future

Circularity and innovation will play an important role in our strategy. Our focus for the coming year is to continue building awareness within the R&D community about LEM's environmental impact and the role we play in managing that. We also plan to strengthen our collaboration with universities and the academic community to benefit from the latest insights on Ecodesign. In parallel, we will embed Ecodesign principles across product development, packaging and ICS design, ensuring sustainability is integrated from the earliest stages of innovation. Within our legacy R&D department, Ecodesign requirements will be incorporated into new product and packaging developments. For R&D related to ICS, Ecodesign principles will be integrated into new ICS designs, alongside the development of a dedicated product carbon footprint calculation model for our products, supported by the collaboration with an external vendor.

Procurement will play a key supporting role in this approach. In addition to the due diligence program highlighted on page 51-52, we will engage more closely with suppliers to encourage the calculation and disclosure of their CO_2 emissions and product carbon footprints, and we will launch targeted supplier specific initiatives aimed at reducing the environmental footprint of products purchased by LEM.

Case study

Empowering our colleagues with Climate Fresk Workshops and Sustainability Learning

Climate Fresk Workshops

Climate Fresk is an educational tool designed by The Climate Fresk NGO. The workshop is collaborative and interactive, helping participants build a clear understanding of the complexities of climate change. Rooted in scientific evidence and based on reports from the Intergovernmental Panel on Climate Change (IPCC), it offers a neutral and accessible approach suitable for all audiences. In 2025, we continued to deliver Climate Fresk workshops across Switzerland, France and Bulgaria, engaging 78 additional employees and bringing total participation to over 241 since its launch in 2024. We also held a dedicated Climate Fresk workshop for five of our Board members, which generated strong engagement and demonstrated leadership's commitment to understanding climate-related risks. Across the group, several practical initiatives have emerged from brainstorming sessions held during Climate Fresk workshops. In Germany, the team worked with the landlord to replace office windows in Groß-Gerau with more energy efficient models, reducing heat loss and heating demand. In Switzerland, employees created an internal platform and communication campaign to encourage car sharing and carpooling. In France, a session led to the creation of a safe cycling commute map to support employees traveling to the Lyon office by bike.

Climate Fresk Board Session

The workshop series received extremely positive feedback, with participants valuing the insight into climate complexities. Participants rated the program 4.6/5 overall, an increase from last year's 4.5/5. The score reflects the effectiveness and success of the sessions.

All workshops were led by trained LEM employee volunteers. To expand our facilitator pool, which was previously centered in Switzerland and France, we held a dedicated Climate Fresk facilitator training in Bulgaria in March 2026 for five colleagues. This will support delivery in more local languages including French, English and Bulgarian and cultural contexts. In total, we now have ten trained facilitators. Next year, we plan to further expand the Climate Fresk workshops, engaging more colleagues, particularly in Asia, and raising greater awareness of climate change.

PARTICIPANTS DESCRIBED THE EXPERIENCE AS

> "A must have for every employee."

> "Awesome experience, very glad to be a part of this workshop event."

> "Educational, presented in an entertaining and engaging way."

Sustainability Learning

In combination with the Climate Fresk Workshops, and to accelerate our transition to a more sustainable future, we launched a new set of LinkedIn Learning paths – called Sustainability Essentials – to help each function integrate sustainability into daily operations and contribute to our broader ESG objectives. The content is tailored to core functions including R&D and IE, Supply Chain, Sales, Quality, Finance, HR, Legal, Procurement, and IT.

Alongside the LinkedIn Learning Paths, we also strengthened our onboarding process, including a session on “What is Sustainability at LEM” led by our Global Head of Sustainability. New employees are also invited to join Climate Fresk workshops as part of their introduction to LEM.

Together, the Climate Fresk Workshops and our sustainability learning initiatives demonstrate our strong commitment to building climate awareness, embedding sustainability into everyday work, and empowering our people to drive meaningful, long-term impact.

Climate Fresk Session in Lyon

Working responsibly

Investing in our people

We are a global company united by a shared commitment to care, well being, learning, and long-term value creation. As we continue to evolve in a changing market environment, we place strong emphasis on supporting our people through engagement, capability building, and clear strategic direction.

In 2025, the “Fit for Growth” program guided important organizational adjustments to strengthen our long-term competitiveness. While this included structural changes, our focus remained on ensuring clarity, continuity, and opportunity for the organization as a whole. We complemented these changes with targeted geographic and operational realignments, including the expansion of R&D activities in Asia, the consolidation of service centre capabilities in Bulgaria, and the strengthening of production operations in Malaysia, bringing expertise closer to growth markets and customers.

At the same time, we continued to invest in employee engagement and strategic alignment. Company-wide surveys, structured feedback mechanisms, and leadership dialogues were used to better understand employee expectations and to inform decision making. Significant effort was also dedicated to strategy cascading, ensuring that our strategic priorities are clearly understood across functions, regions, and levels, and that teams see how their work contributes to the Group’s ambition.

To support this commitment, we continue to reinforce clear objectives and measurable actions across our people and organization’s priorities. Progress is monitored through defined indicators linked to engagement, development, and leadership effectiveness, combining survey results with ongoing feedback and dialogue. These insights inform tangible improvement actions and forward-looking targets, ensuring alignment between our people strategy and long term business priorities.

Material drivers

Through our DMA process, we identified employee engagement and the attraction and retention of young talent as key opportunities to support business growth, with our brand image playing a critical role. Accordingly, the development and retention of the talented individuals who make up our organization is a core business priority, as they are essential to the effective delivery of our day-to-day operations.

Our team’s skills and curiosity keep us agile and adaptable, and allows our employees to excel and find value in their roles. Capitalizing on opportunities as a business requires teamwork, collaboration and a working environment where our employees feel supported, safe, and are able to thrive.

Policies

Sustainability topic	Relevant policy
Investing in our people	4, 5, 6, 8,

Commitments, targets, and measures

A positive onboarding experience is the foundation for strong employee satisfaction, engagement, retention and long term productivity. The process, designed to help new joiners to integrate quickly and feel part of the team from day one, was revamped this year. Both the visual design and the content of the application were refreshed, it includes a dedicated learning section featuring our sustainability learning path (LinkedIn Learning dedicated content for each key function on how to embed sustainability in their day-to-day work) and unconscious bias training. Finally, we increased involvement from leaders across LEM by delivering quarterly welcome sessions, in which they introduce their areas of expertise and help connect new joiners to LEM's broader goals and organizational structure. The feedback from new colleagues reflects the positive score of 4.5/5 received and the impact it can have on the people at LEM:

> "We are onboarded by people who truly care about us, and it shows."

> "Multiple trainings were scheduled from day one, which helped me get all the information I needed."

By the end of March 2026, employee learning and development continued to be supported by both digital and direct training formats. 61 percent of employees actively used LinkedIn Learning, completing a total of 977 hours of online training with "*The Ultimate Guide to Sustainable Project Management*" emerging as the most popular course. In addition, IDL employees received an average of 3 hours of face to face training, resulting in a total of more than 3,300 learning hours delivered. One highlight of the year was the FMEA training (Failure Modes and Effects Analysis) which involved 40 R&D employees, for 2 days, across Europe empowering them to identify and mitigate product and process risks during project development. These efforts reflect our ongoing commitment to maintaining skill development and continuous learning across the workforce even going through challenging times.

To support the continuous development of our people and ensure we adapt to their needs, we launched a new quarterly Engagement Survey, which has helped us create tailored action plans to strengthen overall employee engagement. Further details of this work can be found in the case study on page 41. Based on the survey insights, the Information Systems (IS) team - with support from HR - recently introduced an in-house peer-to-peer learning initiative to enhance knowledge sharing and ongoing skills development among the team. The first session was held in April 2026 on the topic of firewalls, and the initiative will be expanded to other departments to promote continuous learning, strengthen cross team collaboration, and build collective capability across the organization.

A core part of our culture is fostering learning and curiosity among the next generation of innovators. To support this, we offer apprenticeship and graduate opportunities across several of our locations to give students valuable industry experience and a real insight into working life at LEM. To further strengthen these learning pathways, we have established partnerships with local STEM universities near our sites. In Malaysia, these have been well developed as students from Universiti Sains Malaysia, Universiti Malaysia Perlis, and UniKL Universiti Kuala Lumpur visited our LMY facility. We have also introduced an internship programe at LMY in collaboration with ILHAM Keshuma, MySIP, and MyNext Company. Since its launch in 2024, we have welcomed 18 interns. Many have reported highly positive outcomes, including the chance to build technical and soft skills, apply academic knowledge in a real-world environment, and even secure potential job offers upon completion.

