LEM

Life Energy Motion

Sustainability Report 2024–2025

Table of Contents

Insights from the Chairman and the CEO

Frank Rehfeld
Chief Executive Officer

Andreas Hürlimann
Chairman of the Board of Directors

Dear Stakeholders,

As we enter the second year of standalone sustainability reporting, we are proud of the progress we have made. We have remained committed to our strategic goals and priorities, despite the challenges we are facing at LEM and the turbulent ESG regulation landscape, most notably with the recent EU Omnibus legislative package. Our Sustainability Report remains a vital communication tool, allowing us to share our sustainability achievements and challenges with our stakeholders.

We continue to be well-positioned to play a vital role in the global sustainability transition: our products can facilitate the major shifts we need to make to meet our global climate goals, such as the electrification of vehicles and transport, the improvement of charging infrastructure, energy transmission and distribution. The global market is shifting, and we will continue to be agile and responsive to its demands. We will support our customers in their transitions and make LEM the premier choice for those looking to secure a sustainable future.

Over the last year, we have worked hard on embedding sustainability principles from the ground up. People are at the heart of our business

and our sustainability strategy. We believe that engaging everyone across our business, and empowering individuals within the organization to be part of the solution, is how we will achieve our long-term ambitions. We have continued to see our Green Committees play a critical role in our sustainability journey, helping to roll out local initiatives, such as green commuting weeks and nature initiatives, and now meeting monthly with the Head of Sustainability to help drive local and global change too. We have also seen a positive response to the Climate Fresk workshops, which were rolled out across the business and empower us all to better understand and take action on climate change.

We are proud to have made measurable progress in reducing our Scope 1 and 2 market-based and 3 emissions. Over the last year, we have continued to address our environmental and carbon footprint and remain committed to our decarbonization pathway. In 2024, we achieved 99% renewable electricity across our sites due to a combination of on-site generation, direct renewable energy purchases, and Energy Attribute Certificates (EACs). We continued to transition our transport and distribution from air freight to sea and rail freight, which helps to drive down our value chain emissions. These examples are two of the many initiatives going on across the business to help us reach our decarbonization targets.

None of our achievements could be possible without the dedication and passion of colleagues across LEM, and as a business we strive to support our colleagues to thrive in these challenging times. This year, we have invested in our leaders, who help to champion LEM's values and inspire our teams, with year-long leadership training programs designed to support and empower them to excel in their roles. We have also created a comprehensive toolkit to help colleagues build resilience and adopt a growth mindset. We have continued to update our internal policies and structures to ensure the business is aligned to our values and is set up to succeed. Since 2023, part of the short-term incentives for our Executive Management and Senior Leaders has been tied to our Greenhouse Gas (GHG) emissions reduction targets. In 2024, we expanded this to include Scope 3, in addition to Scope 1 and 2, because we believe change needs to come from all levels of our business.

Our sustainability journey is not linear, and we cannot let perfect be the enemy of good. We believe we are making great strides and that this report demonstrates our continued commitment to a better future for all. We are excited by the work still to be done and the challenges we must solve; it motivates us all to continue learning and evolving as a business. We invite you to read this Report and welcome your feedback on our progress.

Highlights

This section provides a snapshot of our highlights in FY2024/25. For a more comprehensive and detailed view of our progress, please refer to our data table in Appendix 4.

51% female

49% male

New Antitrust and Fair Competition Policy
Refreshed Labor & Human Rights Policy

1,698 employees

6 local Green Committees

"Thrive in challenging times" program for leaders

170 participants at 14 Climate Fresk workshops in Europe

99% of our own sites using renewable electricity

New Procurement Risk Assessment and Supplier Sustainability Assessment to engage on ESG with our vendors

Ambitious emission reduction commitments:

90% reduction in Scope 1 and 2 emissions by FY2025/26

90% reduction in Scope 3 emissions by FY2040/41

What we do and where we operate

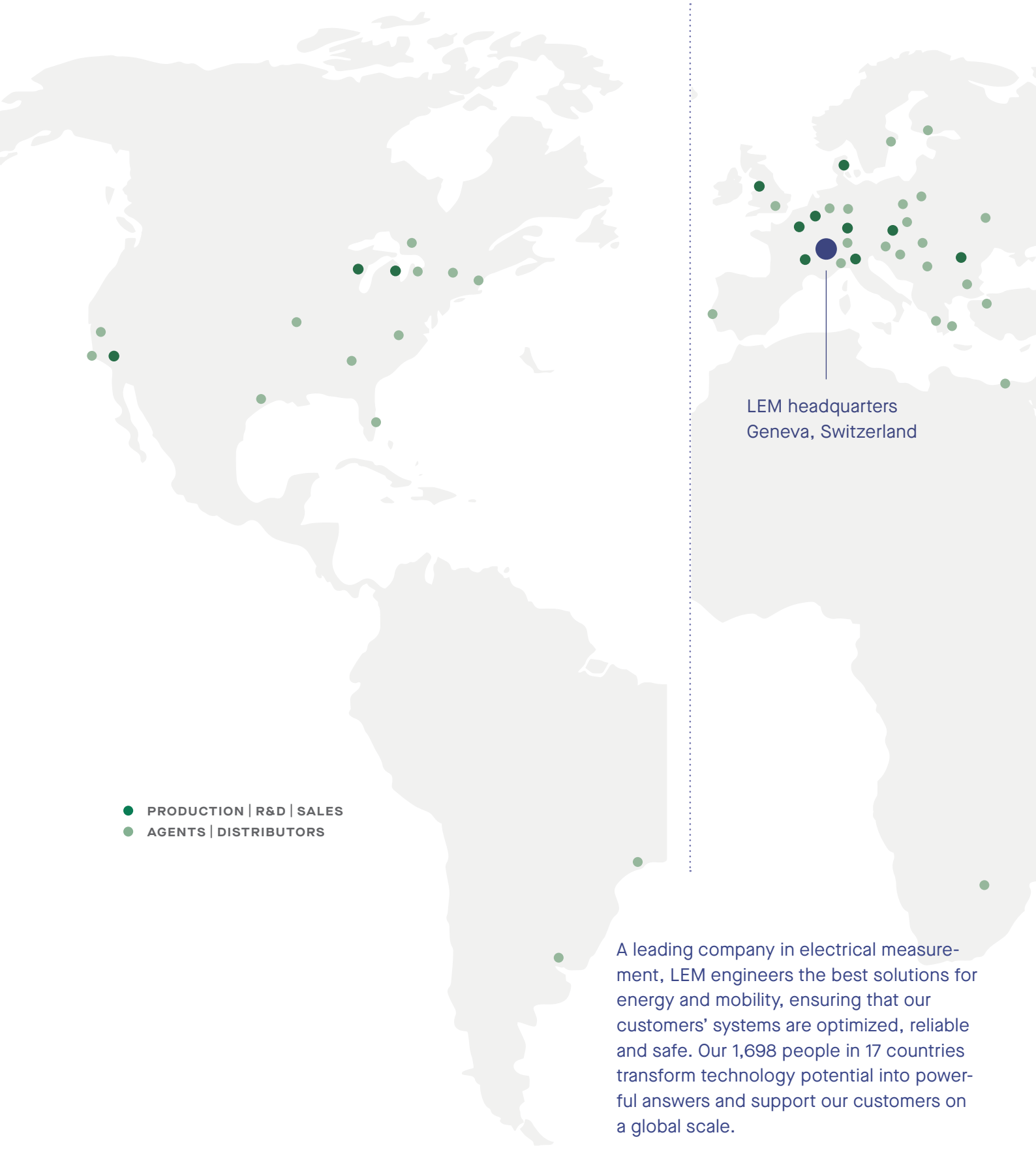
LEM specializes in current sensors, and for over 50 years, we have been at the forefront of global advancements in renewable energy, mobility, automation, and digitization. Based in Geneva, we are helping to accelerate the transition to a more sustainable future by playing an important role in the innovation of electrical solutions.

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)

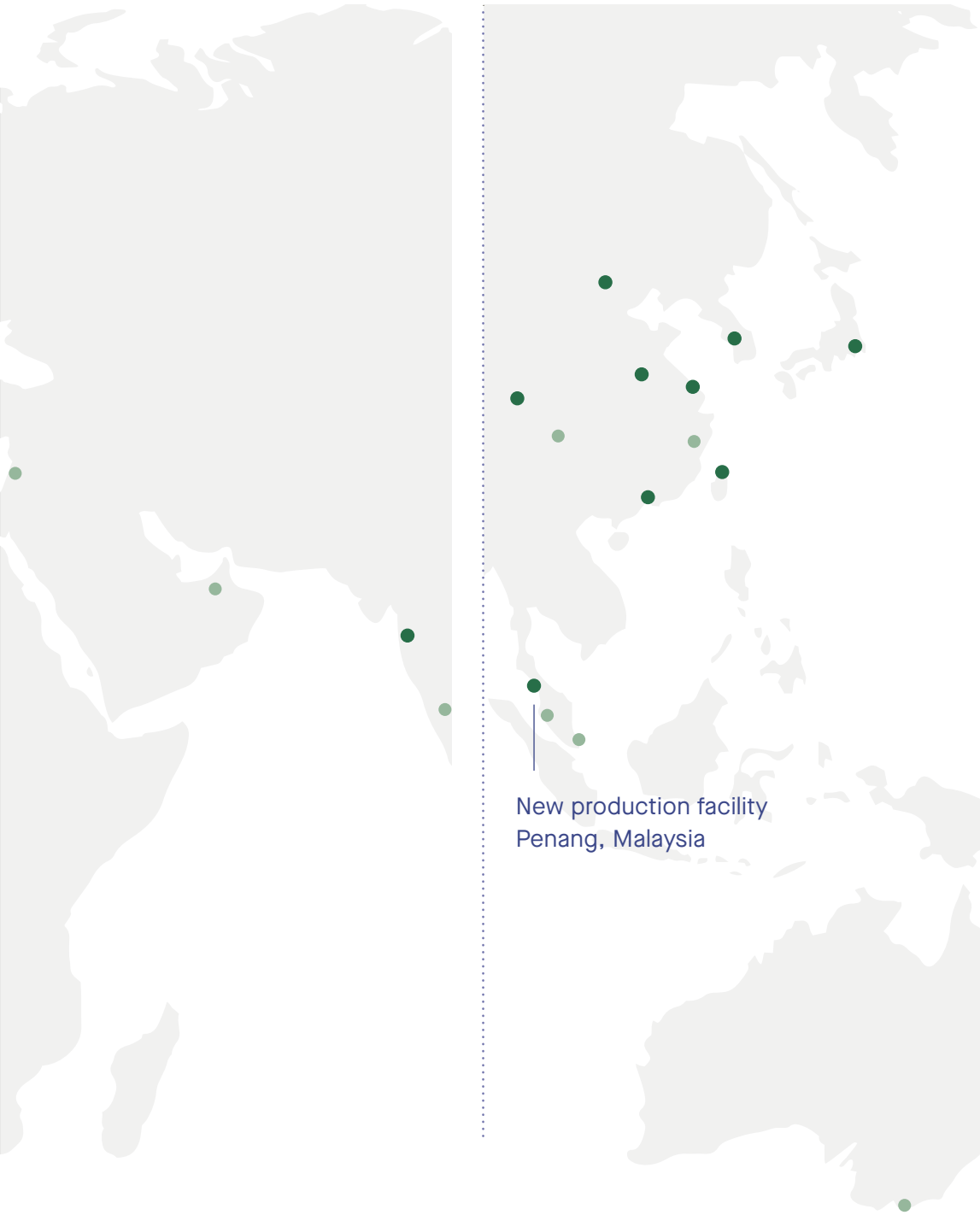
LEM is a pure-play manufacturer of current sensors with yearly sales of over CHF 307 million. Our team of 1,698 employees is spread over 17 countries worldwide. Our production sites, located in Beijing (China), Sofia (Bulgaria), Penang (Malaysia), Tokyo (Japan) and Geneva (Switzerland), are creating innovative products for our global customers. LEM engineering teams are located in Geneva, Lyon, Beijing, Sofia, Shanghai, Tokyo and Munich. Our global R&D presence ensures we are close to our customers and that we benefit from an international talent pool. Please visit our website at www.lem.com to find out more.

We have split 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 count respectively for 40% and 60% of our employees. Our workforce gender split is 49% male and 51% female. Please see the map showing our different locations on the next page.

Leading the world in electrical measurement



A leading company in electrical measurement, LEM engineers the best solutions for energy and mobility, ensuring that our customers' systems are optimized, reliable and safe. Our 1,698 people in 17 countries transform technology potential into powerful answers and support our customers on a global scale.



EMEA
Brussels, Belgium
Frankfurt, Germany
Geneva, Switzerland
Lyon, France
Munich, Germany
Padova, Italy
Paris, France
Randers, Denmark
Skelmersdale, UK
Sofia, Bulgaria
Vienna, Austria

CHINA
Beijing
Chengdu
Hefei
Shanghai
Shenzhen
Wuhan

AMERICAS
Milwaukee, Wisconsin
Northville, Michigan
Orange, California

REST OF ASIA
Penang, Malaysia
Pune, India
Seoul, South Korea
Taipei, Taïwan
Tokyo, Japan

In the 2024/25 financial year, LEM has further expanded its new production facility in Penang, Malaysia. The new production facility enables LEM to supply the Asian markets as well as the USA and Europe from Asia, thereby offering its customers cost-effective production and a dual sourcing opportunity.

The new plant complements the global network of production facilities in Geneva, Beijing, Sofia and Tokyo.

Business purpose and sustainability strategy

The importance of sustainability for our business strategy and purpose

At LEM, we help our customers and society accelerate the transition to a sustainable future. Our purpose is fundamental to what we do and how we operate.

The vast majority of our current sensors already help to unlock pathways in the energy and mobility transition. In a changing global environment, we are adapting and focusing on the markets that are driving electrification and decarbonization. As electrification continues to be critical to global decarbonization, we believe we are uniquely positioned to both capture this shifting, growing market and to support the collective advancement to a greener future.

Our sustainability strategy is designed to help us transform our way of working to achieve these goals in a more sustainable way:

1. Support the industries: We are proud of our products, which support lower carbon technologies and help to drive energy efficiency in heritage industries. Our current sensors can be found in electric vehicles and renewable energy technologies such as solar panels, wind turbines, and heat pumps. These solutions are helping to drive positive change across industries, and we are looking to grow those businesses and develop further new energy and mobility applications. This includes intelligent EV charging, renewable energy storage plants, robotics, hydrogen electrolysis, and smart cities to name a few. Our current sensors can also help our customers understand and optimize their energy use, supporting them in their own transition toward sustainability.
2. Innovate and learn: We believe people are what makes a business thrive, and we are always striving to develop, learn and grow. We actively hire and develop skilled and inquisitive global talent, and we partner with inspiring and like-minded organizations to drive change. We partner with Science, Technology, Engineering & Mathematics (STEM) universities to engage and support the next generation of talent.
3. Build relationships: We build and develop our industry relationships to ensure our technology is at the forefront of innovation and change. We work with our technology partners to reuse or develop some of the building blocks in our system, especially our miniaturized systems, and we work with our customers to ensure our product offering meets all expectations and can support their own product roadmaps.
4. Believe in the future: We believe change requires everyone to work together, which is why we invest considerably in the research and development of new technologies and products, enabling innovation in mobility, energy efficiency, public safety and security.

The last year has seen huge shifts in the world of ESG, driven by changes in legislative direction globally, such as the EU Omnibus legislative package. Through this more turbulent context, LEM has stayed true to its net zero ambitions. Sustainability, and our emissions reduction pathway, is at the very core of the company. We continue to improve transparency and monitor our progress against our targets because we believe it is the right path forward for us as a business.

