Sustainability report 2025

Our contribution to a livable world

Sustainability at Phoenix Contact

Dear Ladies and Gentlemen,

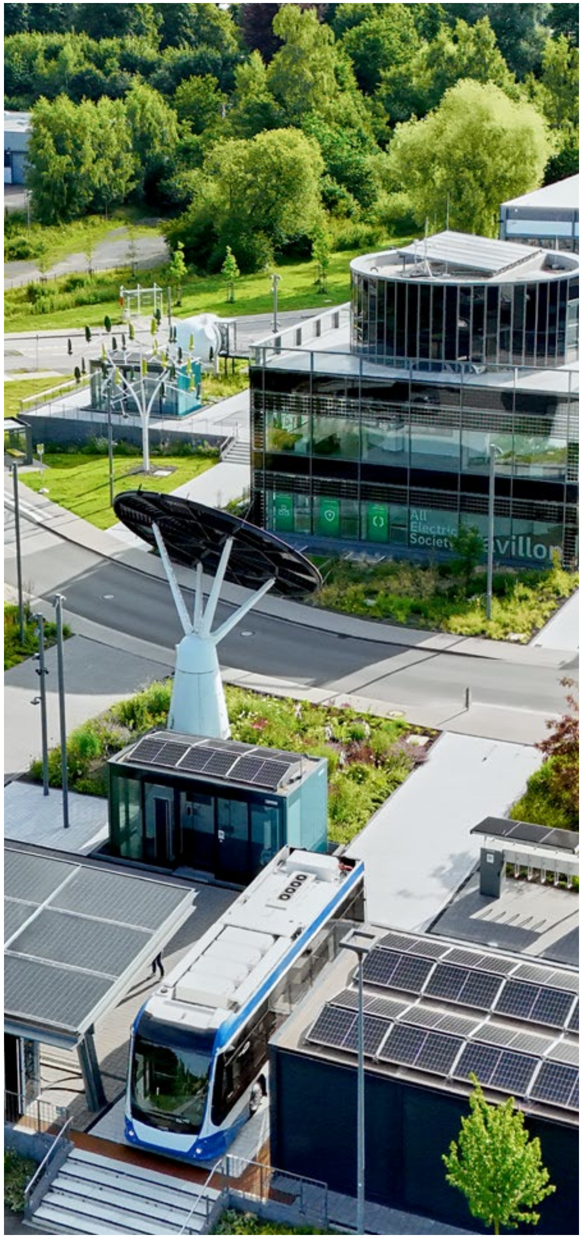
Phoenix Contact operates as a family business with a long-term perspective and is therefore focused on long-term goals. We are on the right path and are making our contribution to a sustainable world – primarily with solutions for electrification, networking, and automation. Power generation and the use of power are among the most pressing considerations when it comes to stopping global warming. However, the necessary transformation will not succeed without the electrification of all sectors and coupling them together.

As a company, it is our aim to set a good example through comprehensive sustainability measures and to meet all regulatory requirements. We are starting where we can have an immediate positive influence on our climate footprint: at our site locations. These are the sources of direct emissions resulting from the consumption of fuels during operation, from transportation, and from fugitive emissions. Indirect emissions resulting from the use of purchased electricity, heat, and cooling also have to be taken into account. With the All Electric Society Park at our headquarters in Blomberg, Germany, we bring this approach to life.

Even beyond our direct ability to exert a positive influence, we work together with our partners and stakeholders to find solutions: These include emissions that fall under Scope 3 in an ESG assessment.

In line with the three pillars of ESG, we also prioritize sustainability in the social sphere: Our focus is on equality, diversity, and inclusion for the well-being of the people who work with us.

Torsten Janwlecke (COO)



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1. Basis for preparation

BP-1 – General basis for preparation of the sustainability statement
The 2025 sustainability report is prepared on a consolidated basis, with the scope of consolidation corresponding to that of the consolidated financial statements of Phoenix Contact GmbH & Co. KG as of December 31, 2025; the figures presented therefore relate to all fully consolidated subsidiaries of the Phoenix Contact Group. If the figures do not reflect the entire scope of consolidation, this will be disclosed separately. None of the subsidiaries included in the company's consolidation are exempted from individual or consolidated sustainability reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU.

In its sustainability report, Phoenix Contact addresses the supply chain, particularly with regard to raw material procurement and supplier selection. As a manufacturer of electrical engineering components, the company primarily sources metallic raw materials such as copper and various alloys, as well as plastics for housings and insulation. The materials and components are sourced through a global network of selected suppliers that not only ensures the highest quality standards, but also consistently prioritizes sustainability. Collaboration with suppliers is based on the Supplier Code of Conduct (SCoC), which is binding for selected Tier 1 suppliers and is applied when relevant findings arise under the German Supply Chain Act ("Lieferkettensorgfaltspflichtengesetz").

The downstream value chain is not currently considered directly, but is indirectly taken into account in the materiality assessment through the external stakeholder group "Customers". In particular, sectors such as the automotive industry, Digital Factory, electrical installations, automated guided vehicle systems (AGVS), device manufacturers, machine building, and control cabinet building are relevant. Customer expectations regarding sustainability are assessed through Sales surveys. There are currently no collaborations with NGOs[1] or unannounced human rights audits in the value chain.

The 2025 sustainability report is a standalone, voluntary report that presents Group-wide sustainability activities for the Phoenix Contact Group for the fiscal year from January 1, 2025, to December 31, 2025. Starting with the 2027 fiscal year, this will be part of the Group management report.

Phoenix Contact has not omitted any specific information regarding intellectual property, know-how, or the results of innovation in this report, and all disclosures have been made in accordance with the applicable ESRS[2] requirements. Furthermore, in this

[1] Non-Governmental Organizations
[2] European Sustainability Reporting Standards

sustainability statement, the Phoenix Contact Group has not made use of any exemptions from disclosure of impending developments or matters in the course of negotiation, and all material information has been disclosed in accordance with the requirements of the CSRD[3] and ESRS.

BP-2 – Disclosures in relation to specific circumstances
The time horizons used in the sustainability reporting of Phoenix Contact GmbH & Co. KG are compliant with the ESRS. The following time horizons are defined:

- Short-term ≤ 1 year
- Medium-term > 1 year and ≤ 5 years
- Long-term > 5 years

No significant general estimates are made. Whenever possible, primary data is used. If metrics are estimated using indirect sources, such as sector-average data or other proxies, this is indicated in the sections on the topic-specific standards. For individual subsidiaries, simplifications were made to the KPI[4] data collection process in the board data collection tool to ensure feasibility. Companies with up to 50 employees may use their figures from the previous year if there have been no significant changes. These companies account for less than 5% of the total workforce.

Data on the upstream and/or downstream value chain is collected through Sales and Strategic Procurement surveys. To improve the accuracy of this data, direct customer surveys will be conducted in the future.

Phoenix Contact uses internationally recognized management systems such as ISO 14001, ISO 50001, and ISO 9001 to systematically manage environmental protection and climate change mitigation measures, collect relevant data, and ensure transparent processes for sustainability reporting.

The Phoenix Contact Group has voluntarily published sustainability reports in recent years. To ensure optimal preparation for the mandatory transition to the ESRS, a double materiality assessment was conducted in 2024 in accordance with ESRS requirements, sustainability reporting was restructured, and the report was compiled in accordance with the ESRS for the first time. Phoenix Contact has decided to report in accordance with the ESRS even for the 2025 fiscal year in order to prepare as thoroughly as possible for the mandatory application of the ESRS beginning in the 2027 fiscal year. Since this is the first time this method has been applied, there are no audited comparative figures available for the prior year.

In addition, parts of this report were audited: Certain key performance indicators (KPIs) were subject to an external audit providing limited assurance. These verified KPIs are clearly and visually marked in the report with a checkmark (√). This underscores the commitment to transparency and the reliability of the disclosed information.

[3] Corporate Sustainability Reporting Directive
[4] Key Performance Indicators

2. Governance

GOV-1 – The role of the administrative, management, and supervisory bodies
The role of the administrative, management, and supervisory bodies includes the management and monitoring of Phoenix Contact.

Management and administrative bodies:
The Phoenix Contact Group is managed by a six-member executive committee, the Group Executive Board (GEB), which throughout the fiscal year and as of December 31, 2025, consists exclusively of male executives (composition: 100% male and 0% female). The company has no non-executive members on its governing bodies. Dirk Görlitzer, Axel Wachholz, and Frank Stührenberg are or were authorized to act as sole representatives. Dr. Martin Batliner represents the company jointly with another executive. The remaining executives represent the company jointly with another executive or authorized representative.

Dirk Görlitzer has been the Chief Executive Officer (CEO) of Phoenix Contact since January 2025. He is also responsible for the subsidiary in China as well as Strategy and Transformation Management. Dirk Görlitzer has been the president and member of the Board of the Business Area Industrial Components and Electronics (ICE) since 2016 and joined the Group Executive Board in 2020 as Chief Operating Officer (COO).

Axel Wachholz has been the Chief Financial Officer (CFO) and General Manager of Phoenix Contact since January 2018. In this role, he is responsible for the Corporate Finance and Controlling and Corporate People & Organization divisions. He is also responsible for ESG reporting.

Frank Possel-Dölken has been a member of the Phoenix Contact Group Executive Board as Chief Digital Officer (CDO) since August 2020. In this role, he is responsible for the Digital Processes & Solutions (IT), Manufacturing Solutions (OT), and Digital Business Experience Management (digital customer interface and sales channels) divisions, and the central Innovation and IP Management.

Torsten Janwlecke has been a member of the Phoenix Contact Group Executive Board as Chief Operating Officer (COO) since August 2020. In this role, he is responsible for the Quality & Product Compliance, Facility Management, and Metal Parts Production divisions. He also coordinates the company's sustainability activities. He started his career at Phoenix Contact in 2016 and has since led the Business Area Device Connectors (DC) as President.

Ulrich Leidecker has served as the external spokesperson for the Group Executive Board since January 2025 and has been a member of the board as Chief Operating Officer (COO) since August 2020. He is responsible for the Purchasing, Logistics, and Group Communications divisions as well as for the subsidiary in the US. In 2010, Mr. Leidecker became General Manager of Phoenix Contact Deutschland GmbH. He has been the president and a member of the Board of the Business Area Industry Management and Automation (IMA) since 2016.

The GEB bears overall responsibility for monitoring sustainability-related impacts, risks, and opportunities. There is close collaboration between risk management, compliance management, and the relevant management functions within the company-wide governance structure. In addition, there is a steering committee for sustainability management and another for ESG reporting requirements. To strategically integrate sustainability, purpose, and Phoenix Contact's business model, a dedicated strategy paper was developed.

The topic of sustainability is the responsibility of the COO, who is regularly briefed by the appropriate department on current developments and relevant topics.

For each of the three areas of responsibility – Environmental (E), Social (S), and Governance (G) – Vice Presidents have been appointed to serve as liaisons between the Group Executive Board and the operational experts. Each expert department continuously provides subject-specific information and ensures that the necessary resources are made available. Within their respective areas of responsibility, the Vice Presidents ensure that the necessary resources and expertise are available to implement Phoenix Contact's sustainability goals efficiently and effectively.

Works council and supervisory body:
The company highly values the trusting working relationship between the Group Executive Board and the works councils. In Germany, there is a Group works council consisting of representatives from the following companies:

- Phoenix Contact GmbH & Co. KG, in Blomberg, Bad Pyrmont, Lemgo, Gera, Velbert, and Villingen-Schwenningen
- PROTIQ GmbH (a joint venture with Phoenix Contact GmbH & Co. KG)
- Elektrophoenix GmbH (a joint venture with Phoenix Contact GmbH & Co. KG)
- Phoenix Contact Combinations GmbH (joint works council with Phoenix Contact GmbH & Co. KG, Bad Pyrmont)
- Phoenix Contact Deutschland GmbH
- Phoenix Contact E-Mobility GmbH
- Phoenix Contact E-Mobility Holding SE
- Phoenix Contact Power Supplies GmbH
- Phoenix Contact Connector Technology GmbH
- Phoenix Contact Energy Automation GmbH, Velbert and Gera
- Phoenix Contact Feinbau GmbH & Co. KG
- Phoenix Contact Smart Business GmbH, Bad Pyrmont
- SKS Kontakttechnik GmbH

Outside of Germany, there is no employee representation comparable to the German works council under German co-determination law.

Supervisory body:
Phoenix Contact has had an advisory board since 2016. It consists of three external advisory board members and three representatives of the shareholder families. Their joint responsibility is to exercise oversight, monitoring, and advisory functions with respect to the Group Executive Board. For specific business transactions, the advisory board also serves as the link to the company's shareholders and holds decision-making authority delegated by the shareholders vis-à-vis the Group Executive Board. At the advisory board meetings, which are held at least quarterly, topics discussed include business performance, the implementation of the corporate strategy, the risk situation, compliance, and defined key issues. The advisory board consists of six members. The current composition is entirely male (composition: 100% male, 0% female).

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
Sustainability is an integral part of the Phoenix Contact Group's strategic focus. Both the shareholders and the advisory board are regularly briefed by the Group Executive Board on sustainability topics. Annual targets, measures, and KPIs are approved by the Group Executive Board and presented to the executive boards of the international subsidiaries. Sustainability is firmly embedded in the strategic focus of the Phoenix Contact Group. Each year, the Group Executive Board sets specific targets, measures, and key performance indicators (KPIs), which are then communicated to the executive boards of the international subsidiaries. At Phoenix Contact, sustainability is managed organizationally within Sustainability Management, which is headed by COO Torsten Janwlecke. From there, all relevant information and developments within the company are communicated. The consolidated, integrated ESG reporting, in turn, falls under the purview of Corporate Finance, led by CFO Axel Wachholz. The respective departments work closely together on this and make targeted use of existing synergies. In addition, Sustainability Management at Phoenix Contact is housed within the Corporate Quality and Product Compliance department and is coordinated independently by a specialized team.

To ensure quick decision-making processes and the involvement of relevant stakeholders, two steering committees were established, comprising the CEO, the CFO, and individual COOs. In addition, Phoenix Contact maintains a global sustainability network whose actions are coordinated centrally. The subsidiaries act as multipliers in this regard and support globally coordinated management.

The administrative, management, and supervisory bodies of Phoenix Contact systematically integrate climate change risks and opportunities into their strategy and decision-making processes. At this time, no trade-offs[5] have been identified. Rather, climate change is considered a key driver of the "All Electric Society" business model. Risks are identified early on and continuously monitored as

[5] Conflicting goals

part of the risk management process to ensure long-term sustainability and competitiveness.

GOV-3 – Integration of sustainability-related performance into incentive schemes

The integration of sustainability-related performance into incentive schemes has been defined as a strategic sustainability goal for 2030. Under the Long-Term Incentive (LTI) program, portions of the variable remuneration for the Group C-level[6] and executives are tied to the achievement of sustainability goals with a clearly defined performance threshold. The LTI is an annual variable remuneration component currently available exclusively to the Group C-level and executives in Germany; a gradual expansion is planned. Building on the LTI, the incentive scheme can also be extended to Short-Term Incentives (STI) and include environmental, social, and governance targets. The management's strategic focus, combined with regular annual updates from the departments, helps avoid trade-offs and ensures consistent management. In the long term, the STI should apply to around 90% of employees not covered by collective bargaining agreements.

GOV-4 – Statement on due diligence

The following table provides an overview of the information included in this sustainability statement regarding Phoenix Contact's due diligence process.

Core elements of due diligence	See the following sections in the sustainability report for more information
Embedding due diligence in governance, strategy, and the business model	• ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies • ESRS 2 GOV-3 Integration of sustainability-related performance into incentive schemes • ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and the business model
Engaging with affected stakeholders in all key steps of due diligence	N/A
Identifying and assessing adverse impacts	• ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and the business model • ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks, and opportunities • ESRS E1 Strategy – in relation to ESRS 2 SBM-3: Climate stress test
Taking actions to address those adverse impacts	• ESRS E1 E1-1 Transition plan for climate change mitigation • ESRS E1 E1-3 Actions and resources in relation to climate change policies • ESRS S1 S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions • ESRS S2 S2-2 Processes for engaging with value chain workers about impacts • ESRS G1 Governance measures
Tracking the effectiveness of these efforts and communicating	• ESRS E1 Parameters and targets • ESRS E5 Parameters and targets • ESRS S1 Parameters and targets • ESRS S2 Parameters and targets • ESRS G1 Parameters and targets

[6] The Group C-level refers to the Group's highest executive level and includes roles with strategic management and decision-making responsibilities at the corporate level.

GOV-5 – Risk management and internal controls over sustainability reporting

Phoenix Contact closely integrates risk management into its sustainability management to ensure a holistic perspective.

ESG aspects – including the impacts and risks as defined by the ESRS – are explicitly taken into account. This includes, in particular, the assessment of environmental risks, such as the consequences of climate change, extreme weather events, and stricter material regulations. Since Phoenix Contact is not active in the agricultural sector, climate change does not present any specific environmental opportunities for the company. The analysis is conducted within the framework of financial materiality (outside-in)[7].

Internal Auditing provides independent and objective auditing and consulting services. It helps improve processes as well as assess and further develop the effectiveness of risk management, internal controls, and governance. In addition, it assists the GEB in fulfilling its legal obligations by identifying at an early stage any developments that could pose a risk to the Group or individual companies. It also reviews business processes – including IT – for compliance, security, and cost-effectiveness.

KPIs relevant to reporting are collected worldwide via the cloud- and web-based board application. This is carried out by members of the international sustainability network within the timeframes specified by headquarters and covers all fully consolidated subsidiaries. Data entry follows the dual-control principle: Local data is entered by trained staff and then validated by individuals authorized to approve it. Validation at the headquarters level follows the same principle and includes a formal review by Corporate Finance as well as a substantive plausibility check by subject matter experts. All corrections are fully documented to ensure traceability. The analytical methods include year-over-year comparisons, benchmarking among subsidiaries, taking into account their size and business models, as well as plausibility checks of the consolidated financial figures with regard to the economic performance of the Phoenix Contact Group and the effectiveness of the measures implemented. Data that is collected or determined centrally is used whenever possible to avoid redundancies and reduce potential sources of error.

For over 20 years, Phoenix Contact has relied on comprehensive risk management that specifically addresses and systematically assesses not only liquidity and market risks, but also operational, strategic, compliance, and reputational risks. In this assessment, sustainability risks are regularly taken into account as part of the existing risks from a sustainability perspective. In particular, climate-related risks such as heavy rainfall and flooding, as well as environmental and supply chain risks, are taken into account. Occupational safety, fair working conditions, and other compliance aspects, such as corruption, are also an integral part of risk management. Sustainability topics are also assessed at the business level as earnings risks, with potential losses in market share resulting from the consideration of CO_2e emissions in the procurement process, for example, being treated as strategic risks. All risks are reviewed and assessed annually and formally reported to the Group Executive Board and the advisory board.

The results of the risk analysis and internal controls related to the sustainability reporting process are systematically incorporated into relevant internal bodies and committees. This ensures that sustainability risks and opportunities are identified and assessed at an early stage and integrated into strategic decisions and operative processes. Internal controls regularly assess the results, which are continuously communicated to and assessed by the Group Executive Board and the advisory board through reports and meetings.

[7] The outside-in perspective describes a viewpoint in which one looks at the company from the outside – that is, from the perspective of the external environment, the market, or external stakeholders – and analyzes how external influences affect the company.

3. Strategy

SBM-1 – Strategy, business model, and value chain
Phoenix Contact GmbH & Co. KG is the parent company, headquarters, and strategic leader of the Phoenix Contact Group ("Phoenix Contact"), where innovative products, solutions, and digitalization expertise for the electrification, networking, and automation of all sectors of the economy and infrastructure are developed, manufactured, and sold under a global umbrella brand. The core business of Phoenix Contact is organized into three Business Areas. As part of a fundamental realignment and refocusing – the Phoenix Contact 2030 Transformation Program – the previous structure has been and continues to be completely overhauled. This restructuring focuses on the organizational realignment of "Operations" and "Go-to-Market", as well as a fully functional organizational structure for the Group, combined with greater regionalization and localization of value creation and administrative processes and functions. This restructuring began in 2025 and will keep the Group busy well beyond 2026. Instead of the previously broad business fields – which, since 2017, have been grouped into "Business Areas" (BAs) that operate vertically all the way to the end customer and are largely independent from a business perspective – the focus is now on four core businesses that can be distinguished by technology and market: Connectivity[8)], Cabinet Efficiency[9)], Power Reliability[10)], and Automation[11)]. These bring together the company's technological expertise and product portfolio along the key value chains and represent functional "operations". In 2025, the core businesses remain part of the three "Business Areas", which will, however, be phased out and reorganized functionally starting in 2026. The goal of this strategic focus is to strengthen earning power and competitiveness and to better leverage synergies in the market and within the Group.

In 2025, in addition to adjustments to management structures, corporate governance structures were also revised.

Phoenix Contact Electronics GmbH was merged into Phoenix Contact GmbH & Co. KG in January 2025. This meant that all previous activities of Phoenix Contact Electronics GmbH were fully transferred, both organizationally and legally, to Phoenix Contact GmbH & Co. KG. The goal of the merger was to simplify the corporate structure, consolidate expertise, and reduce legal and administrative overlaps within the Phoenix Contact Group.

More than 50 sales subsidiaries around the world belong to the Phoenix Contact Group, ensuring proximity to both markets and customers. Local management teams serve as the key link between the core businesses and the respective national subsidiaries, ensure synergies and resources for market launch and penetration, and are responsible for local compliance within the framework of governance. As part of omnichannel concepts, digital customer touchpoints are being specifically strengthened.

Phoenix Contact manufactures products through a global manufacturing network with various areas of expertise.

Under this model, each manufacturing location has its own expertise profile, which combines technological and application expertise.

The "Empowering the All Electric Society (AES)" strategy is the overarching basis and focus for Phoenix Contact's activities. The AES describes the vision of a future world in which energy from renewable resources is available worldwide in an economical and sustainable manner. From a technical perspective, it offers a solution to major challenges such as the energy transition, climate change, and ensuring sustainable development. The path to achieving this involves the comprehensive electrification, networking, and automation of all sectors of the economy and infrastructure. The company's strategic goal is to empower industry and

8) Solutions for electrical and digital connection technology
9) Products, systems, and services for efficient, safe, and space-optimized control cabinet building
10) Technologies for power supply, power distribution, and protection
11) Automation, control, and software solutions are bundled here.

society through products, solutions, and digitalization expertise, so that this transformation toward a sustainable world with long-term growth prospects for all can succeed. The focus here is on the energy, industry, infrastructure, and mobility sectors.

The AES vision of the future guides the company's corporate strategy and serves as the link between all divisions, uniting them around a common goal.

Phoenix Contact focuses on forward-looking and sustainable business fields and deliberately avoids focusing on fossil fuels such as coal, oil, or gas, as well as avoiding focus on controversial weapons technologies. Furthermore, the current product portfolio is structured in such a way that there are no known items subject to regulatory or market restrictions.

Goals and strategies:
Phoenix Contact is actively committed to the sustainable development of living and economic environments and views sustainability as an integral part of its corporate responsibility. The company is aware of its role in society and toward the environment, and bases its actions on clearly defined ethical and legal principles.

The foundation for this is the company-wide Code of Conduct, the values and guidelines of which are binding for all employees. In addition, Phoenix Contact has been committed to the principles of the United Nations Global Compact since 2005 and to the ZVEI's[12)] Code of Conduct for Social Responsibility since 2009. These voluntary commitments strengthen compliance with legal requirements as well as generally accepted values and standards. As part of its corporate social responsibility and corporate compliance frameworks, Phoenix Contact promotes integrity, transparency, and responsible conduct in all business processes. In addition, the company supports a wide range of social initiatives, thereby strengthening its social commitment in the regions where it operates.

The company's guiding principles reflect this identity:

Together, we are creating a sustainable world based on our passion for technology and innovation.

Mission:

Solutions for electrification, networking, and automation are our contribution to a world in which renewable energy is available for the benefit of everybody.

Culture:

Independent
We always act in a way to ensure our entrepreneurial freedom.

Innovative and Creative
We consider innovation as a path-breaking bridge to a sustainable future; thus we pro-actively develop our company.

Partnership of Trust
Our actions are based on a mutually committed spirit, on friendliness and honesty. Our relations to customers and business partners focus on sustainable benefits for both sides. Our corporate culture encourages trust and supports employees' development for achieving agreed targets.

12) German electrical and electronic manufacturers' association ("Zentralverband der Elektrotechnik- und Elektronikindustrie e.V.")

Phoenix Contact's corporate values play a key role in shaping the company's identity and form the basis for responsible conduct. Independence means ensuring long-term entrepreneurial freedom and making decisions in a way that safeguards the company's future viability. Phoenix Contact views innovation as a forward-looking bridge to a sustainable future: Through continuous technological advancement and creative solutions, the company actively helps shape sustainable living and economic environments. Finally, trust based on partnership describes behavior that is grounded in mutual commitment, fairness, and sincerity. Relationships with customers and business partners are geared toward long-term, mutually sustainable benefits. At the same time, a corporate culture that values employees fosters trust and supports their professional development, enabling the successful achievement of shared goals.

Phoenix Contact supplies networked components and systems that make industrial facilities safe, secure, efficient, and smart – from individual connection elements to complex automation solutions. Phoenix Contact develops, manufactures, and markets a broad product portfolio and system solutions in the fields of electrical connection technology, automation technology, control and interface technology, and renewable energy. The company primarily serves industrial customers in the machine building, automation, power supply, transportation, and infrastructure segments. In addition to individual components, Phoenix Contact offers comprehensive automation and control solutions that help customers make industrial processes more efficient through digitalization and optimization. With a global presence through its own subsidiaries, sales offices, and partners, the company ensures direct customer contact and technical support. Particular emphasis is placed on research and development to create innovative and customer-specific solutions, complemented by comprehensive services and training.

The value chain encompasses all tiers, from product development through manufacturing to sales and after-sales service, in order to offer sustainable and efficient solutions.

For customers, this translates into high-quality, reliable, and innovative products and solutions in the fields of automation and electrical engineering, improved process reliability, efficiency, and digitalization of industrial applications, as well as customized services, support, and training to ensure optimal use of the solutions. The expected benefits include increased productivity and competitiveness, long-term partnerships, and the promotion of innovation through continuous development, as well as reduced operating costs and energy savings achieved through state-of-the-art technologies. For employees, this means jobs in an innovation-driven environment, as well as opportunities for continuing education and professional development. The expected benefits include personal growth and long-term career opportunities, as well as a motivating corporate culture that offers creative freedom.