61% employees actively using LinkedIn learning

+2,300 in-person learning hours delivered

+970 hours of online training

Key Performance Indicators

As part of employee engagement, we facilitate collective bargaining and social dialogue across all of our sites.

One measure we also use to monitor employee satisfaction is our voluntary turnover rate and the reasons why team members might choose to move on to another role. In 2025, our global voluntary turnover rate was for our IDL 10% and 8% for our DL.

KPI – People Investment	Units	2025/26	2024/25
Collective Bargaining and Social Dialogue			
EEA collective bargaining coverage	%	33	44
Non-EEA collective bargaining coverage	%	0	0
EEA social dialogue coverage (employee representatives)	%	88	89
Non-EEA social dialogue coverage (employee representatives)	%	4	4
Performance and development			
Percentage of DL that participated in regular performance review (during FY 2025/26)	%	93	78
Percentage of IDL that participated in regular performance and career development reviews (in June 2025 for FY 2024/25)*	%	97	99
Number of face-to-face training hours per IDL	Hours	3	11

*For employees arrived before 30 September 2024 and potentially those who left after June 2025.

Plans for the future

We will continue to adopt a continuous improvement approach across all of the above-mentioned topics and build on the insights and action plans from our quarterly Engagement Survey to further strengthen employee engagement. We will also encourage continued use of the LinkedIn Learning platform to integrate sustainability best practices into the day-to-day job of each employee.

Case study

Launching our quarterly engagement survey

In 2025, we launched a new global quarterly employee engagement survey designed to capture honest and actionable feedback, and to strengthen the everyday employee experience. We partnered with a 3rd party to ensure full anonymity and translated the survey into seven languages. We saw strong participation throughout the year, with an average response rate of 86 percent across the surveys.

The survey covers nine key engagement topics and introduced a new bottom-up priority setting method. Its purpose is to identify priorities and support the creation of meaningful action plans with the results analyzed globally, by site, and by function. This provided leaders with a clear understanding of their teams' needs and helped them align around the most important priorities.

Sample questions included statements such as "*I can be myself at work*" and "*My career goals can be met at LEM*." Team leaders with five or more respondents could view results and were able to define local priorities. This enabled over 88 team leaders to review their results, communicate key findings, and build tailored action plans. Senior leaders supported the process by hosting workshops to help employees discuss their findings and contribute to improvements. Managers had to build follow-up action plans, with regular check-ins built into the process.

Strategy Cascading Workshops

Strategy Cascading Workshops

The current quarterly cycle is viewed as a series of ongoing steps rather than standalone milestones. The timeline for 2025 and 2026 is as follows:

- July 2025: The first survey was completed, and initial results were shared with site and functional leaders to identify the top priority.
- November 2025: The second survey confirmed those priorities. Team leaders were able to view their team results once at least five team members had completed the survey.
- April 2026: The last survey in our quarterly engagement cycle will allow us to assess the effectiveness of the action plans and enter a new cycle with bi-annual surveys starting in fiscal year 26/27.

For the upcoming year, the survey will be conducted biannually instead of quarterly.

Early signs of progress are emerging, with encouraging levels of engagement from respondents. The new survey process is beginning to support greater transparency and ownership among managers, and to lay the foundations for a culture of ongoing listening and improvement across LEM. However, it is recognized that it takes time for action plans to translate into tangible, sustained outcomes for employees. As such, 2025 represents an important step in a longer term journey towards a more connected and responsive organization.

Diversity, equity and inclusion (DEI)

Investing in our people means embedding policies and practices that promote employee wellbeing, inclusion, and employee engagement. A diverse and equitable working environment where everyone feels included is the right thing to do and good for business. We are trying to build a workforce that fosters innovation, enriches the decision-making processes, and cultivates a dynamic work environment where all individual's unique talents are valued.

We continue to build up the reporting transparency and accountability introduced in last year's report and our 2025 total headcount reflects a balanced gender split – 53% women and 47% men – across the business. While this represents meaningful progress, we recognize that further work is needed to achieve greater diversity at senior leadership levels.

In 2025, we assessed the effectiveness of our approach to promoting gender equality using and becoming a signatory of the Women's Empowerment Principles (WEPs), a UN-backed framework that supports companies in advancing gender equality across the workplace, marketplace and community, and its WEP Gender Gap Analysis Tool (WEP GAT). The results of the assessment placed us at a beginner level, highlighting strengths in areas such as preventing violence and harassment and ensuring employee health and safety, whilst identifying opportunities to strengthen parental leave, recruitment processes and career development. Based on these insights, we have developed a phased action plan prioritized by ease of implementation and required investment. We also published internal communications on our diversity and inclusion plan and delivered dedicated training for HR teams and hiring managers on "*Uncovering Unconscious Bias in Recruiting and Interviewing*". In addition, we released our new Non-Discrimination and Equal Opportunity Policy.

Policies

Sustainability topic	Relevant policy
Diversity, equity and inclusion (DEI)	8

Key Performance Indicators

The following KPIs provide an overview of our performance and progress in relation to employee diversity.

KPI – Employee Diversity	Units	2025/26	2024/25
Total number of permanent employees	Units	**1,465**	**1,611**
Female employees	%	53	51
Male employees	%	47	49
Total number of Executive Committee members	Units	5	7
Female members	%	20	14
Male members	%	80	86
Total number of senior leaders management employees	Units	**32**	**28**
Female senior leaders employees	%	13	14
Male senior leaders employees	%	87	86
Total number of non-employee workers in own workforce TEMP agency – monthly average	Units	**180**	**143**
Under 30 years old	%	13	14
31-50 years old	%	71	71
Above 51 years old	%	16	15

Plans for the future

We have used insights from the WEP GAT assessment to guide our next steps. In 2026, we will focus on strengthening key areas such as parental leave, recruitment practices, and career development pathways. We also plan to integrate a dedicated women's module into our Leadership Development Program, finalize DEI focused recruitment guidelines, and continue increasing transparency and reporting on our diversity commitments to drive meaningful, long term progress.

Health, safety and wellbeing of employees

The health, safety and wellbeing of our employees has always been a top priority for LEM as a business. This includes practical and non-negotiable health and safety measures, initiatives to promote wellbeing, and comprehensive health support.

In 2025, we achieved ISO 45001 certification across our three sites in Switzerland, Malaysia and China, marking a solid step forward in strengthening our health and safety standards. Further details can be found in the case study on page 45-46. One of the pillars in our Employer Value Proposition is “care”, which is focused on the mental and physical wellbeing of our employees. There are activities happening across our sites, with many examples given in the LBG Green Committee case study on page 14.

LEM age pyramid

	Male	Female
Above 66 years	2	4
Between 61 and 65 years	12	15
Between 56 and 60 years	47	29
Between 51 and 55 years	59	64
Between 46 and 50 years	96	115
Between 41 and 45 years	138	214
Between 36 and 40 years	154	169
Between 31 and 35 years	83	74
Between 26 and 30 years	62	43
Between 21 and 25 years	22	45
Between 18 and 20 years	7	11
Total permanent employee	**682**	**783**

In Switzerland, 90% of employees completed an HSE refresher training covering their legal obligations, key health and safety risks, and expected behaviors. The training incorporated applicable Swiss legal requirements as well as best practices related to chemical agents and emergency preparedness.

Policies

Sustainability topic	Relevant policy
Health, safety and wellbeing of employees	5

90% **employees completed HSE refresher training in Switzerland**

Key Performance Indicators

The following KPIs provide an overview of our performance and progress in relation to employee health and safety.

KPI – Health and safety	Units	2025/26	2024/25
Number of work-related fatalities (by employees, non-employees and by other workers working on site)	Units	0	0
Number of recordable work-related accidents (by employees and non-employees on production sites)	Units	1	5
Rate of recordable work-related accidents (by employees and non-employees)	Total number of accidents/	0.06	0.30
Number of recordable work-related incidents (by employees and non-employees on production sites)	Units	9	12
Rate of recordable work-related incidents (by employees and non-employees)	Total number of accidents/ working hours x 200,000[1]	0.57	0.72

[1] 200,000 is a fixed coefficient (50 working weeks x 40 hours x 100): see osha.gov

Plans for the future

Health and safety will always remain a top priority at LEM. We are proud to champion safe working practices across our business and strive to lead by example in this area. To continue building on the progress of our recent ISO 45001 certifications across three sites, we have appointed a Group HSE Coordinator who is focused on extending our ISO 45001 certification and further enhancing the strong foundations in place.