We are proud of what we have achieved over the last year, and we have made great strides and improvements to our policies globally. We have invested in, and worked on, our response to the EU Corporate Sustainability Reporting Directive (CSRD), and despite the recent uncertainty, we continue to move towards compliance with the regulation. Moreover, we are continuing to build a community of individuals within LEM who care deeply about sustainability and who are helping to create positive action across our sites and offices. We have continuously adhered to ISO 14001 for our production sites, to ensure environmental management is an integral part of our operations, and have maintained our EcoVadis score, achieving a score of 60 and a bronze medal in June 2024 (positioning us among the top 35% of global companies in terms of sustainability performance).

"As Chief People and Sustainability Officer, this Report helps shine a light on the hard work and enthusiasm of employees across our business to have a real and positive impact on people and the planet. Building a sustainable future for everyone is at the heart of our business; it is what we do at LEM. We believe that quality and sustainability go hand-in-hand. Well-designed, long-lasting, and innovative solutions will help to improve the efficiency of products, will contribute to the circular economy, and will reduce our impact on the environment. Progress is never linear, but we are so proud of everyone in the business as we continue to move in the right direction."

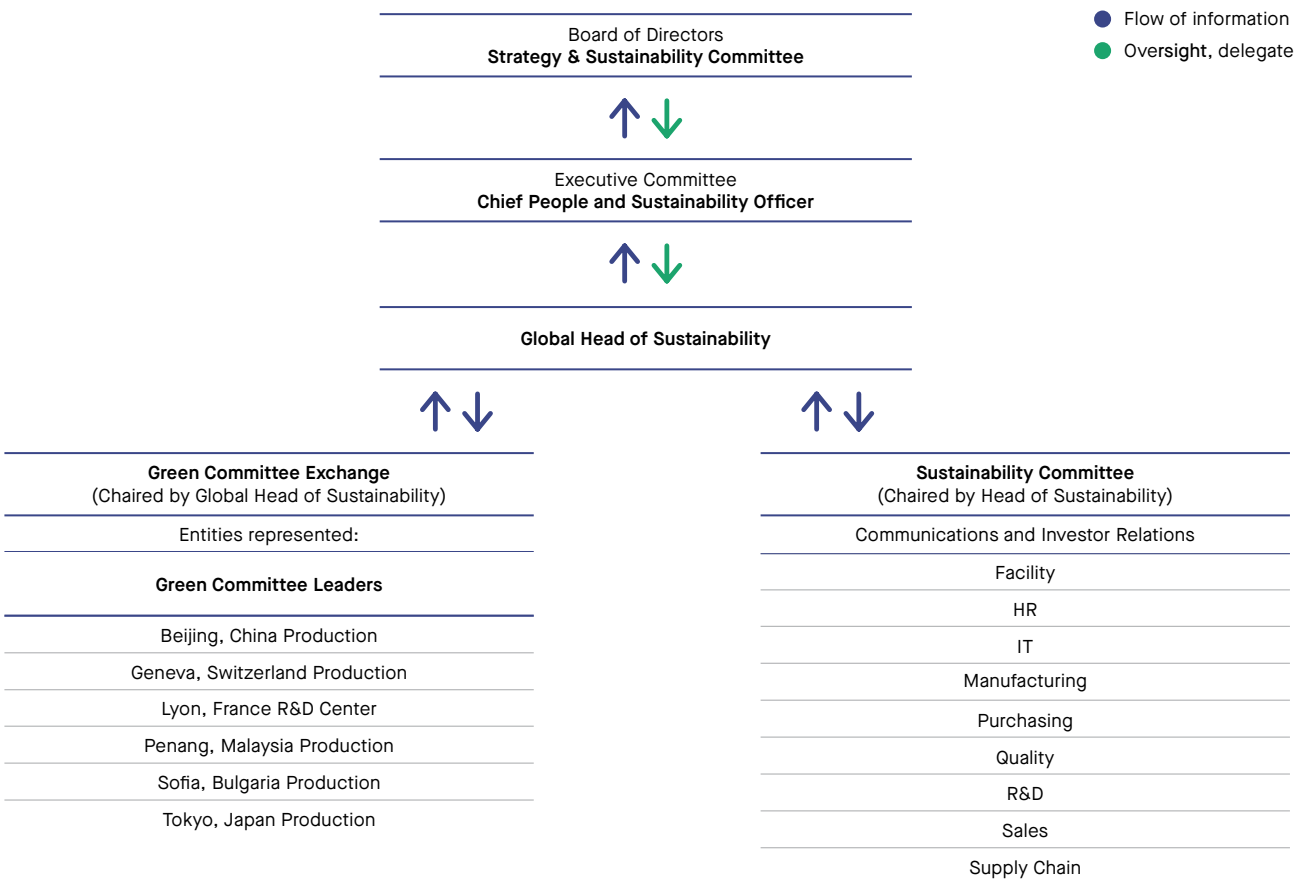
As we look to the future, two focus areas are emerging:

- How can LEM contribute to making the low-carbon transition affordable? To ensure the global sustainable transition is a success, we need to think about how the sustainable transition can also be good for business. This means getting effective products to market in a strategic and timely manner, to meet customer demand. We all have a part to play to make this transition a success, and we cannot rely on goodwill alone.
- Where should we be innovating? Innovation is key to delivering our strategy. We are seeing growing customer demand in the electrification market for lighter, more efficient systems, at ever competitive price points. As part of our future-facing strategy, we have identified battery management, miniaturization, and smart grid and charging infrastructure as key innovation areas for growth.

Rodolphe Boschet
Chief People and Sustainability Officer

Sustainability governance and accountability

Sustainability governance



Organizational structure

Our sustainability organizational structure is designed to empower individuals from across our business to take part in and influence our sustainability journey. To navigate the evolving landscape, driven by changes in regulation and market expectations, 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.

At the heart of our governance structure is our Global Head of Sustainability, who is the central owner and driver of our strategy. As we wanted our sustainability organization to encompass our entire company, there are two committees which report to the Head of Sustainability: our Green Committees, via the Green Committee Exchange, and the Sustainability Committee.

In 2024, we launched our “Fit for Growth” program to develop more agile operating structures across the business, and to support our fast-growing busi-

ness focus on the Asia region. As of May 1st, 2025, and as part of the program, Rodolphe Boschet, our Chief People and Sustainability Officer, has been focused on leading its implementation, while Sylvain Lieb joined LEM as Senior Vice President (SVP) People and Sustainability and takes over Rodolphe's previous responsibilities.

We have Green Committees in all our main production and R&D entities: Bulgaria, China, France, Germany, Japan, Malaysia, and Switzerland, and they meet monthly. The committees are led by a Green Committee Leader and are made up of volunteers who are passionate about sustainability. The committees are also involved in local decision-making: the committee leaders join the Head of Sustainability at the Green Committee Exchange each quarter to share success stories, ideas, and best practices between our different sites. The committees are regularly consulted on the launch of local sustainability initiatives and help to spearhead them with local teams.

The Sustainability Committee is a separate committee and comprises of our global functional leads. These leads represent different functions across LEM, including R&D, Supply Chain, Purchasing, Sales, Facility, Manufacturing, IT, HR, Communications & Investor Relations, and Quality. The Sustainability Committee holds a quarterly meeting, which is chaired by the Head of Sustainability. The purpose of these meetings is to exchange and coordinate on sustainability-related functional topics, compile and review implementation results and progress, and cover pre-agreed priority topics for the strategy deployment committee.

Centrally, the Head of Sustainability reports to the LEM Executive Committee, under the lead of the Chief People and Sustainability Officer (the SVP People and Sustainability from May 1st, 2025). The Executive Committee is responsible for executing our strategy and agreeing on our short- and long-term priorities, goals, and actions. Since 2024, LEM's Strategy & Sustainability Committee became formally responsible for reviewing and approving the sustainability strategy. The Strategy & Sustainability Committee meets several times per year, is composed of three people and chaired by our Chairman of the Board of Directors.

Accountability and Board oversight

The Board provides oversight of climate-related risks and opportunities within the broader context of our sustainability strategy. The Board monitors the overall success of this strategy, through the Strategy & Sustainability Committee, whilst the Executive Committee is responsible for the strategy's development and execution. Our sustainability strategy has a dedicated slot at least once a year in the Board's agenda, and this will increase to two per year from FY2025/26 onwards.

Case study –

employee-led change through our Green Committees

Our Green Committees have a vital role and are an important component of our sustainability governance structure, helping to drive positive changes across the business. They have been very active this year. Practically, they have been instrumental in the calculation of our annual carbon footprint by coordinating all the local data gathering required to calculate our emissions. They have also helped to embed positive sustainable practices across LEM sites. Here are some examples from the long list of work going on across LEM's Green Committees:

- In Bulgaria, they have run sustainability awareness campaigns, planted flowers around production sites, gifted everyone in the office reusable water bottles, removed plastic cups from office machines, and organized a month of physical activities to promote healthy living.
- In Japan, the committee has been working on reducing electricity use, improving recycling on site, and they have run a survey to involve colleagues in relevant sustainability decisions, such as a rooftop garden and solar panels.
- In France, the team participated in an intercompany 'Commuting Challenge Day' in June to raise awareness about sustainable modes of transportation. Employees arriving at the office were welcomed with a celebratory breakfast and asked to report their commuting modes, which were then ranked and shared to promote awareness across the company. Ahead of the challenge day, LEM hosted a bike repair workshop to help prepare the bikes of participants planning to cycle in the challenge, as well as support regular bike commuters.
- In Switzerland, the committee has been busy implementing a zero-plastic cup and bottle policy in the office and helping to add 30 new solar panels to the roof as well as electric car charging stations.
- In Malaysia, the team has been rolling out innovative new health and safety initiatives and raising awareness – a separate case study on their dedicated work can be found on page 46.

Poster to promote a month of physical activity in Sofia


Legion run for our team in Sofia where mutual assistance is key


Bike repair workshop in Lyon before the Commuting Challenge Day


Our dedicated Green Committee in Tokyo

Sustainability governance and accountability

Sustainability policies

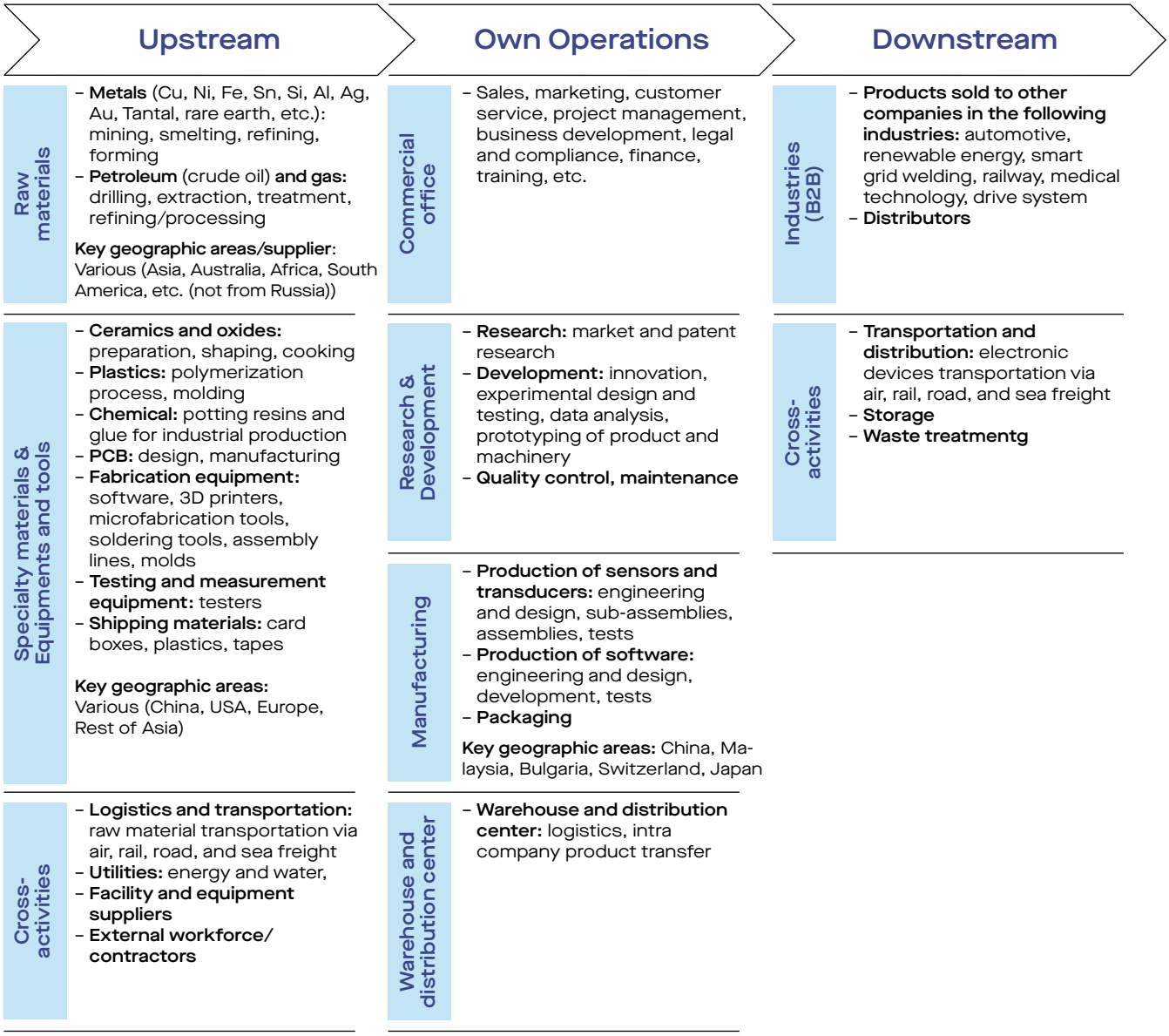
Policies	Coverage summary	Relevant stakeholder groups
Conflict Mineral Statement *Publicly available on our website*	Sets out our implemented procedures designed to demonstrate that the metals our products contain are sourced in accordance with this policy. We require our suppliers to verify and assure in writing there are no conflict minerals in our supply chain.	– Our customers – Our suppliers – Governments and wider society
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
Group Code of Conduct *Publicly available on our website*	Outlines the behavior LEM expects from every stakeholder around the world guiding our responsibilities to society. It aligns with the principles of the United Nations Global Compact (UNGC), global environmental standards, our core corporate values, and it addresses salient issues such as human rights and child labor.	– Our employees – Governments and wider society
Group Environmental Policy *Publicly available on our website*	Articulates our dedication to enhanced environmental protection and performance within our business, with growing attention to the design of products with a lower life cycle carbon footprint. It applies to all LEM entities and employees.	– Our employees – Our customers – Our suppliers – Governments and wider society
Group Health and Safety Policy *Publicly available on our website*	It applies to all prospective and current employees of the company as well as external people on any LEM site (e.g., volunteers, contractors, consultants), outlining the expectations and responsibilities to contribute to a healthy and safe workplace.	– Our employees – Governments and wider society
Group Labor & Human Rights Policy *Publicly available on our website*	It outlines our 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 and 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. It addresses salient human rights and labor rights issues, including child labor.	– Our employees – Governments and wider society
Group Quality Policy *Publicly available on our website*	It sets out our commitments to quality, for all LEM employees, 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 customers – Our employees
REACH Compliance Statement *Publicly available on our website*	In accordance with our Group Environmental Policy, as a downstream user of substances, LEM commits to be in compliance with REACH obligations.	– Our employees – Our customers – Our suppliers – Governments and wider society
Supplier General Requirements Manual *Publicly available on our website*	It 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 products.	– Our suppliers – Governments and wider society

Group Anti-Bribery and Anti-Corruption Policy *Internal*	It ensures that LEM business is handled in accordance with the LEM Code of Conduct and applicable laws on 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
Group Antitrust and Fair Competition Policy *Internal*	It 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
Group Disclosure and Insider Trading Policy Enforcement *Internal*	It enforces the LEM 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
Group Disclosure and Insider Trading Policy *Internal*	It ensures LEM's full compliance with its legal obligations as a company listed on the SIX Swiss Exchange. It applies to LEM insiders.	– Our employees
Group Employee Privacy Policy *Internal*	It 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
Group Whistleblowing and Investigation Policy *Internal*	It 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 of the LEM's Code of Conduct or of any applicable law and regulation pursuant to the terms of this Policy.	– Our employees – Governments and wider society

Sustainability priority areas

Sustainability double materiality

In 2023, we conducted our first-ever Double Materiality Assessment (DMA). This involved an in-depth assessment of LEM's impacts on people and the environment, and the financial risks and opportunities associated with sustainability. From climate change to human rights, we scrutinized every relevant sustainability topic across our entire operations and value chain including our governance. We revisited our DMA in October 2024 to ensure it remains compliant with the Corporate Sustainability Reporting Directive (CSRD) requirements and European Sustainability Reporting Standards (ESRS) topics, that it integrates perspectives from various external stakeholders (e.g., suppliers, customers, members of civil society, investors, employees), and that it reflects the business going into 2025. This update will be communicated next year as part of our 2025/26 Sustainability Report.