The outcome for society and the environment is the development of products and solutions that have often been optimized and make a positive contribution to the AES. A general claim of environmental friendliness cannot be made, as the products have an ecological footprint and this cannot be fully verified. Phoenix Contact is nevertheless committed to sustainable business practices and the continuous improvement of its products.

Thanks to the high degree of added value generated within the company, Phoenix Contact has a broad and globally diversified supply chain. A collaborative approach to working with key stakeholders – particularly suppliers and employees in the upstream value chain – is essential in this regard. Only through a trusting, transparent, and long-term partnership can quality standards be ensured, sustainability requirements be met, and joint progress be made in environmental and social responsibility. Through cross-location collaboration within the Global Purchase Network, the Phoenix Contact Group is able to efficiently manage its complex value chain.

Due to its broad product portfolio and the associated high level of vertical integration, the Phoenix Contact Group's upstream value chain spans numerous international procurement markets through both direct and indirect purchasing.

Key procurement goods can be found, for example, in the supply market clusters for metals, electronics, and plastics. The regional structures are tailored to the respective company locations and local conditions.

SBM-2 – Interests and views of stakeholders

Phoenix Contact currently incorporates the perspectives of its stakeholders – including business partners, employees, local communities, banks, insurance companies, and representatives of civil society[13] – indirectly into its materiality process. In specially designed workshops, internally trained company representatives identify the relevant stakeholder groups and convey their expected perspectives and requirements. These individuals are qualified in the ESRS requirements and the materiality assessment methodology, and they use the ESRS sub-topics as the basis for the survey and assessment. This process systematically identifies and documents both the impacts of Phoenix Contact's business activities on its stakeholders and the resulting financial risks and opportunities.

The collected results are then analyzed by subject matter experts, coordinated with the international ESG network[14], and incorporated directly into the materiality assessment. To date, there have been no strategic adjustments due to conflicting stakeholder perspectives. However, Phoenix Contact plans to involve stakeholders more directly and actively in the materiality process in the future to ensure an even more comprehensive and dialogue-oriented perspective. A detailed description of stakeholder engagement as part of the materiality process can be found in section IRO-1.

With regard to employees, the company ensures that the protection of human rights, fair treatment, and safe and respectful working conditions are an integral part of all business decisions.

The interests, views, and rights of the company's own employees are systematically incorporated into strategic planning through regular employee surveys, feedback mechanisms, employee participation structures, and ongoing dialogue with workers' representatives. The insights gained from this help identify risks early on and determine measures to improve working conditions. Human rights and labor standards – such as non-discrimination, equal treatment, freedom of association, fair pay, and occupational health and safety – are enshrined in internal guidelines, compliance policies, and the Code of Conduct, and are taken into account in both the strategic direction and the design of the business model.

Phoenix Contact currently takes the interests, views, and rights of workers in the upstream supply chain into account indirectly, particularly through the processes, requirements, and control mechanisms established within Strategic Procurement. These include, among other things, the whistleblower system, in-person discussions focused on ESG during supplier visits, as well as quality audits and random on-site inspections regarding key ESG topics. In addition, the company uses questionnaires to determine whether selected suppliers have a works council or employee representation to ensure that employees' interests are protected and represented.

The interests, views, and rights of end customers and consumers play a secondary role for Phoenix Contact, as the company operates primarily in the B2B segment and has no direct points of contact with end consumers in traditional B2C business relationships.

SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

Specialist departments and internal experts at Phoenix Contact continuously analyze the current and potential impacts of material positive and negative factors on the business model, the value chain, corporate strategy, and decision-making processes. In doing so, they systematically assess risks and opportunities in order to take economic, environmental, and social aspects into account in a sustainable manner and disclose them transparently.

A key element of the company's corporate strategy is its commitment to the "All Electric Society" – the vision of a fully electrified society with a sustainable power supply. By developing innovative automation and e-mobility solutions, Phoenix Contact helps to drive the integration of renewable energy, reduce energy consumption, and significantly lower CO_2e emissions in industry and infrastructure. These developments are creating new business opportunities while also strengthening the company's competitiveness.

To minimize negative environmental impacts, Phoenix Contact relies on energy-efficient production processes, resource-conserving materials, and responsible supply chain management that promotes and monitors social and environmental standards among suppliers worldwide. Measures to improve occupational safety and promote fair and sustainable working conditions ensure comprehensive protection for workers and contribute to social stability in

[13] Citizens, residents, organizations, etc.
[14] For more than two decades, Phoenix Contact has pursued a comprehensive approach to risk management that systematically takes into account all liquidity, market, operational, strategic, compliance, and reputational risks.

the regions where the company operates. Social commitment and sustainable business practices are also reflected in the retention and development of the company's own employees, who, as key internal stakeholders, are actively involved in change processes.

Phoenix Contact takes into account the expectations and needs of various stakeholder groups – including customers, suppliers, employees, local communities, and regulatory authorities – as an integral part of its risk assessment and strategic planning. Regulatory requirements, societal expectations, and environmental impacts are identified early on and actively incorporated into decision-making processes. The company responds to this with adaptive business models and targeted innovation programs to minimize risks and capitalize on opportunities in a sustainable manner.

Digital technologies are increasingly being used to enhance transparency and traceability in the value chain and to improve communication with stakeholders. Through collaborations with customers, partners, and research institutions, Phoenix Contact is driving the development and implementation of sustainability standards, thereby strengthening the shared commitment to a sustainable future.

Phoenix Contact is playing a significant role in actively shaping the transition to a sustainable, electrified society through a values-driven and forward-looking strategy. With responsible conduct, continuous innovation, and stakeholder engagement, the company secures long-term competitive advantages, reduces environmental and social risks, and creates sustainable value for all stakeholders. The strategy is continuously reviewed and adjusted to address the dynamic challenges of sustainable development.

4. Management of impacts, risks, and opportunities

IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities
Phoenix Contact's materiality assessment was conducted for the first time in 2023/2024 as a double materiality assessment in accordance with CSRD requirements and was completed in June 2024.

The assessment considered both the company's impacts on the environment and society (the inside-out[15] perspective) and the financial risks and opportunities for the company arising from sustainability topics (the outside-in[16] perspective), and combined these into an overall result. This overall result forms the basis for sustainability reporting in accordance with ESRS standards.

To ensure that the various interest groups were fully taken into account, seven representative stakeholder groups were selected, including business partners, employees, shareholders, local communities, banks, insurance companies, and civil society. These groups were indirectly involved through internal representatives who had previously received comprehensive training on the requirements of double materiality. In addition to teaching methodological approaches, the training sessions also provided relevant background information, such as data from scientific sources on the measurement of greenhouse gas emissions and from general environmental databases. The internal representatives then incorporated this knowledge into the assessment of stakeholder perspectives, thereby ensuring a well-founded and methodologically consistent integration into the materiality process.

The survey was conducted at the ESRS sub-topic level. In interviews, the first step was to jointly identify and document (potential and actual) impacts, risks, and opportunities (IROs). In the next step, the stakeholder representatives assessed Phoenix Contact's influence on the respective sustainability topics – the inside-out perspective. At the same time, financial materiality was determined by the company's internal risk management.
The responses were rated on a scale from 1 (low influence) to 5 (high influence) and recorded.

The various assessments from all stakeholder groups and risk management were then consolidated. In cases of ambiguous assessments, decisions were made on a case-by-case basis, with greater weight given to the judgment of subject matter experts.

In addition, the results were coordinated with Phoenix Contact's international ESG network and discussed in joint exchange forums. The goal was to ensure a common understanding, clarify outstanding issues, and further refine the assessments. The consolidated and harmonized results derived from this process form the basis for the ongoing consideration of material sustainability topics across all subsidiaries. New findings and changes will be taken into account in future updates to the materiality assessment, and the results will be revised accordingly. This structured and transparent approach ensures that the material impacts, risks, and opportunities with respect to sustainability are comprehensively identified, assessed, and systematically integrated into the reporting.

The process for identifying, assessing, prioritizing, and monitoring the potential and actual impacts of Phoenix Contact on people and the environment follows a clearly defined due diligence approach. The starting point is a series of surveys with selected representatives of relevant stakeholder groups, conducted at the level of the individual ESRS sub-topics. In the interviews, stakeholder representatives assess the impact of Phoenix Contact from an inside-out perspective – that is, the company's impacts on the environment and society. The assessment is conducted from both perspectives on a scale from 1 (low) to 5 (high) and is – along with all supplementary notes and comments – thoroughly documented.

[15] The inside-out perspective describes both the positive and negative impacts of business activities on the environment and society.
[16] The outside-in perspective (market-based view) analyzes how external factors – such as market trends, customer needs, regulations, and climate change – affect the company, its financial stability, and its business model.

At the same time, the company-wide risk management assesses financial materiality from an outside-in perspective – that is, the extent to which sustainability issues represent potential financial risks and opportunities for the company. Combining these two perspectives allows for a holistic view and informed prioritization of material topics.
Once the surveys are complete, the results from all stakeholder groups are consolidated and reviewed for consistency. If the assessments are consistent, they are considered the agreed-upon overall result. In the event of discrepancies or conflicting assessments, a second survey is conducted to specifically identify the causes of the differences. The goal of this iterative process is to establish a common understanding and to harmonize the assessments as much as possible.

This iterative assessment and harmonization process ensures that material sustainability impacts are thoroughly identified, prioritized, and continuously monitored. Furthermore, this ensures that the due diligence process is transparent and traceable, and that corporate management is based on reliable and broadly supported information. The insights gained are regularly incorporated into strategic planning and operational measures in order to minimize negative impacts and make the best possible use of opportunities in the environmental and social spheres. The process of identifying and validating material impacts, risks, and opportunities is conducted at the Group level to ensure completeness and consistency. This process takes into account all activities, business relationships, and geographic regions that potentially pose an increased risk of negative impacts. Close alignment with corporate principles and broad acceptance by all relevant stakeholders ensure that no material aspects are overlooked and that the IROs are comprehensively assessed.

The identified topics are assessed according to the variables specified by the ESRS:

Assessment of impact materiality (impact):
Focus: The company's effects on the environment and people (outside-in perspective).

Assessment criteria:
- Severity: How serious is the negative/positive impact?
- Scale/extent: How many people or what area is affected?
- Irreversibility: Can the impacts be reversed?
- Probability of occurrence: How likely is it that the impact will occur? (Especially in the case of potential impacts)

Assessment of financial materiality (financial impact):
Focus: The impacts of sustainability topics on the company's financial position (inside-out perspective).

Assessment criteria:
- Probability of occurrence of the financial effect
- Magnitude of the financial effect (e.g., costs, revenues, impairments, penalties)
- Time horizon: Short-, medium-, and long-term

An IRO impact rated as 5 (on a scale of 1 to 5) results in the impact being classified as material, thus triggering corresponding reporting obligations. The assessment systematically took into account the relationship between the identified impacts and the resulting risks and opportunities. Risks and opportunities were derived based on the previously identified impacts to ensure consistent and transparent classification within the materiality assessment.

The process for identifying, assessing, prioritizing, and monitoring financial risks and opportunities includes, among other things, the systematic analysis of the geographic coordinates of production sites as part of climate scenario analyses. These analyses assess potential environmental risks that could result in financial losses or business interruptions. This well-established process has been used for several years to identify and minimize risks at an early stage, thereby ensuring the company's long-term financial stability and operational viability.

To assess the materiality of risks and impacts, qualitative data – which is primarily collected through interviews with relevant stakeholders – is used as a key input parameter. In addition, risk management assessments are factored into the assessment.

These include, among other things, the assessment of insurance coverage amounts and analyses of supply chain flexibility – for example, with regard to the ability to reroute supply flows to alternative routes or reduce dependence on individual locations. This results in a well-founded, multidimensional assessment that integrates both internal risk perspectives and external stakeholder assessments.

Phoenix Contact uses the Swiss Re tool[17] to assess the probability of occurrence, severity, and nature of the identified risks and opportunities. This tool supports thorough, data-driven risk analysis that enables a precise assessment of the financial and operational impacts.

Specific ESRS IRO-1 disclosure requirements

The process for identifying and assessing impacts, risks, and opportunities is standardized across all topic-specific IROs and follows the same methodological approach. A detailed description of this process can be found in the section above.

E1

As part of its efforts to identify material topics, Phoenix Contact has created thematic clusters, including the climate change mitigation cluster. Relevant impacts related to climate change were systematically analyzed along the entire value chain – with a particular focus on the company's own activities. The focus was on greenhouse gas emissions in particular in order to transparently record and assess potential and actual climate-related impacts. Phoenix Contact has comprehensively examined climate-related impacts, risks, and opportunities as part of its materiality assessment. This covers short-, medium-, and long-term time horizons (the definition of these time horizons is explained in section BP-2). The goal is to gain a nuanced understanding of the challenges and opportunities associated with climate change and to take them into account strategically.

To identify and assess physical climate risks, Phoenix Contact conducts a climate risk analysis for its own locations as well as selected areas of the value chain. Transition[18] risks are identified through continuous monitoring of the market and technology, which is carried out within the company, particularly in the area of product compliance. The insights gained are incorporated into the regular comprehensive assessment of business risks and opportunities. Ongoing monitoring of these risks is not carried out by the central risk management department, but by the respective functional departments.

Phoenix Contact uses various climate scenarios for its climate-related analyses, in particular the Greenmile[19] and the Consolino tool[20] (at the Bad Pyrmont site), which are based on Carbon Footprint Management (CFM) and take into account a scenario of limiting global warming to 1.5°C with a small margin. As part of these scenario analyses, the company's assets and business activities are assessed over the short-, medium-, and long-term in light of potential climate-related transformation

[17] One of the world's largest reinsurance companies
[18] Risks arising from the transition to a low-carbon and more sustainable economy, such as those resulting from regulatory changes, new technologies, market shifts, or changing societal expectations.
[19] External consulting firm specializing in sustainability and transformation
[20] Software solution to support ESG data acquisition and consolidation

events. In this process, potential transition risks are systematically identified and quantified in order to recognize their impacts at an early stage and to be able to develop appropriate measures.

Risk management currently assesses risks solely on the basis of the current climatic reality – that is, as depicted by the current hazard maps. There is currently no forward-looking perspective, as risk management has not yet taken into account any risks arising from alternative climate scenarios. As of 2025, this methodology had not yet been implemented; however, there are plans to systematically analyze and assess risks in the context of various climate scenarios in the future.

The analysis covers all production sites and focuses in particular on climate-related hazards such as heavy rain, flooding, storms, tornadoes, earthquakes, and storm surges. On this basis, the exposure of assets and business activities to physical climate risks is assessed in detail and integrated into strategic management. To assess transition risks, the company relies on established IPPC scenarios[21)], which were commissioned externally and analyzed in accordance with CSRD requirements using various greenhouse gas emission pathways. Although Phoenix Contact takes the insights from these scenarios into account, many of its insights are already based on long-standing internal plans and strategies, such as the decade-long “Empowering the All Electric Society” strategy, which supports the transition to a climate-neutral economy.

The assessment of the likelihood of potential climate-related events is carried out, for example, using specialized software tools. However, the severity and duration of these events are not taken into account. Continuous monitoring ensures that risks are identified early on and that appropriate risk-mitigation measures – such as insurance coverage – can be implemented in a timely manner. The time horizons are based on Swiss Re’s guidelines; Phoenix Contact focuses in particular on shorter time periods of five to ten years, as these are considered particularly relevant for operational corporate planning.

Beyond the CSRD requirements, Phoenix Contact is already identifying transition events over short-, medium-, and long-term time horizons. As part of this analysis, physical risks were examined, including heavy rainfall at the site locations in Blomberg, Schieder-Schwalenberg (in part), India (Palwal; a city in India), and, to a moderate extent, in China. Flood risks were assessed at several site locations, including India (Palwal; a city in India), China, Villingen-Schwenningen, Berlin, Paderborn, Schieder-Schwalenberg, Poland, Sweden, the US, Mexico, and Bad Pyrmont. Risk management analyzes current risks based on prevailing climatic conditions rather than on future projections. Apart from using Swiss Re data and official hazard maps issued by the German federal government or federal states, risk management does not rely on data with a medium- or long-term perspective. It is also important that the analysis of Phoenix Contact’s locations be comprehensive rather than selective – all of the Group’s locations are systematically included in the assessment. Looking ahead, the plan is to further harmonize risk management with the requirements of the CSRD so that, in the future, climate-related risks are assessed in a uniform and consistent manner, taking into account different time horizons and scenarios.

Overall, the climate scenarios used, combined with the company’s many years of technical and organizational experience, ensure comprehensive coverage of plausible climate-related risks and uncertainties. This combination provides a solid foundation for sound strategic decisions in the context of climate change.

E2

Phoenix Contact has conducted a comprehensive materiality assessment to identify the actual and potential environmental impacts, risks, and opportunities related to pollution throughout its own business operations as well as the upstream and downstream value chain. All company locations were included in the assessment at the highest level. However, no consultations were held with the communities directly affected to identify potential environmental impacts, risks, and opportunities from an external perspective.

E3

Phoenix Contact has conducted a comprehensive materiality assessment to identify the actual and potential environmental impacts, risks, and opportunities related to water, both within its own

[21)] IPPC stands for Integrated Pollution Prevention and Control and refers to the European approach to the comprehensive regulation of industrial emissions.

business operations and along the upstream and downstream value chain. All company locations were included in the assessment at the highest level. However, no consultations were held with the communities directly affected to identify potential water-related impacts, risks, and opportunities from an external perspective.

E4

As part of its materiality assessment, Phoenix Contact has created thematic clusters, including the biodiversity and ecosystems cluster.

Relevant impacts on biodiversity and ecosystems were examined along the entire value chain – with a particular focus on the company's own activities. The assessment was conducted in accordance with the overarching procedure (see IRO-1) to systematically identify and assess potential and actual impacts.

In addition, dependencies on biodiversity, ecosystems, and their services were identified and assessed both at the company's own locations and within the upstream and downstream value chain – also in accordance with the overarching methodological approach (see IRO-1). Ecosystem services were also taken into account in this context. Since the transition, physical, and systemic risks related to biodiversity are of only minor significance to Phoenix Contact, the company deliberately chose not to conduct a more in-depth analysis of these aspects.

Similarly, no consultations were held with affected communities as part of the analysis of the impacts on biodiversity and ecosystems. With regard to its own operating sites, Phoenix Contact has determined that none of its sites are located in or in the immediate vicinity of areas with biodiversity requiring protection, and that no activities take place there either. Therefore, no mitigation measures are currently necessary.

E5

As part of the materiality assessment, the significance of the materials used, as well as the associated risks and opportunities, were assessed in collaboration with representatives of the stakeholder groups. The circular economy plays a special role in this context, as it contributes significantly to reducing the use of new materials, lowers CO_2e[22] emissions, and at the same time supports global waste prevention. Through the increased use of circular approaches, both environmental opportunities and potential risks along the value chain were thus systematically taken into account.

Phoenix Contact calculates its annual material usage and analyzes material consumption at the product level using the Product Environmental Footprint (PEF). As a key lever for decarbonization, the materials used are assigned individual carbon footprints, from which the company-wide footprint is derived. In addition to CO_2e emissions, other environmental indicators are also calculated in accordance with EF 3.0[23], as required by the EU, in order to comprehensively assess the environmental impacts and identify specific opportunities for reduction.

The use of recycled materials in the supply chain, as well as alternative, bio-based materials, is systematically evaluated and has a positive impact on the Corporate Carbon Footprint. The proportion of recycled materials is continuously tracked and reported. The company's goal is to reduce its carbon footprint along the entire value chain, with particular emphasis on material use based on the cradle-to-gate approach[24]. Both internal and external recycling, as well as the use of bio-based alternatives, are key measures for achieving this goal.

G1

Phoenix Contact uses a standardized process to identify material impacts, risks, and opportunities in the area of business conduct (see IRO-1). This process takes into account all relevant criteria, including the company's locations, the nature of its business activities, the relevant sector, and the structure of relevant transactions. This ensures that business conduct topics are assessed in a systematic, consistent, and context-sensitive manner.

[22] A unit used to measure the impacts of various greenhouse gases on the climate. By converting different types of emissions into their equivalent amounts of carbon dioxide (CO_2e), these impacts can be made comparable.
[23] The calculation of environmental impacts is based on the Environmental Footprint (EF) method, Version 3.0, in accordance with the guidelines of the European Commission.
[24] The lifecycle stage of a product up until it leaves the gates of the production facility and is transported to consumers

IRO-2 – Disclosure requirements in the ESRS covered by the undertaking's sustainability statement

Phoenix Contact's sustainability reporting is based on the ESRS disclosure requirements and includes material information on the impacts, risks, and opportunities related to sustainability. The material topics were identified through a materiality assessment, and as a result, material datapoints are reported in accordance with ESRS requirements.

The specific disclosure requirements and their correspondence to the respective sections of the sustainability statement are presented in the table below.

Standard	Disclosure requirement	Section in the sustainability statement
ESRS 2 – General disclosures	BP-1 – General basis for preparation of the sustainability statement	BP-1 – General basis for preparation of the sustainability statement
	BP-2 – Disclosures in relation to specific circumstances	BP-2 – Disclosures in relation to specific circumstances
	GOV-1 – The role of the administrative, management, and supervisory bodies	GOV-1 – The role of the administrative, management, and supervisory bodies
	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	GOV-3 – Integration of sustainability-related performance into incentive schemes	GOV-3 – Integration of sustainability-related performance into incentive schemes
	GOV-4 – Statement on due diligence	GOV-4 – Statement on due diligence
	GOV-5 – Risk management and internal controls over sustainability reporting	GOV-5 – Risk management and internal controls over sustainability reporting
	SBM-1 – Strategy, business model, and value chain	SBM-1 – Strategy, business model, and value chain
	SBM-2 – Interests and views of stakeholders	SBM-2 – Interests and views of stakeholders
	SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model	SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model
ESRS 2 – General disclosures	IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities	IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities
	IRO-2 – Disclosure requirements in the ESRS covered by the undertaking's sustainability statement	IRO-2 – Disclosure requirements in the ESRS covered by the undertaking's sustainability statement

Standard	Disclosure requirement	Section in the sustainability statement
ESRS E1 – Climate change	GOV-3 – Integration of sustainability-related performance into incentive schemes	E1 GOV-3 – Integration of sustainability-related performance in incentive schemes
	E1-1 – Transition plan for climate change mitigation	E1-1 – Transition plan for climate change mitigation
	SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model	E1 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model
	IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks, and opportunities	IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks, and opportunities
	E1-2 – Policies related to climate change mitigation and adaptation	E1-2 – Policies related to climate change mitigation and adaptation
	E1-3 – Actions and resources in relation to climate change policies	E1-3 – Actions and resources in relation to climate change policies
	E1-4 – Targets related to climate change mitigation and adaptation	E1-4 – Targets related to climate change mitigation and adaptation
	E1-5 – Energy consumption and mix	E1-5 – Energy consumption and mix
	E1-6 – Gross Scopes 1[25], 2[26], and 3[27] and total GHG emissions	E1-6 – Gross Scopes 1, 2, and 3 and total GHG emissions
	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
	E1-8 – Internal carbon pricing	E1-8 – Internal carbon pricing
	E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
ESRS E5 – Resource use and circular economy	IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities	E5 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities
	E5-1 – Policies related to resource use and circular economy	E5-1 – Policies related to resource use and circular economy
	E5-2 – Actions and resources related to resource use and circular economy	E5-2 – Actions and resources related to resource use and circular economy
ESRS E5 – Resource use and circular economy	E5-3 – Targets related to resource use and circular economy	E5-3 – Targets related to resource use and circular economy
	E5-4 – Resource inflows	E5-4 – Resource inflows
	E5-5 – Resource outflows	E5-5 – Resource outflows
	E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities	E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities

[25] Scope 1 emissions refer to direct greenhouse gas emissions from sources controlled or operated by a company.
[26] Scope 2 emissions refer to indirect greenhouse gas emissions resulting from the generation of purchased energy consumed by a company.
[27] Scope 3 emissions include all other indirect greenhouse gas emissions that occur along a company's value chain and are not covered by Scope 1 or Scope 2.

Standard	Disclosure requirement	Section in the sustainability statement
ESRS S1 – Own workforce	SBM-2 – Interests and views of stakeholders	SBM-2 – Interests and views of stakeholders
	SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model	SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model
	S1-1 – Policies related to own workforce	S1-1 – Policies related to own workforce
	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts
	S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns
	S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	S1-6 – Characteristics of the undertaking's employees	S1-6 – Characteristics of the undertaking's employees
	S1-7 – Characteristics of non-employees in the undertaking's own workforce	S1-7 – Characteristics of non-employees in the undertaking's own workforce
	S1-8 – Collective bargaining coverage and social dialogue	S1-8 – Collective bargaining coverage and social dialogue
	S1-9 – Diversity metrics	S1-9 – Diversity metrics
	S1-10 – Adequate wages	S1-10 – Adequate wages
	S1-11 – Social protection	S1-11 – Social protection
	S1-12 – Persons with disabilities	S1-12 – Persons with disabilities
	S1-13 – Training and skills development metrics	S1-13 – Training and skills development metrics
	S1-14 – Health and safety metrics	S1-14 – Health and safety metrics
	S1-15 – Work-life balance metrics	S1-15 – Work-life balance metrics
	S1-16 – Remuneration metrics (pay gap and total remuneration)	S1-16 – Remuneration metrics (pay gap and total remuneration)
	S1-17 – Incidents, complaints, and severe human rights impacts	S1-17 – Incidents, complaints, and severe human rights impacts

Standard	Disclosure requirement	Section in the sustainability statement
ESRS S2 – Workers in the value chain	SBM-2 – Interests and views of stakeholders	SBM-2 – Interests and views of stakeholders
	SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model	SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model
	S2-1 – Policies related to value chain workers	S2-1 – Policies related to value chain workers
	S2-2 – Processes for engaging with value chain workers about impacts	S2-2 – Processes for engaging with value chain workers about impacts
	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns
	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS G1 – Business conduct	GOV-1 – The role of the administrative, management, and supervisory bodies	G1 GOV-1 – The role of the administrative, management, and supervisory bodies
	IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities	G1 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities
	G1-1 – Business conduct policies and corporate culture	G1-1 – Business conduct policies and corporate culture
	G1-3 – Prevention and detection of corruption and bribery	G1-3 – Prevention and detection of corruption and bribery
	G1-4 – Incidents of corruption or bribery	G1-4 – Incidents of corruption or bribery

Explanations regarding the topics classified as non-material:

ESRS E2 – Pollution

Phoenix Contact's indirect, upstream supply chain also includes the mining and extraction of raw materials (e.g., copper mining and oil extraction). Particular attention is paid to the risks of pollution associated with the production of Phoenix Contact's key raw materials, such as plastics and metals. Hazardous substance management minimizes the risk of hazardous substances being released into the environment:

a. The quantities purchased by Phoenix Contact are insignificant in relation to the total production volumes of the mining operators and oil producers and therefore do not afford the company any significant influence over these entities. Furthermore, there are no direct supply relationships between Phoenix Contact and the mining or oil production companies in question.

b. The potential influence and the impacts caused by Phoenix Contact were rated as low by the stakeholder groups involved.