Case study

Strengthening Workplace Safety: ISO 45001 Certification

ISO 45001 is the leading international standard for protecting workers' health and wellbeing. It helps organizations to reduce risks, prevent injuries, and embed a culture of continuous safety improvement. At LEM, protecting the health and safety of our employees is a core responsibility and a key pillar of our long-term sustainability. This year, in line with this commitment, we strengthened our global approach to Health & Safety (H&S). Teams across Switzerland, Malaysia, and China worked together to achieve LEM's first multi-site ISO 45001 certification which is a significant milestone in our sustainability journey. Achieving certification demonstrates our commitment to safe workplaces and full compliance with H&S regulations.

The journey to certification is a collaborative effort led jointly by the System Quality and H&S teams. All functions with an impact on health and safety play an active role, from Operators to Function Heads and Site Leaders. Production, Maintenance and Facilities, Supply Chain, Industrial Engineering, Quality & H&S, HR and Sustainability all contributed to the preparation of the initial certification audit. Good practices were shared and scaled across sites to build a common, pragmatic, and compliant H&S management system.

> "LEM China has passed the ISO 45001 certification, which is an important milestone in the development history of LCN and a solemn fulfilment of our commitment to the health and safety of our employees! LCN will continue to adhere to the LEM Group Health and Safety Policy, constantly improving towards the goal of "zero accidents, zero occupational diseases, and compliance". We will always see employee safety as the base of our development, and will work together to pursue a sustainable future!"

Bo Chen
General Manager, LEM China

External auditors noted a "*high level of engagement, strong analytical capabilities, and solid technical expertise. Maturity was evident in both behavior and evidence presented.*" This recognition reflects the commitment and collaboration of our teams.

We recognize this certification across our three sites as a starting point. Maintaining it requires continuous improvement and sustained effort at every location. A Group HSE Coordinator position was recently created, and we are now working closely with our new colleague to extend our certification scope and build on the strong momentum already created.

> "Achieving ISO 45001 certification is a major milestone for LEM International Headquarters and reflects our strong commitment to protecting the health and safety of our employees. This success was driven by our team in Geneva, supported by excellent cross-site collaboration and the shared expertise of colleagues across the organization. This achievement highlights both our leadership in the project and the collective effort that made it possible."

Yoann Raphoz
HSE Manager, LEM International

Fostering responsible business practices

Business ethics

We strive to conduct all of our business to the highest standards, with business integrity and ethics at the core of our operations, production, and workforce. Since 2006, when LEM became a signatory of the Sustainable Development Goals of the United Nations Global Compact, we have expanded the scope of our responsible business practices to incorporate these 10 principles and 17 Development Goals into LEM's own ambitions and conduct.

Material drivers

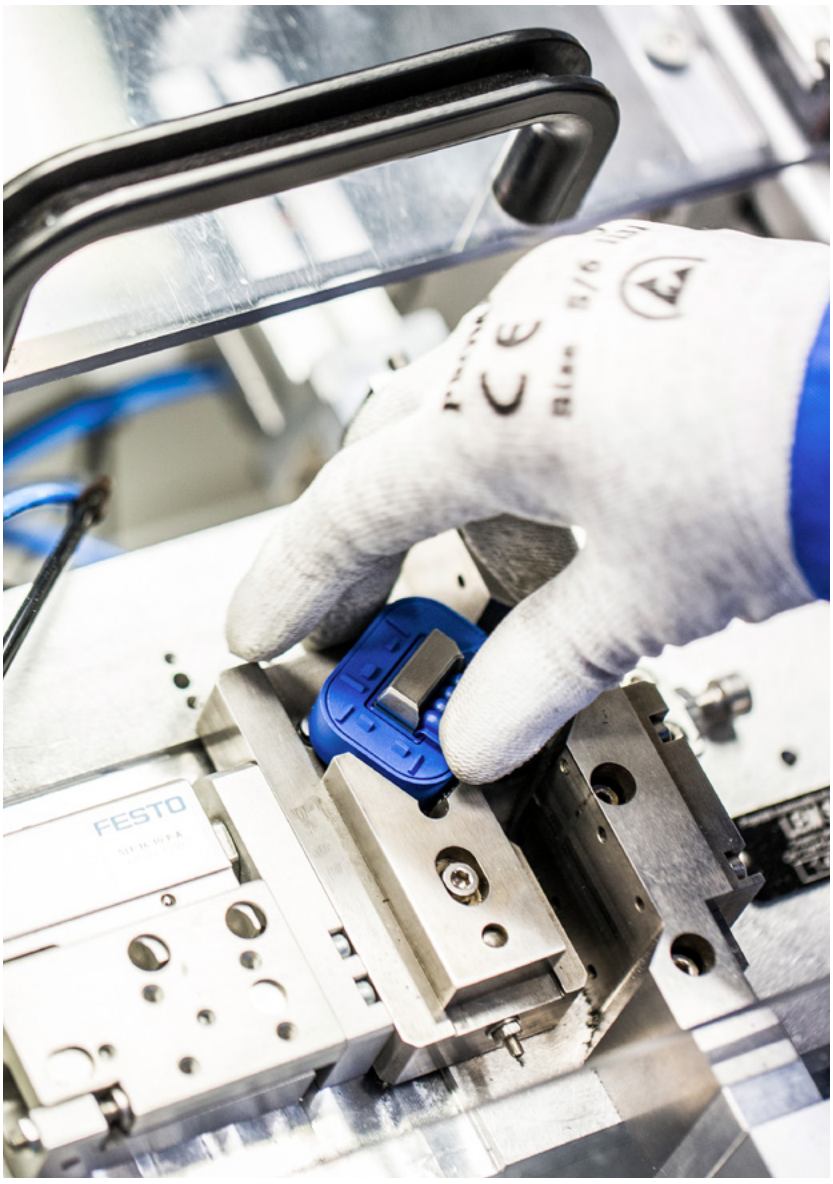
Business ethics is a material topic for LEM, as identified in the DMA, primarily due to the positive impact of ethical business practices on our employees, suppliers, shareholders and customers. Mismanagement of this topic also carries potential business risks, including potential penalties for non-compliance, and subsequent potential reputational risks. Therefore, this topic is treated as a high priority across the business and is managed with appropriate due process and oversight.

Policies

Sustainability topic	Relevant policy
Business ethics	9, 10, 14, 15, 16, 17, 18, 19

Commitments, targets, and measures

Our policies are the bedrock to ensuring standards and ethics are upheld across our own operations and supply chain. These efforts are centralized in our Compliance Hub (launched across 2023 and 2024), a dedicated repository for relevant policies and procedures, resources, training material, and templates. All the documentation in the hub is routinely reviewed and updated. Most recently, we launched a Data Privacy Policy, covering all aspects of data use across LEM (including recruitment, data sharing, privacy notices, cookies, direct marketing, and security, amongst other areas).



The efficacy of these policies relies on the business' understanding and application of them. Therefore, training and supplementary resources are integral to the rollout and management of policies at LEM, and all new joiners must review and agree to uphold LEM's Code of Conduct. In 2025, we introduced a mandatory annual Code of Conduct refresher training for IDL employees, including a quiz and formal acknowledgment of understanding, to ensure the core principles of business conduct, personal behavior, and integrity are well understood. The initiative had a 98% completion rate across the business.

Key Performance Indicators

The following KPIs provide an overview of our performance and progress in relation to business ethics.

KPI – Business ethics	Units	2025/26	2024/25
Code of Conduct (CoC) signature rate	%	97	98
Training on whistleblowing/business ethics completion rate	%	97	98
Yearly CoC refresher training (whistleblowing/business ethics completion rate for IDL)	%	98	N/A
Whistleblowing complaints			
Number of complaints received	Units	14	22
% complaints under investigation	%	7	0
% complaints closed	%	93	100
Convictions			
Total number of convictions	Units	2	1
Total amount of fines for violation of anti-corruption and anti-bribery laws	Units	0	0
Confirmed incidents of bribery and corruption			
Total number and nature of confirmed incidents of bribery and corruption	Units	1	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption of bribery related incidents	Units	0	0
Payment practices			
Number of legal proceedings currently outstanding during the reporting period for late payments	Units	0	0

Plans for the future

We will continue to invest in reviewing and updating our policies and processes across the business, as well as continuing to strengthen the available resources and training to support all employees in policy usage and implementation.

Case study

Data Protection and Information Security Governance at LEM

As part of LEM's approach to sustainability and wider good business practice, we are committed to the responsible use of information and the safeguarding of data entrusted to us by customers, suppliers, employees and other stakeholders. Over the past year, we have advanced our maturity in data protection and information security by reinforcing our approach to governance and deploying a comprehensive information security management system (ISMS). These efforts directly support our sustainability goals by enhancing transparency, protecting stakeholder rights and strengthening long-term business resilience.

