

General information

Basis for preparation of the Group Sustainability Statement

BP-1; BP-2

General basis: This Group Sustainability Statement has been prepared on a consolidated basis for the year ending 31 December 2025, with reference to the European Union's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) Sector agnostic Set 1. This report does not claim full compliance with all ESRS requirements, as the standards were under revision at the time of publication. For the 2025 reporting year, we have no legal obligation to report under ESRS and do so voluntarily. The Group Sustainability Statement presents all required disclosures on material matters, supplemented by information on certain non-material topics. The Group Sustainability Statement encompasses upstream and downstream activities, as well as the company's own operations, as illustrated in [Table 1](#).

Unless otherwise stated, the sustainability performance data and information included in this statement are reported based on the same consolidation principles as the financial statements, which include HUBER+SUHNER AG (the parent company) and its controlled subsidiaries. We disclose the list of companies and corresponding geographies included in its consolidation perimeter as part of the [financial statements](#).

For environmental data, all major entities report, at a minimum, their energy consumption and employee commuting figures for carbon footprint calculations. Data from two office locations in France and Spain and one joint venture in France are not included, as their estimated contribution is below 1% of the company's total carbon footprint.

In 2024, we relocated from our former production and warehouse facility in Taufkirchen, DE, to rented office space in Unterhaching, DE. Until the sale of the Taufkirchen site is finalised, data from both locations will continue to be consolidated. Starting in 2025, we will also begin reporting on our new production site in Pisary, PL which serves as an extension of our Krzeszowice, PL, operations and focuses on the same product family. The Pisary facility officially opened in June 2025 and commenced operations in August 2025.

While there were no acquisitions or divestments in 2025, we increased our stake in BKtel Photonics strengthening our strategic position. This change had no impact on reporting.

Confidentiality: We did not use the exemption of omitting the disclosure of information related to intellectual property, know-how, or innovation results. Furthermore, we have not used the exemption for impending developments or matters in course of negotiation.

Time horizons: HUBER+SUHNER has defined specific time horizons for its sustainability statement: short term (up to one year), medium term (one to five years), and long term (over five years). Where appropriate, different time horizons may be applied than those set out in ESRS 1. Specific time intervals have also been established for setting and reviewing sustainability targets.

Significant estimates and judgements: To prepare for the CSRD, we aligned our data reporting with applicable ESRS definitions and requirements. Restatements, if applicable, are detailed in the Methodologies and assumptions sections regarding the relevant data points. This sustainability statement relies on significant estimates and judgments, particularly when data is collected annually, extrapolated, using fast-close methods, or otherwise estimated. Greenhouse gas emissions (GHG) calculations involve inherent uncertainty due to limitations in scientific data, emission factors, and the conversion of different gases into comparable values. Wherever possible, estimates are based on recognised third-party databases and methodologies. All forward-looking information is subject to uncertainty, and estimates are reviewed regularly and updated as needed. For further details on the estimates and judgements applied, please refer to Methodologies and assumptions in topical sections.

Phased-in data points: In 2025, we focused on gathering information for the initially mandatory disclosures and chose to make use of the phased-in approach outlined in [ESRS 1 Appendix C](#). This approach will be reviewed in line with the planned adoption of the revised ESRS in 2026. In addition to the phased-in data points, this also includes upstream pollution impacts (ESRS E-2) and disclosures under Regulation (EU) 2019/2088 (EU Taxonomy).

External assurance: In 2025, the chapters [E1 Climate change](#) and [S1 Own workforce](#) were subject to a voluntary limited assurance. The engagement was conducted by Ernst & Young Ltd in accordance with applicable assurance standards. The scope and results of the engagement are outlined in [Addendum 2](#).

Mandatory reporting requirements: This report has been prepared in accordance with the Swiss Code of Obligations (CO) and includes the non-financial disclosure as required by Article 964a et seq. It also addresses the due diligence and transparency obligations under Articles 964j to 964l, specifically relating to the sourcing of minerals and metals from conflict-affected areas and risks associated with child labour. Climate-related disclosures are governed by the Swiss Ordinance on Climate Disclosures, which sets out the reporting requirements under Article 964b CO. These matters are covered in accordance with the ESRS, specifically ESRS 2 and ESRS E1. For a detailed overview of the disclosures in accordance with the requirements of Art. 964b of the CO please refer to [Addendum 1](#). In the absence of a clear XBRL taxonomy for the evolving ESRS standards, we fulfil the machine-readability requirement set by the Swiss Climate Ordinance by providing this report as an online PDF with clear references to the relevant ESRS standards. We continue to closely monitor regulatory developments at both the Swiss and EU level to ensure compliance with any additional requirements.

Sustainability governance

GOV-1; GOV-2; GOV-3

Our sustainability governance structure ensures that due diligence outcomes, policies, and the effectiveness of actions are transparently communicated and aligned with the company's sustainability objectives.