For Phoenix Contact, the key lever for change lies in reducing material usage and in identifying and utilizing alternative materials. In this way, dependencies can be reduced while promoting materials that help combat pollution. These aspects are directly incorporated into the "Circular economy" KPIs.

ESRS E3 – Water and marine resources
The primary impact of Phoenix Contact and its associated supply chains lies predominantly in the upstream tiers of the value chain, particularly in the areas of raw material extraction and international ocean freight transport. Phoenix Contact's site locations have no impacts on water or marine resources:

a. Compared to air and road transport, the use of ocean freight offers significant advantages in terms of climate change mitigation. Therefore, in the context of the acute threat posed by global warming, the benefits of ocean freight are considered to outweigh the potential risks to marine and water resources.

b. Water consumption at Phoenix Contact's site locations comprises drinking water and process water. Process water requirements are largely met through a closed-loop system, so only small amounts of additional fresh water are needed. Water is supplied primarily through municipal water connections. Given these circumstances, the risk related to water is considered to be very low. Accordingly, the potential for further improvements is also limited.

ESRS E4 – Biodiversity and ecosystems
Stakeholder groups assessed the impacts of Phoenix Contact's activities on biodiversity and ecosystems as not significant:

a. The impacts on biodiversity are limited to the site locations and the company's growth there. Since the increase in land area is minimal and current laws protecting biodiversity and ecosystems are being followed, the impacts are minimal.

b. Risks in the upstream supply chain arise in particular from copper and iron mining, as well as from dependence on oil and the associated production. As already explained in the context of pollution, Phoenix Contact has very little influence over these risks. The company's primary influence, therefore, lies in reducing material requirements by strengthening the circular economy and qualifying alternative materials. For this reason, promoting circular approaches is the most effective way for Phoenix Contact to support biodiversity and protect ecosystems.

ESRS S3 – Affected communities
The stakeholders assessed this area as not significant based on various factors:

a. Limited geographic influence: Phoenix Contact operates only in specific geographic areas that do not affect the living environments or interests of high-risk communities.

b. Regulatory restrictions: Strict legal and regulatory frameworks ensure that business activities do not have any negative impacts on communities.

c. Not exclusively economic significance: The company does not play a role of essential economic significance at any of its locations that exerts a material influence on the local economy or the way of life of the communities.

d. Sustainable practices: The company employs sustainable and environmentally friendly practices that ensure there are no negative impacts on communities.

e. Social responsibility: Phoenix Contact is actively committed to social responsibility and implements programs to support communities, thereby minimizing negative influences.

f. Cultural sensitivity: Phoenix Contact is committed to acting in a culturally sensitive manner and ensuring that the traditions and ways of life of communities are respected and protected.

ESRS S4 – Consumers and end-users
The stakeholders assessed this area as not significant based on various factors:

a. Indirect customer relationship: The company offers its products exclusively to other businesses and not to end consumers, meaning there is no direct interaction with or influence over end consumers.

b. Specialized products: B2B products are often specialized goods or services that are generally not used directly by end consumers, but rather incorporated into industrial or business processes.

c. Regulatory compliance: As a B2B company, Phoenix Contact meets strict regulatory requirements that ensure all products comply with legal standards. These regulations play a key role in minimizing potential negative impacts on the general public.

d. Responsibility of buyers: Customers who purchase B2B products are responsible for how they use those products in their own processes and products. Responsibility for the end-user lies with the buyers, not with the manufacturer.

ESRS G1 – Corporate culture

While the topics of corporate policy and corruption and bribery were classified as material company-wide, the sub-topics listed below were assessed as not material in the analysis conducted for Phoenix Contact:

a. Phoenix Contact has established a whistleblower system as part of its compliance management system. However, when viewed in the broader context and compared to topics such as corruption and bribery, it was not considered sufficiently material.

b. Animal welfare: There are no points of contact – either on the market side or the production side – that make animal welfare a material focus for Phoenix Contact.

c. Political engagement: Phoenix Contact engages in lobbying only to a very limited extent, and this is essentially confined to its work with trade associations (particularly the ZVEI).

d. Management of relationships with suppliers including payment practices: Stakeholders did not identify any aspects beyond the standard that would characterize supplier relationships as material.

The following discloses the list of datapoints in cross-cutting and topical standards that derive from other EU legislation, including their placement in the sustainability statement and their classification as material or non-material datapoints.

Disclosure requirement and related datapoint	Sustainable Finance Disclosures Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality and section in the sustainability statement
ESRS 2 GOV-1 **Board's gender diversity, paragraph 21 (d)**	Indicator number 13 of Table #1 of Annex 1	–	Commission Delegated Regulation (EU) 2020/1816, Annex II	–	Material, see GOV-1 The role of the administrative, management, and supervisory bodies
ESRS 2 GOV-1 **Percentage of board members who are independent, paragraph 21 (e)**	–	–	Commission Delegated Regulation (EU) 2020/1816, Annex II	–	Material, see GOV-1 The role of the administrative, management, and supervisory bodies
ESRS 2 GOV-4 **Statement on due diligence, paragraph 30**	Indicator number 10 of Table #3 of Annex 1	–	–	–	Material, see GOV-4 Statement on due diligence
ESRS 2 SBM-1 **Involvement in activities related to fossil fuel activities, paragraph 40 (d) i**	Indicator number 4 of Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II	–	Material, see SBM-1 Strategy, business model, and value chain

Disclosure requirement and related datapoint	Sustainable Finance Disclosures Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality and section in the sustainability statement
ESRS 2 SBM-1 **Involvement in activities related to chemical production, paragraph 40 (d) ii**	Indicator number 9 of Table #2 of Annex 1	–	Commission Delegated Regulation (EU) 2020/1816, Annex II	–	Not material
ESRS 2 SBM-1 **Involvement in activities related to controversial weapons paragraph 40 (d) iii**	Indicator number 14 of Table #1 of Annex 1	–	Delegated Regulation (EU) 2020/1818 (7), Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II	–	Not material
ESRS 2 SBM-1 **Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv**	–	–	Delegated Regulation (EU) 2020/1818, Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II	–	Not material
ESRS E1-1 **Transition plan to reach climate neutrality by 2050, paragraph 14**	–	–	–	Regulation (EU) 2021/1119, Article 2(1)	Material, see E1-1 Transition plan for climate change mitigation
ESRS E1-1 **Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)**	–	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g) and Article 12.2	–	Not material
ESRS E1-4 **GHG emission reduction targets, paragraph 34**	Indicator number 4 of Table #2 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	–	Material, see E1-4 Targets related to climate change mitigation and adaptation
ESRS E1-5 **Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38**	Indicator number 5 of Table #1 of Annex 1 and Indicator number 5 of Table #2 of Annex 1	–	–	–	Material, see E1-5 Energy consumption and mix
ESRS E1-5 **Energy consumption and mix, paragraph 37**	Indicator number 5 of Table #1 of Annex 1	–	–	–	Material, see E1-5 Energy consumption and mix
ESRS E1-5 **Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43**	Indicator number 6 of Table #1 of Annex 1	–	–	–	Material, see E1-5 Energy consumption and mix

Disclosure requirement and related datapoint	Sustainable Finance Disclosures Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality and section in the sustainability statement
ESRS E1-6 Gross Scopes 1, 2, 3 and total GHG emissions, paragraph 44	Indicators number 1 and 2 of Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6, and 8(1)	–	Material, see E1-6 Gross Scopes 1, 2, and 3 and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Indicator number 3 of Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	–	Material, see E1-6 Gross Scopes 1, 2, and 3 and total GHG emissions
ESRS E1-7 GHG removals and carbon credits, paragraph 56	–	–	–	Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	–	–	Delegated Regulation (EU) 2020/1818, Annex II; Delegated Regulation (EU) 2020/1816, Annex II	–	Not material
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)	–	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk	–	–	Not material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)	–	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral	–	–	Not material
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	–	–	Commission Delegated Regulation (EU) 2020/1818, Annex II	–	Not material

Disclosure requirement and related datapoint	Sustainable Finance Disclosures Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality and section in the sustainability statement
ESRS E2-4 **Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil, paragraph 28**	Indicator number 8 of Table #1 of Annex 1; Indicator number 2 of Table #2 of Annex 1; Indicator number 1 of Table #2 of Annex 1; Indicator number 3 of Table #2 of Annex 1	–	–	–	Not material
ESRS E3-1 **Water and marine resources, paragraph 9**	Indicator number 7 of Table #2 of Annex 1	–	–	–	Not material
ESRS E3-1 **Dedicated policy, paragraph 13**	Indicator number 8 of Table #2 of Annex 1	–	–	–	Not material
ESRS E3-1 **Sustainable oceans and seas, paragraph 14**	Indicator number 12 of Table #2 of Annex 1	–	–	–	Not material
ESRS E3-4 **Total water recycled and reused, paragraph 28 (c)**	Indicator number 6.2 of Table #2 of Annex 1	–	–	–	Not material
ESRS E3-4 **Total water consumption in m³ per net revenue on own operations, paragraph 29**	Indicator number 6.1 of Table #2 of Annex 1	–	–	–	Not material
ESRS 2 – SBM-3 – E4 **Paragraph 16 (a) (i)**	Indicator number 7 of Table #1 of Annex 1	–	–	–	Not material
ESRS 2 – SBM-3 – E4 **Paragraph 16 (b)**	Indicator number 10 of Table #2 of Annex 1	–	–	–	Not material
ESRS 2 – SBM-3 – E4 **Paragraph 16 (c)**	Indicator number 14 of Table #2 of Annex 1	–	–	–	Not material
ESRS E4-2 **Sustainable land/agriculture practices or policies, paragraph 24 (b)**	Indicator number 11 of Table #2 of Annex 1	–	–	–	Not material
ESRS E4-2 **Sustainable oceans/seas practices or policies, paragraph 24 (c)**	Indicator number 12 of Table #2 of Annex 1	–	–	–	Not material
ESRS E4-2 **Policies to address deforestation, paragraph 24 (d)**	Indicator number 15 of Table #2 of Annex 1	–	–	–	Not material
ESRS E5-5 **Non-recycled waste, paragraph 37 (d)**	Indicator number 13 of Table #2 of Annex 1	–	–	–	Material, see E5-5 Resource outflows

Disclosure requirement and related datapoint	Sustainable Finance Disclosures Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality and section in the sustainability statement
ESRS E5-5 **Hazardous waste and radioactive waste, paragraph 39**	Indicator number 9 of Table #1 of Annex 1	–	–	–	Material, see E5-5 Resource outflows
ESRS 2 SBM3 – S1 **Risk of incidents of forced labor, paragraph 14 (f)**	Indicator number 13 of Table #3 of Annex 1	–	–	–	Not material
ESRS 2 SBM3 – S1 **Risk of incidents of child labor, paragraph 14 (g)**	Indicator number 12 of Table #3 of Annex 1	–	–	–	Not material
ESRS S1-1 **Human rights policy commitments, paragraph 20**	Indicator number 9 of Table #3 of Annex 1 and Indicator number 11 of Table #1 of Annex 1	–	–	–	Material, see S1-1 Policies related to own workforce
ESRS S1-1 **Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21**	–	–	Commission Delegated Regulation (EU) 2020/1816, Annex II	–	Material, see S1-1 Policies related to own workforce
ESRS S1-1 **Processes and measures for preventing trafficking in human beings, paragraph 22**	Indicator number 11 of Table #3 of Annex 1	–	–	–	Material, see S1-1 Policies related to own workforce
ESRS S1-1 **Workplace accident prevention policy or management system, paragraph 23**	Indicator number 1 of Table #3 of Annex 1	–	–	–	Material, see S1-1 Policies related to own workforce
ESRS S1-3 **Grievance/complaints handling mechanisms, paragraph 32 (c)**	Indicator number 5 of Table #3 of Annex 1	–	–	–	Material, see S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-14 **Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)**	Indicator number 2 of Table #3 of Annex 1	–	Commission Delegated Regulation (EU) 2020/1816, Annex II	–	Not material
ESRS S1-14 **Number of days lost to injuries, accidents, fatalities, or illness, paragraph 88 (e)**	Indicator number 3 of Table #3 of Annex I	–	–	–	Not material
ESRS S1-16 **Unadjusted gender pay gap, paragraph 97 (a)**	Indicator number 12 of Table #1 of Annex 1	–	Commission Delegated Regulation (EU) 2020/1816, Annex II	–	Not material
ESRS S1-16 **Excessive CEO pay ratio, paragraph 97 (b)**	Indicator number 8 of Table #3 of Annex 1	–	–	–	Not material

Disclosure requirement and related datapoint	Sustainable Finance Disclosures Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality and section in the sustainability statement
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator number 7 of Table #3 of Annex 1	–	–	–	Material, see S1-17 Incidents, complaints, and severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 104 (a)	Indicator number 10 of Table #1 of Annex 1 and Indicator number 14 of Table #3 of Annex 1	–	Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)	–	Not material
ESRS 2 SBM3 – S2 Significant risk of child labor or forced labor in the value chain, paragraph 11 (b)	Indicators number 12 and 13 of Table #3 of Annex 1	–	–	–	Material, see S2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator number 9 of Table #3 of Annex 1 and Indicator number 11 of Table #1 of Annex 1	–	–	–	Material, see S2-1 Policies related to value chain workers
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators number 11 and 4 of Table #3 of Annex 1	–	–	–	Material, see S2-1 Policies related to value chain workers
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 19	Indicator number 10 of Table #1 of Annex 1	–	Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)		Material, see S2-1 Policies related to value chain workers
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19	–	–	Commission Delegated Regulation (EU) 2020/1816, Annex II	–	Material, see S2-1 Policies related to value chain workers
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator number 14 of Table #3 of Annex 1	–	–	–	Material, see S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator number 9 of Table #3 of Annex 1 and Indicator number 11 of Table #1 of Annex 1	–	–	–	Not material

Disclosure requirement and related datapoint	Sustainable Finance Disclosures Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality and section in the sustainability statement
ESRS S3-1 **Non-respect of UNGPs on Business and Human Rights, ILO principles, or OECD guidelines, paragraph 17**	Indicator number 10 of Table #1 of Annex 1	–	Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)	–	Not material
ESRS S3-4 **Human rights issues and incidents, paragraph 36**	Indicator number 14 of Table #3 of Annex 1	–	–	–	Not material
ESRS S4-1 **Policies related to consumers and end-users, paragraph 16**	Indicator number 9 of Table #3 of Annex 1 and Indicator number 11 of Table #1 of Annex 1	–	–	–	Not material
ESRS S4-1 **Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17**	Indicator number 10 of Table #1 of Annex 1	–	Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)	–	Not material
ESRS S4-4 **Human rights issues and incidents, paragraph 35**	Indicator number 14 of Table #3 of Annex 1	–	–	–	Not material
ESRS G1-1 **United Nations Convention against Corruption, paragraph 10 (b)**	Indicator number 15 of Table #3 of Annex 1	–	–	–	Not material
ESRS G1-1 **Protection of whistleblowers28), paragraph 10 (d)**	Indicator number 6 of Table #3 of Annex 1	–	–	–	Material, see G1-1 Business conduct policies and corporate culture
ESRS G1-4 **Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)**	Indicator number 17 of Table #3 of Annex 1	–	Commission Delegated Regulation (EU) 2020/1816, Annex II	–	Material, see G1-4 Incidents of corruption or bribery
ESRS G1-4 **Standards of anti-corruption and anti-bribery, paragraph 24 (b)**	Indicator number 16 of Table #3 of Annex 1	–	–	–	Material, see G1-4 Incidents of corruption or bribery

Table notes:

List of datapoints in cross-cutting and topical standards that derive from other EU legislation, including their placement in the sustainability statement and their classification as material or non-material datapoints.

Based on its materiality assessment, Phoenix Contact has identified relevant topics, as well as impacts, risks, and opportunities. The assessment also identified aspects that are considered non-material and therefore will not be reported further. The material topics were identified in accordance with the ESRS. These were used to determine the specific datapoints that are included in the report.

[28)] Reporting channel to report violations by companies

Environmental information

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

ESRS E1 Climate change	32
ESRS E5 Resource use and circular economy	49

ESRS E1 Climate change

E1 GOV-3 – Integration of sustainability-related performance in incentive schemes

Phoenix Contact steers the Group in accordance with established goals. The personal and pay-related goals of all employees are also, wherever possible, derived from these corporate goals. In this process, the achievement of goals is always assessed in the following year. In Germany, there are standardized processes for setting performance targets that apply to employees covered by collective bargaining agreements and those not covered by such agreements. Internationally, the goals are communicated through the respective General Managers of the subsidiaries, which can lead to differences in approach. These variations result from the respective local conditions and requirements. To date, the Short-Term Incentives (STI) for executives do not include any specific, agreed-upon sustainability-related incentives; however, the STI system does allow for this.

E1 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

Phoenix Contact provides components and solutions for electrification, networking, and automation.

<u>Opportunity within the existing business model</u>

The growing trend toward electrification therefore presents a major business opportunity for Phoenix Contact within its existing business model.

<u>Opportunity for new business models</u>

However, innovative business models for electrical devices, such as sharing, repair, refurbishment, and recycling, are also being established. Customers can send in used devices for repair and refurbishment and use loan devices during the interim period. The new business models also include the management of projects for integrated solutions and applications, as well as the development and distribution of products and services – particularly those related to decarbonization – which are firmly established in the portfolio.

<u>Transition risks</u>

Specifically, transition risks are taken into account in the scenario analysis (see E1-9 for details).

IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks, and opportunities

Phoenix Contact's process to identify and assess material climate-related impacts, risks, and opportunities is described in section "Disclosure Requirement ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities".

E1-1 – Transition plan for climate change mitigation

Phoenix Contact is pursuing an ambitious and comprehensive strategy to decarbonize its entire supply chain in order to fulfill its global responsibility in the fight against climate change. Emissions reductions are systematically calculated based on the Greenhouse Gas Protocol[1]. The classification into Scope 1, 2, and 3 makes it possible to define and implement specific goals in a nuanced and realistic manner – taking into account both a company's own sphere of influence and the necessary collaboration with business partners along the value chain.

As early as 2021, Phoenix Contact achieved carbon neutrality for its Scope 1 and 2 emissions at its key site locations through offsetting measures. To achieve substantial, long-term reductions in emissions, the company has since focused in particular on decarbonizing the power supply at its sites, with an emphasis on its largest production sites. By 2030, the energy sources used there are to be gradually transitioned from fossil fuels to electricity-based, renewable energy sources. Electricity is supplied both through self-generation from photovoltaics and from external sources. In 2025, a total of 4,432 MWh of electricity was generated by environmentally friendly photovoltaic systems at the various sites.

The total installed capacity has been expanded to 5,129.9 kWp.

Between 2025 and 2030, heat pumps will be gradually installed at the five largest sites to provide heating and cooling in a sustainable and low-emission manner. This significantly reduces gas consumption and, consequently, Scope 1 emissions. In addition, technologies such as ice storage and electrical energy storage are used to optimize heat pump performance, reduce peak loads, and increase the self-consumption of self-generated energy.

In addition, the ongoing electrification of the vehicle fleet is leading to a noticeable reduction in gasoline and diesel consumption. Since 2021, Phoenix Contact has been meeting all of its electricity needs at its key site locations entirely through the purchase of certified renewable energy. With the completion of the scope of consolidation in 2025, all companies are now included. In addition, the company is continuing to expand its in-house production of renewable energy – both through its own facilities and through Power Purchase Agreements (PPAs) with regional sources.

Thanks to these measures, the absolute carbon footprint in Scopes 1 and 2 has already been significantly reduced: Scope 1 emissions fell by −16% compared to 2022. In Scope 2, over 72,000 metric tons of CO_2e are offset through the purchase of renewable energy certificates. Beyond its own properties, the focus is on energy efficiency measures for the company's products, with the goal of reducing energy consumption losses. However, the impact of decarbonization measures in the Scope 3 category depends largely on the international energy transition by 2050. Since Phoenix Contact's product portfolio is based on electrical energy, the product carbon footprint is reduced through the use of decarbonized electricity, in line with the "All Electric Society" vision.

Scope 3 tracks the annual purchasing volumes of the key companies, which account for over 85% of global material intake. Emissions are calculated using a central database that integrates emission factors from various sources – preferably supplier-specific data and data from environmental databases. This results in Scope 3.1 (Purchased goods and services) and 3.2 (Capital goods) emissions; the mass data also allows for the calculation of Scope 3.12 (End-of-life treatment of sold products).

Fluctuations in annual emission values result from updates to emission factors and databases. The year 2022 was chosen as the base year because it is particularly representative of difficult economic conditions.

The material footprint is assessed annually using the Product Environmental Footprint (PEF) and accompanying cost analyses in order to specifically identify the contributions of individual materials and implement appropriate measures to reduce them. In line with the principles of the circular economy, Phoenix Contact is increasingly exploring alternative and recycled materials: The first bio-based and waste-based products were introduced in 2023. In addition, the formalized external recycling of plastic production waste has been in place since 2024. When it comes to metals, the chip recycling program with suppliers helps conserve resources. In addition, in plastics processing, regrind is used directly within the company to further reduce the material footprint. Alternative packaging solutions are also being continuously implemented and evaluated:

[1] An internationally recognized standard for accounting for greenhouse gas emissions

Packaging material made from recycled paper and potato starch has been in use since 2021. Starting in 2025, plastic packaging made from 100% recycled plastic will also be used. This is lighter than paper packaging, which in turn reduces emissions during both transportation and manufacturing.

Scope 3 also shows a positive trend, particularly due to the shift in transport volume from air freight to lower-emission modes of transport. This reduces Scope 3.4 (Upstream transportation and distribution) emissions.

Risks in implementation arise primarily from potential delays in national climate strategies, which could hinder progress. Nevertheless, Phoenix Contact is pursuing a phased and comprehensive implementation of its decarbonization strategy across the entire value chain.

"Locked-in"[2)] emissions from emission-intensive materials and dependence on emissions in the power grid can make it more difficult to achieve targets and can increase transition risks. To actively manage its environmental impact, Phoenix Contact relies on its Corporate Carbon Footprint, PEF calculations, energy efficiency measures, renewable energy, and the use of recycled materials to reduce emissions and ensure that climate targets are met.

With the stated goal of consistently reducing its carbon footprint and ensuring the highest level of transparency, Phoenix Contact made an important commitment in 2024:

The official commitment to the Science Based Targets initiative (SBTi) marks a milestone in climate change mitigation.

As of that point, offsetting measures that do not meet the strict SBTi criteria will be phased out gradually. The adjustment of climate targets made in 2024 enables a gradual transition from pure offsets to verifiable, measurable, and ambitious reduction pathways that are clearly aligned with the 1.5-degree target of the Paris Agreement ("Well below 2 degrees Celsius").

Phoenix Contact's short-term goal through 2030 meets the minimum requirements of the Science Based Targets. At the time of reporting, these targets have not yet been formally validated by the SBTi. In addition, Phoenix Contact is pursuing a long-term vision: By 2050 at the latest, the company aims to achieve net-zero emissions in accordance with the Science Based Targets initiative and thus consistently stay on track toward the 1.5-degree goal. This overarching goal has not yet been validated by the SBTi either.

The keys to achieving these goals are the global use of electricity generated from renewable sources and a material base that is net carbon-neutral. The transportation sector, too, must undergo a thorough transformation – either through electrification or the use of biofuels. The key to addressing the remaining emissions lies in technological solutions for emissions reduction and carbon sequestration.

Technological advances such as the targeted use of hydrogen for energy storage and power distribution, innovative ice storage solutions, and biogas as a sustainable alternative to conventional fuels are being carefully evaluated by Phoenix Contact as forward-thinking options for further decarbonization. Combined heat and power (CHP) plants are already equipped to run on hydrogen, thereby enabling a flexible transition to climate-friendly technologies.

Phoenix Contact's transition plan is closely integrated into the company's overall strategy and financial planning. Votes on budget approvals and the implementation of the plan are presented, reviewed, and approved at the regular GEB meetings. Thus, the transition plan has been formally approved by the Group Executive Board and is being supported and monitored by the relevant management and oversight bodies.

Phoenix Contact has estimated the necessary investments at approximately 19 million euros for the Scope 1 and 2 transformation measures, which are incorporated into its medium-term plan. Efficiency gains and replacement purchases will further support profitability.

Phoenix Contact is following a clearly structured transition plan that ensures both short-term success and long-term sustainability. The concept integrates technical innovations, current market trends, and regulatory requirements, and underscores the company's commitment to the "All Electric Society" as well as its ambitious climate targets.

[2)] Locked-in emissions are future CO_2 emissions that are already determined because we choose certain facilities, equipment, or materials today that will continue to generate emissions for many years to come.

E1-2 – Policies related to climate change mitigation and adaptation

To address the material impacts, risks, and opportunities related to climate change mitigation and adaptation, Phoenix Contact has developed a climate change mitigation policy, which is explained in detail below.

Policy 1: Climate change mitigation at Phoenix Contact

Phoenix Contact has made climate change mitigation a central pillar of its corporate strategy since 2021 and has established a structured organization that actively coordinates and implements mitigation measures.

Energy plays a particularly important role in this context: The company's energy policy aims to significantly reduce CO_2e emissions through the use of energy-efficient production technologies, the conservation of resources, and the increased use of renewable energy. The emissions reduction targets are divided into three pillars – for Scopes 1, 2, and 3 – and are guided by calculations of the Corporate Carbon Footprint, the Product Environmental Footprint (PEF), and comprehensive analyses of climate risks and opportunities. These analyses are coordinated by various departments, such as Corporate Quality & Product Compliance (CQP), Corporate Facility Management (CFM), Corporate Strategy & Transformation Management (STM), and Corporate Risk Management (RM), and are supported by management systems, including certifications. In addition, risk assessments are conducted in accordance with international standards such as ISO 14001 and 50001, among others.

Phoenix Contact's climate change mitigation policy aims to systematically reduce its environmental footprint. To this end, the company continuously invests in advanced manufacturing technologies, fosters collaboration with leading research institutes, universities, and development facilities, and has proactively committed to the Science Based Targets initiative (SBTi). Product Environmental Footprints (PEFs) are continuously being expanded and updated, providing a transparent overview of the carbon footprints of the raw materials and other materials purchased. Each material is assigned a specific footprint, which serves as the basis for product assessment and for calculating the Corporate Carbon Footprint (CCF).