Sustainability priority areas

As the ESG regulation landscape shifts, we remain 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. The DMA process has already added value to the business as the results have helped to redefine our sustainability priority areas.

The assessment was done in five stages:

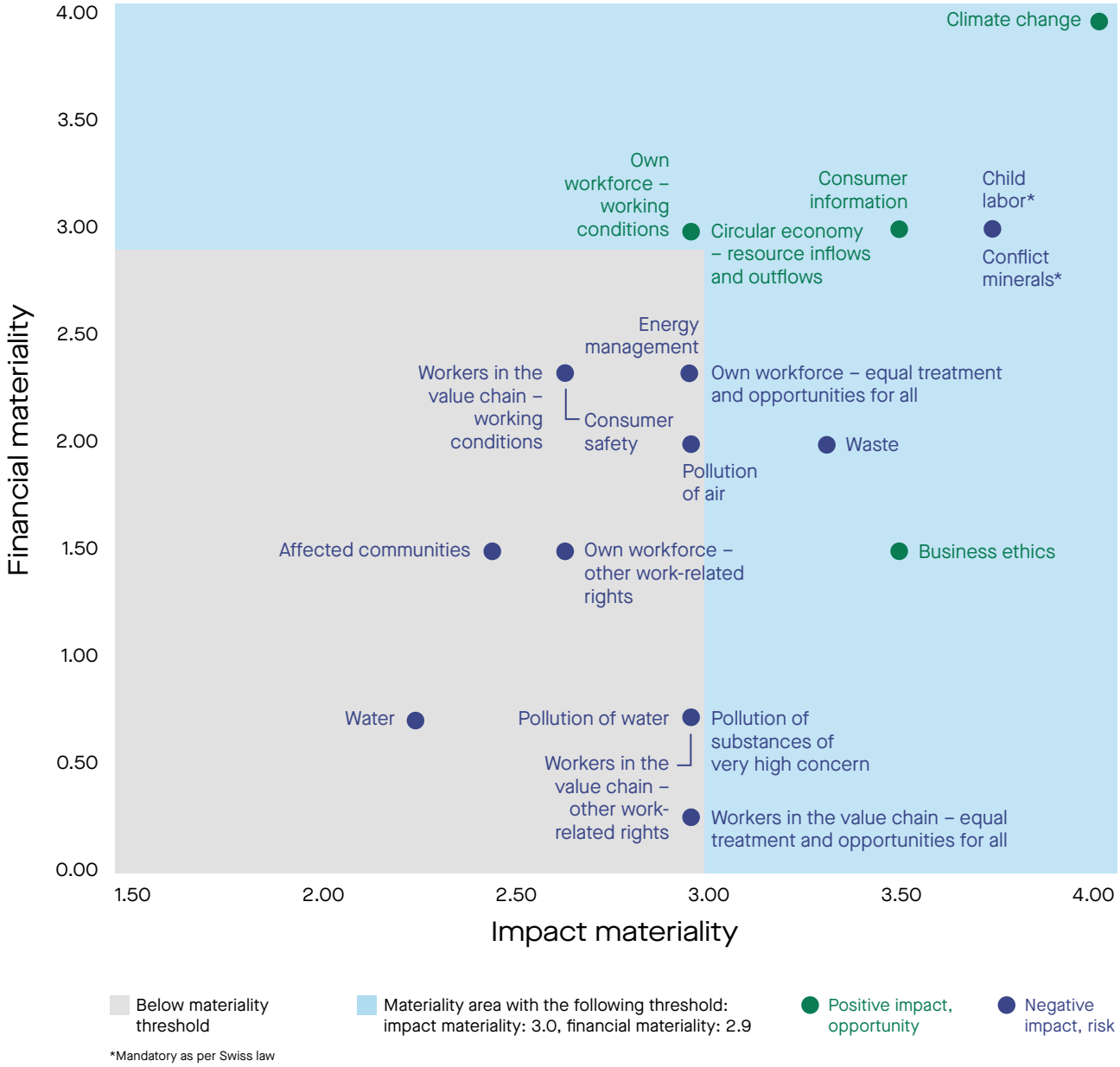
1. We identified a long list of potentially material matters gathered from existing peers' DMA results, internal documentation and discussion as well as rating agencies' results;
2. We reduced the long list to a more manageable short list;
3. We defined the Impacts, Risks and Opportunities (IROs) associated with those matters in several workshops;
4. We 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; and finally,
5. We 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, and the relevant activities, and we identified the underlying IROs. For example, in our upstream value chain, this 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 which 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. The topics of conflict minerals and child labor were both considered material by default, as per Swiss law. 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 on the Entreprise Risk Management system.



*Mandatory as per Swiss law

Sustainability priority areas

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.	25–29
Waste *(reduction)* 	●				Negative impact on the environment through waste generated in operations, taking into account efforts to minimize waste.	30–31
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).	32–35
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).	32–35

Material topic	Material negative impact	Material positive impact	Material risk	Material opportu-nity	Description of the impacts, risks and opportunities	Page reference
Own workforce – working conditions *(Investing in our people)* 				●	Opportunities in employee engage-ment and young talent attraction and retention supporting business growth with brand image of the company.	37–41
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.	49–50
Conflict minerals *(Human rights and sustainable supply chain)* 	●		●		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.	51–54
Child labor *(Human rights and sustainable supply chain)* 	●		●		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.	51–54

Transitioning to a sustainable future

Our decarbonization journey

Climate change continues to be one of the biggest challenges of our time. Our sustainability strategy is ultimately centered around reducing our carbon footprint and contributing to a low-carbon future that will limit global warming to well below 2°C. We also know (and confirmed through our TCFD exercise (see pages 57–64)), that climate change poses risks to LEM, and in order to future-proof our own business, we need to take action to mitigate and adapt to the physical and transitional impacts of climate change. This is not a success story we can write on our own; we need to collaborate with, and support, our customers, suppliers, and business partners to meet our collective goals.

We are proud to see that our decarbonization efforts are paying off, with year-on-year reductions across our Scope 1 and 2 market-based footprint (more details on pages 26–27).

Material drivers

As a business, from the Board 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.

Our DMA process identified two potential climate-related risks. 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 on page 22.

However, there is also an opportunity for LEM. As many countries and companies have committed to net zero, we are seeing a shift towards the electrification of mobility and infrastructure, and a demand for energy efficiency. LEM is positioned to take advantage and help drive the transition as we continue to focus on the development of relevant new solutions. This transition will also contribute to the overall reduction of greenhouse gas (GHG) emissions.

When it comes to climate-related impacts, the assessment focused on our emissions in our upstream and downstream value chain emissions (Scope 3).

Policies

Our Group Environmental Policy supports our commitment to monitor and control energy use and GHG emissions across our own operations and our value chain. It also bolsters our commitment to actively engage with customers who rely on LEM's products and contribution in their own sustainability journeys.

Alongside our Group Environmental Policy, we have a Group Environment Management System (EMS) manual. This document outlines the common approach to our environment management system that we advise everyone to take.

As part of our supplier engagement, which contributes to the decarbonization of our Scope 3 emissions, we have a Group Code of Conduct and a Supplier General Requirements Manual. Both documents include environmental standards and commitments that LEM expects from all their stakeholders. See our policy table on pages 16–17 for further details.

Commitments, targets and measures

As a business, we have committed to reach net zero emissions by FY2025/26 in our own operations (Scope 1 and 2 market-based) and by FY2040/41 for our value chain (Scope 3). Our targets are to:

- Reduce our Scope 1 and 2 (market-based) emissions by 90% by FY2025/26 from a FY2023/24 baseline.
- Reduce our Scope 3 emissions by 90% by FY2040/41 from a FY2023/24 baseline.

Transitioning to a sustainable future

In 2024 we achieved an 81% reduction in Scope 1 and 2 (market-based) emissions from our 2023 baseline. The decrease is primarily attributed to our sourcing of renewable electricity, which led to a 97% decrease in Scope 2 (market-based) emissions. Scope 1 emissions also saw a significant decrease of 23%, mainly due to a decrease in the usage of internal combustion engine (ICE) company cars and our switch to electric vehicles (EVs).

One of our significant achievements in 2024 was that we reached 99% renewable electricity across our sites. At most of our sites, we buy renewable energy directly from suppliers, and for locations where this is not possible we purchased Energy Attribute Certificates (EACs) equating to 4,705 MWh of renewable electricity. We have also been equipping our main production sites (Geneva, Penang and Beijing) with on-site solar panels, allowing them to generate renewable electricity for use on-site. In total, they generated 756 MWh electricity over one year, which represents 8% of our overall electricity usage.

We are also investing in energy efficiency improvements across our sites. For example, our head office in Geneva, Switzerland, received a Minergie label in 2023. A Minergie-certified building is characterized by its sustainable credentials, including reduced cooling and heating requirements due to stable and comfortable indoor temperatures, healthy indoor air quality, energy efficiency and self-generation of electricity, a minimal carbon footprint, and a high-quality build. As a result, our electricity consumption has been reduced by more than 50% annually since we moved head office. Similarly, our production site in Penang, Malaysia, received the Green Building Index label in 2024, highlighting our commitment to environmental design and performance. Finally, all our existing production sites are certified ISO 14001 and we are in the process of getting our newest plant in Penang, certified very soon.

However, the majority of our GHG emissions come from our value chain (Scope 3) and we therefore recognize that our decarbonization responsibilities extend far beyond our own operations. Our Scope 3 footprint is primarily driven by the use of our sold products (category 11), our purchased goods and services (category 1), and our transport and distribution (Categories 4 and 9). In 2024, we saw consistent reductions in emissions across a range of Scope 3 categories. Notably, we continued our conscious shift from air freight to rail and sea freight. For our intracompany freight, we decreased our emissions from 4.1 tCO_2e per ton of transported freight in 2023 to 2.6 in 2024 (a decrease of 37%). We are also continuing to work with suppliers to engage, educate and support their own decarbonization efforts and their development of lower-emission and more energy-efficient products. In 2024, we also updated our travel policy to prioritize lower-emission transportation options and reduce non-essential travel, resulting in a significant decrease in our business travel (category 6) emissions.

Another aspect of our Scope 3 decarbonization is the efficiency of our products. We invest in innovation, as we believe it is critical to our long-term success. Over the last few years, we have been working on the 'miniaturization' of our products, which makes them cheaper to produce, lighter, and smaller, which also means happier customers and lower carbon footprints for our products. These advancements help whole industries to improve their footprints, for example, by making electric vehicles lighter and therefore more energy efficient.

Our decarbonization strategy also encompasses the need to understand our risks and opportunities related to climate change. This year, we conducted a scenario analysis exercise in order to disclose our climate-related risks and opportunities according to the Taskforce on Climate-related Financial Disclosures (TCFD). As part of the process, we organized three scenario analysis workshops and considered the relevant risks and opportunities for LEM as a result of climate change. Our TCFD Statement can be found on page 56.

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. We first started calculating our emissions in 2021, and from this foundation we have worked to fill the data gaps and improve our calculations and accuracy. Last year was the first full mapping and quantification of our carbon footprint, and this year's results indicate

that we are reducing our total Scope 1 and 2 market -based emissions year on year. Although our total Scope 3 emissions have increased, this is largely due to methodological updates detailed below, where we have improved our calculation methodology.

In 2023, we mapped and identified which Scope 3 categories were relevant to our business, according to the listed categories in the GHG Protocol Corporate Value Chain (Scope 3) Standard. We identified 12 relevant categories, which together account for the majority of our total carbon footprint (more than 99%). Our three most material Scope 3 categories remain the same as in 2023, even with the methodology changes adopted, as highlighted below: "category 11: use of sold products" (60%), "category 1: purchased goods and services" (31% of our overall GHG emissions) and "category 4: upstream transportation and distribution" (3%). The GHG emissions, energy and waste data are based on a calendar year (January to December 2024) schedule of reporting. The rest of our reported data aligns with our financial year (1st April 2024 to 31st March 2025) unless otherwise mentioned.

For our 2024 calculations, we introduced several methodology changes that enable us to be more precise and more closely aligned to the GHG Protocol. This also helped us to refine our understanding of our key emissions and more thoroughly define how we will reduce our impact.

- Fuel- and energy-related activities (category 3): for the small amount of non-renewable electricity, residual mix emissions factors were applied in Scope 2, and corresponding upstream emission factors were used in Scope 3 category 3. We also accounted for the indirect impact of mobile combustion that was not reported in 2023.
- Transportation and distribution (categories 4 and 9): we have significantly increased the share of transport managed directly through our Transportation Management System and are using it more widely. This provides us with a higher level of precision because the carbon emissions are embedded in the tool, avoiding potential errors due to manual calculations or incomplete master data.
- Waste management (category 5): this year, we were able to use more specific emissions factors based on the type and destination of the waste. This led to more accurate calculations.
- Use of sold products (category 11): this year, we used more precise emissions factors when calculating the footprint related to use of our sold products. We were able to introduce differentiated emissions factors based on the country/region in which the products were sold. This was a driving factor in the increase of our category 11 footprint because the emission factor for China (our biggest market) is higher and more intense.
- End of Life (category 12): similarly, we used specific recycling rates and emissions factors based on the geographical area where the sales happened. We therefore saw a similar increase in category 12 as we saw in 11.