In partnership with Group Legal and Information Systems, we strengthened our data protection governance through updated policies. This included refreshing our Group Data Protection Policy and Employee Privacy Notice, clarifying how personal data is collected, processed and safeguarded across all entities.

> "Strong data protection is essential to a sustainable future. By safeguarding information, we strengthen resilience and reinforce the confidence placed in LEM."

Alain Bocquet
Group Head of Data & Cyber Security

By establishing clearer foundations and raising awareness across global teams, we continue to foster a culture where privacy is proactively protected.

We deployed a structured ISMS that unifies policies, procedures and risk management tools across the Group. The system covers key areas including security controls, cryptography, supplier security and log management, supported by standardized templates and registers. This framework ensures data is protected throughout its lifecycle and aligns with recognized standards such as ISO 27001 principles and the TISAX model strengthening governance and building stakeholder trust.

The ISMS is maintained through close collaboration across all departments, ensuring secure handling of information across engineering, operations and corporate functions. We also deployed a Cybersecurity Management System (CSMS) aligned with ISO/SAE 21434 and created a Product Cybersecurity Incident Response Team, ensuring product related risks are managed responsibly throughout their lifecycle.

Together, these initiatives reinforce our commitment to responsible data governance, strengthening trust, protecting people and supporting resilient, future ready growth. At the same time, we recognize that data protection and information security are constantly evolving fields, and that maintaining strong safeguards requires continuous improvement and vigilance. To support and measure the effectiveness of these efforts, we will also refine performance indicators for 2026–2027 and align our priorities with major global and geopolitical trends, while continuing to adapt our approach as new risks and challenges emerge.

Human rights, sustainable procurement, and due diligence

As a business, we aim to create a positive social impact across our operations, supply chain, and customer base. We are committed to understanding and managing the potential impacts of our activities on people and society, while maximizing the positive contribution LEM can make.

Material drivers

As a global business, human rights, sustainable supply chains and due diligence are integrally material topics to the business. We are committed to ensuring fair and safe working conditions, understanding and minimizing the risks of human rights across our operations and supply chain, protecting whistleblowers, and minimizing environmental impacts that affect people and society. Within these topics, there are more specific human rights risks that we manage with the upmost seriousness, such as conflict minerals and child labor, due to the raw materials required for LEM's sensors – please see page 53 for further details.

Policies

Sustainability topic	Relevant policy
Human rights and sustainable supply chains	4, 6, 9
Due diligence and transparency	2, 9, 12, 19

Commitments, targets, and measures

Since 2023, our Sustainability Purchasing Program has underpinned how we managed our supply chains. It is supported and bolstered by a number of policies and guided by the United Nation Guiding Principles on Business and Human Rights (UNGPs) and the Internal Labor Organization (ILO). These include LEM's Labor & Human Right Policy, Whistleblower and Investigation Policy and Code of Conduct (all launched or updated in 2023 or 2024) – for a full list of relevant policies, please refer to the policy table on page 15.

Last year, we published our new Modern Slavery Statement which outlines our commitment to address the global issue of human trafficking and modern slavery. We also introduced our Sustainable Purchasing Policy – available on the website – which stipulates the environmental, social and governance (ESG) priorities for the business regarding purchasing; the relevant targets; and the expectations LEM has of its suppliers. The policy also outlines how ESG criteria are integrated into LEM's supplier selection and management processes, which includes risk assessments, the monitoring of risks and supplier compliance with LEM's policies, expectations, mitigation and actions. This policy applies to 100% of suppliers. The policy is being actively rolled out to all new suppliers through our onboarding process. For all existing suppliers, we have a target in place to ensure 100% of them receive the new policy and are engaged on its contents. This policy is supported by the Purchasing and Quality Risk Assessment (PRQA) processes which are required as part of the qualification steps to do business with LEM. These cover a broad range of business factors (e.g., cybersecurity, product quality and people management) and 18 questions on sustainability. The outcomes of these questions are not a disqualifying factor, but a low score is investigated, and the supplier must commit to developing an action plan and evidencing that the desired outcomes are worked on.

STRATEGY DEPLOYMENT PLAN: DUE DILIGENCE MANAGEMENT SYSTEM

Our Due Diligence Management System was launched in 2024 in the form of a sustainability assessment questionnaire and replaced this year by the Purchasing Strategic Deployment plan enabling us to screen our top 90% of suppliers by spend on their ESG performance. The new system involved a scoring update to the existing PQRA questionnaire, the creation of a minimum data quality threshold and alignment between our Purchasing and Quality teams for action plan definition and on-site audit for verification.

Data compiled under the new system is used to create a heat-mapping of risk among our direct and, for critical topics such as human rights and anti-corruption, selected tier-2 suppliers. Suppliers that fail to provide data that is sufficiently evidenced, accurate, or that do not demonstrate appropriate management of ESG topics are identified as risk hotspots within our supply chain and are issued a Corrective Action Plan (CAP). The Purchasing team ensures the timely implementation of corrective actions. Once suppliers have implemented their CAP, on-site audits are carried out by the Quality team to ensure and evidence that risks have been mitigated.

So far, 100% of our targeted suppliers have received the assessment and 80% have been completed and returned. Analysis and heat-mapping are underway for this year, with engagement of flagged suppliers starting in May 2026.

Key Performance Indicators

To measure the success and impact of our new due diligence management system we are recording the following KPIs:

KPI – Human rights and supply chain	Units	2025/26	2024/25
Internal audit including human rights topics	Units	0	1
Number of child labor cases in own operations	Units	0	0

Plans for the Future

As part of the Strategy Deployment project, we intend to engage key direct suppliers to source low-carbon and circular alternatives to traditional materials that we use in LEM sensors – part of our wider Ecodesign strategy to implement better materials into our products. In 2026/27, we are intending to implement a technical solution to more effectively scale the due diligence management system across our operations and supply chain.

Due diligence and transparency matter according to Art. 964j-l CO

Minerals and metals

In compliance with the Swiss Ordinance on Due Diligence and Transparency, we mapped the minerals and metals, against the quantities defined in the Annex I of the Swiss ordinance. Our analysis confirmed that, in 2025, we did not import any materials into Switzerland above the defined thresholds, thus exempting us from further obligations in Switzerland.

Human rights and child labor

According to the Swiss Due Diligence and Transparency Ordinance (DDTrO) and following the international guidelines on business and human rights including child labor, we conducted a gap analysis of our due diligence process. This assessment was the starting point from which we are constantly enhancing our due diligence program and risk assessment approach mentioned earlier. These are based on international frameworks, including the OECD and United Nations Guiding Principles on Business and Human Rights.

For the relevant KPIs, please see the table above on page 52.

TCFD Statement

Introduction

Climate change and the transition to low-carbon energy sources represent both risks and opportunities for LEM. We are proudly united behind one clear purpose: we help our customers and society accelerate the transition to a sustainable future. Recognizing our unique position, we are committed to leveraging this opportunity for growth while increasing awareness and mitigating climate-related risks.

We published our first TCFD statement in 2024, embracing the recommendations of the Task Force on Climate-Related Financial Disclosures and aligned with the Swiss Federal Council Ordinance on Climate Disclosures (section six of title thirty-two of the Swiss Code of Obligations (CO), Art. 964a–964c of the CO).

In 2025, we took a step forward, updating our TCFD statement to include financial quantification and qualitative assessments of our previously identified climate-related risks and opportunities. In this statement, we present our climate-related financial disclosure in line with the four TCFD recommendations: governance, strategy, risk management and metrics and targets.

Governance

BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Board of Directors (BoD) provides oversight of climate-related risks and opportunities within the broader context of our sustainability strategy. The BoD monitors the overall success of this strategy, through the Strategy and Sustainability Committee, whilst the Executive Committee is responsible for the strategy's development and execution.

Sustainability topics, risks and opportunities, have two annual dedicated slots in the BoD's agenda. During these sessions, the Head of Sustainability, reports to the BoD on progress and priority topics. Additionally, the Head of Sustainability presents to the Executive Committee quarterly, providing regular sustainability updates.

We will continue to review this and if necessary, adapt the Group's governance process to ensure alignment with emerging good practice. Please see our Sustainability governance and accountability section on pages 12-13 for further information on the Board's oversight.

THE ROLE OF MANAGEMENT IN ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-related risks and opportunities are evolving rapidly alongside regulatory developments and stakeholder expectations, with potential implications across our business. Robust governance arrangements are therefore critical to the identification, assessment, and management of climate-related risks and opportunities. Oversight by management and the BoD ensures these considerations are integrated into decision-making and supports the long-term resilience and sustainable success of the business.