In addition to carbon footprints, the tool's ongoing development will also include the collection of other environmental metrics, such as water consumption and land use, in accordance with the EU Environmental Footprint 3.0 and 3.1 standards.

The scope of this policy covers the entire value chain of the Phoenix Contact Group worldwide, including upstream Tier 1 suppliers and downstream customers. The decentralized yet globally networked procurement structure enables close collaboration with technical departments as well as local and global suppliers, who are systematically classified into categories (A, B, and C suppliers) and regularly assessed. In addition, logistics routes are examined, and emissions from inbound and outbound transportation are assessed using emission factors in accordance with the EN 16258 standard. The policy covers upstream and downstream tiers of the supply chain as well as customer activities, even if end customers cannot always be directly reached.

The climate change mitigation policy is implemented, managed, and monitored at the highest level by the Steering Committee (SteerCo), which includes the CEO, COO, CFO, and other senior executives. From an operational perspective, these measures are supported by Streamleads[3)], Corporate Risk Management, Corporate Controlling, and Corporate Strategy & Transformation. Progress is reported at regular committee meetings, and implementation is evaluated based on defined key performance indicators. Transparent reporting is provided in the annual sustainability report and on the company's website.

The interests and expectations of key stakeholders were systematically identified through a detailed materiality assessment and are actively incorporated into the policy's ongoing development. The summarized findings serve to comprehensively illustrate relevance, risks, and opportunities, while taking into account both environmental and social aspects.

Phoenix Contact bases the design of its climate change mitigation measures on recognized international standards and initiatives, in particular the SBTi commitment. The goals and objectives

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3) Subject matter experts

are regularly updated to reflect the latest scientific findings and technological advances in order to ensure sustainable and reliable management. This means that the company is pursuing a comprehensive strategy that combines climate change mitigation with energy efficiency, resource conservation, and the increased use of renewable energy.

This comprehensive climate change mitigation policy provides the binding framework for Phoenix Contact's business activities and ensures that economic success is in harmony with environmental and social responsibility. In this way, the company is making a lasting contribution to mitigating climate change and promoting economic, environmentally conscious, and sustainable practices throughout the entire value chain.

E1-3 – Actions and resources in relation to climate change policies

The actions taken and resources deployed are consistently aligned with the defined sustainability goals and form the foundation for their successful implementation. Specific action plans have been developed for each goal, and their progress is systematically monitored through a tracking system to ensure targeted and transparent management. Many of these initiatives involve financial investments, which Phoenix Contact views as a necessary contribution to a sustainable future.

During the reporting year, Phoenix Contact also took important steps to provide targeted support to those affected by negative impacts in the area of sustainability. This includes, in particular, conducting a comprehensive climate risk analysis and implementing and applying an emergency manual in CFM. These actions make it possible to identify potential harm at an early stage, respond appropriately, and thereby ensure the protection of those affected.

The company has a clear plan to implement all actions in line with the long-term time horizons through 2030 and 2050 in order to reliably achieve its ambitious climate targets and sustainability goals.

The following actions are planned to achieve the climate targets:

<u>Action 1: Scope 1</u>

To reduce Scope 1 emissions, the company is switching from fossil fuels to renewable energy sources. This applies to heat supply, the vehicle fleet, and electricity generation, which is being converted to electric power sources and electricity from renewable sources.

<u>Action 2: Scope 2</u>

Scope 2 emissions are reduced through the procurement of electricity from renewable sources, the reduction of relative energy demand (energy-saving measures), the expansion of self-generation of electricity from renewable sources through photovoltaics, and the procurement of electricity through Power Purchase Agreements.

<u>Action 3: Scope 3</u>

The reduction of Scope 3 emissions depends on the shift in energy mixes worldwide. The increased use of renewable and nuclear energy sources automatically reduces the carbon footprint of products, leading to a reduction in Scope 3 emissions. This trend is further supported by a reduction in the energy demand of products. In Scope 3.1 (Purchased goods and services), the use of recycled materials will be increased, and materials from alternative sources, such as bio-based materials, will be introduced. Actions taken by suppliers to reduce emissions in the supply chain also lower the carbon footprint of products without requiring any changes on the part of Phoenix Contact. Reducing air freight and using electric vehicles help reduce the Scope 3.4 carbon footprint.

<u>Action 4: Product Environmental Footprints</u>

The development and implementation of Product Environmental Footprints (PEFs) is being continuously advanced and refined, and will be completed by 2030; changes in product manufacturing will be disclosed transparently. These efforts are essential to our contribution to climate change mitigation and are consistent with our actions in the areas of energy demand, materials management, and waste management.

Actively working to reduce greenhouse gas emissions is also the most effective way to minimize the need to adapt to climate change. Necessary actions to adapt the site locations to climate change and the transition are being implemented.

In 2025, Phoenix Contact created, approved, and integrated over 24,000 PEFs into its online store. This was achieved through an automated process involving approvals coordinated with the relevant business areas, as well as regular updates to provide a transparent view of progress in the supply chain. PEF quality indicators are displayed for customers, PEF data is identical to Scope 1 to 3 data to align corporate and product goals, and data accuracy is made transparent through a data quality score.

One of Phoenix Contact's key actions is the targeted reduction of greenhouse gas emissions across all Scopes. For Scope 1 and Scope 2, the company aims to reduce CO_2e emissions by 90% by 2030 compared to 2022 – this corresponds to a reduction of 37,000 metric tons of CO_2e and is in line with the Science Based Targets (SBT) guidelines. In Scope 3, emissions are to be reduced by 25% in absolute terms by 2030, which corresponds to a reduction of 826,000 metric tons of CO_2e. In addition, Phoenix Contact is pursuing the net-zero target for Scope 3 by 2050 at the latest, in line with the Paris Agreement ("Well below 2 degrees Celsius"). The company joined the SBTi in 2024; target validation is scheduled to take place within two years of the commitment. The focus is on highlighting the company's progress and creating transparency for customers at the product level through PEFs that cover the entire lifecycle up to the point the product leaves the factory gates, with the goal of making a PEF available in the online store for every item for sale by 2030.

Action 5: Energy-efficient infrastructure
Phoenix Contact's site retrofits are carried out in accordance with the specifications in E1-1 and include technical retrofits involving heat pumps, electric water heaters, storage tanks, and infrastructure changes at the sites, as well as external consulting and contractor services; ongoing electricity procurement costs are also taken into account; the need for site adaptations was assessed based on risks.

Phoenix Contact's ability to implement the defined actions depends largely on the availability and allocation of the appropriate resources. This requires in particular a high degree of data transparency and the active participation of relevant stakeholders. In addition, financial resources – particularly budget approvals by the Group Executive Board – are crucial to the successful implementation of climate change mitigation measures.

In general, the measures implemented have contributed to a reduction in greenhouse gas emissions compared to the base year (see table below):

E1-4 – Targets related to climate change mitigation and adaptation
Phoenix Contact aims to lead the way with an empowering commitment to climate change mitigation and to actively and sustainably fulfil its environmental responsibilities. In accordance with the climate change mitigation policy, clear climate targets have been defined that outline both short-term and long-term measures for reducing greenhouse gas emissions. These targets are an integral part of the detailed transition plan for decarbonization, which is based on a systematic analysis of Scope 1, Scope 2, and Scope 3 emissions and calls for a phased transition to renewable energy, energy-efficient technologies, and sustainable material and mobility strategies. Through this holistic approach, Phoenix Contact ensures that climate targets can be implemented in a way that is realistic, measurable, and ambitious, in order to meet the requirements of the Paris Agreement and the guidelines of the Science Based Targets initiative (SBTi). In this way, the company is actively shaping a sustainable transition toward a climate-neutral "All Electric Society". In the long term, Phoenix Contact plans to achieve full carbon neutrality in its financial statements by 2050 and thus stay on track with the 1.5-degree target of the Paris Agreement.

Phoenix Contact's climate targets are explicitly derived from the Science Based Targets initiative and the "Well below 2 degrees Celsius" target set forth in the Paris Agreement. They are fully aligned with

Gross GHG emissions in mt CO_2e	Base year 2022	2023	2024	2025	Difference from the base year
Scope 1 Direct emissions	39,487	34,327	28,813	33,172	−16.0%
Scope 2 Indirect emissions, location-based	62,573	62,776	66,494	69,691	+11.4%
Scope 2 Indirect emissions, market-based	1,078	1,598	1,297	728	−32.5%
Scope 3	3,302,727	3,072,628	2,488,081	2,617,579	−20.7%
Scopes 1 to 3 Total emissions	3,404,787	3,169,731	2,583,388	2,720,442	−20.1%

the company-wide climate change mitigation policy and have been adjusted for the short-term horizon through 2030 in accordance with the minimum requirements of the SBT. At the time of reporting, verification by the SBTi is still pending.

In this regard, Phoenix Contact exceeds the SBT standards for Scopes 1 and 2 emissions. For each site location, the conformity of the reduction pathways is verified both at the corporate level and using the XDC method. Using this method, the migration plan for the sites can be converted into a numerical score, thereby transparently ensuring consistency with the defined climate targets. In this regard, Phoenix Contact takes various climate scenarios into account when setting its CO_2e reduction targets, using climate risk analyses, market analyses, and the AES strategy. This allows the company to identify relevant environmental, technological, market, and policy developments and derive effective levers for decarbonization.

Clear and differentiated targets have been set for climate change mitigation: Scopes 1 and 2 are considered together and are subject to combined relative and absolute reduction targets. A separate target was defined for Scope 3 that takes into account the various avenues for influence and the feasibility of action within the value chain. This nuanced set of targets reflects the complex challenges and the tailored approaches needed to effectively advance climate change mitigation across all emission sources.

Target 1	For Scopes 1 and 2: • A reduction of > 90% by 2030 compared to the base year of 2022, in accordance with the SBT • Use of 100% green electricity by 2030 • Absolute reduction of 37,000 mt CO_2e
Target 2	For Scope 3: • An absolute reduction of 25% by 2030 compared to the base year of 2022, in accordance with the SBT • An absolute reduction of 826,000 mt CO_2e compared to 2022 • Net zero by 2050
Target 3	For customers: • 100% PEFs in the online store

The measures to achieve Target 1 focus on reducing CO_2e emissions at the company's own site locations. Scopes 1 and 2 emissions are to be reduced by 90% by 2030, which corresponds to an actual reduction of approximately 37,000 metric tons of CO_2e. The base year is 2022, and the reduction pathway follows the Science Based Targets (SBT). Clear milestones are being set to achieve this target. For Scopes 1 and 2, the focus is on transitioning the power supply at the site locations: Heat pumps will be introduced at the largest sites between 2025 and 2030. In addition, the vehicle fleet is being continuously electrified. The use of 100% green electricity has ensured a climate-friendly power supply since 2021. By the end of 2025, an additional 5,129 kWp of photovoltaic systems had been installed.

Target 2 is to reduce Scope 3 CO_2e emissions. The company follows the SBT guidelines and has set a target of reducing these emissions by 25% by 2030 compared to the base year. This target value is lower because managing and influencing the supply chain and its associated processes is more complex and subject to greater external influences than internal processes. The percentage reduction in the 2030 target corresponds to an absolute reduction of 826,000 metric tons of CO_2e.

Intensity metrics are crucial for classifying emissions: They express greenhouse gas emissions relative to economic output, thereby highlighting the efficiency of emissions reductions achieved alongside economic growth:

- Total GHG emissions intensity is reported at 0.7926 kg CO_2e per euro of revenue for 2025, representing a 4.3% decrease compared to 2024.
- The intensity of production-based GHG emissions is 0.220 kg CO_2e per euro of revenue in 2025.

For Scope 3, Phoenix Contact has also set a target of achieving net zero by 2050. With these two targets, the company is adhering to the guidelines of the Paris Agreement: "Well below 2 degrees Celsius". No further milestones or interim targets will be set.

In 2024, Phoenix Contact joined the Science Based Targets initiative (SBTi). The review of the established targets remains pending and is not scheduled to take place until 2026.

Target 3 focuses on highlighting the company's commitment and providing customers with a high degree of transparency. The Product Environmental Footprint (PEF) makes it possible to quantify a product's environmental impact (with a focus on cradle to gate). This additional information enables customers to make informed decisions in favor of products with lower emissions and to ensure transparency in their supply chain. The goal is to make a PEF available in the online store for every item for sale by 2030. No milestones or interim targets will be set.

By 2025, more than 24,000 Product Environmental Footprints (PEFs) had already been created, approved, and successfully integrated into the online store. The calculations are performed through an automated process and are then approved in consultation with the relevant core businesses. Regular updates to the footprints are necessary to ensure transparency regarding progress in the supply chain.

To ensure data accuracy in the supply chain, the PEF's quality indicator is reported to customers. The PEF data is identical to the data from the assessment of Scopes 1 to 3 in order to align the Group's strategic objectives with the goals for its products and to leverage synergies. The accuracy of the data is made transparent to interested parties through a data quality score.

Basis for calculating the targets

The calculation of the greenhouse gas (GHG) footprint and PEFs is based on emission factors for each material and service using an expenditure-based database. If higher-quality values are available from environmental databases or supplier information, these are used preferentially. Emissions are calculated in accordance with EF3.0 and EF3.1 using GWP100 and include all climate-related gases. The calculations for Scope 1 and Scope 2 also include all climate-related gases in accordance with the GHG Protocol. There are no biogenic combustion emissions in Scope 1. Currently, these emissions are not subject to any regulation or trading system. Emissions are reported proportionally in accordance with the CBAM[4] regulation, with the share of emissions covered by CBAM amounting to less than 1%. For Scope 2, public emission factors at the country level are used, and emission allowances are procured locally from the largest companies. Scope 3 takes all categories of GHG into account. Scope 3.1 emissions are based on the purchasing volumes for the reporting year in the primary unit of measurement, taking into account all purchased items and investments. Database values are used for emissions and supplemented with supplier information.

In 2025, 5.5% of material data – based on purchasing volume – in Scope 3.1 and Scope 3.2 comes from direct information from the supply chain. The majority of all materials continue to be based on indirect or standardized data sources. The company's carbon footprint is largely determined by the use of its products in the field (Scope 3.11) and the materials it purchases (Scope 3.1). The material footprint scales with the amount of material used and is highly dependent on suppliers and reductions in the supply chain. The use phase occurs during the use of products in end-user applications. A "global" emission factor was used for the calculations, based on Phoenix Contact's revenue distribution across the continents, with the respective emission factors for each continent taken from a public database.

The most important opportunity lies in the global transition to renewable energy sources instead of fossil fuels. Phoenix Contact is therefore focusing its efforts on global decarbonization through renewable energy and on further reducing energy losses in Phoenix Contact products. In addition, the company is working with suppliers to develop and implement alternative materials and approaches to reduce emissions in material processing. The material and supplier footprint is tracked in a dashboard, and efforts are made to reduce it in collaboration with suppliers.

The findings from the stakeholder dialogue conducted as part of the materiality assessment were incorporated into the targets. This ensures that the established targets reflect the expectations and priorities of all stakeholders.

Progress toward achieving the targets is continuously monitored and assessed. Performance is measured using management reports, which are regularly presented and discussed in meetings at Vice President level and in the Steering Committee (CEO, COO, CFO). This ensures that progress is in line with the original plans and that any necessary adjustments can be made promptly.

During the reporting period, no changes have been made to existing targets, underlying metrics, or data collection methods, thereby ensuring the comparability of the data.

[4] Carbon Border Adjustment Mechanism

E1-5 – Energy consumption and mix (V)

Description of total energy consumption
In general, Phoenix Contact's emissions measurements and calculations are based on internationally recognized standards such as the Greenhouse Gas Protocol. In this process, data from various sources – such as energy consumption, material receipts, or transportation activities – is collected and evaluated using specific emission factors. Limitations of the methodology arise in particular from the availability and accuracy of the underlying data, especially for Scope 3, where emissions data from suppliers is often limited. Similarly, estimates and standardized factors can be used when direct measurements are not possible, which affects the precision of the key performance indicators. Phoenix Contact is constantly working to improve data quality and minimize methodological limitations by using better data sources and technologies. These descriptions apply to all metrics in the E1 section. In this process, the measurement of the key performance indicators is not validated or verified by an external party outside the assurance provider.

Phoenix Contact's total global energy consumption in 2025 amounts to 132 GWh of electricity and 135 GWh of gas, of which 4.4 GWh was generated from the company's own renewable energy sources. The purchased electricity needs are already fully met by renewable sources. The use of energy from nuclear sources is deliberately avoided. The electrical energy used therefore comes exclusively from renewable sources (solar, wind, and hydroelectric power).

The demand for energy from fossil and renewable sources consists of:

For Phoenix Contact, which operates primarily in the electrical and automation technology sectors, energy intensity and emission profiles are determined with a particular focus on material procurement and production processes, as these are where significant energy consumption and emissions occur.

The precise definition and classification of the relevant high climate impact sectors is based on the industry-specific criteria of the ESRS and forms the basis for further reporting requirements and measures to reduce emissions. The energy intensity of externally sourced energy in 2025 is 302,522.41 MWh / €3,345,334,010.

Energy source	Unit	Energy demand 2022	Energy demand 2025
Electricity	kWh	130,018,031	131,954,311
Oil	kWh	2,006,639	985,336
Gasoline / diesel	kWh	23,986,954	21,436,255
Gas	kWh	154,807,759	135,407,141
District heating	kWh	3,760,853	2,611,871
District cooling	kWh	514,295	464,242
CHP[5]	kWh	40,571,373	52,402,040
Self-generation from PV[6]	kWh	1,875,669	4,432,921

[5] Combined heat and power
[6] Photovoltaics

The total energy consumption and energy mix for Phoenix Contact in the 2025 fiscal year can be presented in a table:

Energy consumption and mix	Year 2024	Year 2025
Fuel consumption from coal and coal products (MWh)	0.00	0.00
Fuel consumption from crude oil and petroleum products (MWh)	23,384.12	22,421.59
Fuel consumption from natural gas (MWh)	112,454.52	135,407.14
Fuel consumption from other fossil sources (MWh)	220.71	223.50
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	51,195.57	17,875.30
Total fossil energy consumption (MWh)	187,254.92	175,927.54
Share of fossil sources in total energy consumption (%)	61	58
Consumption from nuclear sources (MWh)	0.00	0.00
Share of consumption from nuclear sources in total energy consumption (%)	0	0
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0.00	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	108,627.78	117,706.36
The consumption of self-generated non-fuel renewable energy (MWh)	4,789.08	4,234.10
Total renewable and low-carbon energy consumption (MWh)	130,802.51	136,461.66
Share of renewable and low-carbon sources in total energy consumption (%)	43	45
Total energy consumption (MWh)	306,401.03	302,522.41

Energy intensity per net revenue	Reporting year
Total energy consumption from activities in high climate impact sectors per unit of net revenue from activities in high climate impact sectors (MWh/monetary unit)	0.0000904 (MWh/€)

Disclosures on energy intensity per net revenue in high climate impact sectors

Phoenix Contact has identified electrical engineering and automation technology as a sector with a high climate impact, which is used to calculate energy intensity. The amount of net revenue from this activity can be reconciled with the figures in the financial report/annual financial statements.

Energy intensity per net revenue	Comparative	N	% N / N-1
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/monetary unit)	0.000100775	0.0000904	90%
Net revenue from activities in high climate impact sectors used to calculate energy intensity	€3,040,442,279	€3,345,334,010	110%
Net revenue (other)	0	0	0
Total net revenue (financial statements)	€3,040,442,279	€3,345,334,010	110%

E1-6 – Gross Scopes 1, 2, and 3 and total GHG emissions (√)

Phoenix Contact uses a uniform reporting period for its consolidated financial statements and sustainability report. There are no known differences in reporting periods for subsidiaries that would affect the accuracy of reporting. There are no known changes or events that occurred between the various reporting periods. Since this is the first time the report has been prepared, there are no prior-year adjustments to report. Reporting under Scopes 1, 2, and 3 is carried out in accordance with this scope of consolidation. The carbon footprint in Scopes 1 and 2 consists of:

Scope	Unit	Base year = 2022	Emissions 2025
Scope 1	mt CO_2e	39,487	33,172
Scope 2 location-based	mt CO_2e	62,572	69,691
Scope 2 market-based	mt CO_2e	1,077	728

Scope 3 consists of:

Scope	Description	Unit	Base year = 2022	Emissions 2025
3.1	Purchased goods and services	mt CO_2e	874,243.35	616,054.96
3.2	Capital goods	mt CO_2e	83,097.91	65,129.14
3.3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	mt CO_2e	46,998.50	44,895.29
3.4	Upstream transportation and distribution	mt CO_2e	61,935.00	54,915.92
3.5	Waste generated in operations	mt CO_2e	11.38	5.39
3.6	Business travel	mt CO_2e	5,404.23	4,663.76
3.7	Employee commuting	mt CO_2e	29,491.25	27,137.59
3.8	Upstream leased assets	mt CO_2e	0	0
3.9	Downstream transportation and distribution	mt CO_2e	43,712.17	30,802.75
3.10	Processing of sold products	mt CO_2e	0	0
3.11	Use of sold products	mt CO_2e	2,065,336.87	1,702,402.17
3.12	End-of-life treatment of sold products	mt CO_2e	92,496.43	71,572.13
3.13	Downstream leased assets	mt CO_2e	-	-
3.14	Franchises	mt CO_2e	-	-
3.15	Investments	mt CO_2e	-	-

Phoenix Contact tracks and discloses its Scope 3 greenhouse gas emissions in accordance with the indirect emissions categories specified in the EN ISO 14064-1:2018 standard. A detailed breakdown of these emissions separated into various categories such as purchased goods and services, transportation, use of sold products, and other indirect emissions, is provided in the table below. There are no significant changes compared to previous years, as Phoenix Contact is disclosing its GHG emissions for the first time.

	Retrospective				Milestones and target years			
	Base year 2022	Comparative 2024	N 2025	% N / N-1	2025	2030	(2050)	Annual % target / base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (mt CO_2e)	39,487.47	28,813.09	33,171.69	115%	26,160.45	3,948.75	0	–11.25
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0	0	0	0	0
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (mt CO_2e)	62,572.60	66,494.49	69,691.21	105%	n/a	n/a	n/a	n/a
Gross market-based Scope 2 GHG emissions (mt CO_2e)	1,077.96	1,296.77	727.65	56%	0	0	0	0
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions (mt CO_2e)	3,302,727.09	2,488,080.73	2,617,579.10	105%	2,993,096.43	2,477,045.32	330,272.71	3.125
Purchased goods and services	874,243.35	542,266.77	616,054.96	114%	792,283.04	655,682.51	87,424.34	3.125
[Optional sub-category: Cloud computing and data center services]	n/a	n/a	n/a	0	n/a	0	0	0
Capital goods	83,097.91	62,834.68	65,129.14	104%	75,307.48	62,323.43	8,309.79	3.125
Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	46,998.50	42,876.80	44,895.29	105%	42,592.39	35,248.88	4,699.85	3.125
Upstream transportation and distribution	61,935.00	48,371.90	54,915.92	114%	56,128.59	46,451.25	6,193.50	3.125
Waste generated in operations	11.38	5.28	5.39	102%	10.31	8.53	1.14	3.125
Business travel	5,404.23	2,922.59	4,663.76	160%	4,897.58	4,053.17	540.42	3.125
Employee commuting	29,491.25	28,851.24	27,137.59	94%	26,726.45	22,118.44	2,949.13	3.125
Upstream leased assets	0	0	0	0	0	0	0	0
Downstream transportation and distribution	43,712.17	27,113.34	30,802.75	114%	39,614.15	32,784.13	4,371.22	3.125

	Retrospective				Milestones and target years			
	Base year 2022	Comparative 2024	N 2025	% N / N-1	2025	2030	(2050)	Annual % target / base year
Processing of sold products	0	0	0	0	0	0	0	0
Use of sold products	2,065,336.87	1,652,975.51	1,702,402.17	103%	1,871,711.54	1,549,002.66	206,533.69	3.125
End-of-life treatment of sold products	92,496.43	79,862.61	71,572.13	90%	83,824.89	69,372.32	9,249.64	3.125
Downstream leased assets	0	0	0	0	0	0	0	0
Franchises	0	0	0	0	0	0	0	0
Investments	0	0	0	0	0	0	0	0
Total GHG emissions								
Total GHG emissions (location-based) (mt CO_2e)	3,404,787.16	2,583,388.31	2,720,442.00	105%	3,019,256.87	2,480,994.06	330,272.71	n/a
Total GHG emissions (market-based) (mt CO_2e)	3,343,292.52	2,518,190.59	2,651,478.44	105%	3,019,256.87	2,480,994.06	330,272.71	n/a

In accordance with ESRS E1-6, all relevant Scope 3 emissions of the Phoenix Contact Group were reported in accordance with the Greenhouse Gas Protocol. The following sections describe, for each relevant category, the system boundary[7] applied, data collection, calculation methods, and the calculation tools and data sources used:

3.1 Purchased goods and services

The report covers all purchased goods and services. Data collection is handled centrally through Corporate Purchase and covers over 85% of the global purchasing volume. Emissions are calculated using a spend-based approach[8] and converted to CO_2e equivalents using OECD industry-average data, data from environmental databases, and primary data from suppliers. In each case, the most precise available value is used and reported along with a quality level. The assessment is conducted in the central Corporate Purchase Sustainability dashboard.

3.2 Capital goods

Expenditures for capital goods are also tracked via the Corporate Purchase Sustainability dashboard. Emissions are calculated using a similar finance-based approach, since all relevant data is available in the purchasing system.

3.3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)

Upstream emissions for purchased fuels and energy (electricity, gas, oil) are calculated based on the consumption volumes determined annually by the

[7] In the context of greenhouse gas (GHG) emissions tracking and reporting in accordance with the Greenhouse Gas Protocol, the term “system boundaries” refers to the scope of the system under consideration – that is, which emission sources and activities within the organization and along the value chain are taken into account.
System boundaries determine which processes, site locations, companies, or suppliers are included in the calculation of Scope 3 emissions and which are not.

[8] Expenditure-based/financial carbon accounting takes into account the average CO_2e emissions per unit of financial expenditure in order to assign a financial market value to those emissions.

companies (board tool) and the corresponding emission factors for the production of the respective energy types. An environmental database serves as the source of data for the emission factors.

Emissions resulting from transmission and distribution losses (e.g., line losses) are added as a percentage to this total generation emissions figure.