KPI – Energy use and GHG emissions	**Units**	**2024**	**2023**
Global energy consumption	MWh	9,865	7,082
Global energy consumption from fossil fuel	MWh	40	822
Global energy consumption from nuclear	MWh	97	85
Global energy consumption from renewable	MWh	9,728	6,175
Global energy consumption intensity	MWh /CHF	0.032	0.017
Global Scope 1	tCO_2e	132	172
Global Scope 2 (location-based)	tCO_2e	4,631	2,434
Global Scope 2 (market-based)	tCO_2e	20	623
Global Scope 3	tCO_2e	177,414	173,197
Category 1: Purchased Goods and Services	tCO_2e	54,526	73,217
Category 2: Capital Goods	tCO_2e	3,828	2,667

Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	tCO_2e	1,359	184
Category 4: Upstream Transportation and Distribution	tCO_2e	5,033	13,464*
Category 5: Waste Generated in Operations	tCO_2e	157	48
Category 6: Business Travel	tCO_2e	1,701	2,053
Category 7: Employee Commuting	tCO_2e	1,417	1,460
Category 8: Upstream Leased Assets	tCO_2e	1	0
Category 9: Downstream Transportation and Distribution	tCO_2e	1,870	217
Category 10: Processing of Sold Products	tCO_2e	n/a	n/a
Category 11: Use of Sold Products	tCO_2e	105,898	79,579*
Category 12: End-of-Life Treatment of Sold Products	tCO_2e	1,624	308
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	4,763	*2,606*
Global Scope 1 and 2 (market-based)	tCO_2e	152	796
Global Scope 1, 2 (location-based) and 3	tCO_2e	182,177	175,803
Global Scope 1, 2 (market-based) and 3	tCO_2e	177,566	173,992
Global Scope 1, 2 (location-based) and 3 CO_2e intensity	gCO_2e/ product	3,443	2,499
Global Scope 1, 2 (market-based) and 3 CO_2e intensity	gCO_2e/ product	3,356**	2,473
Global Scope 1, 2 (location-based) and 3 CO_2e intensity	gCO_2e/ revenue	594	433
Global Scope 1, 2 (market-based) and 3 CO_2e intensity	gCO_2e/ revenue	579	429

*Figures restated

**The intensity ratio calculated with the "former methodology" is showing a decrease vs. 2023 emissions: 2,353 gCO_2e/product vs. 2,473.

Plans for the future

In the coming year, we will work towards submitting our targets to SBTi for validation and solidifying our commitment to our ambitious climate goals. Within our own operations, we plan to continue sourcing 100% renewable electricity and to decarbonize our Scope 1 emission sources where possible.

We will expand our net zero roadmap and plan to identify the key actions, targets and milestones in our priority areas. One priority area will be research and development (R&D), which crosses over with our innovation work. This could have significant impacts on the primary sources of our emissions (use of sold products (category 11) and purchased goods & services (category 1)). We would like to identify and roll out a tool to conduct full Life Cycle Assessments (LCAs) of our own products (including machinery we produce). This information will mean we can focus our efforts on the key emissions drivers and simulate how emissions might change if we use alternative materials, suppliers, and/or sourcing locations. Another area of focus will be transportation and travel. Specifically, we want to investigate how, in an increasingly uncertain world, we can continue to reduce our air freight and air travel. We plan to introduce a more stringent travel policy focused on CO_2 impacts and savings. We will also continue to explore new packaging options to eliminate single-use plastics in our shipping materials.

Case study –

empowering our employees with Climate Fresk workshops

Across 2024/25, we rolled out a series of Climate Fresk workshops, to help encourage critical thinking and empower individuals to make informed, sustainable business decisions, and to advocate for sustainable practices in their professional and personal spheres. This program is helping us, as a global team, to deliver against our climate goal of net zero across the value chain by 2040/41.

Climate Fresk is an educational tool designed by The Climate Fresk NGO. The tool is a collaborative and participatory workshop which aims to help people understand the complexities of climate change. It is designed to be neutral, and objectively rooted in science and IPCC reporting, to ensure it is accessible to everyone. The sessions were run by LEM employees, who volunteered and were trained as part of their preparation.

Over the course of 2024/25, 14 workshops were held at six sites across Europe, and 170 of our colleagues engaged in the program (eight trainers and 162 'Freskers'). The workshops received an overwhelmingly positive response from participants, who appreciated the hands-on approach and the opportunity to learn more about climate change. Participants rated the program 4.5/5 overall, which reflects the effectiveness and success of the sessions. As one participant said, "One of the best training sessions I have done since I joined LEM".

Teaming up in Sofia to improve our understanding of climate change and identify potential solutions to reduce our impact

Waste reduction

We all have a role to play in reducing the waste we produce and in improving how we manage waste. At LEM, we are committed to reducing our demand for raw materials and innovating with new methods for waste reduction. Waste reduction is not just a sustainability imperative, but a valuable commercial lever too. Reducing waste, especially in our supply chain, can help us to reduce costs and uncover new ways to be more efficient with the materials we use.

Material drivers

Our business, our products, and our packaging rely on raw materials, both in terms of access to it and their quality. Like most industries, we want to reduce our environmental impacts and help contribute to a sustainable future for everyone. This means we need to think about how we can reduce and even avoid some of the waste we produce. If we are able to successfully transform the inflows, use and outflows of materials in our own operations, we can both 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.

Policies

Our Group Environmental Policy is the bedrock of our commitment. It helps us to deliver against our commitment to innovation and leading product design, without adversely harming the planet. The policy covers key impact areas in production, such as purchased components, use phase, disposal and waste management (see policy table on pages 16–17). Our policy is underpinned by our objectives and targets, which help us to stay on track and monitor our progress. To support the policy, we have our Group Environment Management System (EMS) manual.

Commitments, targets and measures

Our waste management process covers both hazardous and non-hazardous waste. It is based on the principles of a waste hierarchy, which means we aim to prevent, reuse, repurpose, recycle and recover waste in that order of preference.

We take proactive steps to managing our waste. For example, the miniaturization of our products helps to reduce scraps in our manufacturing sites, and our sorting process allows us to collect the different by-products that could be reused or sold to other industries, such as plastic and copper. In the case of certain waste types, like metal waste, we have established partnerships with specialized waste management companies to handle sorting and resale. These partnerships allow us to be streamlined and efficient, and to partake in the secondary market. These materials might otherwise be scrapped, and therefore we are also reducing our environmental impact and our reliance on virgin resources.

It also helps to ensure we are compliant with environmental regulations on waste, and that we meet the Basel Convention Guidelines (which control transboundary movements and disposal of hazardous waste). We aim to follow the GRI 306: Waste 2020 international standards (issued by the Global Sustainability Standards Board (GSSB)) when reporting on waste, including their definitions for types of waste and waste streams.

Key performance indicators

In 2024 our generated waste decreased by 4% compared to 2023, from 357 tons to 344 tons across our production, distribution and R&D centers. This slight decrease is mainly due to the drop in our activity, compensated by improved data collection processes across our different sites (see next case study).

KPI – Waste management	Units	2024	2023
Total amount of waste generated by the group	tons	344	357

Plans for the future

Over the next year, we will continue improving our data and transparency on waste on the different types and destinations of waste, according to the relevant ESRS datapoints, and collect supporting evidence and relevant documentation. We will also consolidate actions plan for waste reduction by site, such as waste reduction targets, recycling initiatives to divert waste from landfill, and raise employee awareness. We will align and share best practices across our different sites.

Case study –

improving our data and management of waste

In 2024, we improved the management and reporting of waste across our sites. All sites now report the same waste data, which helps to ensure each site is compliant with the reporting requirements. To define this global approach, a new waste workstream was set up in June 2024. The group reviewed local waste management processes and data collection and reviewed local and CSRD reporting requirements. The group set global definitions for different waste streams to ensure a synchronized approach to, and understanding of, the waste which LEM is responsible for.

This project has encompassed all of our waste flows, including production waste, domestic waste, hazardous and non-hazardous, kitchen and office waste, and warehouse waste. We are improving visibility of waste collection across our sites as well, with clear labeling and receptacles for waste.

As a business, it is important to us that we are aiming for best in class, and we therefore integrated the GRI 306: Waste 2020 international standards and the ISO14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety Management Systems) standards as a guide.

Sorting points for the different types of waste in our locations

Innovation and circular economy

We believe innovation is key to unlocking the solutions that will help us to tackle the circular economy challenge. Innovating and embracing circular principles can lead to creative and exciting solutions to the challenges we face, whether that is around our materials and resources, designing with longevity and recyclability in mind, or thinking about end-of-life for our products. We try to adapt to the emerging challenges and opportunities, and help our customers to keep us top-of-mind by integrating their environmental requests into our product development phase. It also keeps our business resilient. Adaptability and agility are critical to ensure we can navigate shifts in the market, and not just respond to them but capitalize and thrive on them.

Material drivers

In our Double Materiality Assessment, circular economy (resource inflows and outflows) emerged as a material topic to the business and stakeholders. The process identified that we have a positive impact on the transition to a regenerative economy. This is driven by our design innovation to reduce our product impacts (production, use, and disposal).

The assessment also acknowledged that we are having a negative impact on the transition to a regenerative economy due to our use of non-renewable resources in the supply chain and own operations, and due to our products (their use-phase emissions and the waste generated at their end-of-life).

Alongside the positive and negative impacts, our assessment identified several risks and opportunities related to circularity. We must strike a balance between circular products and the price sensitivities of the market. We will need to both respond to where the market is at, and at the same time be part of the movement towards more circular and sustainable products. The complexities of our production and our specific material requirements mean that we must carefully ensure that we can innovate without sacrificing our product portfolio or product quality, whilst meeting our customers' expectations on price.

Another material topic was consumer information. We have an opportunity to capitalize on the shifting demands towards products and solutions that address global challenges and contribute to progress, such as climate change. Our products directly serve electric solutions that could help society reduce its energy footprints as part of the electric transition. For example, our sensors and solutions can be found in:

- Electric motor drives
- Power conversion
- Electrical safety
- Battery management
- Energy harvesting and energy monitoring
- Energy metering

Policies

Our innovation and circularity work is underpinned by our Group Environmental Policy. This can be found in our sustainability policies table on pages 16–17. This policy outlines our commitment to environmental protection and improving environmental performance. In practice, this includes innovation in product design. This contributes to the reduction of environmental impacts from purchased components and production, to use and disposal. Other policies which are relevant to innovation and circularity are our Group Environmental Management System (EMS) Manual and our Group Product Environmental Profile.

Regarding information which is pertinent to our consumers, the relevant LEM policies are our Group Labor & Human Rights Policy, Group Employee Privacy Policy, Group Safety Policy, Suppliers General Requirements Manual, and our Code of Conduct. All of these can be found in our sustainability policies table on pages 16–17.

Commitments, targets and measures

Across 2024/25, we have continued to invest in circularity and innovation across the business. We delivered two days of training on Product Carbon Footprints (PCF) for 25 employees working in strategically relevant roles across different departments and LEM sites, to create a strong knowledge base across the business. This included research and development, procurement, industrialization engineering, and sustainability team members located in Switzerland, France, Bulgaria, Malaysia and China. Linked to the training on PCF, we also updated the product development process to include a mandatory step on PCF calculation. By adapting our process and training relevant stakeholders, we are making important steps to ensure the carbon footprint of products is central to how we work and to what we produce. Building upon our PCF work we also launched a sustainability database for our products, which our sales team has been trained on and can use to answer customer questions and requirements.

We have also continued to invest in future talent and in innovative solutions. We have continued to collaborate with universities and students, to help further their research and to ensure we are always learning from the next generation of talent. This includes our partnership with École Polytechnique Fédérale de Lausanne (EPFL), one of the top engineering schools in Europe. A detailed case study on our work with them can be found on page 34.

We have also explored how we can reduce our packaging impacts by working with Mycrobez, who have created a mycelium (based on mushroom technology) packaging solution that could provide an exciting and lower impact alternative to our current packaging process for the VOM module. Please see the case study on page 35 for more detail on this exciting work.

Key performance indicators

As part of our preparation for CSRD reporting, we have been improving data collection around waste and circularity, with the goal of reporting on the overall total weight of products and technical and biological materials used during the reporting period.

Whilst we have not yet defined our KPIs for this topic, we are actively reviewing the ESRS guidance and data points in order to report in the future.

Plans for the future

As we look to next year and beyond, circularity and innovation will remain key to our strategy. The value of our collaboration with STEM universities is evident and so we will continue to work and innovate with their teams on sustainability and emissions reduction solutions. There are two areas which we are keen to explore and find solutions for. Firstly, identifying a solution to internalize the calculation of PCF and LCA, and, secondly, identifying the levers by which we can reduce the CO_2 emissions from our products, in both the design and use phase.

This could result in solutions for repairability, the use of alternative materials, investing in new packaging, or improving overall efficiency. One of our strong beliefs is that collaboration will be vitally important to sustainable action, and therefore we would like one of these solutions to be conducted with a LEM customer that is actively involved in sustainability as well.

Finally, we also want to engage more with our customers and product end-users on sustainability topics so that we can support them in the long term. This could be via dedicated discussions, workshops, questionnaires, or communications exercises.

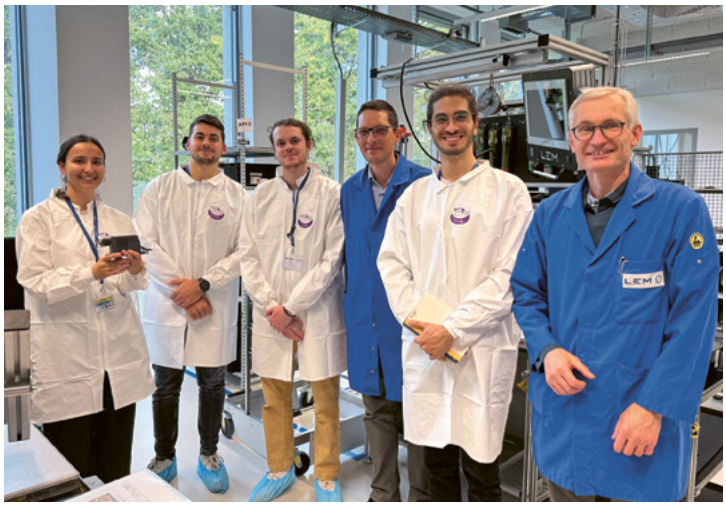
Case study –

innovation in partnership with École Polytechnique Fédérale de Lausanne (EPFL)

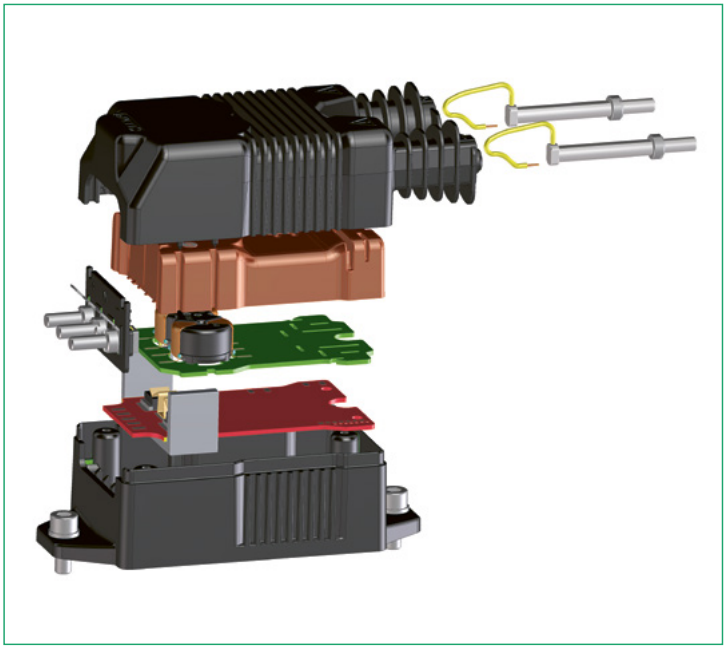
Developing and deploying more sustainable products through innovation and design is a growing opportunity for LEM. In 2024, we partnered with one of the top engineering schools in Europe, École Polytechnique Fédérale de Lausanne (EPFL), to optimize the carbon footprint of our voltage transducer, which currently has an estimated footprint of 12,785 kg CO_2e per product.