Reflecting our commitment, we introduced Scope 1 and 2 reduction targets in 2023 as part of short-term incentives for Executive Management and senior leaders. In 2024, we broadened that to the carbon intensity of our products (gCO_2 per product). Scope 3 (to which our product carbon intensity relates) is the material portion of our total footprint and where we need to focus our efforts and actions. This marks a significant step in aligning leadership goals with our sustainability objectives.

Please see our Sustainability governance and accountability section on pages 12-13 for further information on the role of management in assessing and managing climate-related risks and opportunities.

Strategy

THE CLIMATE-RELATED RISKS AND OPPORTUNITIES THE ORGANIZATION HAS IDENTIFIED OVER THE SHORT, MEDIUM, AND LONG TERM

In early 2024, we conducted our first ever Double Materiality Assessment (DMA) to identify where our material impacts, risks and opportunities were within the value chain. We recognize that climate change is one of the biggest challenges of our time and as such, our DMA identified it as the most material topic to our business.

When assessing what the climate-related risks and opportunities might be for TCFD, we considered short, medium and long-term climate-related physical and transitional risks and opportunities. The timeframe used for this assessment was aligned to CSRD: less than one year for short-term; one to five years for medium-term; more than 5 years for long-term.

In establishing our initial TCFD statement, we conducted a series of workshops in 2024, in which we assessed the resilience of our strategy in three future-looking climate scenarios (1.5°C, 2°C and 3°C+) through three lenses: operations; product development; and supply chain. The scenarios outlined below are illustrative pathways used to support an assessment of the organization's strategic resilience.

In 2025 we conducted another series of workshops to support the financial quantification and qualitative assessment of the identified risks and opportunities. A full breakdown of the results from these workshops can be found in the risks and opportunities tables at the end of this statement.

	Scenario 1 **1.5°C**	Scenario 2 **2°C**	Scenario 3 **3°C+**
Summary	• Rapid renewable energy transition • Growth in low carbon technology • Market and reputational risks from non-compliance and customer pressure This scenario depicts net-zero emissions being achieved globally by 2050, limiting global warming to 1.5C compared to pre-industrial levels and aligning with the Paris Agreement. Global collaboration helps shift society away from fossil fuels and focuses on adding non-economic value, such as well-being. A united response sees all value chains benefit from taking sustainable action.	• Gradual low-carbon technology investment • Moderate but enforced regulatory changes • More frequent extreme weather events Considered the most likely scenario, based on the current level of climate ambition and commitments. Global emissions have fallen rapidly, however, the transition to a low-carbon economy is disorderly. Engagement from leaders and the public is intermittent and the physical impacts of climate change become more evident.	• Inconsistent climate policies across regions • Vulnerable supply chains and severe disruptions from extreme weather • Some demand for low-carbon and resilient products Some near-term and regionally uneven economic growth propped up by the unrestricted use of fossil fuels. However, the catastrophic economic toll of climate change becomes an unprecedent drag on preserving that growth. Emissions roughly double by 2100 and global warming has accelerated well past the point of no return by 2030. The consequences are widespread and tangible, and in some cases are catastrophic.
IPCC Scenarios	SSP1 – 1.9	SSP2 – 4.5	SSP5 – 8.5
Other Scenarios	PRI IPR 1.5°C Required Policy Scenario	PRI IPR: Forecast Policy Scenario	-

SSP = Shared Socioeconomic Pathway
PRI IPR = Principles for Responsible Investment Inevitable Policy Response

THE IMPACT OF CLIMATE- RELATED RISKS AND OPPORTUNITIES ON THE ORGANIZATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING

Through the initial workshops in 2024, we identified what the climate-related impacts might be on our business. The following year, we conducted another series of workshops to support the financial quantification and qualitative assessment of those risks and opportunities, improving our understanding and capacity to plan ahead.

LEM's operating costs, reputation with customers and revenue will be influenced by how quickly we can react to the identified risks. It will require us to build resilience into our model and to anticipate the pace of change in our industry in the short, medium and long term. We recognize that we face risks of disruption due to climate-induced extreme weather, which could affect shipping routes, increase lead times, and create shortages.

Additionally, we work with materials that currently function only in a limited range of ambient temperatures, such as EV batteries. Therefore, climate change and related weather changes may mean we have to update the materials we use or the design in order for our products to be resilient to a wider range of temperatures. We also need to consider the possibility of rising costs for resources (materials and energy) due to global supply chain disruption, which could affect our margins and, potentially revenues as well.

We may also see impacts to our own assets. For example, some warehouses and manufacturing plants are located in areas which are more vulnerable to climate-change induced physical impacts (Malaysia, China, Southern US states).

There are also transitional risks and opportunities to consider as the market shifts, such as increasing competition, design changes which require a different number and type of sensors and increasing customer expectations for PCFs (product carbon footprints), LCAs (lifecycle assessment) and EPDs (environment product declarations). A full table of the identified risks and opportunities can be found further down this statement.

THE RESILIENCE OF THE ORGANIZATION'S STRATEGY, TAKING INTO CONSIDERATION DIFFERENT CLIMATE-RELATED SCENARIOS, INCLUDING A 2°C OR LOWER SCENARIO

We assessed the resilience of our strategy in three future-looking climate scenarios (1.5°C, 2°C and 3°C+) through three lenses: operations; product development; and supply chain. A full breakdown of the three scenarios and their characteristics can be found above in the Strategy section.

We believe it is crucial that LEM takes action to reduce its impact on climate change, both to help protect the planet but to also mitigate the climate-related risks we have identified. Our central risk team works closely with the sustainability team to ensure our approach and continuity planning is aligned across the business. This is increasingly important to how we respond to regulations, which will continue to vary regionally.

We are already addressing many of our climate-related risks and opportunities, as well as the potential impacts, through our sustainability strategy, which includes:

- A group environmental policy, which underpins our commitment to monitor and control energy use and GHG emissions across our own operations and value chain, as well as a Group Environment Management System (EMS) manual.
- Our net zero targets for the business (full details on page 26).
- Switching to renewable electricity. We are now using 100% renewable electricity across our own operations due to green tariff contracts, on site solar generation and Energy Attribute Certificates.
- Generating around 9% of our own renewable electricity needs at all our main pro-

duction sites (Geneva, Penang, Beijing) from 2024, and expanded capacity in our Geneva office from beginning of 2025, via onsite solar panels.

- Adopting energy efficiency technologies. For example, we moved our Swiss head office in 2022 to a building that had received a Minergie label (Très Haute Performance Energetique – 'THPE'). Alongside the office move, we implemented a smart energy management project, delivering measurable efficiency gains, as detailed in the case study on page 29-30.
- Collaborating with key customers to co-develop solutions that help us to stay ahead in the market, for example, developing smaller, lighter, cheaper and better sensors to optimize performance and efficiency.

Risk Management

THE ORGANIZATION'S PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

In 2024, we consciously assessed climate-related risks and opportunities as a distinct risk category, on top of the annual enterprise risk assessment already encompassing those risks. First, we conducted our DMA, which explicitly assessed the impacts, risks and opportunities related to all sustainability matters. Climate change was identified as the most material topic to LEM from both an impact and financial perspective, which was corroborated by the feedback from our external stakeholder engagement early 2025. We then completed our first scenario analysis in 2024, which explored climate-related risks and opportunities in a 1.5°C, 2°C and 3°C+ world. This analysis considered all types of climate-related risks and opportunities, including transition risks (policy and legal, technology, market and reputation); physical risks (acute and chronic); and opportunities (resource efficiency, energy source, products/ services, markets and resilience). Late 2025 we took a step forward by conducting a series of workshops which supported the financial quantification and qualitative assessment of those identified risks and opportunities, with the results included in tables below.

Additionally, LEM has a standardized procedure for Enterprise Risk Management covering all types of risks: financial, operational and strategic. The central risk and audit team is responsible for coordinating the group's risk assessment and management strategy, across LEM's business units and functions. A full description of the risk management process is published in the annual report, see page 31-32.

The sustainability team, sustainability committee and the strategy committee are instrumental stakeholders in our climate risk management processes. Their subject matter expertise has been critical in helping us identify and assess the climate-related risks and opportunities that we face.

THE ORGANIZATION'S PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

LEM's sustainability governance structure, described above, supports the business management of climate-related risks by outlining relevant existing initiatives and by identifying new initiatives to develop our strategic response. The scenario analysis in 2024 was our starting point for identifying climate-related risks and it expanded on the impacts, risks and opportunities we identified through the DMA, which was further built on in 2025 with quantitative and qualitative analysis.