3.4 Upstream transportation and distribution
Tracking covers two cases:

- Shipments arranged by Phoenix Contact itself → Data tracked via Corporate Logistics, based on transported weights, distances, and modes of transport used (truck, airplane, train, ship).
- Shipments carried out and invoiced by suppliers → Tracked via the Corporate Purchase Sustainability dashboard.

Separating the two cases prevents double counting.

3.5 Waste generated in operations
All waste volumes from our global locations are recorded and categorized as disposal, recycling, and reuse. The resulting emissions are less than 0.1% of the Corporate Carbon Footprint and are therefore considered negligible.

3.6 Business travel
All travel (flights, car travel, train travel, hotels) is taken into account and recorded through Corporate Travel Management. Annual emissions in 2025 totaled 4,664 metric tons of CO_2e (< 0.2% of the total carbon footprint).

3.7 Employee commuting
Commute times for employees worldwide are determined based on typical traffic conditions. Public statistics are used for this purpose.

Upstream emissions from the energy sources used (gasoline, diesel, electricity, etc.) as well as emissions resulting from losses during transmission and distribution (well-to-tank) are taken into account. Emission factors for both upstream emissions are sourced from a public database.

Emissions from mobile working, as well as energy used for heating and powering office equipment, are also taken into account. The carbon footprint in 2025 is approximately 27,000 metric tons of CO_2e, which is less than 1% of total emissions.

3.8 Upstream leased assets
All energy-related emissions from properties are already included in Scope 1 and Scope 2, which is why this category is not reported separately.

3.9 Downstream transportation and distribution
The system primarily tracks the delivery of products from the sales subsidiaries to end customers. Based on several detailed studies, this is calculated annually based on the weight of the products used.

3.10 Processing of sold products
Emissions from processing at site locations and in sales subsidiaries are already accounted for in Scopes 1, 2, and 3. Further processing by customers is not included, as reliable estimates are not possible.

3.11 Use of sold products
This category takes into account the energy consumption of the products in the field. The power dissipation of the products is used in the calculation. The transmission of energy is not taken into account here. Power dissipation is applied to products whose usage profile in the market can be estimated because a specific use case can be identified. A usage profile is created for each relevant product, and the total energy consumption for the year is determined based on the application rate during the reporting year. Based on country-specific sales volumes, a global emission factor is determined for Phoenix Contact, which is used to calculate emissions within this category. The emission factors for each country are taken from a publicly available database.

3.12 End-of-life treatment of sold products
The calculation is based on the purchase quantities and the material categories they contain. The emission factors for disposal or recycling are obtained from an environmental database.

3.13 Downstream leased assets
Sales subsidiaries are fully integrated into ESG management and report their KPIs to headquarters. Companies that have not yet been integrated are accounted for on a proportionate revenue basis.

3.14 Franchises
Phoenix Contact does not operate any franchise models; therefore, this aspect is not relevant to the company.

3.15 Investments
Scope 3 emissions related to investments in financial assets are tracked through M&A, as necessary.

Total GHG emissions based on net revenue
To calculate total GHG emissions based on net revenue, the total GHG emissions were included in the numerator, while total net revenue of [€3,345,334,010] was included in the denominator.

GHG intensity per net revenue	Comparative 2024	2025	% N / N-1
Total GHG emissions (location-based) per net revenue (mt CO_2e/monetary unit)	0.8497 kg CO_2e per € in revenue	0.8132 kg CO_2e per € in revenue [E1-6_30/E1-6.53.1] Disclose GHG emissions intensity (market-based) [E1-6_31/E1-6.53.2]	−4.30%
Total GHG emissions (market-based) per net revenue (mt CO_2e/monetary unit)	0.8282 kg CO_2e per € in revenue	0.7926 kg CO_2e per € in revenue	−4.30%

Net revenue used to calculate GHG intensity	€3,345,334,010
Net revenue (other)	n/a
Net revenue (in financial statements)	€3,345,334,010

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
In 2025, Scope 2 CO_2e reductions will be achieved through the purchase of green electricity certificates; however, no carbon credits will be purchased for Scope 1 emissions in order to comply with SBTi guidelines. Scope 3 emissions were not reduced through insetting[9] or offsetting[10], and Phoenix Contact is pursuing the long-term goal of net zero by 2050 in line with the SBT. The SBTi has not yet verified these targets.

Carbon sinks[11] are intended exclusively for use within the Phoenix Contact supply chain. New bio-based materials can act as carbon sinks and, through their use at Phoenix Contact and in sales, actively contribute to reducing CO_2e emissions. Direct air capture[12] or similar reduction methods can be used as a service. Materials suitable for bio-based reduction are continuously evaluated and selected in collaboration with suppliers and customers.

Only solutions that enable permanent sequestration as defined by GWP100 are considered sinks, and the use of bio-based materials is strictly contingent upon application and technical product requirements, including electrical properties, approvals, and regulatory requirements. In the long term, the use of carbon capture starting in 2050 is consistent with the

[9] Financing climate change mitigation projects along the company's own value chain
[10] Carbon offsetting is a tool for climate change mitigation in which greenhouse gas emissions are offset by reductions or sequestration elsewhere.
[11] Carbon sinks refer to natural or engineered processes that capture CO_2 from the atmosphere and store it long-term.
[12] Technology for the direct capture of CO_2 from the ambient air

Science Based Targets within the framework of the strategy. However, Phoenix Contact does not plan to implement carbon removal measures at its own sites, although it does not rule out the use of such services.

E1-8 – Internal carbon pricing

Currently, Phoenix Contact does not use its own carbon pricing system within the company. However, when making investment decisions, the costs of green electricity are factored into the calculations. The assessment of CO_2e impacts is based on the Product Environmental Footprint. Prices for purchasing green electricity are set centrally by corporate headquarters, taking into account available offers and the company's global sustainability goals. In addition, a forecast of future price trends has been prepared.

For Scope 2 emissions, all energy consumption is taken into account in order to consistently calculate CO_2e prices for green electricity.

E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Phoenix Contact's key production sites are located throughout Europe, Asia, India, and the US, and are supported by a network of more than 50 sales subsidiaries that ensure close customer proximity.

Climate risk and transition risk analyses were conducted for the eleven largest site locations. In the short term, the SSP1-2.6 scenario does not pose any additional high risks to the locations beyond rising temperatures, although risks from heat and fires do exist in Asia and the Americas. In the short term, the greatest transition risk lies in the implementation of the CSRD within Europe and its potential impacts on international trade.

In the ISSP5-8.5 scenario, however, significant risks arise in the medium and long term in the US, China, and India, particularly for the three Global Centers of Competence (GCOCs), which could be affected by extreme weather events such as heat, heavy precipitation, flooding, and soil erosion. However, even in the ISSP5-8.5 scenario, the headquarters in Blomberg remains unaffected by such risks and proves to be particularly resilient in the long term.

Therefore, Phoenix Contact supports measures to reduce global warming by committing to the Science Based Targets initiative and striving to limit global warming to 1.5 to a maximum of 2 degrees Celsius, while also taking into account the potential risks of scenarios involving higher temperatures at its site locations and implementing heat protection measures.

ESRS E5 Resource use and circular economy

E5 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities
Phoenix Contact's process to identify and assess material water and marine resources-related impacts, risks, and opportunities is described in section "Disclosure requirement IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities".

E5-1 – Policies related to resource use and circular economy
Phoenix Contact has introduced a Group-wide circular economy policy to manage the material impacts, risks, and opportunities related to resource use and circular economy. This policy firmly establishes principles for the responsible use of resources and provides the normative framework for sustainable decisions throughout the entire value chain – from material procurement and product development to use by customers worldwide. The policy applies to all fully consolidated locations of the Phoenix Contact Group, as well as to relevant suppliers and partner companies.

At Phoenix Contact, the Steering Committee (SteerCo) bears ultimate responsibility for managing material sustainability topics. This committee consists of the CEO, the COOs, and the CFO, and ensures that environmental and resource-related policies are consistently and bindingly implemented throughout the organization.

In particular, the SteerCo is responsible for the strategic development of the policy, the approval of targets, and ensuring implementation across the entire Group.

<u>Policy 1: Smart use of resources to promote the circular economy</u>
Phoenix Contact is committed to using natural resources in a responsible and forward-looking manner. The core policy with respect to resource use ("Smart use of resources to promote the circular economy") serves as a conceptual guideline for the responsible management of natural resources and for embedding the circular economy approach in products, processes, and decision-making procedures. It underpins the company's commitment to using materials sparingly, reducing environmental impacts, and designing products to be durable and recyclable throughout their entire lifecycle.

To ensure compliance with these principles, the policy is based on internationally recognized standards and external requirements. The principles of the United Nations Global Compact serve as guidelines for responsible business conduct, while the requirements of ISO 14001 ensure systematic environmental management, clear responsibilities, and continuous improvement processes. In addition, an energy management system is implemented and operated at large, energy-intensive sites to promote the efficient use of energy, identify potential savings, and contribute to the continuous improvement of energy performance. By incorporating these standards, the policy complies with both regulatory requirements and international expectations regarding sustainable resource, environmental, and energy management.

The further development of the guidelines is based on the results of the double materiality assessment. This means that the expectations of key stakeholder groups – including business partners, employees, customers, local communities, and representatives of civil society – have been systematically taken into account. Topics such as resource efficiency, transparent material flows, responsible selection of raw materials, and circular value creation have been identified as material matters and are firmly anchored in the environmental policy.

To ensure consistent implementation, all relevant guidelines on resource use and circular economy are firmly embedded in the Integrated Management System (IMS). They are accessible to both internal departments and external stakeholders and are regularly reviewed as part of external certifications and customer audits.

This ensures that the principles are not merely stated, but are transparently put into practice throughout the company and taken into account in day-to-day decisions.

E5-2 – Actions and resources related to resource use and circular economy
The actions and resources related to material sustainability matters are directly linked to Phoenix Contact's sustainability goals. The goals

are supported by specific action plans, and their implementation is monitored through systematic tracking of actions. Many actions require financial resources, which are provided under the respective action plans. Phoenix Contact also actively participates in industry-specific working groups, including those within the ZVEI, and collaborates with relevant stakeholders throughout the value chain. This promotes joint initiatives related to the circular economy and the responsible use of resources.

Action 1: Increase the use of recycled materials
The proportion of recycled materials in products is being increased to reduce the use of primary raw materials and strengthen material cycles. In 2025, recycled materials accounted for 8% of the total material usage of 267,199 metric tons. This applies in particular to Scope 3.1 and helps replace primary raw materials and create closed-loop material cycles. Decarbonization is supported by assessing the recycling rate and taking into account burden-free[13] footprints. By processing granules, using regranulate, and implementing a chip recycling program, internal material flows with external partners are closed and waste is prevented.

Action 2: Introduction of materials from alternative sources
Phoenix Contact is introducing bio-based and other alternative materials to replace conventional, higher-emission materials. Selection is based on material assessments in accordance with EF3.0 and EF3.1, as well as PEF data that reflects annual material consumption and environmental impacts.

Action 3: Reducing the relative energy demand of products
Energy efficiency measures reduce the energy consumption of products. This promotes resource-efficient use and leads to lower Scope 3 emissions. Product analyses are increasingly incorporating lifecycle and end-of-life considerations. Emissions during the products' use phase in the field amounted to 1,714,540 metric tons of CO_2e in 2025, compared with 2,065,337 metric tons of CO_2e in 2022. This figure also includes effects resulting from the local emission factors of country-specific power grids and sales volumes.

Action 4: Measures to reduce emissions among suppliers in the supply chain
Suppliers are actively involved in climate change mitigation and resource management topics. These include measures to reduce the material footprint, information on sustainable alternatives, and the optimization of transportation routes.

Reducing emissions among suppliers and promoting sustainable materials and processes throughout the value chain help lower Scope 3 emissions. This applies in particular to Scope 3.1 (Purchased materials and services) and Scope 3.4 (Upstream transportation and distribution).

Action 5: Optimizing logistics by reducing air freight and using sustainable modes of transport
Reducing air freight, using electric vehicles, and utilizing sustainable fuels help conserve resources and reduce transportation-related emissions. In addition, alternative transportation strategies are being implemented to optimize routes and reduce environmental impacts. Compared to 2022, Scope 3.4 transportation emissions were reduced from 61,935.00 metric tons of CO_2e to 54,915.92 metric tons of CO_2e in 2025. These reductions are part of the target for reducing CO_2e emissions.

Action 6: Further development and provision of Product Environmental Footprints (PEFs)
The PEF methodology is continuously being refined to provide a transparent overview of material use, environmental impacts, and waste streams. PEFs are expected to be available for the entire portfolio by 2030. Analyses conducted by external providers, as well as waste and material reports, serve as the basis for the data. PEF data supports the assessment of material consumption, end-of-life scenarios, and the optimization of product recyclability. PEFs enable transparent assessment of the environmental impacts of products, particularly in the areas of materials management and waste management, and thus promote the development of more resource-efficient and recyclable products.

[13] No carbon footprint in the second lifecycle

E5-3 – Targets related to resource use and circular economy
Phoenix Contact pursues a comprehensive circular economy strategy that encompasses all materials used. To raise awareness, comprehensive training sessions are held annually for all employees. Progress is continuously measured based on the company's own footprint. The environmental footprint of recycled materials is assessed using a second-life footprint[14], which is generally lower than that of primary materials. Waste reduction – for example, through the recycling of plastics or the return of metal shavings – is factored into the environmental assessment and is viewed positively. In Strategic Procurement, suppliers' environmental footprints are tracked in order to actively promote the procurement of sustainable materials. The reduction targets cover all materials used in production and include operating and auxiliary materials as well as municipal solid waste, based on purchasing volumes. However, there is no specific waste reduction target, as the amount of waste generated depends heavily on external factors such as production volumes, construction site activities, or inventory adjustments. In this way, Phoenix Contact systematically contributes to the conservation of resources and the strengthening of the circular economy.

The goal of the circular economy aligns with the climate goal, as the circular economy can actively contribute to reducing emissions: a 25% reduction in Scope 3 emissions by 2030 compared to the base year 2022 (see disclosures for E1-4).

E5-4 – Resource inflows
The main materials used in production are plastics, metals – specifically copper products – as well as electronic parts and components.

The total amount of materials used in 2025 was 267,198.93 metric tons, of which 22,111.74 metric tons (8.28%) consisted of recycled material. The calculation takes into account the purchasing volumes of the largest site locations and converts them into weights based on the primary purchasing dimension. To determine the Group's total volumes, the figures are extrapolated based on the commodity group and the purchasing volumes of the eleven largest production sites.

Information on the materials used to manufacture the undertaking's products and services during the reporting period (in metric tons or kilograms)	
Overall total weight of products	267,198.93 mt
Technical and biological materials used	26,473.00 mt
Percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced	0%
Information on the certification scheme used and on the application of the cascading principle	In the 2025 reporting year, no certified materials from sustainable sources were used. Certification by ISCC+ has been granted, allowing for their use starting in 2025, with traceability via the sustainability declarations and monitoring by ISCC.
Weight, in both absolute value and percentage, of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the undertaking's products and services (including packaging)	22,112.00 mt 8.28%

E5-5 – Resource outflows (√)
Phoenix Contact offers a comprehensive product portfolio with over 100,000 products. These products are optimized for efficiency and durability. More complex products are also supported in the market by repair and maintenance services.

The materials used promote the circular economy through the use of alloys with recycled components and chemically recyclable plastics. During the product development process, products are analyzed for potential weaknesses and optimized. The typical service life of these products varies depending on the type and use of the active electronics and ranges

[14] Second-life footprint refers to the additional or avoided environmental impacts – particularly greenhouse gas emissions – that result from the secondary use of a product.

from 10 to 25 years. The repair options within the portfolio depend on the cost-effectiveness of a repair.

A total of 9,346.56 metric tons of waste was generated at the sites, of which 816.95 metric tons was hazardous waste. Of this waste, 1,647 metric tons are earmarked for reuse[15], and 5,687 metric tons were sent for recycling. Incineration is considered the worst-case scenario. Accordingly, in 2025, 8.6% of the waste generated worldwide was thermally recycled.

Waste includes all materials generated in production, logistics, and administrative areas that are not returned to suppliers as part of the recycling loop. The materials include all types of waste. To calculate these figures, data on the volumes of all companies worldwide were collected. The collected data is tallied and reported annually.

Overview of the key resource outflows	
The expected durability of the products placed on the market by the undertaking, in relation to the industry average for each product group	The products can be categorized into mechanical products and electromechanical products. Most of the products are components for applications. Their service life is generally limited by the service life of the application in the field. The service life of electronics typically ranges from 10 to 25 years, while mechanical products have a significantly longer durability and service life.
The reparability of products (using an established rating system)	We generally offer repair services for products. Repairs can be requested through Phoenix Contact's Service department.
The rates of recyclable content in products and their packaging	On average, mechanical products are more than 90% recyclable. For electromechanical products, the recyclable content is limited only by composite materials. Over 90% of the packaging is recyclable.

[15] Reuse means that a product or material is used again without being altered. Recycling, on the other hand, involves processing and transforming waste materials into new products.

Disclosures regarding the total amount of waste from the undertaking's own operations, in metric tons or kilograms	
The total amount of waste generated	9,346.56 mt
Total amount of hazardous waste diverted from disposal	515 mt
Hazardous waste prepared for reuse	223 mt
Hazardous recycled waste	226 mt
Hazardous waste – other recovery operations	67 mt
Total amount of non-hazardous waste that is not disposed of	6,819 mt
i. Non-hazardous waste prepared for reuse	1,424 mt
ii. Non-hazardous recycled waste	5,149 mt
iii. Non-hazardous waste – other recovery operations	246
Total amount of hazardous waste directed to disposal	302 mt
Hazardous waste directed to incineration	49 mt
Hazardous waste directed to landfill	7 mt
Hazardous waste directed to other disposal operations	246 mt
Total amount of non-hazardous waste directed to disposal	1,708 mt
Non-hazardous waste directed to incineration	758 mt
Non-hazardous waste directed to landfill	388 mt
Non-hazardous waste directed to other disposal operations	561 mt
Total amount of non-recycled waste	2,244 mt
Total percentage of non-recycled waste (%)	24.0%

E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities

The shift to materials with a higher recycled content or to bio-based materials is key to the circular economy and an essential part of decarbonization. Supply shortages and price increases are hampering these changes. The first options for mechanical components are already available. The trend toward greater sustainability and increasing regulatory pressure to decarbonize the value chain are making it increasingly attractive for companies to develop and market sustainable products with a reduced environmental footprint. However, this potential is often hindered by the limited availability of sustainable materials.

The challenge is that sustainable materials are currently still associated with high costs, as demand has been low so far. Furthermore, the separation of products and components in the field through single-product reverse logistics is currently virtually nonexistent. As a result, developing sustainable products is often hardly worth the effort compared to established products.

Social information

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ESRS S1 Own workforce

SBM-2 – Interests and views of stakeholders
Employees are a key factor in the company's success. Their dedication, professional expertise, and willingness to innovate make a significant contribution to the sustainable growth of Phoenix Contact. A motivated workforce is the foundation for a stable corporate culture and long-term success. The company aims to create a work environment in which everyone feels valued and supported, so that they can fully develop their individual skills and potential. Ongoing, constructive dialogue with employees ensures access to new knowledge and fosters a deeper mutual understanding. All of the company's activities are guided by its established Corporate Principles and are subject to strict social and environmental standards. Phoenix Contact expressly adheres to the ten principles of the United Nations Global Compact, the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model
The corporate strategy of the All Electric Society deliberately incorporates a social perspective and actively involves people in societal transformation. This applies both to the workforce and to people affected by the company's business activities outside the organization. These principles are enshrined in the Corporate Principles and are also reflected in the Code of Conduct. Various risks have been identified with regard to the workforce:

<u>HR risks</u>
Due to demographic changes, it is essential for companies to tap into new target groups. An aging population and increasing diversity in society require companies to embrace greater diversity and understand people's different needs. Otherwise, they risk tapping into only limited talent pools, which makes it more difficult to fill staffing gaps and can undermine competitiveness and innovative capacity. A deliberate policy of reaching out to new target groups and promoting diversity is crucial to long-term success.

<u>Health risks</u>
As a manufacturing company, Phoenix Contact places a particularly high priority on health and safety. Phoenix Contact is also facing a rising average age among its workforce, which increases the risk of absences due to illness. Handling chemical substances and other potentially hazardous materials also poses an additional risk to employees' health. This is minimized through hazardous materials management and appropriate work instructions. In addition, pandemics pose a significant risk, as they can have a major impact on the health of the workforce and, ultimately, on production and operations.

Political risks
Political risks in Europe and around the world remain high. Staff in conflict and crisis zones, in particular, are exposed to increased risk during these times.

Know-how risks
A lack of training on potential threats such as cyberattacks, new technologies, artificial intelligence (AI), and information security poses a significant risk to Phoenix Contact. Without adequate training, employees may not be able to recognize threats in a timely manner and respond appropriately. Failure to follow these principles can lead to security vulnerabilities that cybercriminals can exploit. In addition, the improper use of new technologies and AI systems can lead to the dissemination of company know-how and patents. Another risk concerns the handling of know-how and its inadvertent disclosure in both online and offline contexts. Furthermore, an aging workforce carries the risk of losing knowledge as employees leave the company.

Transformation risks
Changes to or the disappearance of certain job roles pose significant risks to the company. If skills gaps are not addressed in a timely manner, there is a risk that employees will not be able to find suitable roles and will not be able to reach their full potential. This, in turn, can lead to a decline in productivity and efficiency, as employees' individual strengths are not being utilized effectively. Furthermore, this can have a negative impact on employee motivation and satisfaction and, as a result, adversely affect both employee retention and the work environment.

HR opportunities
Phoenix Contact is currently undergoing a transformation toward greater diversity and internationalization of its workforce. Through internal workshops and participation in external programs, such as the UN's Target Gender Equality Accelerator[1], Phoenix Contact is constantly refining its processes.

Increasing diversity and cultural openness offers great opportunities for Phoenix Contact. These measures make it possible to respond more effectively to the challenges of an ever-faster-changing world and the demographic shifts in some markets. By promoting diversity and cultural openness, the company can tap into a broader range of talent and perspectives, which strengthen its innovative capacity and competitiveness. In addition, the company becomes more attractive to international markets and can respond more flexibly to global changes.

Health opportunities
Health and prevention programs provide an opportunity to ensure the best possible health for the workforce and to overcome challenges quickly and efficiently. In addition, Phoenix Contact has already made many jobs accessible to people with disabilities.

Know-how opportunities
Active knowledge management ensures that the workforce consistently maintains a high level of expertise and that new employees can be trained quickly. Phoenix Contact also offers personalized learning opportunities tailored to the needs of learners and their strengths and weaknesses. Through the use of various technical modules and software, international access to these programs is continually being expanded, and a consistently high quality of learning opportunities is ensured. These ongoing learning opportunities enable the company to evolve dynamically and successfully meet future challenges.

Transformation opportunities
Digitalization and artificial intelligence are tools that help employees improve their performance in many areas without increasing their physical and mental strain. The ongoing decarbonization of the company and society as a whole offers the workforce significant opportunities. By promoting innovation in this area at an early stage, Phoenix Contact is creating future-proof jobs. In addition, this transformation promotes economic growth. The opportunities and risks described have varying effects on the different types of employment. The workforce includes employees with direct contracts, self-employed people, and temporary workers who are employed by Phoenix Contact through agencies. The differences in risks and opportunities are listed in the following table:

[1] UN Global Compact program to promote gender equality in companies

Overview of risks by target group	HR	Health	Political	Know-how	Transformation
Employees	•	•	•		•
Self-employed people				•	
Temporary agency workers	•	•		•	•

Overview of opportunities by target group	HR	Health	Political	Know-how	Transformation
Employees	•	•	•	•	•
Self-employed people	•			•	•
Temporary agency workers	•			•	•

S1-1 – Policies related to own workforce
To address the material impacts, risks, and opportunities related to its own workforce, Phoenix Contact has developed policies for its own workforce, which are explained in detail below. The interests of the key stakeholders were taken into account when establishing the policies. To this end, feedback and expectations from relevant stakeholders were systematically taken into account, for example, as part of the materiality assessment conducted in the run-up to the CSRD, as well as through expert committees on sustainability as part of ESG management activities. Phoenix Contact is committed to responsible and sustainable business conduct based on the core values of respect, safety, the promotion of equal opportunities, and the protection of human rights. The focus is on supporting the entire workforce globally by gaining a deep understanding of their needs and creating the best possible work environment that fosters safe, healthy, and trusting collaboration.

<u>Policy 1: Labor and social standards</u>
Phoenix Contact has established comprehensive labor and social standards that focus on protecting human rights and ensuring fair, safe, and non-discriminatory working conditions. The protection of human rights is a top priority. The company takes all necessary measures to prevent any form of forced labor. This includes, in particular, labor or services that must be provided under threat of punishment or without voluntary consent – for example, as a result of debt bondage, human trafficking, or similar exploitative practices. Only those exceptions that are consistent with Article 2(2), of ILO Convention 29 on forced or compulsory labor and with Article 8(b) and (c) of the International Covenant on Civil and Political Rights are permitted. Phoenix Contact does not employ anyone younger than the age at which compulsory education ends, as defined by law in the respective country of employment. The minimum age for employment is generally 15 years, unless local regulations provide for exceptions in accordance with Article 2(4) and Articles 4 through 8 of ILO Convention 138 on minimum age. Furthermore, Phoenix Contact firmly rejects any form of modern slavery, slave-like practices, serfdom, or other forms of oppression, including extreme economic or sexual exploitation. Phoenix Contact also ensures that working hours in all countries comply with the applicable legal requirements. National laws governing working hours and protective provisions must be strictly observed. Specific details are set forth in individual employment contracts and supplementary regional works agreements. In this way, Phoenix Contact ensures transparent, legally compliant, and fair working time arrangements worldwide that safeguard employees and support a healthy work environment.

The company's labor and social standards are set forth in guidelines such as the Global Code of Conduct and the Corporate Principles. These guidelines ensure that fair and safe working conditions are established worldwide, that there is no room for discrimination or harassment, and that the health, safety, and well-being of all employees are protected. Phoenix Contact promotes a corporate culture based on integrity, with emphasis on respect, inclusion, and improving equal treatment and diversity, and a focus on human rights throughout the entire value chain. The primary objectives of these standards are to ensure fair working conditions, consistently protect employees' health, and prevent discriminatory or unequal treatment. They help minimize potential risks, such as human rights violations or possible damage to the company's reputation, while at the same time generating positive outcomes, such as high employee satisfaction and increased attractiveness as an employer.