Board and management composition: The Board of Directors consisted of eight members – three women and five men – with women accounting for 38%. All members were non-executive, and all were independent (i.e., had no role in Executive Group Management, no significant business ties with HUBER+SUHNER, and no service on its EGM or affiliates in the past three financial years). The EGM comprised six members – one woman and five men – with women accounting for 17% of the team. All were executive members. HUBER+SUHNER had no direct representation of employees or workers on the BoD or EGM. For details on our EGM and BoD composition, relevant expertise and skills, please refer to our [Corporate Governance Statement](#).

All members of the EGM and BoD contribute significant expertise in compliance and business conduct, based on their extensive executive experience. This is reinforced by several board members' legal qualifications, as well as academic backgrounds in engineering or sciences, backed by professional experience, and personal interest in environmental topics.

Social, public policy, and economics know-how are also represented, ensuring a well-rounded approach to sustainable and ethical decision-making.

Roles and responsibilities: Sustainability is actively governed by the EGM and BoD through regular, structured engagement. The Head of Global Sustainability reports regularly to the EGM on sustainability issues, the implementation of the sustainability strategy, performance outcomes, and associated risks. An annual management review further assesses global sustainability policies and processes.

Key sustainability matters are presented to the BoD by the Chief Executive of Officer (CEO) or Head of Global Sustainability for information, consultation, and, when necessary, endorsement. Through the Audit Committee, which also oversees the integrity of sustainability processes, controls, audits, and disclosures, the BoD receives biannual updates focused on key performance indicators (KPIs), targets, and reporting obligations. The Nomination and Compensation Committee (NCC) is responsible for ensuring effective succession planning and selection process, overseeing remuneration policies and fostering diversity in governance bodies. Material sustainability topics are regularly reviewed by both the EGM and the BoD to support informed decision-making and strategic planning. Annual risk assessments, including compliance risk, presented to the BoD by the Chief Financial Officer (CFO), further strengthen oversight of legal, regulatory, and sustainability-related risks.

The company's sustainability strategy is fully integrated into its business plan, addressing material impacts, risks, and opportunities (IROs). These factors, including potential trade-offs, are considered in key decisions at the management level. Material sustainability risks are embedded in the company's risk management framework.

Remuneration: As part of our Remuneration policy, the EGM participates in short-term incentive programmes linked to progress on our sustainability strategy, with partial payouts available for partial achievement. In 2025, all members of the EGM were assigned individual sustainability targets. For most, these targets accounted for 10% of their variable compensation within the individual performance component of their incentive plans. These targets are designed to address and manage material sustainability IROs. The BoD and EGM also receive annual long-term compensation in the form of company shares. The number of shares granted is influenced by the company's strategic priorities, with the climate transition plan being a factor.

GOV-4

Statement of due diligence: Our due diligence system is designed to uphold responsible business conduct and promote sustainable practices across all levels of operation. The process is rooted in key governance instruments and aligns with internationally recognised standards. Its core elements include:

- **Embedding responsible business conduct:** Ethical conduct and sustainability principles are integrated into the company's foundational frameworks, including the [Code of Conduct \(CoC\)](#), [Supplier Code of Conduct](#), and Procurement policy. These policies serve as the backbone of our compliance and responsible sourcing strategy, ensuring due diligence is anchored in day-to-day decision-making processes.
- **Identifying and assessing adverse impacts:** We apply a risk-based approach using tools such as the Double Materiality Assessment (DMA), supplier-level evaluations, and an open-access [whistleblowing platform](#). This enables early identification of environmental and human rights risks across the supply chain, guiding the prioritisation of issues that require active management.
- **Engaging with affected stakeholders:** Although our 2025 due diligence did not identify any actual or likely adverse impacts among direct suppliers, we recognise that some risks in the supply chain may not be immediately visible. We continue to monitor our operations, and our grievance mechanism is available to all potentially affected stakeholders.
- **Taking action to address identified impacts:** Concrete measures are implemented to mitigate and manage risks. These include the application of our Supplier Code of Conduct and a structured supplier sustainability rating, supporting continuous improvement and alignment with our expectations.
- **Tracking effectiveness and communicating progress:** Metrics on Key Performance Indicators (KPIs) are collected and reviewed continuously to measure the impact of our actions. These insights promote internal oversight and external transparency, reinforcing accountability and driving refinements where needed.

Core elements of our due diligence assessment, in accordance with Articles 964j to 964l CO, focus on the sourcing of minerals and metals from conflict-affected areas and the risks related to child labour. Based on our assessments and due diligence as outlined above, there are currently no reasonable grounds to suspect child and/or forced labour, nor that metals and minerals originate from conflict-affected or high-risk areas.

GOV-5**Risk management and controls over sustainability reporting:**

Responsibility for data collection is shared across teams. Corporate Controlling oversees social and governance data, while the global sustainability team manages environmental data and consolidates all information into a comprehensive report. This structure, established by the EGM, reflects the company's proactive approach to evolving sustainability reporting requirements. To meet increasing compliance demands, we have allocated dedicated resources to strengthen our sustainability governance and reporting frameworks, particularly by enhancing data collection processes and internal controls. These controls cover planned actions, collected data, and KPIs related to environmental and occupational health and safety topics.

The BoD, Audit Committee, and EGM regularly review material risks and internal controls to ensure the integrity and reliability of our integrated reporting process.