Our strategic response to the identified risks is fully integrated into our sustainability roadmap. It includes initiatives to reduce our operational and supply chain emissions, and to develop our products in line with the changing market environment and consumer requirements. The full details for these initiatives are published under our 'Sustainability priority areas' and 'Transitioning to a sustainable future' sections on pages 18-23 and 24-36.

Our management process includes the review and development of initiatives (related to climate-related risks and opportunities) across our business units. We engage with our country-level management teams and regional 'green committees' to manage our risks. Physical and transition climate risks identified through the TCFD process are now incorporated into the second generation of Climate Fresk workshops, providing participants with an overview of these risks and engaging them in our mitigation approaches (more on page 60-62).

INTEGRATION OF THE PROCESSES FOR IDENTIFYING, ASSESSING AND MANAGING CLIMATE-RELATED RISKS INTO THE ORGANIZATION'S OVERALL RISK MANAGEMENT

Climate risk is treated like any other risk (e.g., operational, people, technology) and therefore sits under the umbrella of centralized processes and is aligned to our overall risk framework. This centralized approach is detailed above in the risk management section.

The 2024 scenario analysis helped us to identify which detailed climate-related risks should be investigated more carefully and responded to in our sustainability strategy. This furthered the analysis that was conducted in the DMA. This work was further developed in 2025 through a series of workshops to support the financial quantification and qualitative assessment of these risks and opportunities.

Metrics and targets

THE METRICS USED BY THE ORGANIZATION TO ASSESS CLIMATE- RELATED RISKS AND OPPORTUNITIES IN LINE WITH ITS STRATEGY AND RISK MANAGEMENT PROCESS

LEM measures its overall carbon emissions, across Scopes 1, 2 (location and market based) and 3, which includes all 15 categories as per the GHG Protocol. Our published footprint, breakdown by Scope 3 category and description can be found on pages 27-28.

For further sustainability-related KPIs please refer to our summary data table on pages 68-71. LEM will continue to monitor and disclose climate-related metrics on an annual basis.

SCOPE 1, 2 & 3 GHG EMISSIONS AND RELATED RISKS

In 2023, we started the process of calculating our carbon footprint. We have since built and iterated on our original calculations improving and expanding our methodology to ensure our calculations are more exhaustive and more precise. We will continue to report on our carbon emissions year on year, monitoring our progress towards emissions reductions and improving the precision of the calculation leveraging on primary data collected from external stakeholders. These results can be found on page 27-28. We continue to evolve our approach and methodology for quantifying climate metrics.

THE TARGETS USED BY THE ORGANIZATION TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST TARGETS

In 2021, we committed to reach net zero emissions by FY 2025/26 in our own operations (Scope 1 and 2 market-based). In 2025, we achieved carbon neutrality for these scopes by offsetting 130 tons of CO_2 through certified carbon credits. Furthermore, we have set a net zero target for our value chain (Scope 3) by FY 2040/41, from a 2023 baseline. We are also investigating the possibility of submitting our targets to the Science Based Targets Initiative (SBTi) as the next major step to validate our net zero roadmap. Full wording and more information regarding targets, progress and activities on our targets can be found on page 26.

To help us reach net zero by FY 2040/41 we have adopted actions alongside these targets, while acknowledging business growth in the medium and long term. We are actively addressing emissions across all three scopes. More details on our actions to meet our targets can be found on page 25-36.

Risks

Scenario	Risk	Description	Detail	Time scale	Impact	Assessment basis	Mitigation
1, 2 & 3	Risk (Transitional)	Regulatory & stakeholder environment	Growing global regulations require businesses to adapt quickly to stay competitive. Compliance with CSRD, and potential carbon taxes is increasing operational and capital costs. Increasing demands for supply chain transparency may require numerous ESG commitments such as Product Carbon Footprint or Lifecycle Assessment from LEM suppliers. Meeting demands and creating circular products might add costs and challenges, particularly with suppliers early on their sustainability journey.	S/M	L	Qualitative	Ensure proactive regulatory monitoring and capacity to respond to regulators and stakeholders
1, 2 & 3	Risk (Physical, acute)	Supply chain and market disruption	Extreme weather events may disrupt supply chains and increase costs for raw materials, energy, and production, especially in high-risk areas like China, Malaysia, the Southern US, and parts of Europe. Uncertainty around supplier impacts will make planning difficult. In Scenario 3, reduced raw material quality could also lead to more customer claims, harming LEM's reputation. Adapting technology and design due to material shortages may further disrupt production, affect quality, and raise costs. Key markets like China, which dominate the industry, will face physical risks, amplifying market-wide impacts.	M/L	M	Qualitative	Dual sourcing or increasingly localized supply chains. Using tools ahead of time to forecast supply chain disruption (e.g. Silicon Expert database)
1, 2 & 3	Risk (Physical, acute)	Asset damage from extreme weather events	Asset damage to our own plants might disrupt our own operations due to an extreme weather event. This year, LEM had to take additional measures to protect assets from extreme weather resulting in increased operating costs – this may be exacerbated in the future depending on the potential magnitude and impacts of climate change.	M/L	L	Quantitative	Consider climate resilience when expanding or planning new investments in assets. Conduct feasibility studies on building adaptability and regularly update business continuity plans

Timescales: S – Short (<1 year), M – Medium (1-5 years), L – Long (>5 years)
Quantitative Impact: L – Low (<1 million CHF), M – Medium (1-10 million CHF), H – High (10-20 million CHF), VH – Very High (>20 million CHF)
Qualitative Impact: L – Low, M – Medium, H – High, VH – Very high

Risks (continued)

Scenario	Risk	Description	Detail	Time scale	Impact	Assessment basis	Mitigation
2 & 3	Risk (Physical, chronic)	Product efficiency in high temperatures	The materials used in products are designed for current ambient temperature conditions and may decrease in efficiency or not withstand extreme heat. For example, EV batteries are highly sensitive to both high and low temperatures. Adapting materials and products to endure these conditions could result in increased costs.	L	L	Qualitative	Update materials, design, simulation or models to withstand extreme temperatures
3	Risk (Physical, chronic)	Increase in operating costs	Rising temperatures will lead to more cooling required in workshops as well as investment in technology to reduce humidity in the production areas to maintain safe working conditions. This would lead to increased energy use and hence increased costs.	M/L	L	Quantitative	Invest in energy-saving measures and on-site renewables
1	Risk (Transitional)	Market competition	The market becomes bigger and more competitive, LEM's business is no longer a 'niche'. LEM must prepare and adapt for more and new competition, which could come in many forms, e.g., competition for supply, innovative design and technology, patents, price, reactiveness.	S/M/L	H	Qualitative	Ensure LEM provides an innovative and competitive offering
3	Risk (Physical, chronic)	Health, safety and wellbeing	Increasing health, safety and wellbeing risks for workforce in extreme temperatures, e.g. concerns for employees who work outdoors, challenges of meeting customers, increasing cost of workforce insurances (accident, health, business trip etc.), increase in tropical diseases in new territories and worker productivity may decrease in extreme temperatures.	L	L	Quantitative	Regular H&S reviews, ensuring sites are safe for employees. Adapt sites where necessary e.g. additional a/c units to increase cooling
3	Risk (Physical, chronic)	Climate migration - own workforce	As certain regions become uninhabitable, mass migration may occur from densely populated areas to new, more habitable locations. This could lead to workforce shifts, with employees leaving regions where LEM currently operates.	L	L	Qualitative	Monitor the situation and maintain, or expand if needed, operations in more favorable locations

Timescales: S – Short (<1 year), M – Medium (1-5 years), L – Long (>5 years)
Quantitative Impact: L – Low (<1 million CHF), M – Medium (1-10 million CHF), H – High (10-20 million CHF), VH – Very High (>20 million CHF)
Qualitative Impact: L – Low, M – Medium, H – High, VH – Very high