To ensure compliance with these standards, Phoenix Contact relies on annual internal audits, mandatory training on compliance and ethical conduct, and certified training programs for employees and managers. Employees can also report violations through confidential grievance mechanisms, such as the whistleblower hotline. The standards apply worldwide and cover all business activities, internal processes, management practices, and the conduct of all employees. Throughout the value chain, suppliers and service providers selected on a risk-based assessment are bound by contractual compliance clauses, while these principles are also binding in dealings with customers, partners, and distribution channels. Regional additions are permitted, but they must not conflict with the global guidelines.

<u>Policy 2: Occupational health and safety (HSE)</u>
Occupational health and safety are central topics for Phoenix Contact and are firmly embedded in the company-wide Health & Safety Management system. The company takes a preventive, systematic, and continuously improved approach to creating a safe, healthy, and low-risk work environment for all employees worldwide. The Health & Safety Policy serves as the binding framework for action for all companies and locations. It stipulates that occupational health and safety is considered an integral part of all operative processes, regardless of whether employees work in production, field service, logistics, assembly, technical services, or administrative roles. The primary goal of the policy is to consistently prevent workplace accidents and work-related health risks.

Phoenix Contact promotes both the physical and mental health of its employees through actions such as appropriate preventive measures, ergonomic workstation design, health programs, and initiatives to support mental well-being. Risk factors related to human behavior are mitigated through regular training, instruction, and safety-related qualification measures, while technical and organizational risks are minimized through proactive planning, appropriate protective measures, and continuous optimization of work processes.

The company maintains uniform framework conditions across the Group that ensure compliance with all relevant legal requirements while also establishing its own safety standards, which in many cases exceed those requirements. These framework conditions are certified in accordance with ISO 45001 and require all production sites to establish an effective safety management system, conduct ongoing risk assessments, evaluate risks in a structured manner, and implement appropriate measures. Due to varying site conditions, specific risk assessment methods are used depending on the facility. At the headquarters in Blomberg, for example, managers, employees, and safety experts – such as the occupational safety specialist – work together to identify relevant hazards and develop appropriate protective measures. In doing so, Phoenix Contact follows the STOP principle, which prioritizes the substitution of hazardous substances or processes and organizes technical, organizational, and personal protective measures into a clear hierarchy. The possibility of substituting hazardous substances is already evaluated during the procurement process in order to eliminate potential hazards as early as possible.

The effectiveness of all safety measures is continuously monitored. Monitoring is conducted through, among other things, accident statistics, regular risk assessments, internal audits, and external safety inspections. As part of this process, trends are also analyzed to identify potential risks early on and develop preventive measures. The data collected is used to set annual targets that ensure the continuous improvement of occupational safety and help reduce the accident rate and absence due to illness. As a result, the policy contributes both to increasing productivity and to sustainably strengthening organizational performance.

The health and safety requirements apply not only to our own employees, but also to visitors and external service providers working on the company's premises. External partners receive mandatory training and safety-related information to ensure a consistent level of safety. In the downstream sector, HSE standards play a particularly important role in servicing, installation, and maintenance activities performed at customer sites, as they directly affect employee safety in those contexts. Activities that are beyond the company's control – such as operational processes carried out solely by customers that have no direct connection to the company – do not fall entirely within the scope of the policy, although

Phoenix Contact provides its employees with guidelines for working safely even in such situations.

Through its comprehensive Health & Safety Policy, Phoenix Contact fosters a clear culture of accountability in which health and safety are regarded as core corporate values. This holistic approach helps reduce material risks, such as work-related accidents or production downtime, while at the same time capitalizing on opportunities such as higher productivity, lower sick leave rates, and increased safety awareness. The policy thus complies with the requirements of ESRS S1, which calls for a systematic presentation of policies, actions, risks, opportunities, and monitoring processes related to the management of the company's own workforce.

Policy 3: Diversity and equal opportunities

Looking ahead, Phoenix Contact has set itself the goal of implementing and continuously expanding diversity and equal opportunities. These objectives are the key to the company's future capacity for innovation and a positive work environment. A work environment that offers everyone – regardless of ethnic background, religion, gender, disability, sexual orientation, beliefs, or social background – the opportunity to make the most of their abilities and continue to develop them. The Corporate Principles set a standard designed to ensure the equality of all employees. In addition, Phoenix Contact is committed to adhering to the Sustainable Development Goals[2] and their principles, and is a signatory to the Diversity Charter[3]. In addition to establishing policies and framework conditions, the focus is on educating employees about diversity through regular training sessions and workshops.

Legal regulations regarding protection against discrimination are implemented in accordance with the respective national laws, with care taken to ensure that no hidden discrimination arises in the processes. This covers all phases of an employee's tenure – from initial contact with applicants through the application process and internal procedures such as remuneration, right up until the employee leaves the company.

Flexible working hours help employees achieve a good work-life balance. Across its global operations, Phoenix Contact places great importance on ensuring that employees can fulfill their family obligations with flexibility.

To ensure appropriate and fair working conditions, binding guidelines such as the Corporate Principles, the Code of Conduct, and the Leadership Principles apply worldwide. These global standards are supplemented in the respective regions by additional regulations – including, in particular, works agreements and other collective agreements. They ensure that local requirements are taken into account without compromising the fundamental global principles. Phoenix Contact views these commitments as fundamental pillars of sustainable economic success and a responsible corporate culture, and is constantly working to implement them consistently. Ultimate organizational responsibility for all of the sustainability policies mentioned always rests with top management, i.e., the GEB. This level bears formal accountability. Operational implementation is carried out by the respective departments (People & Organization, Occupational Safety, and Corporate Purchase).

The interests of the key stakeholders were taken into account when drafting the policy. To this end, feedback from employees, employee representatives, and other relevant stakeholders was taken into account.

Phoenix Contact ensures that all policies relevant to the management of material sustainability topics are accessible to the affected stakeholders who are involved in their implementation. Internally, all global and regional policies – including the Code of Conduct, the Corporate Principles, the Supplier Code of Conduct, and data privacy policy – are permanently available on the intranet. Employees and managers receive mandatory introductory and refresher training, and managers are responsible for communicating the content to their teams and ensuring its implementation. New employees receive all relevant policies as part of the onboarding process.

External partners, such as suppliers or service providers, receive the requirements applicable to them through supplier portals or contract documents and must provide a binding confirmation of their compliance. In areas involving risk, Phoenix Contact also provides informational materials, training opportunities, and joint workshops.

[2] United Nations Sustainable Development Goals

[3] The Diversity Charter is an initiative dedicated to promoting diversity and inclusion in the workplace.

For external stakeholders who may be affected – such as customers, business partners, or the general public – key policies, including the Code of Conduct, the Corporate Principles, and the data privacy policy, are made publicly available on the company's website. Sustainability requirements are also clearly communicated in customer proposals, contract terms, and certification documents.

Established grievance and participation mechanisms are available to all stakeholders. These include a whistleblower system for reporting potential violations, as well as direct points of contact for data protection, occupational safety, and compliance.

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

Phoenix Contact systematically takes its employees' perspectives into account when making decisions that have potential or actual impacts on the workforce. Findings from employee surveys, market monitoring, and internal audits are continuously incorporated into the identification and prioritization of material topics. After assessing potential risks and opportunities, the company's objectives are reviewed, supplemented by internal and external perspectives, and then approved by the GEB.

Involvement takes place both directly and through workers' representatives. Direct formats include, for example, annual employee surveys on satisfaction, stress, health, or diversity; workshops and focus groups to assess planned changes; digital feedback tools for anonymous and ongoing feedback; and regular team and department meetings.

In addition, there is structured involvement through workers' representatives. The works council is regularly consulted on topics such as the introduction of new working time models, adjustments to compensation systems, and measures to improve health and safety. It gains insight into analyses and can submit formal statements. For issues that are particularly sensitive from a social perspective – such as potential site relocations – working groups with equal representation from People & Organization and the works council are established. In addition, in sectors covered by collective bargaining agreements, there is regular dialogue with unions, which represent the interests of workers in the relevant negotiations.

Participation takes place in all relevant phases of the process:

1. Early assessment phase: assessment of the potential impacts of planned actions
2. Planning phase: employees help develop new programs
3. Implementation phase: ongoing feedback allows for adjustments
4. Monitoring: follow-up surveys on effectiveness and acceptance

To ensure effective employee engagement, operational responsibility lies with the HR department, led by the Vice President of People & Organization. The department ensures that engagement formats are designed with sound professional principles, implemented on a regular basis, and that the results are incorporated into decision-making processes. People & Organization business partners and managers support this process through their day-to-day work with the workforce. For these roles, Phoenix Contact provides targeted skills development measures, including training on conducting employee surveys, training in communication and facilitation, continuing education on labor law and employee participation, as well as training in the use of digital feedback tools and in addressing sensitive topics such as mental health and occupational safety. In addition, collective bargaining agreements and close cooperation with works councils and unions provide a structured insight into employees' perspectives and support well-informed, socially responsible decision-making: The majority of Phoenix Contact's German site locations have collective bargaining agreements in place that ensure the workforce is closely involved in internal decision-making and policy-shaping processes. These collective bargaining agreements form the basis for an ongoing dialogue between the company and workers' representatives, ensuring that employees' interests, suggestions, and concerns are systematically taken into account. Beyond these established structures, Phoenix Contact promotes an open culture of communication that encourages the workforce to actively participate in assessing and minimizing potential impacts on local and operational matters.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

Phoenix Contact has established standardized procedures to consistently address identified violations of corporate principles and minimize negative impacts. The central Compliance unit is responsible for the monitoring processes here.

If there are indications of violations of internal policies – such as discrimination – these are reviewed, investigated, and, if necessary, sanctioned in accordance with standardized procedures. The effectiveness of the measures implemented is regularly assessed to ensure continuous improvement.

Employees have various reporting channels available to them for raising issues or concerns. These include, for example, under the German General Equal Treatment Act ("Gleichbehandlungsgesetz"), designated contacts, central contact points, and external reporting channels, as well as a globally accessible whistleblower system that can be used entirely anonymously.

The whistleblower system is hosted on external servers. The systems also allow for anonymous communication, through which questions can be asked as needed. Protection against discrimination or retaliation is ensured by internal policies and applicable labor and data protection laws, including Section 612a of the German Civil Code ("Bürgerliches Gesetzbuch"), Section 84 of the German Works Constitution Act ("Betriebsverfassungsgesetz"), and the EU Whistleblower Directive. All incoming reports are recorded in a secure report management system and processed in accordance with a standardized workflow. The processing status is documented in a traceable manner and complies with strict data protection requirements.

The effectiveness of the procedures is continuously monitored. This is achieved, for example, through anonymized usage metrics and the case-by-case involvement of relevant stakeholders, such as works councils. Results and trends are regularly reported to management in anonymized form in order to identify potential risks at an early stage. Through this combination of a secure and trustworthy whistleblower system, comprehensive protection measures, and targeted training, Phoenix Contact ensures that the workforce can effectively address its concerns and that any negative impacts can be corrected at an early stage.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The key actions and their effectiveness in minimizing risks and capitalizing on opportunities are listed in the following table:

Action	Risk	Opportunity
Secure employment	●	●
Working time	●	●
Adequate wages	●	●
Social dialogue	●	●
Freedom of association, collective bargaining	●	●
Work-life balance	●	●
Health and safety	●	●
Gender equality and equal pay for work of equal value	●	●
Training and skills development	●	●
The employment and inclusion of people with disabilities	●	●
Measures against violence and harassment in the workplace	●	●
Diversity	●	●
Child labor	●	
Forced labor	●	

Monitoring all action plans is the responsibility of the entire workforce and is set forth in writing in the Corporate Principles and the Code of Conduct. Managers and representatives in various areas play a special role in this regard. Under the German General Equal Treatment Act ("Gleichbehandlungsgesetz"), there are, for example, various designated contacts who monitor compliance with the regulations, serve as reporting channels, and initiate, manage, and track related activities.

Portions of the workforce receive regular training on workers' rights in order to identify shortcomings and violations early on and take corrective action. In addition, there are specially tailored supplementary programs for managers and designated representatives. Service providers are required to comply with the Phoenix Contact Supplier Code of Conduct.

In Germany, a large portion of the workforce is represented by works councils, which are actively involved in the processes. In addition to these offerings, there is a whistleblower system in place that allows for the anonymous reporting of violations. To address any negative impacts, the Group has established procedures that must be strictly followed whenever there is a suspected violation of human rights or labor rights. All strategic processes are continuously reviewed to ensure their effectiveness. To this end, interviews and surveys are conducted and discussions are held with works councils and representatives of marginalized groups. Phoenix Contact also undergoes external assessments by certification bodies such as EcoVadis[4]. The insights gained into the current challenges faced by employees are used to develop and plan actions that minimize negative impacts and capitalize on opportunities. The feasibility of actions is reviewed in consultation with the workforce. In addition, a shared understanding is established regarding how to measure success and adapt processes. This is complemented by close monitoring through targeted surveys, open communication, and a culture of feedback on the intranet. The goal is to identify negative impacts at an early stage and to develop appropriate actions to eliminate or mitigate those impacts.

The actions listed below are primarily implemented in Germany and serve as best-practice examples for all Group-wide subsidiaries.

<u>Action 1: Secure employment</u>
Offering employment contracts that are permanent whenever possible and applying collective bargaining agreements to ensure stable and reliable work. Transparent HR processes with clear and straightforward procedures for hiring, professional development, and fixed-term contracts in order to provide employees with planning certainty.

<u>Action 2: Working time</u>
Introduction of shift rotation, reduction of overtime, and, where possible, flexible working time models to promote work-life balance.

<u>Action 3: Adequate wages</u>
Ensuring fair wages within the framework of existing collective bargaining agreements to guarantee fair pay for all employees.

<u>Action 4: Social dialogue</u>
Active involvement of works councils and promotion of works agreements, as well as transparent communication and stakeholder engagement to support open employee representation.

<u>Action 5: Freedom of association and collective bargaining</u>
Promoting and actively involving workers' representatives, works councils, and networks to strengthen workforce participation and advocacy.

<u>Action 6: Work-life balance</u>
Paid parental leave, flexible working time arrangements, and remote work options to help employees balance work and family life. Internal and external resources, such as People & Organization consulting, the works council, or social counseling, to support employees through career transition processes.

<u>Action 7: Health and safety</u>
Conducting training sessions, providing occupational physicians and social counseling, and ensuring that employees have safe work equipment. Designing a workplace that provides physical and psychological safety to support the long-term employability of all employees.

<u>Action 8: Gender equality and equal pay for work of equal value</u>
Promoting gender equality through collective bargaining agreements and clear job descriptions to ensure pay equity and equal opportunities.

[4] Sustainability rating platform

<u>Action 9: Training and skills development</u>
Conducting skills assessments and training programs designed to fill skills gaps and promote professional development.

<u>Action 10: The employment and inclusion of people with disabilities</u>
Improving accessibility in the workplace to promote the inclusion of employees with disabilities.

<u>Action 11: Measures against violence and harassment in the workplace</u>
Improving grievance mechanisms, imposing stricter sanctions against incidents of violence and harassment, and providing training for prevention to managers, employees, and designated contacts.

<u>Action 12: Diversity</u>
Conducting training sessions on diversity and inclusion, optimizing recruitment and promotion processes, and setting target quotas to promote a diverse workforce.

<u>Action 13: Measures to prevent child labor</u>
Implementing age verification procedures, establishing partnerships with organizations dedicated to eliminating child labor, and setting standards in the Code of Conduct and Supplier Code of Conduct; establishing a whistleblower hotline.

<u>Action 14: Measures to prevent forced labor</u>
Combating forced labor through clear guidelines in the Code of Conduct and Supplier Code of Conduct, as well as providing a whistleblower hotline for confidential reporting.

<u>Action 15: Organizational stability</u>
Strategic personnel planning, as well as regular risk and needs analyses, to ensure sustainable employment prospects.

Building on the action plans and best-practice examples described, targeted steps were taken in 2025 to further strengthen internal processes and ensure compliance with relevant standards. These included, in particular, the implementation of specific improvement measures, the expansion of training and professional development opportunities, and the optimization of organizational processes through standardization, digitization, and greater transparency. In addition, regular monitoring and control processes were carried out, which – as described in the first part of this section – support the early identification of risks.

The measures implemented during the reporting year cover all social sustainability topics identified as material and include both strategic and operational elements. Their scope covers all relevant divisions and site locations and includes both short-term and long-term programs. In addition to involving internal functions such as People & Organization, Compliance, and Quality Management, the company collaborates with external partners – such as service providers, auditors, or specialists – as needed. The allocation of human, financial, and technological resources, along with close monitoring using defined key performance indicators and risk assessments, ensures effective management of these measures and supports the achievement of long-term sustainability goals.

In the coming years, Phoenix Contact plans to further develop existing programs, expand preventive structures in quality and resource management, and introduce additional metrics to better measure the achievement of its goals. Enhanced internal communication is also intended to ensure that employees are involved in change processes at an early stage and that new measures are widely accepted.

The expected results include greater operational efficiency, improved compliance certainty, and increased organizational stability. In the long term, the goal is to achieve clearly measurable progress and enable continuous improvement.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
To evaluate the effectiveness of its policies and actions with regard to its own workforce, Phoenix Contact defines measurable, quantitatively defined targets (KPIs) that are reviewed annually. The targets are based on a comprehensive materiality assessment and are aligned with global labor, social, and human rights frameworks.

They form the basis for transparent monitoring and for evaluating the achievement of targets in all material topics.

Target 1	Attractiveness as an employer and recruitment • Percentage of women in management, target: 20% by 2030 • Baseline 2024: 14% of management positions held by women
Target 2	Training and continuing education (trainees) • Percentage of women among newly hired trainees; target: at least 25% women trainees by 2030 • Baseline 2024: approximately 20% women trainees
Target 3	Employee development and qualification • Participation rate in mandatory training (e.g., compliance, data protection, occupational safety); target: 100% per year • Baseline 2024: 90% participation rate
Target 4	Compliance with labor and social standards • Compliance with minimum standards under labor and social welfare laws, supported by training, works agreements, and clear processes. Percentage of employees who have successfully completed compliance training; target: 100% compliance annually • Baseline 2024: 100% completion rate for compliance training

Phoenix Contact also pursues various sub-targets to minimize material risks related to its workforce while capitalizing on opportunities to improve working conditions. The following list provides an overview of the key sub-targets and their current status.

Sub-target (a): Secure employment
Increasing the proportion of workers with long-term employment contracts and expanding social protection to ensure secure and stable work.

Sub-target (b): Working time
Expanding flexible work time arrangements to better accommodate employees' individual needs and promote work-life balance.

Sub-target (c): Social dialogue
Expanding social dialogue to include additional companies and countries in order to ensure greater involvement of employees and their representatives in corporate processes.

Sub-target (d): Freedom of association and collective bargaining
Increasing the proportion of employment covered by collective bargaining agreements and negotiating collective bargaining agreements with a particular focus on sustainability matters.

Sub-target (e): Work-life balance
Expanding measures to promote work-life balance to a larger portion of the workforce.

Sub-target (f): Health and safety
Reducing the number of workplace accidents and the resulting absences to improve health and safety standards.

Sub-target (g): Gender equality and equal pay for work of equal value
Increasing the proportion of women in the workforce and in leadership positions, and reducing the wage gap between women and men.

Sub-target (h): Training and skills development
Increasing the proportion of employees who participate in continuing education, as well as regularly monitoring and promoting skills development.

Sub-target (i): The employment and inclusion of people with disabilities
Increasing the proportion of people with disabilities in the workforce through targeted inclusion measures.

Sub-target (j): Measures against violence and harassment in the workplace
Expanding existing prevention and intervention measures against violence and harassment to all workplaces.

Sub-target (k): Diversity
Promoting diversity by increasing the proportion of underrepresented groups in the workforce and at the highest management levels.

Sub-target (l): Prevention of child labor
Expanding measures to prevent young people from being exposed to hazardous work to cover a larger proportion of activities.

Sub-target (m): Prevention of forced labor
Expanding measures to prevent forced labor to cover a wider range of activities.

The targets in the area of social sustainability are derived directly from the risks and opportunities identified within the business processes. This is based on the ongoing involvement of relevant stakeholder groups, particularly through employee surveys, market monitoring, internal audits, and other feedback channels. Based on these findings, a systematic assessment is conducted of the risks and opportunities in terms of their urgency and their potential impact on the company's own workforce as well as on workers in the upstream and downstream value chain.

When developing specific targets, the first step is to determine which topics can realistically be influenced through the company's own actions. This assessment is supplemented by external perspectives, such as benchmarks or collaboration with specialized service providers. The final proposed targets are then reviewed and verified by the relevant internal committees and submitted to the Global Executive Board for approval. Only after this approval is granted are the targets communicated internally through the respective functional units to the entire organization or, in the case of specialized targets, to individual departments.

The applicable targets generally pertain to all internal activities of the Phoenix Contact Group and encompass all of its own global locations, production areas, and service units, as well as all employee groups, including employees, management, trainees, and external staff under direct supervision. This means that the scope of application extends to the entire global operational organization. For topics that may have material social impacts in the upstream value chain, the scope is expanded based on risk. This applies in particular to Tier 1 suppliers and external service providers that perform significant activities for Phoenix Contact and is based on identified human rights and labor law risks as well as regulatory requirements. A topic-specific expansion to the downstream value chain occurs wherever social impacts may arise in the context of customers, partners, or services – for example, with sales partners, maintenance networks, interactions with customers during product use, or during end-of-life phases.

Although the targets are generally formulated in global terms, regional characteristics are taken into account. This applies in particular to markets with heightened sustainability or social risks, where additional regional interim targets or different actions may be required due to regulatory requirements or varying labor standards. Departments may also define sub-targets at any time, provided that these sub-targets clearly contribute to the overarching targets, are measurable, and are subject to the same evaluation requirements. All targets are closely linked to the relevant business processes and are monitored on an ongoing basis. The evaluation takes into account both the social impacts on the affected employee groups and potential economic effects, thereby enabling a systematic assessment of the extent to which targets have been met, as well as the ongoing refinement of measures.

S1-6 – Characteristics of the undertaking's employees

Phoenix Contact tracks a wide range of employee metrics. The total number of employees is determined using head count data, which includes all employment data, and is reconciled with the figures in the financial reports.

Phoenix Contact tracks its employee head count in accordance with the ESRS definition of "own workforce". This includes all people who are in an employment relationship with the company, including fixed-term employees. Where applicable, temporary workers are also included. People on parental leave, those on long-term sick leave, or employees on special leave are not included, provided they did not work any active hours during the reporting period.

The information on employee head count is broken down by gender.

Gender	Number of employees (head count)
Male	13,321
Female	7,083
Other	2
Not disclosed	1
Total employees	20,407[5]

The number of employees is calculated on a head count basis, which is determined as an average. For the overall calculation, these head counts are recorded monthly, added together without taking into account the different weekly working hours, and finally divided by the number of months to obtain the average. For the presentation of the data in the table, it should be noted that the information in the "Other" field is subject to national differences in the options available to people for providing this information,

[5] The head count figures reported in the sustainability report were calculated in accordance with the requirements of the European Sustainability Reporting Standards (ESRS) and may therefore differ from the head count figures reported in the annual financial statements prepared in accordance with the German Commercial Code ("Handelsgesetzbuch").

and that the collection of personal data took place prior to the technical transition to this option; any adjustments after that date must be made voluntarily by the employees themselves.

Monthly average head count (HC) – reporting period: January 1, 2025 to December 31, 2025	Female	Male	Other	Not disclosed	Total
Average total head count	7,115.30	13,453.74	6.50	0.17	20,575.71
Number of permanent employees	6,132.88	11,877.25	4.00	0.17	18,014.30
Number of temporary employees	1,006.19	1,671.27	0.00	0.00	2,677.46
Number of non-guaranteed hours employees	52.17	116.67	0.00	44.00	228.13

Presentation of employee head count in countries where the company has at least 50 employees representing at least 10% of its total number of employees.

Country	Number of employees (head count)
Germany	10,252
USA	921
Poland	3,150
China	2,165

This report does not include voluntary disclosures concerning full-time and part-time employees.

Fixed-term contracts are entered into for various reasons, and the employee's perspectives and wishes are always taken into account. Some employment relationships are temporary due to the nature of the work, e.g., because of current projects or because the employer is seeking a seasonal employment relationship.

To calculate the rate of employee turnover (ESRS S1-6 50c), the total number of employees who leave the company – whether voluntarily or due to termination, retirement, or death – is used. The calculation is based on the average number of employees, which is determined as the mean value of the head count at the beginning and end of the year. Only the company's own workforce, as defined in ESRS S1, is included, plus temporary workers, provided they fall under the definition of the company's own workforce.

According to this calculation, the number of people who left the Group in the reporting year was 1,901, and the global rate of employee turnover in 2025 was 9.24%.

S1-7 – Characteristics of non-employees in the undertaking's own workforce

At Phoenix Contact, the proportion of non-employees consists of people with contracts with the company to supply labor ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (in accordance with NACE[6]) Code N78).

Self-employed people

This includes people in the following categories: contractors hired by the company to perform work that would otherwise be carried out by an employee, contractors hired by the company to perform work in a public area (for example, on a road, on the street), and contractors hired by the company to deliver the work/service directly at the workplace of a client of the company. Employees of consulting firms and similar companies are expressly excluded from this context, as they are employees of other companies.

Different regulations apply in the various countries regarding the definition of a self-employed person, which makes it difficult or even prohibits the People & Organization department from collecting data. In

6) Classification of economic activities in the European Union

these countries, this metric is not reported. Even in the other countries, Phoenix Contact determines the number of self-employed people using various estimation methods, depending on the location. For example, the company uses the number of access cards issued to external people or digital access credentials granted to third parties for the use of software.

Country	Number of self-employed people (average head count)
Canada	10
Greece	10
Italy	10
Poland	10
Sweden	10
Switzerland	10
USA	10

People provided by undertakings engaged in "employment activities"

This includes people employed by a third party engaged in "employment activities" whose work is under the direction of the company. One example is people who perform the same work that employees carry out, such as those who fill in for employees who are temporarily absent (due to illness, vacation leave, parental leave, etc.). Also included are people who perform regular work at the same site as employees, and workers who are dispatched temporarily from another EU member state to work for the company ("posted workers").

The number of people is calculated based on the average head count. The company tracks head counts on a monthly basis and calculates the average by adding up all the monthly figures and then dividing the total by the number of months.