The goal of this project was to create a design for an energy sensor that adheres, as much as possible, to circular economy principles. The engineering students at EPFL were tasked with implementing a new design that reduces the CO_2 footprint of the sensor over a 3-month period without altering the electronics, and therefore the functionality of the product. The students provided two main solutions: reducing the volume of the potting resin by 40% and re-using the sensor's case. When the students repeated the life cycle assessment, incorporating the proposed design changes, they found that the potential carbon reduction could be as high as 60% (omitting the electronics).

After careful analysis of the proposal, LEM plans to implement these findings into LEM's design book to capitalize on them and feed them into future projects. In the next phase of design optimization, we plan to expand this exercise and project to include the electronic component and its impact on the carbon footprint.



The EPFL students visiting our manufacturing site in Geneva



Expanded view of our DVM - the electronic red section was omitted from the circular economy project

Case study –

pioneering Mycrobez biodegradable packaging

At LEM, we believe that reducing our waste is imperative to our sustainability and commercial goals. In October 2024, we conducted a feasibility study with Mycrobez to evaluate whether their packaging made from mycelium (based on mushroom technology) could be a good alternative to our current packaging process, the VOM module.

Mycrobez's breakthrough innovation is a high-performance, fully compostable alternative to plastic foams and the world's first fully scalable process for the automated production of mycelium composites. The mycelium composite is an alternative to plastic, with comparable characteristics to expanded polystyrene. It is shock-absorbent, lightweight and insulating. It is also zero waste, has a much lower carbon footprint than polystyrene and, because it is derived from organic waste and mushroom roots, it can be composted at home.

To produce the mycelium composite, organic waste from agriculture or the food industry is collected, sorted, and shredded into a fine, nutrient-rich substrate. This substrate is then mixed with mycelium (the root structure of fungi) and filled into molds, defining the final shape of the product. Under carefully controlled environmental conditions, the mycelium grows in a mold through the substrate, binding it into a solid structure. It is then heat-treated to deactivate the organism and stabilize the material.

Our VOM module in its new mycelium biodegradable packaging

Compared to conventional foam production, this method reduces energy consumption by a factor of 14, cuts CO_2 emissions ninefold, and uses only 5% of the water. This makes the process not only environmentally outstanding but also scalable and cost-efficient.

At LEM, we first piloted the packaging on the VOM module in February 2025, while also conducting tests on the feasibility for other LEM products. We will continue to explore and benchmark different packaging technologies, to reduce our demand on raw materials and decrease our impact on the environment.

Working responsibly

Investing in our people

Our company is made up of 1,698 team members working across 17 different countries. As a global organization, we strive to create, invest in and maintain a team culture that fosters well-being and enjoyment at work. Over 2024, the business has undergone a company-wide transformation program called 'Fit for Growth'. It is designed to improve competitiveness, strengthen our focus on Asia and make LEM more agile and customer-centered. As part of our 'Fit for Growth' initiative, we are aligning our structure to better reflect regional market dynamics, with redefined roles across the organization and simplified decision-making processes. To support this transition, LEM unfortunately had to reduce its workforce by around 150 positions, primarily in Europe. We have implemented a generous social plan to support those affected and continue to invest in our teams globally, supporting them through this transition and helping them to continue to grow and thrive in our business.

Material drivers

People are at the heart of our business and of our success. Therefore, one of our priorities is the development and retention of the talented individuals who make up our organization and who contribute to the effective running of our day-to-day operations. We believe that developing our teams' skills and curiosity is what keeps us agile and adaptable, allows our employees to excel and find value in their roles, and keeps our products cutting edge.

Creating an energizing, creative and stimulating environment for our teams is also critical to the success of our business. Capitalizing on opportunities as a business is only possible if we work as a team and our employees feel supported, safe, and are able to thrive. Therefore, providing a physically and psychologically safe working environment, where our people have access to the right training and development opportunities, is a non-negotiable for us as a business.

Policies

We are united by our shared values and behaviors, which we call the LEM Blue Behaviors. We established our Blue Culture in 2021 to help empower our high-performing teams, to foster innovation and collaboration and to promote the safety and well-being of everyone at LEM. The Blue Behaviors are a common frame of reference for everyone and underpin our daily work. These include themes such as growth mindsets, a customer-first focus, team-player mindsets, and learning mindsets.

Last year, we introduced a new Labor & Human Rights Policy and this year we expanded it to include sections on remediation actions, reporting, whistleblowing mechanisms, and employment practices. It also includes social dialogue, working conditions, and compensation, amongst other topics. It helps ensure our business processes are underpinned by an appropriate and relevant policy. Other related policies include our Employee Privacy Policy, Group Safety Policy and our global Code of Conduct. You can find all of our sustainability-related policies in our policies table on pages 16–17.

Commitments, targets and measures

Our onboarding program supports our ambitions to grow our team in a collaborative and inspiring way. New joiners to the team complete a comprehensive onboarding program, designed to help them integrate and feel part of the team as quickly as possible. We believe onboarding is an important experience to get right for our new joiners and it helps to lay the foundation for strong employee satisfaction, high retention and productivity.

The program includes our LEM Explorer Path. This is a 90-day game-based experience, which includes missions, quizzes, surveys and group tasks, to help integrate new joiners in a fun and memorable way. We also introduced Corporate Sessions every Friday. These are led by Group Heads of Function, are intended to help new joiners understand our mission, the challenges we are facing, how the organization operates and to accelerate the readiness of our new joiners. Our CEO, Frank Rehfeld, joins the final session to give employees an opportunity to meet him and to ask questions on LEM's strategy, our focus areas and our Blue Culture.

The overall satisfaction score from our 131 new joiners in FY2023/24 was 4.7 out of 5.

Our employee engagement channels have been set up to facilitate positive dialogue between LEM employees and the business. These channels include:
- Our intranet, MyLEM, where more than 65 articles have been published over one year, with more than 45,000 views, 1,130 likes and 160 comments.
- Regular gatherings, such as global and local town-hall meetings, fireside chats, festive events in local offices or jubilees. While these have been reduced over the past year, they are still instrumental, and we are also pivoting to a more local approach to sustainably engage employees.

To support the continuous development of our people, we aim to provide them with the right tools to help them grow and succeed. This is even more important when the company is operating in a challenging period. Last year, we rolled out a range of materials and support to develop the teams to thrive in these challenging times. This program developed the team's collective strategic thinking, delivered turnkey tools to our leaders and promoted personal well-being. Details of this work can be found in the case studies on pages 40–41.

It is also very important to us, as a business, that our employees develop the skills and technical knowledge that will help them to excel in their careers. At the end of March 2025, 72% of our employees were actively using LinkedIn Learning for a total of 2,100 hours of training. Additionally, in 2024 all indirect employees received, on average, 11 hours of face-to-face training. In total, more than 13,100 hours of learning have been conducted over one year.

LEM creates a conducive environment for learning, and at several of our locations we also offer apprenticeship and graduate opportunities to students. This allows the next generation of innovators to experience working at LEM. To enable this learning opportunity, we have developed partnerships with STEM universities located near our sites. For example, we are especially proud of our collaboration in 2024 with the École Polytechnique Fédérale de Lausanne (EPFL), one of the top engineering schools in Europe. During one semester, a group of students worked on a project to optimize the carbon footprint of our DVM series. This exemplifies the important and rewarding nature of these collaborations; they are a bridge to the engineers of tomorrow. Details of this partnership can be found in the case study on page 34

Underpinning all of this work is the one-to-one development of individuals. We conduct our performance review cycle twice per year to ensure everyone has the opportunity to reflect on their individual development goals and to align them with the business's goals. The performance and people review process also allows employees to assess their progress against their objectives and to assess the development of their hard skills. This performance appraisal is designed to ensure employees are progressing in their careers, using the LEM Blue Behaviors as a reference framework, and to identify and develop our future leaders.

Key performance indicators

One measure we 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 2024, our global voluntary turnover rate for our indirect employee population increased to 8% (our global target is 7%).

As part of our employee engagement, we facilitate collective bargaining and social dialogue across all of our sites. Across LEM globally, the majority of direct labor (DL) and all indirect Labor (IDL) employees participate in regular performance and career development reviews.

The data below shows that 44% of our European Economic Area (EEA) employees were covered by collective bargaining agreements and 89% have employee representatives. In non-EEA countries, collective bargaining and employee representatives mechanisms are less common, and our employees are not covered (except for Japan).

KPI – People investment	Units	2024/25	2023/24
Collective bargaining and social dialogue			
EEA collective bargaining coverage	%	44	44
Non-EEA collective bargaining coverage	%	0	0
EEA social dialogue coverage (employee representatives)	%	89	92
Non-EEA social dialogue coverage (employee representatives)	%	4	4*
Performance and development			
Percentage of DL that participated in regular performance reviews (during FY24/25)	%	78	90
Percentage of IDL that participated in regular performance and career development reviews (in June 2024 for FY23/24)**	%	99	100
Number of face-to-face training hours per IDL	Hours	11	14

*Figure restated

**For employees who arrived before 30 September 2023 and potentially those who left after June 2024.

Plans for the future

We are deploying our leadership development program with a goal of training 200 LEM leaders. The program includes seven full days of face-to-face training, active learning, coaching, and 360 feedback. The program started in 2024 and so far around 90 of our leaders have completed it (full details can be found in the caste study on page 41). A second key focus for us in 2025 will be to define and implement a sustainability learning path, to continue the empowerment of our colleagues on sustainability topics, from the first day they join the company, and to ensure we remain committed to positive action as one global team.

Case study –

supporting our colleagues to thrive in challenging times

In our fast-paced and ever-changing environment, we all come up against unprecedented challenges. To help our community navigate uncertainty, we have rolled out materials and support to develop the skills and mindsets of our teams and leaders.

The content is designed to be pragmatic, short and effective and to offer flexible support. We have created newsletters – "Your Weekly Dose of Pragmatic Leadership" – that are concise, practical and contain inspiring videos, articles and one-pagers. We are also rolling out leadership chat sessions, which are safe spaces for our leaders to talk about their leadership challenges and receive peers' feedback. Each session has a trained facilitator from Fast Co-Development, who leads with a collaborative problem-solving approach designed to quickly address and resolve issues using coaching tools and methodology. We believe these sessions leverage our collective intelligence and support mutual learning, enhance collaboration and bring together diverse perspectives, supporting leadership development across LEM.

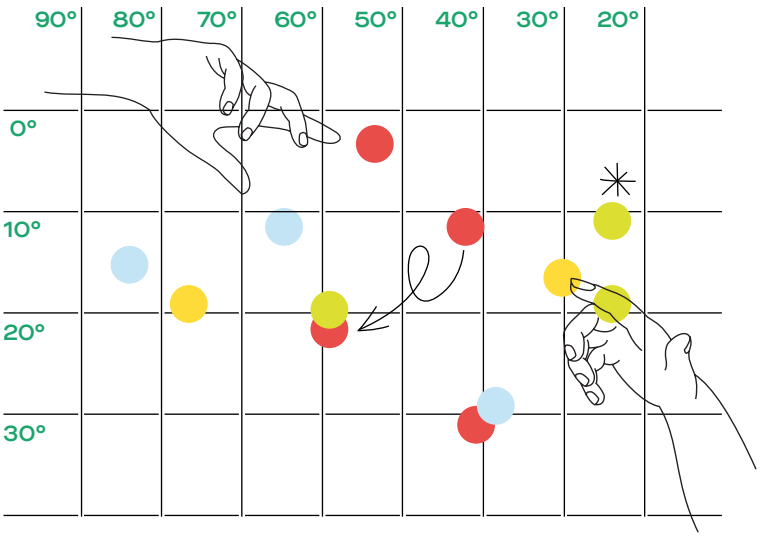
Our initiative has been rolled out in several editions. Each edition focuses on a specific aspect of thriving in challenging times, beginning with how to take care of yourself by stepping back and focusing on what an individual can control. The second is about taking care of the team and ensuring there is psychological safety. The third step is focused on the business, and how to embrace change as a leader and develop a growth mindset. The final step is about building resilience for the future, with a focus on cultivating agility and flexibility, and fostering continuous learning.

In tandem, we also recently launched a suite of 'Nano tips for leaders': short, effective and pragmatic tips to use and apply during challenging times. They cover questions such as "How to be comfortable being uncomfortable?", "How to adapt my roadmap and reprioritize it to fit the current context?", "How to keep my team focused and motivated?", "How to create psychological safety in my team?" and "How to communicate transparently?". Practical use-cases, tips and strategies are available in several formats to fit all needs and preferences, such as downloadable one-pagers, short videos and a best practices board.

Leaders' path
Open resources & sessions registration

1	Take care of YOU	Stepping back and focusing on what you can control
2	Take care of your TEAM	Creating psychological safety in your team
3	Take care of LEM	Embracing change to accompany Fit For Growth
4	Take care of our FUTURE	Building resilience for the future

#Nano tips for leaders



Case study –

supporting LEM leaders to excel

In January 2024, we kicked off our new Leadership Development Program. The twelve-month program includes a variety of tools and training to empower our leaders, from the ExCo down to the different leadership levels. We believe that taking care of our leaders helps them to thrive and to lead the business through both the rough and the smooth.

We are really proud that in 2024 we trained around 90 leaders across our global sites. The development program included profiles, individual and group coaching, development plans with managers, common and customized training, and opportunities to practice and implement the learnings in situ.

We have been pleased to see a positive response to the program: it received a 4.45/5 rating in response to “Overall, how would you rate the leadership development program so far?” and a 4.36/5 rating in response to “Would you recommend this program to a colleague?’ (a score of four is classed as ‘great’).

LEM leaders during our leadership program in Switzerland and China

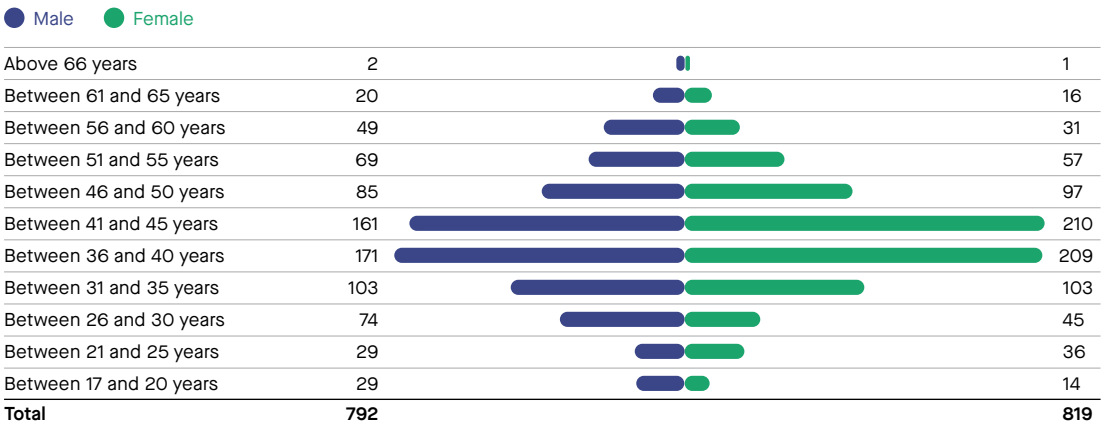
Diversity, equity and inclusion (DEI)

At LEM, we champion DEI because it is the right thing to do. We see it as our social responsibility, as aligned to our values, and the right decision for the business. A diverse workforce fosters innovation, enriches the decision-making processes and cultivates a dynamic work environment where every individual feels valued and empowered. Each employee is uniquely talented and we want to ensure our working environment encourages those talents to shine.

We are proud to continue reporting on diversity this year, building on the transparency and accountability started in last year's report. Our total headcount figures show an almost even split between men and women. Although our employee gender split highlights our overall gender diversity, our other disclosed DEI metrics have highlighted the gap across levels of seniority where women are underrepresented at the top of the business. This gap is greater in technical, engineering, sales and R&D functions.