Strategy, business model and value chain**SBM-1; SBM-2; SBM-3**

Information on our business model, strategy, products, and services can be found in the [Management Report](#). Our strategy and business model are designed to be resilient and sustainable. As detailed in the relevant sections of this report, we actively work to minimise our negative impacts while preserving and enhancing positive outcomes in line with our sustainability strategy and defined objectives. Through a diversified supplier base and proactive monitoring of market conditions, we have effectively limited risks related to the supply of raw materials, including copper. At present, these actions have no material financial impact.

HUBER+SUHNER uses a bottom-up approach for sustainability strategy development. This means that sites and functions within the company develop their own strategies with guidance from the global sustainability team, which are then combined at the Group level, where the strategy is approved by the EGM. In this context, we continuously engage with key internal and external stakeholders such as employees, customers, suppliers, investors, and shareholders to gather valuable insights and feedback. The scope and frequency of engagement vary by stakeholder group.

Materiality assessment

IRO-1

In 2024, HUBER+SUHNER with the support of an external consultant initiated the Double Materiality Assessment (DMA) by defining its context and scope. This foundational step included mapping activities, products, services, and locations, and outlining how these elements are interconnected within our business model. A value chain mapping was conducted to prioritise key suppliers and materials. The second step of the DMA process involved identifying the IROs. In line with the European Financial Reporting Advisory Group's (EFRAG) recommendations and guidelines, we used the list of sustainability matters outlined in ERS 1 (AR16), covering environmental, social, and governance (ESG) topics. These sustainability matters were systematically screened against predefined criteria to determine their potential materiality within the defined context and scope. In addition to this, company-specific IROs were identified and incorporated into the list. This screening process was informed by the previous DMA, interviews with key stakeholders, desktop research, and relevant reports. In the third step of the process, both potential and actual negative and positive impacts, along with financial risks and opportunities across multiple time horizons, were assessed and scored, again with the help of relevant internal and external stakeholders. Impact materiality and financial materiality were determined based on the assessment of all positive and negative impacts, as well as opportunities and risks, for each sustainability topic across all covered subsidiaries.

The score of the sustainability topics corresponds with the maximum score on impact materiality and financial materiality of the underlying IROs. This means that a topic is material as soon as at least one underlying IRO exceeds the materiality threshold. A total of 101 IROs were identified, of which eleven were deemed materially important. Overall, the DMA process identified seven sustainability topics of material significance to HUBER+SUHNER.

The fourth step of the process included calibration and validation of assessment of IROs through internal workshops with key stakeholders and the EGM. The calibration of topics included discussions on dependencies and how to account for them during the assessment. Relevant disclosure requirements (DR) and data points were identified based on material matters at the sub-sub-topic level, extending down to individual data points. The results of the DMA were presented to and endorsed by both- the EGM and the BoD.

Table 1 in [Addendum 1](#) outlines all disclosure requirements (DRs) addressed in the preparation of this sustainability statement, along with the corresponding sections where each disclosure can be found.

The table below provides a brief overview of the material IROs. More comprehensive details on the IROs, including their current and anticipated effects, our responses or planned actions, as well as associated policies, targets, and metrics, are discussed in the topical sections of this statement.

Table 1: Presentation of the material IROs

SBM-3

ESRS	IRO	Time horizon	Value chain	Description
ESRS E1 Climate change: Climate change mitigation	Actual positive impact	MT	Upstream / Own operations / Downstream	Optimised logistics flow with "regional-for-regional" model, promoting local suppliers sourcing and leading to a positive environmental impact
	Actual negative impact	ST	Upstream	Scope 3 emissions linked to operations in upstream value chain from material sourcing
	Actual negative impact	ST	Own operations	Direct emissions linked to H+S own operations (related to scope 1 and 2)
ESRS E1 Climate change: Energy	Actual positive impact	LT	Own operations	Implementing energy-saving initiatives and the procurement and generation of renewables
ESRS E2 Pollution: Pollution of air; Pollution of water; Pollution of soil	Actual negative impact	MT	Upstream	Air pollution from particles (heavy metals)
ESRS E5 Circular economy: Resources inflows, including resource use	Risk	MT	Upstream / Own operations	Dependence on virgin copper

ESRS E5 Circular economy: Waste	Actual negative impact	ST	Own operations / Downstream	Waste generation in manufacturing processes and further processing including scrap waste
ESRS G1 Business conduct: Corruption and bribery	Actual positive impact	MT	Own operations	Implementing a comprehensive company-wide compliance training programme on anti-bribery, conflict of interest, and non-competition to reduce organisational risks (especially for at-risk functions)
ESRS S1 Own workforce: Working conditions	Actual positive impact	LT	Own operations	Implementing health and safety initiatives for workplace safety and employee well-being
ESRS S1 Own workforce: Equal treatment and opportunities for all	Actual positive impact	MT	Own operations	Optimised employee turnover rates across various operating countries
ESRS S1 Own workforce: Equal treatment and opportunities for all	Actual positive impact	MT	Own operations	Fostering internal talent and agility through strategic development and role innovation

*ST= short term < one year; MT = medium term one to five years; LT = long term > five years
The IROs are based on the materiality assessment conducted in 2024