Country	Number of non-employees (average head count)
Germany	98
Poland	231
China	266
USA	112
Japan	40
India	29
Italy	11
The Netherlands	11
Chile	7
Finland	6
Australia	5
United Arab Emirates	4
Korea	3
Spain	3
Sweden	3
Canada	2
France	2
Colombia	1
Ireland	1
Portugal	1

S1-8 – Collective bargaining coverage and social dialogue

In this section, Phoenix Contact provides information on collective bargaining and social dialogue. In the European Economic Area (EEA), the countries considered are those with at least 50 employees representing at least 10% of the company's total employees. Within the EEA, this applies only to Poland. There are no collective bargaining agreements outside the EEA.

Overview of collective bargaining coverage for all employees:

Disclosures in accordance with ESRS S1-8 60a Collective bargaining agreements	
List of EEA countries	Collective bargaining agreements and coverage by these in %
Germany	95.28
Poland	17.33

Disclosure in accordance with ESRS S1-8 63a Workers' representatives	
List of EEA countries	Collective bargaining agreements and coverage by these in %
Germany	97.50
Poland	24.57

For employees who are not covered by a collective bargaining agreement, Phoenix Contact establishes working and employment conditions based on existing collective bargaining agreements in the respective region. In addition, the international subsidiaries adhere to the company-wide guidelines, including, in particular, the Code of Conduct, the Corporate Principles, the Leadership Principles, and internal remuneration and People & Organization policies. This ensures that even employees not covered by collective bargaining agreements are treated in accordance with uniform and fair standards.

There is currently no agreement in place regarding representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

S1-9 – Diversity metrics (√)

Phoenix Contact is a global industrial company with locations on every continent. To reflect the size of the company and the responsibilities of its managers, Phoenix Contact includes a management level below the administrative and supervisory bodies in its diversity metrics. The Group Executive Board currently consists of six members.

Group Executive Board	
Proportion of women	Proportion of men
0%	100%

The Group employs people of all ages around the world who work together to achieve the company's success. The following table provides an overview of the workforce, broken down into three age groups. The figures were compiled in the form of head counts and measured as of the reporting date of December 31 at the end of each year.

Age group	Proportion of total workforce
0 - 29 years	3,209
30 - 50 years	11,876
50+ years	5,322

Age groups are determined based on the head count as of the reporting date of December 31. This ensures that the ages of all employees are based on a uniform reference date, thereby ensuring consistent and calendar-independent comparative figures.

The table shows that employees of various age groups work at Phoenix Contact. The Group intentionally focuses on maintaining a balanced age structure. Apprentices, trainees, and students play a crucial role in this. They contribute new ideas and up-to-date knowledge, which are essential for innovations and adapting to the market.

S1-10 – Adequate wages

As a family business, fair wages are an essential part of Phoenix Contact's corporate policy. The company complies with the statutory minimum wages in effect in each country. In the following countries within the EEA where Phoenix Contact operates, there is no minimum wage: Finland, Sweden, Denmark, Austria, and Italy. In these cases, as well as for all cases outside the EEA, a benchmark based on the ESRS requirements is used to determine adequate wages.

All subsidiaries worldwide meet the requirements for adequate wages.

Wage data is collected in a standardized manner worldwide. The assessment of wage indicators follows clearly defined calculation methods that are applied across the entire Group.

The calculations are based on the completeness and timeliness of the available People & Organization data, as well as on the consistent application of assessment criteria within the company. Limitations arise in particular from data based on specific reporting dates, system-related differences across individual regions, and the occasional need to use approximate values when complete data is not available.

S1-11 – Social protection

Employees enjoy statutory social protection in various areas. There may be differences from country to country. In some countries, statutory social protection is supplemented, when necessary, by programs offered by employers.

Countries where employees are not covered by social insurance against loss of income (illness)	
	South Africa (not all employees)
	USA (not all employees)
	United Arab Emirates
	Brazil
	Mexico (not all employees)
	Singapore
	India
	Egypt

Countries where employees are not covered by social insurance against loss of income (unemployment)	
	Mexico
	Singapore (not all employees)
	Egypt
	Morocco
	India

Countries where employees are not covered by social insurance against loss of income (work-related accident)	
	Morocco
	USA (not all employees)
	Egypt
	United Arab Emirates

Countries where employees are not covered by social insurance against loss of income (parental leave)	
	USA (not all employees)
	Egypt
	United Arab Emirates
	Thailand
	India
	Indonesia
	Malaysia
	Singapore

Countries where employees are not covered by social insurance against loss of income (retirement)	
	USA (not all employees)
	United Arab Emirates
	Thailand
	India
	Brazil

S1-12 – Persons with disabilities

Phoenix Contact employs people with disabilities. Definitions in national laws and the International Classification of Functioning, Disability, and Health (ICF) of the World Health Organization (WHO) serve as a guide.

Overview of the reported percentage of people with disabilities in the total workforce:

Country	Percentage
China	0.22%
Germany	5.62%
France	5.40%
Italy	2.13%
Japan	1.34%
Austria	1.37%
Poland	1.75%
Turkey	1.90%
Ukraine	5.00%
Hungary	6.00%

S1-13 – Training and skills development metrics
All employees participate in regular performance and career development reviews. The following overview shows the number of employees by country.

This data indicates a global coverage rate of 87.22%.

Country/Region	Women	Men
Germany	3,006	7,410
Finland	16	39
Sweden	50	120
Norway	6	34
Great Britain	18	48
Ireland	3	11
The Netherlands	31	94
Belgium	4	56
Luxembourg	1	3
Switzerland	14	62
Austria	19	54
Hungary	8	15
Czech Republic	9	23
Poland	1,967	1,183
France	30	77
Italy	0	39
Spain	44	149
Denmark	8	33
Lithuania	11	14
Ukraine	2	4
Romania	9	16
Portugal	6	17
Slovakia	5	12
Kazakhstan	1	2
Greece	1	13

Country/Region	Women	Men
Croatia	1	4
USA	262	658
Canada	39	134
Brazil	24	71
Mexico	17	59
Chile	9	27
Colombia	4	12
Japan	12	59
China	1,021	1,378
Taiwan, China	70	114
Korea	11	48
Singapore	43	79
Malaysia	6	7
Indonesia	5	15
India	77	860
Australia	19	54
New Zealand	1	8
South Africa	20	38
Turkey	30	42
UAE	11	37
Thailand	7	12
Israel	8	14
Morocco	1	3
Egypt	2	4

The designations used and geographical classifications presented are solely for Phoenix Contact's sales and reporting purposes. They do not imply any opinion concerning the legal status of any country, territory or area.

Phoenix Contact uses standardized metrics to support a structured performance and development evaluation. These include regular self-assessments and peer evaluations by employees and managers, as well as the assessment of goal achievement and competencies. The resulting measures are designed to support individual growth and the continuous professional development of the workforce.

At Phoenix Contact, it is a mandatory requirement that bonuses be tied to the achievement of goals and targets and to feedback meetings (performance reviews). To determine the number of planned feedback meetings, the annual average number of employees is used, based on the assumption that each employee is entitled to an individual meeting. This approach makes it possible to clearly illustrate the relationship between planned meetings and those actually completed. The Group has various options available for documenting these meetings, depending on the standard documentation used in each country and the software-based processes that have been implemented.

The number of reviews relative to the number of reviews agreed upon by management is broken down by gender:

Comparison of planned and completed performance reviews by management

Country/Region	Women (planned)	Women (completed)	Men (planned)	Men (completed)
Egypt	2	2	4	4
Australia	19	19	54	54
Belgium	4	4	56	56
Brazil	23	23	68	68
Chile	9	9	27	27
China	1,021	1,021	1,378	1,378
Denmark	8	8	33	33
Germany	3,006	3,006	7,410	7,410
Finland	16	16	39	39
France	40	30	90	77
Greece	1	1	13	13
Great Britain	21	17	54	45
India	77	77	860	860
Indonesia	5	5	15	15
Ireland	3	3	11	11
Israel	8	8	14	14
Italy	30	30	111	111
Japan	37	12	112	59
Canada	51	51	174	174
Kazakhstan	1	1	2	2
Colombia	9	9	20	20
Korea	12	12	47	47
Croatia	1	1	4	4
Lithuania	12	11	14	14
Luxembourg	1	1	3	3

Comparison of planned and completed performance reviews by management

Country/Region	Women (planned)	Women (completed)	Men (planned)	Men (completed)
Malaysia	6	6	7	7
Morocco	1	1	3	3
Mexico	18	17	84	59
New Zealand	1	1	8	8
The Netherlands	31	31	94	94
Norway	6	6	34	34
Austria	19	19	54	54
Poland	1,967	520	1,183	629
Portugal	6	6	17	17
Romania	9	8	16	13
Sweden	55	50	132	120
Switzerland	14	14	65	62
Singapore	45	43	81	79
Slovakia	5	5	12	12
Spain	44	44	149	149
South Africa	20	20	38	38
Taiwan, China	70	70	114	114
Thailand	7	7	12	12
Czech Republic	9	9	23	23
Turkey	13	100	34	37
Ukraine	6	6	16	16
Hungary	14	18	18	15
USA	262	262	658	658
UAE	11	11	37	37

Phoenix Contact places great importance on the professional development of its employees and therefore offers a wide range of online and offline programs. When calculating the number of training hours, both mandatory (extrinsic) and self-initiated (intrinsic) learning activities are taken into account. Depending on the country and availability, these activities are recorded either fully automatically via software, using lists, or by other appropriate methods.

The average number of training hours per employee is reported in accordance with ESRS S1-13. The basis for this calculation is the total number of training hours completed during the reporting period, divided by the head count of the company's own workforce. This methodology ensures consistent and internationally comparable reporting across all employee groups.

Learning activities tracked here include measures that go beyond the minimum requirements mandated by law or labor regulations, such as safety training or onboarding.

The metric is tracked over the entire calendar year. The individual figures for each country are recorded separately.

Overview of training hours by gender:

Country/Region	Female	Male
Egypt	0.00	0.00
Australia	24.00	20.00
Belgium	5.00	24.00
Brazil	1.21	0.32
Chile	3.00	0.41
China	7.03	7.02
Denmark	10.00	10.00
Germany	6.51	16.14
Finland	27.50	42.90
France	6.93	9.82
Greece	2.00	6.15
Great Britain	3.46	4.83
India	20.77	1.61
Indonesia	4.00	9.00
Ireland	0.00	0.00
Israel	0.00	0.00
Italy	18.93	16.67
Japan	13.80	7.70
Canada	9.91	8.02
Kazakhstan	50.00	50.00
Colombia	6.67	4.75
Korea	0.08	0.16
Croatia	10.00	12.00
Lithuania	33.00	24.00
Luxembourg	16.00	16.00
Malaysia	20.00	20.00

Country/Region	Female	Male
Morocco	0.00	0.00
Mexico	2.86	6.09
New Zealand	16.00	15.00
The Netherlands	2.18	2.20
Norway	7.00	7.00
Austria	5.56	22.52
Poland	8.69	9.05
Portugal	40.00	40.00
Romania	17.00	20.00
Sweden	5.00	16.24
Switzerland	41.25	41.25
Singapore	19.00	19.00
Slovakia	20.80	0.00
Spain	44.02	34.64
South Africa	4.83	14.21
Taiwan, China	6.74	30.77
Thailand	20.00	20.00
Czech Republic	0.00	0.00
Turkey	51.87	29.75
Ukraine	15.00	40.00
Hungary	9.50	12.21
USA	1.90	2.25
UAE	1.00	1.00

S1-14 – Health and safety metrics (V)
Phoenix Contact takes a comprehensive approach to health management that includes both compliance with legal standards and the addition of company-specific offerings.

Phoenix Contact uses the metrics defined by ESRS S1-14 to systematically assess the performance and effectiveness of occupational health and safety measures and to ensure that reporting is transparent and comparable.

The goal is to ensure the most comprehensive health and safety management possible. The percentages are based on the average head count of the workforce. The following list includes only those countries with less than 100% coverage of the total workforce.

Overview of countries with health and safety coverage below 100%

Country/Region	Coverage
Egypt	0.00%
Ireland	0.00%
Israel	0.00%
Japan	0.00%
Croatia	0.00%
Morocco	0.00%
Norway	0.00%
Switzerland	0.00%
Singapore	0.00%
Slovakia	0.00%
Ukraine	0.00%
UAE	0.00%

Phoenix Contact comprehensively records work-related accidents and their consequences. This takes into account the entire workforce that is working for the company at a given workplace at that time. Work-related deaths refer to deaths resulting from work-related injuries or illnesses. These can be caused by accidents, exposure to harmful substances, or long-term health problems resulting from the work environment.

In 2025, there were no deaths worldwide due to work-related illnesses or accidents.

The Group also records work-related accidents, which are defined as unexpected events that occur during work and cause physical or psychological harm to employees. These accidents must be reportable in accordance with the respective national standards in order to be recorded.

The following table includes only those countries where work-related accidents were reported.

Work-related accidents with medical care 2025

Country/Region	Number
Germany	139
Poland	22
Turkey	14
Canada	8
USA	8
Australia	6
China	3
Sweden	3
Spain	3
France	2
New Zealand	1
Taiwan, China	1

In addition, cases of employee illness are recorded based on the following definition: Work-related illnesses can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. These include musculoskeletal disorders, skin and respiratory diseases, and malignant cancers. This also encompasses physical illnesses caused by factors such as noise-induced hearing loss or vibration-caused illnesses, as well as mental health illnesses such as anxiety or post-traumatic stress disorder. The respective national laws and regulations are observed when recording this data.

The following table includes only those countries where cases of illness with a causal link to a work-related activity have occurred.

Cases of illness by country	
Country/Region	Number
Taiwan, China	3
Mexico	2
Korea	1
Poland	1

Phoenix Contact systematically and clearly documents employees' sick days resulting from accidents and illnesses. This detailed data collection makes it possible to track how work-related accidents and health issues affect absences. This makes it possible to develop targeted measures to improve working conditions and promote health in the workplace.

The following table includes only those countries where days lost were reported:

Days lost per country	
Country/Region	Number
Germany	975
Poland	354
Australia	217
China	60
Taiwan, China	42
USA	37
France	32
Mexico	18
Spain	9
New Zealand	7
Korea	5
Sweden	5

To ensure better statistical comparability of the figures, Phoenix Contact calculates the rate of reportable work-related accidents for its own workforce in accordance with the requirements of ESRS S1-14 88c (052). This involves calculating the annual number of hours worked and comparing this figure to the number of recorded work-related accidents. The following formula is used for this purpose:

Injury rate =
(Number of work-related injuries /
Number of hours worked (1,600))
x 1,000,000

The following table includes only those countries where work-related accidents were reported.

Overview of the injury rate	
Country/Region	Rate
Sweden	10
New Zealand	69
France	9
Spain	10
Germany	8
Australia	51
Poland	4
USA	10
Taiwan, China	3
Canada	22
China	1
Turkey	43

The metrics are calculated within clearly defined system boundaries. Methodological uncertainties can arise from differences in data collection periods, measurement accuracy, and data availability.

S1-15 – Work-life balance metrics (V)
Work-life balance is a key component of a sustainable HR strategy. Phoenix Contact recognizes that employees' needs and life circumstances are diverse and may change over time. To enable employees to achieve a balance between their professional responsibilities and personal commitments, the company establishes clear parameters and framework conditions. These are based on national

legal requirements and collective agreements and include various family-related leave and time-off options that flexibly accommodate individual life stages and family situations. By systematically tracking and refining these parameters, we are making an important contribution to a supportive and family-friendly work environment.

Maternity leave (also called pregnancy leave):
Employment-protected leave of absence for employed women directly around the time of childbirth (or, in some countries, adoption).

Paternity leave:
Leave from work for fathers or, where and in so far as recognized by national law, for equivalent second parents, on the occasion of the birth or adoption of a child for the purposes of providing care.

Parental leave:
Leave from work for parents on the grounds of the birth or adoption of a child to take care of that child.

Carer's leave:
Leave from work for employees to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined by each state.

The right to family-related leave means that female employees are entitled to maternity leave, parental leave, or carer's leave in accordance with national law or collective agreements. Male employees are entitled to paternity leave, parental leave, or carer's leave. It is sufficient for any of these eligibility criteria to exist; it is not necessary for a specific event to have occurred. The following list includes only those countries where some employees – or employees based on gender – are not eligible for one of the eligibility criteria.

Employee eligibility for time off for family reasons

Country/Region	Proportion of men	Proportion of women
Egypt	0.00%	100.00%
India	0.00%	100.00%

The following table shows the percentage of employees who took time off during the reporting period in accordance with the various eligibility criteria. The calculation is based on head counts as of December 31, 2025. Only those countries where actual time off was taken are listed.

Overview of the time off taken by gender in %

Country/Region	Female	Male
South Africa	45	21
Romania	44	33
Australia	42	11
Poland	23	17
Sweden	20	17

Overview of the time off taken by gender in %

Country/Region	Female	Male
Singapore	12	2
China	11	13
Greece	10	30
India	10	0
Canada	4	1
Lithuania	8	0
Japan	8	5
Chile	8	17
Italy	7	2
Germany	6	5
Finland	6	8
Taiwan, China	12	0
Colombia	4	4
The Netherlands	3	8
Mexico	2	0
Spain	2	5
France	2	3
USA	1	4
Austria	1	0
Belgium	0	5
Brazil	0	2
Ireland	0	9
Norway	0	5
Portugal	0	4

S1-16 – Remuneration metrics (pay gap and total remuneration)
To measure the gender pay gap, the gross hourly pay of all employees is taken into account. Since no distinction is made based on job type, this is referred to as the unadjusted gender pay gap. Phoenix Contact uses the following formula for the calculation:

Gender pay gap (in %) =
(Average gross hourly pay of male employees – Gross hourly pay of female employees) / Average gross hourly pay of male employees) × 100

Phoenix Contact also calculates the gender pay gap in accordance with the ESRS requirements, based on the median total remuneration of women and men. The unadjusted gender pay gap reflects structural differences such as working time models, job functions, and representation in leadership roles, and enables a consistent assessment of organization-wide pay differences.

The calculation is performed within consolidated system boundaries and is based on harmonized global remuneration data. Differences in working time models, regional remuneration structures, or career levels can affect comparability.

To ensure transparency, the company also discloses the remuneration ratio.

For this purpose, all active employees who receive pay from Phoenix Contact during the calendar year are taken into account. The respective gross pay figures are listed below, although the salary components listed may vary by country or by position within the company:

a. Base salary: The sum of guaranteed, short-term, and non-variable cash compensation.

b. Benefits in cash: The sum of the base salary and cash allowances, bonuses, commissions, cash profit-sharing, and other forms of variable cash payments.

c. Benefits in kind: For example, cars, private health insurance, life insurance, and wellness programs.

d. Direct remuneration: The sum of benefits in cash, benefits in kind, and total fair value of all annual long-term incentives (e.g., long-term cash bonuses).

A global gross salary list is compiled from the data collected in each country. First, the salary of the highest-earning person is excluded to determine the median of the remaining salaries. This median is then compared to the salary of the highest-earning individual. The pay gap is then calculated using a corresponding formula:

Pay gap (%) =
Total gross salary of the highest-earning individual / Median total gross salary worldwide excluding the highest-earning individual × 100

The calculation is performed in accordance with the ESRS methodology and ensures that remuneration ratios are internationally comparable.

Phoenix Contact has decided not to disclose these two metrics. The reason is that pay ratios in companies vary due to a variety of factors and, in some cases, are specific to a particular country. Among the most important are:

- The size of the company and the resulting regional, national, and international salary differences
- The sector of activity within the electrical industry, which offers jobs ranging from simple to highly complex and caters to employees with varying levels of experience, from inexperienced to highly experienced
- Fluctuations due to international operations, as salaries are paid in the respective currency
- Varying market conditions: The general economic situation and the demand for specific skills and occupations influence salaries

S1-17 – Incidents, complaints, and severe human rights impacts
Phoenix Contact reports all work-related incidents, complaints, and identified human rights violations within its own workforce for the impacts, risks, and opportunities identified as material with respect to working conditions, equal treatment, health and safety, and protection against harassment in accordance with ESRS S1-17. The scope of the report includes employees and – where applicable – non-employees within the company's "own workforce".

The following table lists work-related incidents of discrimination. Phoenix Contact records discrimination based on gender, race or ethnic origin, nationality, religion or beliefs, disability, age, sexual orientation, or other relevant forms of discrimination, taking into account internal and/or external stakeholders in all operations during the reporting period.

Incidents are recorded only if:

a. An incident is no longer subject to action if it is resolved, the case is completed, or no further action is required by the company. For example, an incident for which no further action is required can include cases that are withdrawn or where the underlying circumstances that led to the incident no longer exist.

b. Remedial action is directed toward the alleged harasser and the alleged victim. Remedial action toward the victim may include offering to pay his/her expenses for counseling sessions, offering the victim some paid time off, offering to reinstate sick/vacation days if the victim has incurred any expenses due to the harassment (such as having used sick or vacation days).

c. Remedial action against the harasser can take various forms. It may include giving the harasser a verbal or written warning, mandating anti-harassment counseling or sending the harasser to an appropriate seminar, as well as harassment awareness and prevention training. A suspension without pay may also be considered.

Total number of incidents of discrimination recorded during the reporting period	
Worldwide	0.00

In addition to the reported incidents, the following table lists complaints received through internal channels and reporting channels. These include, in particular, the HR department, anonymous reporting systems such as hotlines or online platforms, management or supervisors, and union representatives, whom employees can contact to discuss incidents (for details, see section S1-3).

Total number of complaints received through internal channels during the reporting period	
Germany	3.00
Poland	1.00

In addition to internal reporting channels, Phoenix Contact also offers external avenues for lodging complaints, which allow outsiders to report instances of discrimination. During the reporting period, five reports were received through whistleblower channels.

The following shows all fines, penalties, and compensation payments resulting from the incidents described above and incurred in the respective countries. No such payments were made during the reporting period.

The following section provides a breakdown of the number of human rights violations identified. This includes incidents in the following areas:

a. Forced labor: Employees are forced to work against their will, often under threat of penalty or harm.

b. Child labor: The employment of people under the legal minimum age in hazardous or exploitative conditions.

c. Denial of basic rights: Employees are denied access to essential benefits such as health insurance, maternity leave, or sick leave.

d. Unsafe working conditions: Failure to provide a safe work environment, resulting in health risks or injuries.

e. Punishment of whistleblowers: Negative actions taken against employees who report violations or unsafe practices.

f. Wage theft: Employees are not compensated for overtime, or they are not paid the minimum wage.

g. Involuntary termination: Termination of employees without just cause, often in retaliation for complaints or whistleblowing.

No fines were imposed for human rights violations during the reporting period.

ESRS reference	Description of the metric	Value
S1-17.AR103.1	Number of serious human rights incidents during the reporting period	0 cases
S1-17.AR103a.1	Total number of discrimination incidents/complaints investigated	0 cases
S1-17.AR103b.1	Number of complaints for which remedial action is currently being taken	4 cases
S1-17.104a.1	Number of serious human rights incidents (own employees)	0 cases
S1-17.104a.2	Of these, violations of the UNGPs/ILO/OECD	0 cases
S1-17.104a.3	Human rights incidents during the reporting period	No severe incidents
S1-17.AR106.1	Serious human rights incidents in which Phoenix Contact secured remedy	No severe incidents

The human rights cases mentioned above are also assessed based on the number of instances in which the UN Guiding Principles and/or the OECD Guidelines for Multinational Enterprises were not respected. It should be noted that these are not additional cases, but rather an expansion of the assessment of the violations already mentioned. This approach allows for a more comprehensive analysis of the human rights situation and helps promote compliance with international standards.

The reporting and complaint procedures described in section S1-3 form the basis for recording and handling incidents and complaints involving the company's own workforce. In addition, for disclosure purposes in accordance with S1-17, all reports received are classified according to defined categories and severity levels and consolidated in a central case management system. Financial impacts, such as penalties or compensation, are consistently reported in the reporting currency. There are some limitations to the interpretation of these metrics, such as potential underreporting of sensitive issues, cultural barriers to reporting, subjective assessments of severity, or limited historical data for individual regions. These factors are disclosed in order to provide a realistic context for interpreting the data.

Remedial actions are documented, and their effectiveness is evaluated – for example, through training programs, disciplinary measures, or adjustments to organizational control mechanisms. All reported incidents are reviewed in accordance with the dual-control principle and are also subject to random spot checks by Compliance or Internal Audit. In addition, external validation is conducted by the independent firm that operates the whistleblower system to ensure the effectiveness and independence of the reporting channels.

ESRS S2 Workers in the value chain

S2 SBM-2 – Interests and views of stakeholders
As an employer and client, Phoenix Contact has an obligation to protect the interests, views, and rights of its own employees as well as those of all workers in the value chain. This includes respect for human rights. Phoenix Contact holds all its partners to the same standards regarding compliance with labor and human rights and strives to minimize the risk of negative impacts. The commitment to upholding labor and human rights is enshrined in the Code of Conduct and the policy statement of the Phoenix Contact Group, as well as in the Supplier Code of Conduct.

An overview of the related risk assessment, as it pertains to the company's own workforce, can be found in section ESRS S1-1. Employees in the supply chain were identified as material for Phoenix Contact – particularly with regard to working conditions, promoting equal treatment and opportunities for all, and other labor-related rights (e.g., child labor). Since Phoenix Contact products are not sold to end customers, consumers are not a relevant target group. Similarly, communities are not material in an impact assessment, as the nature of the goods manufactured by Phoenix Contact generally does not result in significant land use requirements or direct emissions impacts within the supply chain.

S2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model
As part of the annual risk analysis conducted in accordance with the German Supply Chain Act ("Lieferkettensorgfaltspflichtengesetz"), the impacts on workers in the supply chain (Tier 1) are determined. Country- and industry-specific information is collected and analyzed using various global indices, sustainable data mining, and public data sources. Based on the consolidated data, a potential risk in the "Labor & Human Rights" category can be identified for each supplier.

To determine the actual impacts on suppliers' employees, suppliers identified as potential risks are invited to participate in a comprehensive sustainability rating assessment conducted by an external, independent software provider. This rating covers four sustainability categories and uses specific questionnaires to assess the impact on employees and other stakeholders. Among other things, this includes actions taken by companies to promote health and safety and to combat forced and child labor. As part of the assessment, companies must also submit documentation – such as ISO certifications, human rights statements, codes of conduct, or occupational safety plans – that has been verified by third parties. This information yields an overall result as well as a rating for each category, from which improvement measures can be derived.

In addition, the software provides access to more than 100,000 public information sources to provide relevant sustainability information about suppliers. News articles are reviewed by employees of the software company and categorized to gather up-to-date (positive, negative, or neutral) information about global suppliers and potential risks.