Over the last year, we have focused on improving our recruitment process and ensuring there are fair and equitable opportunities for all. We now ensure that there is at least one male and female candidate in the short list that is presented to the hiring team. In addition, we have rolled out global training on unconscious bias. This is a global learning path curated with LinkedIn Learning to foster understanding of bias, equity, and inclusion. Promoting these courses aligns with our commitment to creating an inclusive environment where everyone feels valued. These courses will help us to continue building a culture of belonging, and will empower all team members to contribute their unique perspectives.

LEM age pyramid (permanent employees)



	Male	Female
Above 66 years	2	1
Between 61 and 65 years	20	16
Between 56 and 60 years	49	31
Between 51 and 55 years	69	57
Between 46 and 50 years	85	97
Between 41 and 45 years	161	210
Between 36 and 40 years	171	209
Between 31 and 35 years	103	103
Between 26 and 30 years	74	45
Between 21 and 25 years	29	36
Between 17 and 20 years	29	14
Total	**792**	**819**

Key performance indicators

Below are the key metrics we monitor and track, including a breakdown of employees by gender and age. We also keep a record of non-employee workers on our sites.

KPI – Employee diversity	Units	2024/25	2023/24
Total number of permanent employees	Units	**1,611**	**1,553**
Female employees	%	51	49
Male employees	%	49	51
Total number of Executive Committee members	Units	7	7
Female members	%	14	14
Male members	%	86	86
Total number of senior leader management employees	Units	**28**	**24**
Female senior leader employees	%	14	17
Male senior leader employees	%	86	83
Total number of non-employee workers in own workforce TEMP agency – monthly average	Units	**143**	**213**
Distribution of employees by age group			
Under 30 years old	%	14	11
31-50 years old	%	71	73
Above 51 years old	%	15	16

Plans for the future

We are committed to LEM being an inclusive and equitable environment for all our employees, yet there is always more we can do to improve our progress. We plan to review our benefit offerings to ensure they align with the needs and aspirations of our female employees, supporting their success both personally and professionally.

Health, safety and well-being of employees

The health, safety and well-being of our employees has been and always will be a priority for LEM as a business. We believe that our employees are only able to bring their best selves to work if we provide a safe and healthy environment. This includes practical and non-negotiable health and safety measures, initiatives to promote well-being, and comprehensive health support.

To ensure we maintain our high standards and protect our employees, our Group Health and Safety Policy lays out our expectations for all prospective and current employees. It also covers external individuals on LEM sites, such as volunteers, contractors or consultants. This policy can be found in the policy table on page 16–17.

In 2024, we have been working on building a solid foundation for health and safety awareness and management across the business. This included defining and implementing a dedicated Health & Safety Management System for the group and promoting sustainable modes of commuting to work. We also conducted a gap analysis of health and safety across our LEM sites and have drawn up an action plan to ensure consistently high standards globally, with the goal of achieving ISO 45001 (Occupational health and safety (OH&S) management system) certifications for our sites in Switzerland, Malaysia and China.

In these challenging times, we have also established a psychological support unit for all our employees in Switzerland and France. For a period of one to three months, psychologists were available twice a week, offering 30- to 45-minute one-on-one sessions, either on-site or remotely. These sessions were designed to support those in need and to find opportunities for relief and comfort.

One of the pillars in our Employer Value Proposition is “care”, which is focused on the mental and physical well-being of our employees. There are activities happening across our sites, with many examples given in the Green Committees section on page 15.

Our cycling champions arrived in Geneva after 180 km of effort

KPI – Health and safety	Units	2024/25	2023/24
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	5	5
Rate of recordable work-related accidents (by employees and non-employees)	Total number of accidents/ working hours x 200,000[1]	0.30	0.30
Number of recordable work-related incidents (by employees and non-employees on production sites)	Units	12	8
Rate of recordable work-related incidents (by employees and non-employees)	Total number of accidents/ number of employees working hours x 200,000[1]	0.72	0.47
Number of days lost to work-related injuries, accidents, fatalities and ill health (by employees and non-employees)	Days	105	95

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

One of the highlights of the year is the LEM cycling challenge, which takes place across France, Switzerland and Bulgaria. Following the success of previous years, the LEM cycling challenge took place again in 2024, linking our Lyon and Geneva sites by bike. This event is open to riders of all levels and in 2024 brought our communities together for an eight-hour adventure in beautiful landscapes. 23 riders from Lyon, Geneva and Sofia covered 180 km of road, including a huge 1,400 m ascent. Our success is only possible through our teamwork, and events like these are so important for bonding our communities together, and championing growth mindsets and physical well-being.

Key performance indicators

To ensure our processes and policy are effective, we track the number of work-related accidents/incidents and fatalities annually. In 2024, we had five work-related accidents reported, with an accident rate of 0.30, and 12 work-related incidences, with an incident rate of 0.72. Whilst those numbers are consistent with last year, the boundary has been expanded and our recent data on health and safety KPIs now encompasses our R&D and distribution sites, as well as our production centers.

Plans for the future

Health and safety will always be a top priority at LEM. We are proud to champion safe working across our business and strive to be leaders in this. We are working on achieving ISO 45001 (Occupational health and safety (OH&S) management system) certifications in Switzerland, Malaysia and China in the summer of 2025, and are evaluating 2026 certification for Bulgaria and Japan.

Case study –

creating a positive and safe working environment in our new Malaysia facility

Our new production facility in Penang, Malaysia, has introduced a range of inventive and effective initiatives to help to create a positive and safe working environment for our colleagues. This includes a yearly calendar of events, split across environmental, social, governance and health and safety.

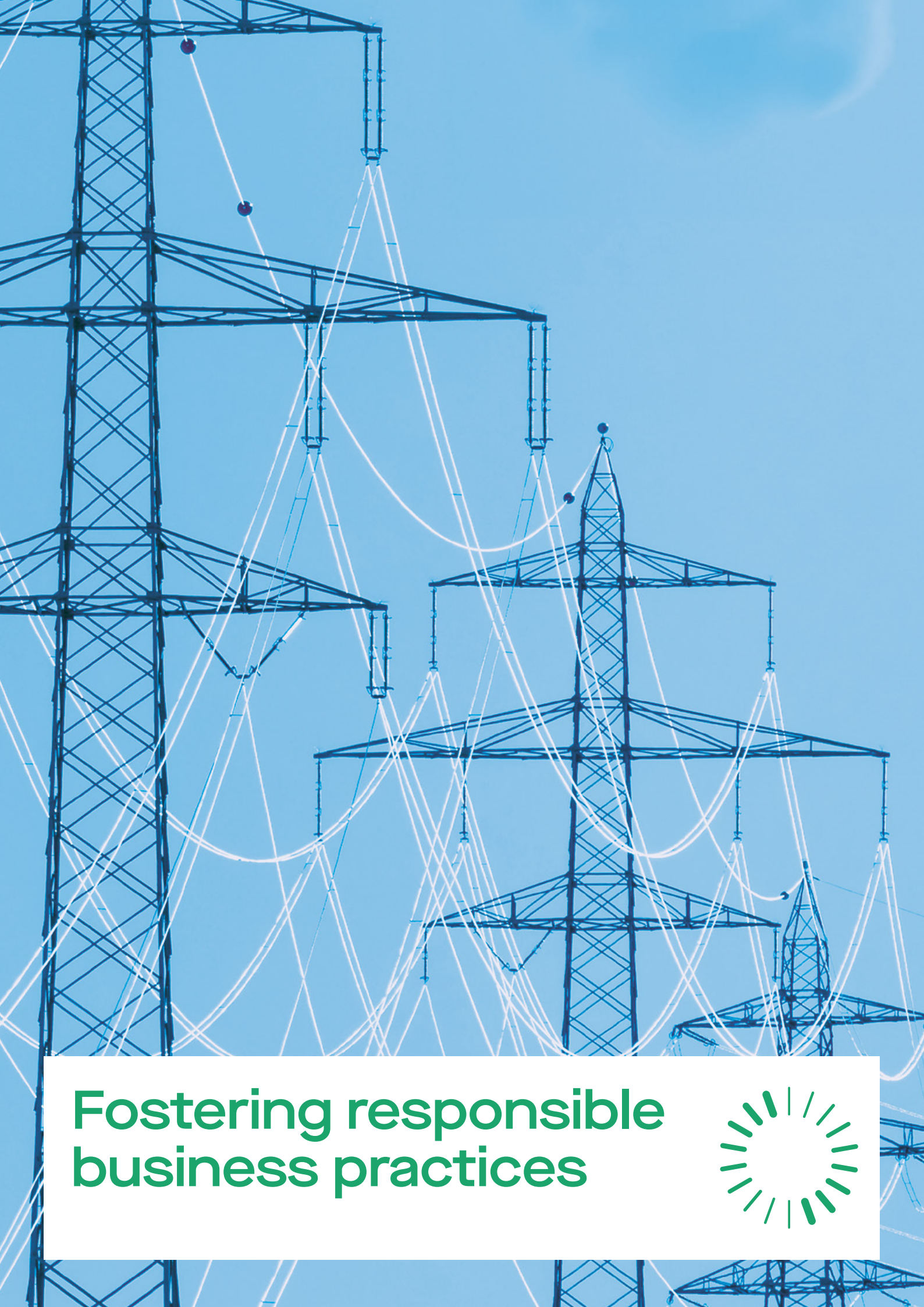
Sustainability quiz winners at LEM Malaysia

To help promote environmentally positive behavior, the team has been running community events such as planting fruit trees, recycling competitions, car-pooling projects and a community pre-loved week. During a five-week period, nearly 50 team members exchanged over 380 pre-loved items, helping to give a second life to personal belongings and supporting their local community.

Similarly, the team has run events focused on social and governance awareness. For example, bringing in inspiring external speakers from Universiti Malaysia Perlis (UniMAP), hosting career fairs, raising awareness of anti-bribery and whistle-blowing, and actively collecting feedback through Pulse surveys. Accessible information is absolutely critical to employee awareness, and in the Malaysia facility the team have set up public computers where employees can access all of LEM's governance documents and environment initiatives. They are then helping to embed these practices through quarterly quizzes called 'Are you Aware?'. These fun and interactive sessions bring everyone together to learn and help to create a strong sense of community.

Whilst a strong sense of community is vitally important to our team culture, it's also critical that all our employees are safe at work and that their health is a priority. The Malaysia team is helping to ensure good practice is followed, with a line-up of regular training and skills sessions. These have included defibrillator use (AEDs), emergency response, safety drills, and chemical and waste management. Furthermore, throughout the site there are TV displays with employee health and safety (EHS) information to raise awareness daily. These include messages around noise levels, safety tips during national holidays (e.g., road safety considerations during very busy travel periods) and the details for the emergency response team (ERT).

The team has been actively planning their 2025/26 calendar with events like a recycling competition, sports tournaments, beach cleaning days, family days and continued training on topics such as waste, contractor awareness, fire safety, machinery, and first aid.



Fostering responsible business practices

Business ethics

At LEM, we have always strived to conduct our business to the highest ethical standard, whether that is with our employees, our suppliers, our customers or our wider supply chain. We believe that integrity and transparency should be the starting point for everything we do. This extends to our commitment to the 10 Principles and 17 Sustainable Development Goals of the United Nations Global Compact, which we have been a signatory of since 2006.

Material drivers

Business ethics emerged as a key material topic for LEM in our double materiality assessment because of the positive impact that transparent and ethical business practices have on society, employees, customers, shareholders and suppliers. We have a number of effective mechanisms in place to uphold our commitment, including our whistleblowing process, policies and training for our employees.

Our double materiality assessment also helped us to define the associated potential risks. Namely, there is a financial risk to the business if we do not comply with business ethics regulations, as well as the potential subsequent reputational effects on market share and customer retention. We are confident in our processes and systems, and in the ethical conduct of our business, and remain committed to the constant monitoring and improvement of these going forward.

Policies

At the heart of our responsible business practices is our Code of Conduct. This lays out our expectations for any stakeholder who engages with LEM, whether an employee or a supplier. It has been translated into 11 languages and was most recently refreshed in 2023. Alongside our core values and principles, it also includes details on safeguarding intellectual property and sensitive business information. Our Code of Conduct is complemented by our related policies, which help to enforce ethical business practices across the company. This includes the Group Anti-Bribery and Anti-Corruption Policy, the Group Labor & Human Rights Policy and the Group Whistleblowing and Investigation Policy. For a comprehensive overview of all our sustainability-related policies, please refer to our policies table on pages 16–17.

Commitments, targets and measures

Across 2023 and early 2024 we introduced our new compliance hub, which is a dedicated space for resources, policies and procedures, training materials, and templates (which are tailored for specific functions such as purchasing and sales).

This work included updating our Group Whistleblowing and Investigation Policy in 2023. This internal policy outlines our internal reporting processes, including our secure whistleblowing platform, which is hosted by a trusted third-party provider and offers a hotline number and a messaging service. We also have a web portal, which is accessible from our internet and intranet sites, where anyone can report their concerns. This gives our employees and various stakeholders more choice and allows them to pick the communication channel which they feel most comfortable with. Whilst having these tools and policies in place is important, it is equally important that our employees are aware of them so they know how to use them. In early 2024, we ran a whistleblowing awareness campaign across all LEM locations to ensure our employees were aware of the tools, services and processes. We reran this campaign in early 2025, through a screen display and a MyLEM article, to remind everyone about the platform and the importance of speaking up.

In January 2025, we published our first Group Antitrust and Fair Competition Policy. It is imperative that all LEM employees understand the fundamental principles of antitrust laws when interacting with competitors, customers, or suppliers, and this new policy is key to this. It bolsters our dedication to operating appropriately within a robust free market economy which embraces competition, enhances efficiency, fosters innovation, and provides consumers with a variety of products and prices. Adherence to antitrust laws is mandatory and is embedded in LEM's Code of Conduct (Section: Fair Competition and Antitrust). These policies and measures

also help to mitigate the potential financial risks linked to any violation of the relevant laws.

Key performance indicators

All our new joiners are required to agree to uphold the ethical standards in our Code of Conduct. As of 31st March 2025, we have achieved an impressive 98% signature rate. We have also delivered training simultaneously to 98% of our employees on our whistleblowing processes. In 2023, our new whistleblowing process was only operational for two months, which explains the increase in the number of complaints received in 2024.

KPI – Business ethics	Units	2024/25	2023/24
Code of Conduct signature rate	%	98	98
Training on whistleblowing/business ethics completion rate	%	98	98
Whistleblowing complaints			
Number of complaints received	Units	22	2
% complaints under investigation	%	0	0
% complaints closed	%	100	100
Convictions			
Total number of convictions	Units	1	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	0	0
The number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Units	0	0
Payment practices			
The number of legal proceedings currently outstanding during the reporting period for late payments	Units	0	0

Plans for the future

Our goals for 2025 are to continue and finalize the work that was started in 2024. This includes creating privacy policies, which cover topics like CCTV, job applications, social media, technical and organizational measures, data sharing, privacy and privacy notice, cookies and direct marketing. The policies will be rolled out with a training program to ensure everyone in the business is empowered to understand their roles and responsibilities.

Human rights and sustainable supply chains

At LEM, we are fully committed to our responsibilities when it comes to the production of our sensors. All of our work is underpinned by our commitment to uphold human rights and champion sustainability across our value chain. Since its launch in 2023, our sustainable purchasing program is helping to instill responsible business practices across our business and with our suppliers. Addressing sustainability requires us all to work together and therefore our approach is based on collaboration and engagement with our suppliers.