Opportunities

Scenario	Opportunities	Description	Detail	Time scale	Impact	Assessment basis	Mitigation
1	Opportunity	Employee attraction and engagement	Promoting climate awareness and highlighting LEM's role in the low-carbon transition can boost employee engagement, retention, and talent attraction. Most of our products support electrification and the transition to low-carbon energy.	S/M	L	Quantitative	Promote LEM's story to employees and potential hires
1, 2 & 3	Opportunity	Competitive advantage in a lower carbon world	LEM is well positioned to capitalize on the growing demand for electrification in automotive, renewables, and cooling sensors, with transducers playing a key role in decarbonization. Government support and ESG leadership could further strengthen this advantage. By providing transparency and traceability, LEM can add value and stay ahead of evolving regulations. The company is already calculating product carbon footprints, reinforcing its competitive edge in a market increasingly focused on sustainability.	S/M	H	Qualitative	Monitor markets and maintain capacity to supply increased demand
1, 2 & 3	Opportunity	Circularity into products	As availability of raw materials decrease, there may be an opportunity to reuse and/or recycle materials and innovate for circularity (eco-design). This could potentially make the business and products more resilient (e.g., at the design, buying, or supply stage).	M/L	M	Qualitative	Innovated and expand circularity initiatives where feasible
1, 2 & 3	Opportunity	Localization and diversification of suppliers and plants	Localizing production offers an opportunity to procure electronic components regionally, reducing transportation costs, supply chain disruptions, and emissions. This requires collaboration with Chinese, European, and U.S. partners, as well as R&D for product design. Additionally, in-house manufacturing could enhance flexibility and diversify LEM's business model.	M/L	L	Qualitative	Monitor supplier base and strategically localize or integrate where beneficial

Timescales: S – Short (<1 year), M – Medium (1-5 years), L – Long (>5 years)
Quantitative Impact: L – Low (<1 million CHF), M – Medium (1-10 million CHF), H – High (10-20 million CHF), VH – Very High (>20 million CHF)
Qualitative Impact: L – Low, M – Medium, H – High, VH – Very high

Appendices

This report includes LEM's response to two pieces of disclosure legislation: the Swiss Federal Council Ordinance on Climate Disclosures (OCD) (Appendix 1 including Task Force on Climate related Financial Disclosures (TCFD) statement on pages 55-62) and Responsible Business Initiative (RBI) (Appendix 2). A detailed index table for both can be found below.

Appendix 1: OCD including TCFD content index

Recommendations	Supporting recommended disclosures	Disclosure locations
Governance Disclose the organization's governance around climate- related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities.	page 55
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	page 55
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	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	pages 56-58
	b) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning.	pages 56-58
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	pages 56-58
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	a) Describe the organization's processes for identifying and assessing climate-related risks.	pages 58-59
	b) Describe the organization's processes for managing climate-related risks.	pages 58-59
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	pages 58-59
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process.	page 59
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	page 59
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	page 59

Appendix 2: RBI content index

Non-financial matter according to Art. 964b CO	Response/ Reference to LEM material topics	Page number
1) Basis of preparation		
Reporting principles & standards	We report performance on a Group-wide basis. Our reporting boundaries are defined by financial control as explained by the Greenhouse Gas (GHG) protocol. The majority of the data collecting aligns with our financial year (1st April 2025 to 31st March 2026). The exceptions are our waste, energy and GHG emissions data that are based on a calendar year (January 2025 to December 2025). If we have any exclusions in our reporting due to data gaps, then those exclusions are clearly stated. We aligned our reporting KPIs to the European Financial Reporting Advisory Group's European Sustainability Reporting Standards (ESRS) and followed the Global Reporting Initiative (GRI) double materiality methodology.	
Reporting scope	LEM Group	
2) General aspects		
Description of the business model	Understanding LEM	6
Description of governance	Governance structure	12-13
Description of materiality assessment	Sustainability double materiality	19-23
3) Environmental matters		
Description of the main impacts and risks (based on double materiality perspective)	Our decarbonization journey Waste reduction Innovation and circular economy	25-28 31-32 33-34
Policies adopted, including the due diligence applied	Our decarbonization journey Waste reduction Innovation and circular economy	25-28 31-32 33-34
Measures taken to implement policies and assessment of effectiveness	Our decarbonization journey Waste reduction Innovation and circular economy	25-28 31-32 33-34
Key performance indicators	Our decarbonization journey Waste reduction Innovation and circular economy	25-28 31-32 33-34
4) Social matters		
Description of the main impacts and risks (based on double materiality perspective)	Innovation and circular economy Investing in our people	33-34 38-40
Policies adopted, including the due diligence applied	Innovation and circular economy Investing in our people	33-34 38-40
Measures taken to implement policies and assessment of effectiveness	Innovation and circular economy Investing in our people	33-34 38-40

Non-financial matter according to Art. 964b CO	Response/ Reference to LEM material topics	Page number
Key performance indicators	Innovation and circular economy Investing in our people	33-34 38-40
5) Employee-related matters		
Description of the main impacts and risks (based on double materiality perspective)	Investing in our people Diversity, equity and inclusion Health, safety and wellbeing of employees	38-40 42 43-44
Policies adopted, including the due diligence applied	Investing in our people Diversity, equity and inclusion Health, safety and wellbeing of employees	38-40 42 43-44
Measures taken to implement policies and assessment of effectiveness	Investing in our people Diversity, equity and inclusion Health, safety and wellbeing of employees	38-40 42 43-44
Key performance indicators	Investing in our people Diversity, equity and inclusion Health, safety and wellbeing of employees	38-40 42 43-44
6) Combating corruption		
Description of the main impacts and risks (based on double materiality perspective)	Business ethics	48-49
Policies adopted, including the due diligence applied	Business ethics	48-49
Measures taken to implement policies and assessment of effectiveness	Business ethics	48-49
Key performance indicators	Business ethics	48-49
7) Respect for human rights		
Description of the main impacts and risks (based on double materiality perspective)	Human rights, sustainable procurement and due diligence	51-53
Policies adopted, including the due diligence applied	Human rights, sustainable procurement and due diligence	51-53
Measures taken to implement policies and assessment of effectiveness	Human rights, sustainable procurement and due diligence	51-53
Key performance indicators	Human rights, sustainable procurement and due diligence	51-53
Due Diligence and Transparency Ordinance according to RBI-DDTrO Art. 964 j-l CO		
8) Minerals and metals		
Minerals and metals	Human rights, sustainable procurement and due diligence	51-53
9) Child labor		
Child labor	Human rights, sustainable procurement and due diligence	52-54

Appendix 3: LEM ESG rating summary

ESG rater and score	Description	Year
 **Score:** Bronze **Range:** no medal to platinum	EcoVadis is a provider of business sustainability ratings. We have completed their assessment process and received a bronze medal. EcoVadis Medals are awarded to the top 35% of companies assessed by EcoVadis.	2025
CDP DISCLOSURE INSIGHT ACTION **Score:** Climate: B | Water: C **Range:** A to F	CDP is a not-for-profit charity that runs the global disclosure system to manage companies' environmental impacts. We have completed the CDP Climate Change and Water questionnaires and scores are still under review.	2025
MORNINGSTAR | SUSTAINALYTICS **Score:** 13.3 **Range:** 0 to 40+	Morningstar sustainalytics provides analytical ESG research, ratings and data to institutional investors and companies. In 2025, LEM received an ESG rating of 13.3 and was assessed by Morningstar Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors.	2025
United Nations Global Compact **Communication on Progress on the ten principles submitted** **Range:** no range	The UNGC is a global corporate sustainability initiative. We have been a signatory of the UNGC since 2006. As part of this, we have committed to submit a Communication on Progress (CoP) questionnaire.	2025
In support of WOMEN'S EMPOWERMENT PRINCIPLES Established by UN Women and the UN Global Compact Office **WEP signatory**	Women's Empowerment Principles (WEP). We have been a signatory of the WEP since 2026. We have committed to making a meaningful difference for gender equality and women's empowerment in the workplace, marketplace and community.	2026

Appendix 4: Summary data table

Key performance indicator	Unit	2025(/26)	2024(/25) (restated)	ESRS	Notes
Countries operating in	Units	16	17	S1	Refer to page 7-8 for list of countries
Renewable electricity split	%	100	99	E1	
Global energy consumption	MWh	10,812	9,865	E1	
Thereof energy self-produced via solar panels	*MWh*	*920*	*756*	*E1*	
Global energy consumption from fossil fuel	MWh	7	40	E1	
Global energy consumption from nuclear	MWh	20	97	E1	
Global energy consumption from renewable	MWh	10,785	9,728	E1	
Global energy consumption intensity	MWh/CHF	0.038	0.032	E1	
Global Scope 1	tCO_2e	129	120	E1	
Global Scope 2 (location based)	tCO_2e	4,446	4,190	E1	
Global Scope 2 (market-based)	tCO_2e	0	20	E1	
Global Scope 3	tCO_2e	192,768	188,728	E1	
Category 1: Purchased Goods and Services	tCO_2e	57,778	58,805	E1	
Category 2: Capital Goods	tCO_2e	2,393	5,561	E1	
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	tCO_2e	1,512	1,343	E1	
Category 4: Upstream Transportation and Distribution	tCO_2e	6,906	5,033	E1	
Category 5: Waste Generated in Operations	tCO_2e	32	38	E1	
Category 6: Business travel	tCO_2e	1,653	1,742	E1	
Category 7: Employee Commuting	tCO_2e	1,863	1,847	E1	
Category 8: Upstream Leased Assets (NEW)	tCO_2e	0	1	E1	
Category 9: Downstream Transportation and Distribution	tCO_2e	2,000	1,870	E1	
Category 10: Processing of Sold Products	tCO_2e	N/A	N/A	E1	
Category 11: Use of Sold Products	tCO_2e	116,927	110,864	E1	
Category 12: End-of-Life Treatment of Sold Products	tCO_2e	1,704	1,624	E1	
Category 13: Downstream Leased Assets	tCO_2e	0	0	E1	