S2-1 – Policies related to value chain workers
Phoenix Contact prioritizes the creation of a safe and responsible work environment throughout the entire value chain. Responsibility for implementing the relevant policies and processes lies with the Group Executive Board and – at the operational level – with the Vice Presidents of the expert departments. The goal is to ensure and continuously improve the highest standards in the areas of human rights, working conditions, safety, and environmental protection.

The following policies and procedures apply to all workers in the value chain and form the basis for Phoenix Contact's human rights and sustainability initiatives.

<u>Policy 1: Supplier responsibility and risk management</u>
As part of its sustainability strategy, Phoenix Contact is committed to systematically assessing all suppliers for social and environmental risks and to working only with business partners who ensure compliance with binding standards.

In particular, these include:

- The Supplier Code of Conduct
- The policy statement in accordance with the German Supply Chain Act ("Lieferkettensorgfaltspflichtengesetz")
- The company-wide Code of Conduct
- A whistleblower system that also allows employees within the supply chain to report violations or risks anonymously

The core elements of the policies applied by Phoenix Contact for addressing material sustainability topics focus on protecting human rights and ensuring high labor and environmental standards throughout the value chain. The policies clearly state that the company does not tolerate human rights violations, child labor, forced or compulsory labor, or any form of slavery. At the same time, they require Phoenix Contact to protect the health of its employees, ensure fair and safe working conditions, respect freedom of association and non-discrimination, and make environmental protection an integral part of its responsible business practices. These fundamental principles form the foundation of all internal and supply chain-related processes and define the expectations for all business partners worldwide.

The Supplier Code of Conduct is based on the ten principles of the United Nations Global Compact, the International Bill of Human Rights, the fundamental principles and rights of the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.
Phoenix Contact is currently developing two new policies focusing on “Ethics and Human Rights” and “Environment”, which will take effect in 2026 and supplement the existing standards with additional environmental and integrity requirements. To effectively involve all relevant stakeholders within the value chain, Phoenix Contact has established a multi-stage risk identification and management process:

<u>Risk assessment and categorization:</u>
All business partners are systematically analyzed and classified according to industry- and country-specific risk profiles in order to determine an initial abstract risk at the corporate level.

<u>Detailed risk analysis and prioritization:</u>
Based on the extent of influence and appropriateness, an in-depth assessment is conducted of business partners for whom a potential risk has been identified. In this process, the likelihood and potential impacts of violations are assessed based on self-assessments, insights gained from the business relationship, and any reports from whistleblower systems.

<u>Risk mitigation and preventive measures:</u>
Remaining risks are minimized through targeted measures, including the mandatory implementation and enforcement of the Supplier Code of Conduct. This includes ongoing communication, training, and, where necessary, sanctions to ensure sustainable standards throughout the supply chain. Compliance is monitored by the relevant departments.

This structured approach is supported by regular supplier audits, commodity group risk assessments, and external assessment tools. Particular attention is paid to avoiding critical and conflict-prone sources of raw materials, as well as to compliance with minimum standards regarding human rights, labor rights, and the environment. The policies cover all procurement processes – from supplier selection and contract drafting to quality and compliance audits – and apply globally, regardless of a supplier’s location. The focus is on the upstream supply chain, i.e., Tier 1 suppliers, manufacturing companies, and service providers. Downstream parties are included only if they are contractually involved. In the lower tiers of the supply chain – beyond Tier 2 – Phoenix Contact can exert only limited indirect influence; nevertheless, the company promotes transparency and continuous improvement. This holistic approach makes it possible to identify risks – such as human rights violations or supply disruptions – at an early stage, while strengthening opportunities such as stable, trustworthy, and sustainable supply chains.

If there are indications of possible violations of human rights or labor law principles, clearly defined prevention and remediation processes are implemented within the company (see also section S1). These include the internal review of the report, the establishment and monitoring of appropriate corrective measures, and – if necessary – the suspension or termination of the business relationship. The goal of these processes is to effectively prevent, remedy, or minimize actual or potential negative impacts. Internal and external stakeholders are regularly updated on the status. Externally, this information is primarily communicated through the sustainability report, while internal communication is ensured through established meeting and communication formats. These interactions contribute to the further development of human rights-related due diligence obligations.

The following table lists all regions, at the national level, where a potentially increased risk of child labor or forced or compulsory labor has been identified among workers in the value chain.

Country	Potential risk	Action 1: Risk assessment and mitigation	Action 2: Risk reduction	Action 3: Generate awareness
Mexico	High	Software rating	Signing of the Supplier Code of Conduct (SCoC) + completion/evaluation of the ESG questionnaire	Training and on-site visit
China	High	Software rating	Signing of the SCoC + completion/evaluation of the ESG questionnaire	Training and on-site visit
India	High	Software rating	Signing of the SCoC + completion/evaluation of the ESG questionnaire	Training and on-site visit
Malaysia	High	Software rating	Signing of the SCoC + completion/evaluation of the ESG questionnaire	Training and on-site visit

Based on the comprehensive supply chain risk analysis conducted using the software, India, China, Mexico, and Malaysia were identified as countries with a potentially increased risk of child labor, forced labor, or compulsory labor.

In supply chain risk analysis, country risks are not considered in isolation, but are always evaluated in conjunction with the supplier's specific industry risk and the volume of purchases from that supplier. If a supplier is identified as posing a potentially increased risk based on these criteria, appropriate measures will be taken. However, there may be cases where a supplier operates in a high-risk country but is generally considered non-critical. In such cases, no action is taken.

The purchasing volume plays an important role, as the German Supply Chain Act ("Lieferkettensorgfaltspflichtengesetz") requires that a company's ability to influence its suppliers also be taken into account. The higher the purchasing volume, the greater the expected influence on the supplier, provided that the purchasing volume accounts for a significant portion of the supplier's total revenue. The risk analysis is conducted on a regular basis, and the strategy is applied to other identified high-risk countries as needed.

No compliance violations were identified as a result of these processes during the reporting period.

S2-2 – Processes for engaging with value chain workers about impacts

As part of the materiality assessment, various target groups were considered that may be directly or indirectly affected by the company's activities in its supply chains. In addition to workers in the supply chains and self-employed people at the company's own locations, this also includes indigenous communities as well as end-users and consumers. The affected groups were involved through internal stakeholder representatives, who shared their perspectives and observations as part of a company-wide survey. Phoenix Contact deliberately chose an indirect approach in which internal experts represent the interests of external stakeholders. This decision is based on close collaboration between the relevant functions and the affected stakeholders.

Within the supply chain, Corporate Purchasing plays a central role in supplier management and in monitoring compliance with human rights and labor law requirements.

The process identified various types of workers in the value chain:

- Workers who work on company premises but are not part of the company's own workforce, i.e., self-employed people who are primarily engaged in a business activity
- Workers who work for companies in the company's immediate upstream value chain (e.g., those involved in metal processing or other forms of further processing)
- Workers who work for companies in the company's downstream value chain (e.g., those involved in the activities of logistics or distribution providers)
- Workers who (within the preceding categories or beyond) are particularly vulnerable to negative impacts due to their inherent characteristics or the specific context, such as union members, migrant workers, home-based workers, women, or young workers

Workforce engagement in the upstream supply chain is embedded in the responsibilities of Corporate Purchase Governance (Sustainability and Compliance). To support the employees of the Global Purchase Network in developing their capabilities, internal training sessions were conducted, focusing in particular on due diligence, risk assessment, and stakeholder engagement. These measures ensure that employees who may come into contact with external stakeholders or high-risk situations are properly trained and made aware of the issues.

Phoenix Contact currently has no global framework agreements with international labor unions. Nevertheless, fundamental rights such as the guarantee of freedom of association, the right to form labor unions, and the right to collective bargaining are firmly enshrined in the Supplier Code of Conduct, while always taking into account country-specific legal requirements. This ensures that the fundamental labor rights of workers throughout the value chain are respected.

The perspectives of supply chain workers are incorporated into corporate decision-making processes, particularly through the whistleblower system. This system allows workers across various tiers of the value chain to confidentially report risks, misconduct, or violations. In addition, during supplier visits, information on labor and human rights issues is gathered on a spot-check basis. When risks are identified, Phoenix Contact supports affected suppliers by providing free e-learning courses from an external provider. These training programs cover topics such as occupational health and safety, the prohibition of child labor and forced labor, measures to prevent discrimination, the protection of freedom of association, and the promotion of fair working conditions – and help suppliers fulfill their due diligence obligations.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Phoenix Contact requires suppliers with a higher risk profile to comply with human rights, labor, and environmental standards through its Supplier Code of Conduct. The goal is to provide all employees in the value chain with a safe, fair, and discrimination-free work environment and to prevent potential negative impacts at an early stage or address them effectively.

Structured control mechanisms are incorporated into the internal audit process to monitor these requirements. During the reporting period, Corporate Purchase employees at the Blomberg, Bad Pyrmont, Lüdenscheid, Paderborn, and Herrenberg sites, as well as internationally in India, Poland, China, and the US, received training and were made aware of the issues concerning the German Supply Chain Act (“Lieferkettensorgfaltspflichtengesetz”).

Purchasing and procurement processes serve as key management tools for avoiding high-risk business relationships as early as the initial contact phase, minimizing identified risks in collaboration with suppliers, and implementing appropriate preventive and remedial measures. Matters such as equality and freedom from discrimination are integral parts of this assessment.

Workers throughout the value chain have the opportunity to report actual or potential negative impacts. To this end, the globally accessible whistleblower system is available to them. The operation, protection mechanisms, and internal processes of this system are described in section S1-3. The whistleblower system allows for completely anonymous reporting and is operated by an independent external law firm, thereby ensuring confidentiality, data protection, and effective protection against retaliation.

In addition to their own reporting channels, workers in the value chain can use external grievance mechanisms, such as those provided by government agencies, non-governmental organizations, or industry initiatives. These systems are available to all people who are potentially or actually affected. For tiers of the supply chain that are not part of direct Tier 1 relationships, Phoenix Contact uses the established complaint procedures of the respective business partners, as appropriate. This supplementary use ensures that suitable and accessible reporting channels are available even within complex supply chain structures.

The available channels for lodging complaints are communicated transparently to suppliers and workers in the value chain through the Supplier Code of Conduct and regular supplier communications. The parallel existence of various reporting channels – internal, external, and independent third-party mechanisms – helps ensure that an appropriate, trustworthy channel can be used for any situation and, overall, strengthens the system’s effectiveness.

Through the aforementioned Supplier Code of Conduct, companies in the direct value chain undertake to immediately address detected violations, in particular, those obligations related to human rights or the environment. If this is not possible within the foreseeable future, the supplier shall immediately create a concept with

Phoenix Contact for discontinuation or minimization and implement said concept. The concept must contain a fixed timetable. Implemented measures shall be documented and their efficacy verified. Violation of this Code of Conduct constitutes an interference with the business relationship between Phoenix Contact and the supplier. The supplier must inform Phoenix Contact within a reasonable period of time which internal measures it has taken to prevent future violations. Further rights notwithstanding, Phoenix Contact reserves the right, in such a case, to demand the establishment of facts and the implementation of countermeasures. In addition, it reserves the right to terminate the contract.

Corporate Purchasing and Corporate Compliance Management are responsible for implementing these procedures. Other departments – including Human Relations, Quality & Product Compliance, Facility Management, Legal, and Risk Management – are involved on a case-by-case basis to ensure a thorough review and effective preventive and remedial measures.

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Phoenix Contact consistently relies on preventive and monitoring measures to ensure compliance with human rights and occupational health and safety standards throughout the entire value chain. Through close collaboration with its business partners, the company continuously strives to improve working conditions. The effectiveness of all measures is regularly reviewed through established processes and control mechanisms and adjusted as needed.

<u>Action 1: Risk identification and assessment</u>
Potential human rights and occupational health and safety risks are systematically identified and assessed using external software and internal information sources. These tools help identify risks early on and determine appropriate measures.

<u>Action 2: Implementation of preventive measures</u>
To ensure compliance with human rights and labor rights, appropriate preventive measures are implemented based on the abstract risk analysis, such as the evaluation of software-based ESG ratings, the distribution of specific ESG questionnaires, and the signing of the Supplier Code of Conduct. This establishes clear standards and obligations throughout the global supply chain.

<u>Action 3: Supplier audits and corrective measures</u>
If a supplier refuses to implement the required measures, fails to comply with the standards, or if there are specific indications of violations, remedial and escalation measures will be taken, such as audits of the affected suppliers. Based on the results, additional corrective measures will be taken if necessary.

<u>Action 4: Preventive training</u>
Selected suppliers are invited to participate in (online) training sessions. In addition, ESG awareness training sessions are conducted with suppliers to proactively minimize risks related to human rights and labor rights violations, raise awareness throughout the supply chain, and address these topics in a spirit of partnership on an equal footing. Through this holistic approach, Phoenix Contact helps to manage human rights and occupational health and safety risks in a sustainable manner and promote positive impacts throughout the value chain.

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Phoenix Contact has a clear goal of systematically reducing risks along its supply chains and consistently promoting the positive impacts of its business activities. Minimizing negative social and environmental impacts is at the heart of all the company's activities – both in its direct dealings with its own workforce and throughout the entire value chain.

<u>Target 1: Classification of suppliers</u>
A key goal is to systematically minimize risks along the supply chain by 2030. Suppliers with an elevated ESG risk rating are specifically addressed and supported in their ongoing development through appropriate measures, such as awareness training and accompanying support services. This goal was thoroughly communicated during the buyer training sessions on the German Supply Chain Act ("Lieferkettensorgfaltspflichtengesetz") process for 2024. In this process, the steps involved in dealing with potentially critical suppliers were clearly outlined, and employees were trained accordingly.

The targets were set in consultation with relevant stakeholders and are based on the requirements of ESRS S2. To achieve these targets, a wide range of measures have been initiated, including raising awareness among business partners through a mandatory commitment to the Supplier Code of Conduct. In addition, providing training to qualifying suppliers helps improve working conditions. Within the company's own operations, the focus is on providing an effective complaints process. In addition, internal audits and systematic risk management have been established to identify and manage risks at an early stage. Continuous improvement in documentation and reporting promotes the transparency and traceability of actions and achievements.

Through these targets and actions, Phoenix Contact ensures responsible management of material risks and opportunities, promotes sustainable change, and supports positive long-term development throughout the entire value chain.

Governance information

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ESRS G1 Business conduct

G1 GOV-1 – The role of the administrative, management, and supervisory bodies
The role and expertise of the Group Executive Board and the advisory board with regard to business conduct is described in section "GOV-1 – The role of the administrative, management, and supervisory bodies".

G1 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities
The process for identifying and assessing impacts, risks, and opportunities is the same for all topic-specific impacts, risks, and opportunities and is described in section "IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities".

G1-1 – Business conduct policies and corporate culture
At Phoenix Contact, responsible and sustainable business conduct forms the foundation for long-term economic success and public trust. At the heart of this is a corporate and compliance culture that firmly embeds ethical conduct, transparency, and regulatory compliance in all operational and strategic segments. This is achieved through a clear organizational structure, binding policies, and innovative tools that support an integrated and proactive approach to risk management.

<u>Corporate Compliance Management (CCM)</u>
To ensure compliance with legal and internal requirements, Phoenix Contact has established an independent and comprehensive Compliance Management System, which is operated by Corporate Compliance Management (CCM) with support from other decentralized and local compliance functions. CCM, which is organizationally part of the CFO's area of responsibility, is a central unit within the Corporate Legal & Compliance division. CCM was established based on a systematic compliance risk analysis conducted with the support of an external, specialized law firm. This process identified the material risks and laid the foundation for an effective Compliance Management System.

CCM is responsible worldwide for the implementation, further development, and monitoring of the Compliance Management System throughout the entire Phoenix Contact Group. It develops standards, guidelines, and frameworks that are implemented in a binding manner at both the national and international levels. The work of CCM is complemented by a network of local and decentralized compliance functions that are integrated into various companies and organizational units within the Group and take local characteristics and specific areas of expertise into account.

The Group-wide whistleblower system is an integral part of the compliance and governance structures and is regularly reviewed for effectiveness, independence, and accessibility; detailed processes and reporting channels are described in sections S1-3 and S2-3.

The cornerstones of Phoenix Contact's compliance culture are firmly anchored in the Group's globally applicable Corporate Principles and Code of Conduct. They serve as the binding framework for the conduct of all employees. In addition, CCM communicates supplementary policies on specific compliance topics, which are made available globally through an integrated management system and a central policy database. A dedicated intranet page also ensures that the latest compliance information is disseminated quickly and easily.

The policies for managing material sustainability topics cover various areas and apply to the entire company as well as the entire value chain. They address activities in both the upstream and downstream sectors and cover all relevant geographic regions and stakeholder groups. The key policies include, for example:

- Anti-corruption and fraud prevention
- Protection of know-how and intellectual property
- Measures to combat money laundering
- Export controls and compliance with trade sanctions

These policies provide a binding framework for implementing and managing sustainability matters within the company and throughout the value chain. In addition, Phoenix Contact is committed to implementing internationally recognized standards and initiatives, in particular the UN Global Compact[1].

A key component of the compliance strategy is the company's targeted training program. This includes regular, risk-based, and target-group-specific training sessions that are tailored to each employee's specific duties and areas of responsibility. Training sessions on reporting channels, protection against retaliation[2], and case handling in compliance with data protection regulations are an integral part of the compliance training program.

In 2025, a total of 23,592 training sessions covering a wide range of compliance topics were conducted, thereby continuously raising awareness and promoting compliance with policies.

Through these clearly structured and comprehensive concepts for business conduct and compliance, Phoenix Contact fosters a corporate culture that firmly embeds ethical responsibility, regulatory compliance, and sustainable business practices within the organization, thereby laying the foundation for the company's long-term success.

Phoenix Contact is committed to meeting the highest standards in the areas of sustainable business conduct and responsible risk management. As part of this commitment, a clearly structured governance framework has been developed to ensure that environmental, social, and ethical risks are systematically identified, assessed, and managed. Company management recognizes the importance of strong governance practices as the foundation for sustainable business success and the protection of all stakeholders.

Against this backdrop, Phoenix Contact has defined three key targets that are primarily focused on promoting sustainable governance and effective risk management; these are explained in more detail below:

Target 1	Compliance • Suppliers deemed high-risk are excluded based on an ESG risk rating
Target 2	Cybersecurity • The Cyber Defense Center covers all essential processes that are vulnerable to cyberattacks
Target 3	Commitment of management • Goals are embedded in incentive systems

Target 1: Compliance
A key goal is to systematically minimize risks along the supply chain by 2030. Suppliers with an elevated ESG risk rating are specifically addressed and supported in their ongoing development through appropriate measures, such as awareness training and accompanying support services.

Target 2: Cybersecurity
The growing number of digital challenges and threats requires a robust security infrastructure. Phoenix Contact has therefore established its own Global Cyber Defense Center (GCDC), which protects critical business processes and sensitive personal data of employees and business partners around the clock. The GCDC plays a key role in ensuring the confidentiality, integrity, and availability of critical information. With this forward-looking security

[1] The world's largest and most important initiative for responsible business conduct
[2] Protection of whistleblowers from discrimination or sanctions resulting from making a report

strategy, the company is taking a proactive approach to combating cyberattacks, thereby ensuring business continuity and the protection of its digital resources.

Target 3: Commitment of the Group Executive Board
Integrating ESG goals into management incentive systems is an effective tool for firmly embedding sustainable thinking and responsible conduct in corporate governance. This creates clear incentives to actively incorporate environmental, social, and governance aspects into strategic decision-making processes, which promotes long-term value creation and strengthens stakeholder trust.

Sustainability and governance goals are firmly embedded in the incentive systems and compensation plans for executives. In this way, the Group Executive Board sets a clear example and bears direct responsibility for the consistent implementation of the sustainability strategy. Operational management is closely aligned with the company's goal of an "All Electric Society" and its long-term ten-year strategy. Progress is reviewed annually using measurable metrics to ensure transparent and targeted implementation.

For all targets, the target period extends through 2030, and annual interim targets have been set as milestones to support the achievement of these goals. This ensures continuous monitoring and transparent tracking of progress.

With these three strategic targets, Phoenix Contact ensures that sustainable governance does not remain merely a theoretical principle, but is actively practiced within the company and continuously refined. It is important to note that all of these targets apply to the entire Phoenix Contact Group and encompass all corporate activities as well as the upstream and downstream value chain. Phoenix Contact is thus laying an important foundation for long-term value creation, risk minimization, and sustainable success – in line with the expectations of its stakeholders and the challenges of a changing business world.

Information security
Phoenix Contact believes that robust information security is of the utmost importance in order to ensure the integrity, availability, and confidentiality of information and systems over the long term. The goal is to effectively minimize cyber risks, prevent data loss, and continuously strengthen the resilience of IT and OT systems.

To meet this objective, appropriate technical and organizational measures are implemented company-wide to prevent unauthorized access, tampering, and cyberattacks. Information security standards are regularly reviewed and updated to meet the ever-increasing requirements for the security of information systems.

Phoenix Contact uses established monitoring and control tools to monitor and improve security. These include, in particular, internal and external penetration tests to identify potential vulnerabilities, as well as structured incident management that ensures security incidents are systematically documented, assessed, and addressed immediately. These measures play a key role in reducing business disruptions, financial losses, and reputational risks. Through secure systems, Phoenix Contact strengthens the trust of customers, employees, and partners while also creating a solid foundation for sustainable competitiveness in an increasingly digital environment.

Data protection
The protection of personal data is just as important to Phoenix Contact. Company-wide contracts and/or policies require all organizational units to process the personal data of employees, job applicants, and business partners in a manner that is legally compliant, secure, and transparent. The goal is to protect the privacy of the individuals concerned and to effectively mitigate data protection risks.

Phoenix Contact ensures that personal data is collected solely for specific purposes, processed with due care, and stored only for as long as required by law or for operational purposes. Cybersecurity policies define binding requirements for implementing appropriate protective measures. As a company operating internationally, Phoenix Contact complies with all applicable legal requirements, such as the EU General Data Protection Regulation (GDPR) and other local data protection laws in the countries where the company operates.

In the upstream sector, Phoenix Contact requires external service providers, IT partners, cloud providers, and other service providers to contractually comply with the legally mandated data protection requirements. In the downstream sector as well – for example, when customers use digital products or services – the company places great emphasis on the responsible handling of personal data.

Through this comprehensive approach to data protection, Phoenix Contact establishes a reliable foundation for safeguarding the rights and freedoms of all data subjects and strengthens the trust of internal and external stakeholders in the long term.

G1-3 – Prevention and detection of corruption and bribery

Preventing corruption is an important topic for CCM. At the heart of this is the allocation and anti-fraud policy, which covers all corruption- and fraud-related risks identified in the compliance risk analysis. The policy is conveyed as part of the compliance training program. Specific compliance risks that require closer examination and consideration are addressed in supplementary individual guidelines issued under the policy. With regard to combating corruption and bribery, CCM operates in line with the United Nations Convention against Corruption.

Another important topic for CCM is the prevention of anti-competitive behavior. At the heart of these activities is the antitrust policy, which contains all antitrust-related risks identified in the compliance risk analysis. This policy is also conveyed as part of the compliance training program.

To promote a values-based corporate culture and ensure adherence to compliance policies, Phoenix Contact took specific measures during the reporting year. Compliance training sessions were successfully conducted worldwide, based on the Code of Conduct and existing compliance policies. These training sessions are repeated annually to ensure that employees remain aware of legal requirements and ethical conduct. This consistent implementation strengthens the company's values and provides long-term support for achieving compliance goals. The annual global training sessions are also planned for the future in order to further strengthen the culture of compliance and ensure a corporate culture that adheres to regulations.

Training on corruption prevention and the antitrust law

Phoenix Contact maintains a comprehensive, risk-based compliance training program that includes, among other things, training on corruption prevention and the antitrust law. In this context, "risk-based" means that the intensity of training for different employees is determined by their individual level of risk exposure with regard to a specific topic. These training sessions are mandatory. Against this backdrop, Phoenix Contact conducted the following training sessions, among others, during the 2025 fiscal year:

Overview of compliance training

Topics covered	Mandatory	Interval	Functions-at-risk	of which are managers	of which are bodies	Other employees
Onboarding compliance	●	–	82	11	0	20,478
Basic training – compliance	●	Annually	10,583	1,803	3	8,182
Gifts	●	Annually	7,959	1,412	4	11,196
Advanced training – gifts	●	Every 2 years	55	10	0	20,506
Fair conduct in competition	●	Annually	5,279	1,042	4	14,246
Advanced training – competition	●	Every 2 years	56	8	0	20,507
Competition – dual distribution	●	Every 5 years	302	63	0	20,206
Competition – dual distribution (II)	●	Annually	307	9	0	20,255
Basic training – know-how	●	Annually	11,056	1,006	3	8,506
Advanced training – know-how	●	–	0	0	0	20,571
Basic principles – copyright law	●	–	35	7	0	20,529
Use of external service providers	●	–	21	13	0	20,537
Compliance in customer service	●	Annually	21	3	0	20,547
			35,756	**5,387**	**14**	**20,571**

G1-4 – Incidents of corruption and bribery (V)
Phoenix Contact is committed to the highest standards of integrity and transparency in its business practices and maintains a strict zero-tolerance policy toward corruption and bribery. The goal is to prevent violations through preventive measures and, through effective monitoring, to detect any violations at an early stage, and impose appropriate sanctions when necessary.

In addition, Phoenix Contact strictly adheres to all legal requirements and regulatory guidelines that ensure a cooperative and transparent approach to working with employees, business partners, and service providers. This applies not only internally but also to people throughout the entire supply chain, who are equally assured of a high level of data protection and security.

To date, no confirmed incidents of corruption or bribery have been reported at Phoenix Contact. Effective control mechanisms, a transparent corporate culture, and the targeted commitment of senior management play a key role in proactively minimizing risks in this sensitive area and ensuring the long-term trust of customers, partners, and employees.

Voluntary disclosures

Cybersecurity 90

Cybersecurity

In recent years, companies have increasingly become the target of cyberattacks, and the frequency of successful attacks has risen significantly. Therefore, the "Information Security" segment plays a central role within the company's corporate strategy and risk management. The primary goal is to ensure the company's autonomy and independence at all times. Equally important is the goal of not jeopardizing the security and operational capacity of business partners and of complying with the applicable legal requirements. Against this backdrop, the term "cybersecurity" refers, within the Phoenix Contact Group, to the protection of the business capabilities of the Phoenix Contact Group and its business partners against attacks, unauthorized access and tampering, and other types of harmful events that affect digital information or the information technology and automation infrastructure in use, the identification and assessment of such threats, the implementation of preventive and risk-mitigating measures, the effective response to actual threats and harmful events, and the restoration of affected data, systems, and infrastructure following damage.

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