Material drivers

We are reliant on our global supply chain for our business to run. Therefore, we are committed to ensuring it is sustainability managed, whether from an environmental, social or governance perspective. We uphold the highest standards in all aspects, whether that is our commitment to human rights, ensuring fair and safe working conditions, protecting whistleblowers, or minimizing our environmental impacts like waste.

Our recent double materiality assessment also highlighted some of the risks which are salient to LEM, including conflict minerals and child labor. It is crucial that we take these risks seriously, as any failings could result in adverse impacts on both people and society, and have potential financial implications for LEM. The following sections outline our strategic approach, the processes we have in place to mitigate risks, and the steps we are taking to create positive impacts for the people and the environment connected to our supply chain.

Policies

We have been consistently updating and fortifying our commitment to labor and human rights. In 2023, we introduced a new Labor & Human Rights Policy and a Whistleblower and Investigation Policy, and we updated our Code of Conduct. Together, these documents help to robustly define our ethical principles and standards that guide our business decisions. All these documents are based on international standards such as ILO, OECD and UNGP. All our sustainability related policies can be found on pages 16–17. In early 2025 we expanded our Labor & Human Rights Policy to include sections on remediation actions, reporting and whistleblowing mechanisms, and employment practices.

In 2024, we revised and circulated our Supplier Manual, which clearly lays out our expectations for suppliers. We have included a dedicated section on ESG, where our suppliers commit to creating a more sustainable and environmentally conscious environment. For the environmental section we ask suppliers to adhere to several principles including reducing their Scope 1, 2 and 3 carbon emissions, alongside energy, water and waste principles. The social section commits suppliers to promote fair labor practices and drive positive change in our communities, as well as specific principles to ensure suppliers have no child labor in their workforce and value chain. At LEM, we are committed to maintaining the highest standards of corporate governance and business ethics; and this extends to our suppliers. We request that they respect all applicable laws and regulations, promote a culture of integrity, protect whistleblowers and more.

Commitments, goals and measures

We believe that proactive management is the best approach to address our impacts, risks and opportunities, to protect human rights, and to ensure we have a sustainable supply chain. Like any other business, we aim to strike a balance, through a holistic approach, between our commercial priorities and environmental and social responsibilities. Our embedded standards, policies and actions help to ensure our business growth is considerate of both people and planet.

Fostering responsible business practices

Alongside our policies and the Code of Conduct, all our suppliers go through a stringent Procurement Risk Assessment (PRA) before being approved as one of our suppliers. This assessment was last updated in 2024 and comprises of 18 detailed questions related to responsible business and sustainability. For example, we request that suppliers share details on their due diligence programs to monitor child labor within their own supply chains. We recognize that the topic of sustainability may be relatively new for some of our suppliers, but it is important for us to understand our supplier's maturity; please note that this assessment is not a disqualifying factor. Even if a supplier receives a low score, LEM may still proceed, provided that the supplier commits to developing an action plan and agrees to regular follow-ups to ensure its effective implementation.

Please see the case study on page 53 for further information.

We are committed to fostering a sustainable future, and we recognize that understanding and collaborating with our existing suppliers is a crucial part of this journey. We want to actively engage and drive this relationship and so have developed a comprehensive questionnaire covering key sustainability topics to gain deeper insights. This survey explores ESG and material sourcing within our supplier's organization, and their responses are helping us to collectively advance towards our sustainability goals. As part of our supplier screening, we analyze a supplier's turnover and location against various risk indicators. This informs us which suppliers to send the questionnaire to and understand the supplier's ESG commitments in more detail. Based on the feedback we receive, we can shape and inform the agenda for our annual meeting with our suppliers, raising awareness of specific topics and requesting them to engage further.

Plans for the future

Going into next year, we will support the purchasing team and improve synergies to ensure the processes are aligned and cross-functional. We are planning to implement a sustainable sourcing policy, which will be communicated to all our suppliers. We recognize that action is important, but it is effective actions that equal success. Therefore, we will also focus on monitoring our progress and will follow up with quantitative data point requests from our top 45 suppliers. We will also ensure our work with the purchasing team continues to support our bigger environmental net zero goals and will set CO_2 emissions as a key criteria for new business awarded to suppliers.

Case study –

a sustainable procurement process to engage with our suppliers

Across 2024, we renewed our focus on sustainable procurement, ensuring that our suppliers not only meet legal requirements but also strive for best practices across environmental, social and governance (ESG) areas. To achieve this, we implemented a dual approach:

- New suppliers: we introduced an updated Procurement Risk Assessment (PRA) with 18 sustainability-related questions to assess new vendors.
- Existing suppliers: we launched a supplier sustainability assessment questionnaire, sent to 150 suppliers, identified through a risk-based analysis.

For new suppliers, the PRA takes a broad approach, not only focusing on sustainability and ESG performance related topics but also assessing factors such as cybersecurity, quality and people (please note that the sustainability related questions are not a disqualifying factor for suppliers). For existing suppliers, the questionnaire covered general sustainability, climate, human rights, health and safety, governance, and materials (conflict minerals, REACH, persistent organic pollutants and mercury) questions. This provided a comprehensive view of their ESG maturity, helping us identify both potential risks and opportunities for deeper sustainability partnerships.

Our suppliers help drive LEM's sustainability progress. For instance, 31% of our Scope 3 emissions come from purchased goods and services. By collaborating with more sustainable suppliers or supporting those at the start of their sustainability journey, we can actively reduce our emissions. While we can help drive down our emissions with supplier engagement, a deeper understanding of our supplier base also strengthens our supply chain resilience, helping us navigate climate, market, or political disruptions.

31%

of our Scope 3 emissions come from purchased goods and services.

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 (DDTrO), we mapped the minerals and metals against the quantities defined in the Annex I of the Swiss Ordinance. Our analysis confirmed that in 2024, 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

In compliance with the Swiss Due Diligence and Transparency Ordinance and 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 enhanced our due diligence program and risk assessment approach. These are based on international frameworks, including the OECD and United Nations Guiding Principles on Business and Human Rights.

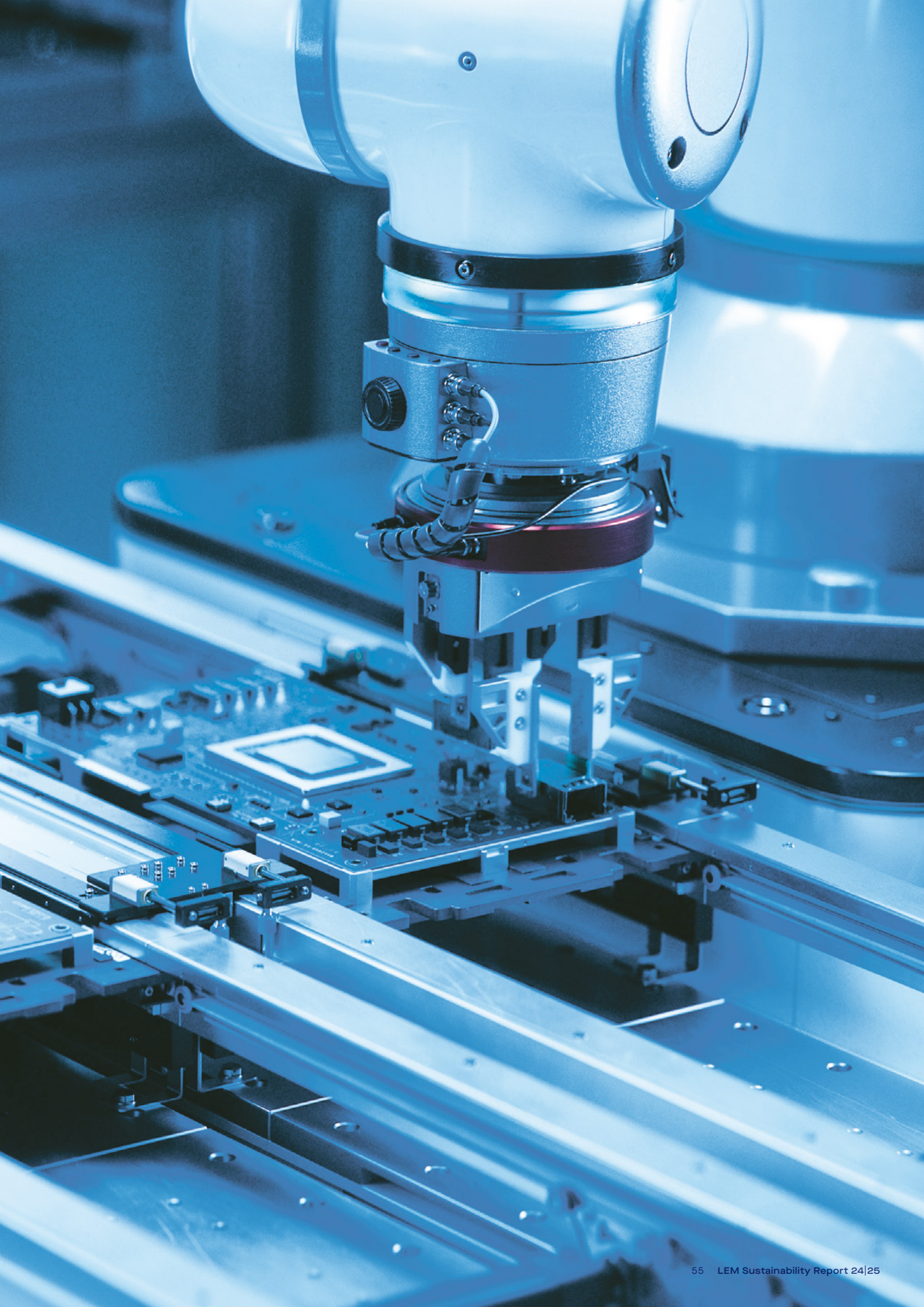
Key performance indicators

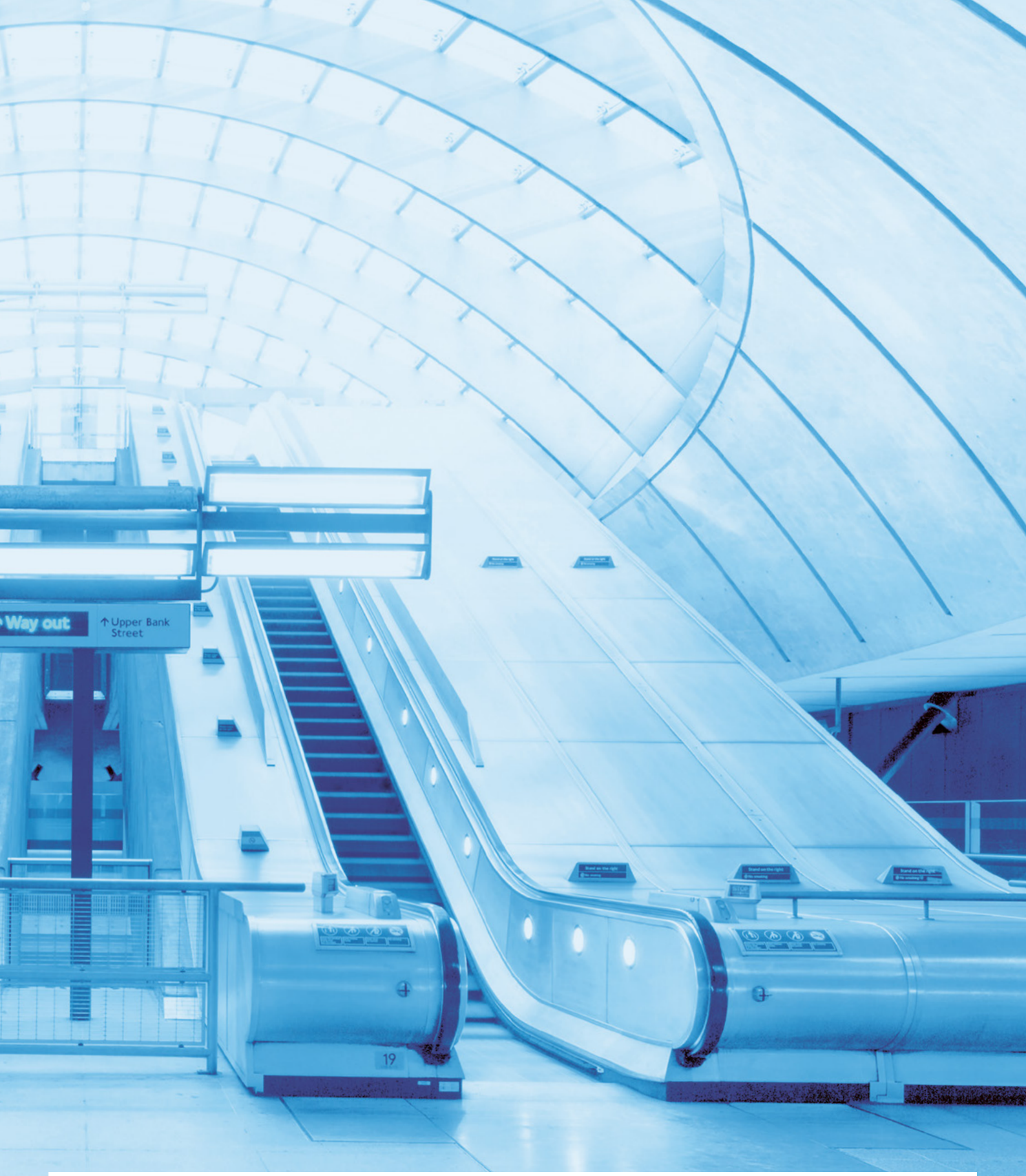
We track the two KPIs below to monitor these material topics related to our supply chain. We regularly conduct internal audits of our Human Resources function at a range of locations, and we specifically look at the controls in place regarding human rights.

KPI – Human rights and supply chain	Units	2024/25	2023/24
Internal audit including human rights topics	Units	1	2
Number of child labor cases in own operations	Units	0	0

Plans for the future

We will continue to invest in improving our due diligence processes, aligning them with the requirements outlined in the EU Corporate Sustainability Due Diligence Directive (CSDDD). We will also continue to implement the roadmap which we defined last year (see page 49 in last year's report).





TCFD Statement

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.

To advance these efforts, we are excited to unveil our first TCFD Statement, 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 this statement, we present our climate-related financial disclosure in line with the four TCFD recommendations: governance, strategy, risk management, and metrics and targets. Our disclosure complies with 10 of the 11 recommended disclosures, with the exception of quantifying and measuring risks. We plan to address this gap by quantifying the risks identified in the coming year and will disclose the results in our next statement.

Governance

Board's oversight of climate-related risks and opportunities.

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

Sustainability topics, risks and opportunities, have an annual dedicated slot in the Board's agenda, which will increase to twice per year in FY2025/26. During this session, the Chief People and Sustainability Officer (the SVP People and Sustainability, as of May 1st, 2025), along with the Head of Sustainability, reports to the Board on progress. Additionally, the Head of Sustainability presents to the Executive Committee twice annually, and intends to increase to quarterly presentations.

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 13–14 for further information on the Board's oversight.

The role of management in assessing and managing climate-related risks and opportunities.

Climate risks and opportunities continue to evolve rapidly alongside regulation and expectations, impacting all areas of our business. To navigate this changing landscape, it is critical that robust governance processes are in place to identify and manage climate-related risks and opportunities. Effective oversight and management of these risks and opportunities is essential to our sustainable success.

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 13–14 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.

TCFD Statement

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.

We conducted a series of workshops in Q4 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.

Our TCFD workshops this year built on previous risk analysis, and a full breakdown can be found in the risks and opportunities table at the end of this statement.