Key performance indicator	Unit	2025(/26)	2024(/25) (restated)	ESRS	Notes
Category 14: Franchises	tCO_2e	N/A	N/A	E1	
Category 15: Investments	tCO_2e	N/A	N/A	E1	
Global Scope 1 and 2 (location-based)	tCO_2e	4,575	4,310	E1	
Global Scope 1 and 2 (market-based)	tCO_2e	129	140	E1	
Global Scope 1, 2 (location-based) and 3	tCO_2e	197,343	193,038	E1	
Global Scope 1, 2 (market-based) and 3	tCO_2e	192,897	188,868	E1	
Global Scope 1, 2 (location-based) and 3 CO_2e intensity	gCO_2e/ product	3,545	3,648	E1	
Global Scope 1, 2 (market-based) and 3 CO_2e intensity	gCO_2e/ product	3,465	3,570	E1	
Global Scope 1, 2 (location-based) and 3 CO_2e intensity	gCO_2e/ revenue	686	629	E1	
Global Scope 1, 2 (market-based) and 3 CO_2e intensity	gCO_2e/ revenue	670	615	E1	
Offsets purchased	tCO_2e	130	0	E1	
Water purchased	m^3	22,032	-	E3	
Total amount of waste generated for the group	tons	303	289	E5	
Hazardous waste	tons	48	54	E5	
Non-hazardous waste	tons	255	235	E5	
Active users of LinkedIn learning at the end of March 2026	%	61	78	S1	
LinkedIn learning hours completed	Hours	977	>2000	S1	
Number of face-to-face training hours per IDL	Hours	3	11	S1	
Total hours of learning completed	Hours	>3,300	>13,000	S1	
Global voluntary turnover rate	%	9	8	S1	
EEA Collective Bargaining coverage	%	33	44	S1	
Non-EEA Collective Bargaining coverage	%	0	0	S1	
EEA Social dialogue coverage (employee representatives)	%	88	89	S1	
Non-EEA Social dialogue coverage (employee representatives)	%	4	4	S1	

Key performance indicator	Unit	2025(/26)	2024(/25) (restated)	ESRS	Notes
Percentage of DL that participated in regular performance	%	93	78	S1	
Percentage of IDL that participated in regular performance and career development reviews	%	97	99	S1	
Under 30 years old	%	13	14	S1	
30-50 years old	%	71	71	S1	
Above 50 years old	%	16	15	S1	
Total number of permanent employees	Units	1,465	1,611	S1	
Female employees	%	53	51	S1	
Male employees	%	47	49	S1	
Total number of Executive Committee members	Units	5	7	S1	
Female members of the Executive Committee	%	20	14	S1	
Male members of the Executive Committee	%	80	86	S1	
Total number of employees at senior leaders management	Units	32	28	S1	
Female employees at senior leaders management	%	13	14	S1	
Male employees at senior leaders mamagement	%	87	86	S1	
Total number of non-employee workers in own workforce (TEMP agency)	Units	180	143	S1	
LEM Group direct labor (DL)	%	40	40	S1	
LEM Group indirect labor (IDL)	%	60	60	S1	
Number of work-related fatalities (by employees, by non-employees and by other workers working on site)	Units	0	0	S1	
Number of recordable work-related accidents (by employees and non-employees)	Units	1	5	S1	
Rate of recordable work-related accidents (by employees and non-employees)	Total number of accidents/ working hours x 200,000[1]	0.06	0.30	S1	

[1] 200,000 is a fixed coefficient (50 working weeks x 40 hours x 100): see osha.gov

Key performance indicator	Unit	2025(/26)	2024(/25) (restated)	ESRS	Notes
Number of recordable work-related incidents (by employees and non-employees)	Units	9	12	S1	
Rate of recordable work-related incidents (by employees and non-employees)	Total number of accidents/ working hours x 200,000[1]	0.57	0.72	S1	
Code of Conduct signature rate	%	97	98	S1	
Training on whistleblowing/ business ethics completion rate	%	97	98	S1	
Yearly refresher training on CoC (whistleblowing/ business ethics completion rate for IDL)	%	98	N/A	S1	
Number of whistleblowing complaints received	Units	14	22	S1	
% complaints under investigation	%	7	0	S1	
% complaints closed	%	93	100	S1	
Total number of convictions	Units	2	1	S1	
Total amount of fines for violation of anti-corruption and anti-bribery laws	Units	0	0	G1	
Total number and nature of confirmed incidents of bribery and corruption	Units	1	0	G1	
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Units	0	0	G1	
Number of legal proceedings currently outstanding during the reporting period for late payments	Units	0	0	G1	
Internal audit incl. human rights topics	Units	0	1	S2	
Number of child labor cases in own operations	Units	0	0	S2	

[1] 200,000 is a fixed coefficient (50 working weeks x 40 hours x 100): see osha.gov

Appendix 5: List of acronyms

Acronym	Meaning
AI	Artificial Intelligence
BoD	Board of Directors
CCF	Corporate Carbon Footprint
CDP	Carbon Disclosure Project
CO_2e	Carbon Dioxide Equivalent
CoC	Code of Conduct
CSMS	Cyber Security Management System
CTO	Chief Technology Officer
EV	Electric Vehicle
DEI	Diversity, Equity and Inclusion
DL	Direct Labor (production line operator)
DMA	Double Materiality Assessment
EACs	Energy Attribute Certificates
EEA	European Economic Area
EMS	Environment Management System
EPD	Environment Product Declaration
ERM	Entreprise Risk Management
ESG	Environment, Social, Governance
ESRS	European Sustainability Reporting Standards
EU CSRD	European Union Corporate Sustainability Reporting Directive
FY	Financial Year
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HR	Human Resources
HVAC	Heating, Ventilation and Air-Conditioning
ICS	Industrial Control System
IDL	Indirect Labor
ILO	International Labor Organization
IROs	Impacts, Risks and Opportunities
IS	Information System
ISO	Change to International Organization for Standardization
IT	Information Technology
LCA	Life Cycle Assessment
MRI	Magnetic Resonance Imaging
MWh	Megawatt-hour
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
OH&S	Occupational Health and Safety

Acronym	Meaning
PCF	Product Carbon Footprint
PRI	Principles for Responsible Investment
PRQA	Purchasing and Quality Risk Assessment
R&D	Research and Development
RBI-DDTrO	Swiss Responsible Business Initiative Due Diligence and Transparency Ordinance
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
RCP	Representative Concentration Pathway
SBTi	Science Based Target Initiative
STEM	Science, Technology, Engineering, Mathematics
SSC	Strategy and Sustainability Committee
SSP	Shared Socioeconomic Pathway
SVP	Senior Vice President
TCFD	Taskforce on Climate related Financial Disclosures
THPE	Très Haute Performance Energétique
UNGC	United Nations Global Compact
UNGP	United Nation Guiding Principles
WEP	Women's Empowerment Principle
WEP GAT	Women's Empowerment Principle Gender Gap Analysis Tool

Life

LEM is following a clear purpose: to help our customers and society accelerate the transition to a sustainable future. Competent and determined employees work tirelessly to fulfill this purpose and develop innovations together with customers and suppliers. We work at the forefront of megatrends such as renewable energy, mobility, automation and digitization. We collaborate with universities to attract emerging talents who will contribute new ideas to reach our purpose.

Energy

LEM is in a unique position: our business is facilitating the enormous changes needed to make the pursuit of a low-carbon future a reality. A wide range of applications we serve – electric vehicles, charging stations, renewable energy, trains – rely on our innovative components to monitor energy consumption and optimize performance. Our current sensors can be found in low-carbon industries and technologies that are critical to a sustainable future.

Motion

The electronic sensor industry is changing fast, being shaped by continuous technological breakthroughs. The rapid rise in the electrification of the world is driving change faster than ever before. We are focused and moving fast to capture growth opportunities in all of our markets. We are investing heavily in the research and development of new technologies and next-generation applications.

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