	Scenario 1 **An Optimistic World** **(1.5°C)**	**Scenario 2** **An Unpredictable World** **(2°C)**	**Scenario 3** **An Irreversible World** **(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 1.5°C 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 – 60% from 2020 to 2050 – however, the transition to a low-carbon economy is disorderly due to a "business as usual" approach. 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. Strong economic growth propped up by the unrestricted use of fossil fuels results in prolific long-term development. However, the catastrophic economic toll of climate change becomes an unprecedented 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 / RCP 2.6	SSP2 – 4.5 / RCP 4.5	SSP5 – 8.5 / RCP 6.0
Other Scenarios	PRI IPR: 1.5°C Required Policy Scenario	PRI IPR: Forecast Policy Scenario	-

SSP = Shared Socioeconomic Pathway
RCP = Representative Concentration 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 workshops, we identified what the climate-related impacts might be on our business. Next year, we plan to take this further by quantifying the risks and opportunities thereby improving our understanding and capacity to plan ahead. This will be included in next year's reports.

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, lead times, and 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 of our 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 sensor and increasing customer expectations for PCFs (Product Carbon Footprints), LCAs (Life Cycle Assessments) 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 regulation, 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 24)
- Switching to renewable electricity. We are now using close to 100% renewable electricity across our own operations due to our ongoing investments in Energy Attribute Certificates (EACs), and our existing renewable tariffs.
- Generating our own renewable electricity at all our main production sites (Geneva, Penang, Beijing) from 2024, and expanded capacity in our Geneva office from the 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"). Only two buildings have this label in the Geneva canton. As a result of the move, we were able to reduce our electricity consumption by more than 50% compared to our former offices.

– Reducing emissions from our intercompany transportation in 2024 by continuing to switch from air freight to sea or train freight. We saw a reduction of 1.5t CO_2e per ton of transported freight, from 4.1t CO_2e in 2023 to 2.6t CO_2e, and we are rolling this initiative out further.
– 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.

LEM has a standardized procedure for Enterprise Risk Management (ERM) 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 32.

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 in 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).

The sustainability team, sustainability committee and the strategy & sustainability 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.

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 and 24.

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 (more on page 14).

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.

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 with 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 page 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 2021, 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 pages 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.

We have set a target to reach net zero in our own operations (Scope 1 and 2 market-based) by FY2025/26. We are making good progress towards achieving this target due to the use of renewable electricity across all our sites. Furthermore, we have set a net zero target for our value chain (Scope 3) by FY2040/41, from a 2023 baseline. In the short term, we are also looking to submit 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 pages 25–29.

To help us reach net zero by FY2040/41, 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 pages 25–27.

TCFD Statement

Risks

Scenario	Risk	Description	Detail	Time scale	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 are 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.	M/L	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	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.	S	Consider climate resilience when expanding or planning new investments in assets. Conduct feasibility studies on building adaptability and regularly update business continuity plans.
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	Update materials, design, simulation or models to withstand extreme temperatures

Scenario	Risk	Description	Detail	Time scale	Mitigation
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	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 '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.	L	Ensure LEM provides an innovative and competitive offering.
3	Risk (physical, chronic)	Health, safety and well-being	Increasing health, safety and well-being risks for the 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. The volatile weather will make it harder for the business to anticipate and, therefore, plan for when and which locations will be affected first.	L	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	Monitor the situation and maintain, or expand if needed, operations in more favorable locations.

Opportunities

Scenario	Opportunity	Description	Detail	Time scale	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. The majority of our products support electrification and the transition to low-carbon energy.	S/M	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	Monitor markets and maintain capacity to supply increased demand. Continue and expand sustainability initiatives, making them part of LEM's DNA.
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	Innovate and expand circularity initiatives where feasible.
1, 2 & 3	Opportunity	Localization and diversifica-tion 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	Monitor supplier base and strategically localize or integrate where beneficial.

Appendices

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 56–64) 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 57
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Page 57
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 57–58
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Page 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 58–59
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.	Page 60
	b) Describe the organization's processes for managing climate-related risks.	Page 60
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Page 60
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 61 We have not yet quantified and measured our climate-related risks and opportunities. We plan to address this gap in the coming year and share the results in our subsequent TCFD Statement.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Page 61
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Page 61

Appendix 2: RBI content index

Non-financial matter according to Art. 964b CO	Response/Reference to LEM material topics	Page reference
1. Basis of preparation		
Reporting principles and 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 2024 to 31st March 2025) with the exception of our waste, energy and GHG emissions data that are based on a calendar year (January 2024 to December 2024). 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		
Foreword and signature of the report	Insights from the Chairman and the CEO	4–5
Description of the business model	What we do and where we operate	7–9
Description of governance	Governance structure	13–14
Description of materiality assessment	Sustainability double materiality	19–21
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 30 32
Policies adopted, including the due diligence applied	Our decarbonization journey Waste reduction Innovation and circular economy	25 30 32
Measures taken to implement policies and assessment of effectiveness	Our decarbonization journey Waste reduction Innovation and circular economy	25–26 30 33
Key performance indicators	Our decarbonization journey Waste reduction Innovation and circular economy	26–27 30 33
4. Social matters		
Description of the main impacts and risks (based on double materiality perspective)	Innovation and circular economy Investing in our people	32 37
Policies adopted, including the due diligence applied	Innovation and circular economy Investing in our people	32 37
Measures taken to implement policies and assessment of effectiveness	Innovation and circular economy Investing in our people	33 37–38
Key performance indicators	Innovation and circular economy Investing in our people	33 38–39

Non-financial matter according to Art. 964b CO	Response/Reference to LEM material topics	Page reference
5. Employee-related matters		
Description of the main impacts and risks (based on double materiality perspective)	Investing in our people	37
Policies adopted, including the due diligence applied	Investing in our people	37
Measures taken to implement policies and assessment of effectiveness	Investing in our people	37–38
Key performance indicators	Investing in our people	38–39
6. Combating corruption		
Description of the main impacts and risks (based on double materiality perspective)	Business ethics	49
Policies adopted, including the due diligence applied	Business ethics	49
Measures taken to implement policies and assessment of effectiveness	Business ethics	49
Key performance indicators	Business ethics	50
7. Respect for human rights		
Description of the main impacts and risks (based on double materiality perspective)	Human rights and sustainable supply chains	51
Policies adopted, including the due diligence applied	Human rights and sustainable supply chains	51
Measures taken to implement policies and assessment of effectiveness	Human rights and sustainable supply chains	51–52
Key performance indicators	Human rights and sustainable supply chains	54
Due Diligence and Transparency Ordinance according to RBI-DDTrO Art. 964 j-l CO		
8. Minerals and metals		
Minerals and metals	Human rights and sustainable supply chains	54
9. Child labor		
Child labor	Human rights and sustainable supply chains	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. We are currently in the process of submitting our 2025 assessment.	2024
Score Climate: tbc | Water: tbc 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 for 2024 and scores are still under review.	2024
Score 13 Range: 0 to 40+	**Morningstar Sustainalytics provides analytical ESG research, ratings and data to institutional investors and companies.** In 2024, 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.	2024
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.	2024

Appendix 4: Summary data table

Key performance indicator	Unit	Period	2024(/25)	2023(/24)	2022(/23)	ESRS	Notes
Countries operating in	Units	FY	17	17		S1	Refer to page 9 for list of countries
Renewable electricity split	%	CY	99	87	37	E1	
Global energy consumption	MWh	CY	9,865	7,082	7,454	E1	2022 data is not comparable to 2023 as we have significantly expanded the scope of the data collected and improved data quality. We have added more Scope 1 and 2 emissions, we have added five new Scope 3 categories (category 3, 8, 11, 12 and 13) and we have improved robustness of our methodology and data collection for other categories (e.g Scope 3 category 1). We have also been improving our Scope 3 data collection and methodology from 2023 to 2024, hence the variations in categories 3, 4, 9, 5, 11 and 12, for more detail on these changes please refer to page 27.
Global energy consumption from fossil fuel	MWh	CY	40	822	3,921	E1	
Global energy consumption from nuclear	MWh	CY	97	85	452	E1	
Global energy consumption from renewable	MWh	CY	9,728	6,175	2,778	E1	
Global energy consumption intensity	MWh/CHF	CY	0.032	0.017	0.018	E1	
Global Scope 2 (location-based)	tCO_2e	CY	4,631	2,434	2,420	E1	
Global Scope 2 (market-based)	tCO_2e	CY	20	623	4,066	E1	
Global Scope 3	tCO_2e	CY	177,414	173,197	100,454	E1	
Category 1: Purchased Goods and Services	tCO_2e	CY	54,526	73,217		E1	
Category 2: Capital Goods	tCO_2e	CY	3,828	2,667		E1	
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	tCO_2e	CY	1,359	184		E1	
Category 4: Upstream Transportation and Distribution	tCO_2e	CY	5,033	13,464*		E1	
Category 5: Waste Generated in Operations	tCO_2e	CY	157	48		E1	
Category 6: Business Travel	tCO_2e	CY	1,701	2,053		E1	
Category 7: Employee Commuting	tCO_2e	CY	1,417	1,460		E1	
Category 8: Upstream Leased Assets	tCO_2e	CY	1	0		E1	
Category 9: Downstream Transportation and Distribution	tCO_2e	CY	1,870	217		E1	
Category 10: Processing of Sold Products	tCO_2e	CY	n/a	n/a		E1	
Category 11: Use of Sold Products	tCO_2e	CY	105,898	79,579*		E1	
Category 12: End-of-Life Treatment of Sold Products	tCO_2e	CY	1,624	308		E1	
Category 13: Downstream Leased Assets	tCO_2e	CY	0	0		E1	
Category 14: Franchises	tCO_2e	CY	n/a	n/a		E1	
Category 15: Investments	tCO_2e	CY	n/a	n/a		E1	
Global Scope 1 and 2 (location-based)	tCO_2e	CY	4,763	2,606	2,459	E1	
Global Scope 1 and 2 (market-based)	tCO_2e	CY	152	796	4,105	E1	
Global Scope 1, 2 (location-based) and 3	tCO_2e	CY	182,177	175,803	102,913	E1	
Global Scope 1, 2 (market-based) and 3	tCO_2e	CY	177,566	173,993	104,559	E1	
Global Scope 1, 2 (location-based) and 3 CO_2e intensity	gCO_2e/ product	CY	3,443	2,499	1,497	E1	

Appendices

Key performance indicator	Unit	Period	2024(/25)	2023(/24)	2022(/23)	ESRS	Notes
Global Scope 1, 2 (market-based) and 3 CO2e intensity	gCO2e/ product	CY	3,356	2,473	1,521	E1	
Global Scope 1, 2 (location-based) and 3 CO2e intensity	gCO2e/ revenue	CY	594	433	253	E1	
Global Scope 1, 2 (market-based) and 3 CO2e intensity	gCO2e/ revenue	CY	579	429	257	E1	
Total amount of waste generated for the group	tons	CY	344	357	529	E5	
Active users of LinkedIn Learning at the end of March	%	FY	78	74		S1	
LinkedIn Learning hours completed	Hours	FY	>2,000	>6,000		S1	
Total hours of learning completed	Hours	FY	>13,000	18,800		S1	
Number of face-to-face training hours per IDL	Hours	FY	11	14		S1	
Global voluntary turnover rate	%	FY	8	6	7	S1	
EEA collective bargaining coverage	%	FY	44	44		S1	
Non-EEA collective bargaining coverage	%	FY	0	0		S1	
EEA Social dialogue coverage (employee representatives)	%	FY	89	92		S1	
Non-EEA Social dialogue coverage (employee representatives)	%	FY	4	4*		S1	
Percentage of DL that participated in regular performance	%	FY	78	90		S1	
Percentage of IDL that participated in regular performance and career development reviews	%	FY	99	100		S1	
Total number of permanent employees	Units	FY	1,611	1,553		S1	
Female employees	%	FY	51	49	54	S1	Refer to page 43 for entity breakdown
Male employees	%	FY	49	51	46	S1	Refer to page 43 for entity breakdown
Under 30 years old	%	FY	14	11			Refer to page 42 for further age and gender breakdown.
30-50 years old	%	FY	71	73			
Above 50 years old	%	FY	15	16			
Total number of Executive Committee members	Units	FY	7	7		S1	
Female members of the Executive Committee	%	FY	14	14		S1	
Male members of the Executive Committee	%	FY	86	86		S1	
Total number of employees at senior leaders management	Units	FY	28	24		S1	
Female employees in Top Management	%	FY	14	17		S1	
Male employees in Top Management	%	FY	86	83		S1	
The total number of non-employee workers in own workforce (TEMP agency)	Units	FY	143	213		S1	
LEM Group direct labor	%	FY	40	40		S1	

Key performance indicator	Unit	Period	2024(/25)	2023(/24)	2022(/23)	ESRS	Notes
LEM Group indirect labor	%	FY	60	60		S1	
The number of work-related fatalities (by employees, by non-employees and by other workers working on site)	Units	FY	0	0		S1	
The number of recordable work-related accidents (by employees and non-employees)	Units	FY	5	5		S1	
The rate of recordable work-related accidents (by employees and non-employees)	Total number of accidents/ working hours x 200,000[1]	FY	0.30	0.30		S1	
The number of recordable work-related incidents (by employees and non-employees)	Units	FY	12	8		S1	
The rate of recordable work-related incidents (by employees and non-employees)	Total number of accidents/ working hours x 200,000[1]	FY	0.72	0.47		S1	
The number of days lost to work-related injuries, accidents, fatalities and ill health (by employees and non-employees)	Days	FY	105	95		S1	
Code of Conduct signature rate	%	FY	98	98		G1	
Training on whistleblowing/business ethics completion rate	%	FY	98	98		G1	
Number of whistleblowing complaints received	Units	FY	22	2		G1	
% complaints under investigation	%	FY	0	0		G1	
% complaints closed	%	FY	100	100		G1	
Total number of convictions	Units	FY	1	1		G1	
Total amount of fines for violation of anti-corruption and anti-bribery laws	Units	FY	0	0		G1	
Total number and nature of confirmed incidents of bribery and corruption	Units	FY	0	0		G1	
The number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Units	FY	0	0		G1	
The number of legal proceedings currently outstanding during the reporting period for late payments	Units	FY	0	0		G1	
Internal audit incl. human rights topics	Units	FY	1	2		S1	
Number of child labor cases in own operations	Units	FY	0	0		S2	

The period column refers to financial year (FY) from 1st April to 31st March and calendar year (CY) from 1st January to 31st December.
*Figures restated

Appendix 5: List of acronyms

Acronym	Meaning
BoD	Board of Directors
CCTV	Closed Circuit Television
CO_2e	CO_2 equivalent
CoC	Code of Conduct
CSDDD	Corporate Sustainability Due Diligence Directive
CY	Calendar Year
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
EPFL	École Polytechnique Fédérale de Lausanne
ERM	Entreprise Risk Management
ERT	Emergency Response Team
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
GSSB	Global Sustainability Standards Board
HR	Human Resources
HVAC	Heating, Ventilation and Air-Conditioning
ICE	Internal Combustion Engine
IDL	Indirect Labor
ILO	International Labor Organization
IROs	Impacts, Risks and Opportunities
IT	Information Technology
LCA	Life Cycle Assessment
MRI	Magnetic Resonance Imaging
MWh	Mega Watt hour
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
OH&S	Occupational Health and Safety
PCF	Product Carbon Footprint
PRA	Procurement Risk Assessment
PRI-IPR	Principles for Responsible Investment Inevitable Policy Response

Acronym	Meaning
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
SSCP	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 Nations Guiding Principles

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LEM HOLDING SA
Route du Nant-d'Avril 152
1217 Meyrin
Geneva, Switzerland
www.lem.com