Non-financial and sustainability information statement

Climate-related financial disclosures

Introduction

As a manufacturer with a global operation, supply chain and customer presence, Volex recognises the importance of understanding the current and future potential impacts of climate change on our business. We also take the responsibility that the Company holds in reducing its direct impact on the planet seriously. This year, we have focused on enhancing our physical risk analysis, particularly by starting to consider some of the supply chain infrastructure network that our operations rely on, as well as expanding our climate-related risk and opportunity quantification to better understand potential financial impacts under various climate time horizons and scenarios.

The following report covers the Board's oversight of climate-related issues; the Group's integration of climate change within our overall risk management processes; our strategies for managing climate-related risks; and relevant metrics used to measure progress towards our climate targets.

The Board notes the requirement for mandatory climate-related disclosures under UK Listing Rule 6.6.6(8)R and the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, which this report addresses. In setting out this report, we have referenced the full TCFD recommended disclosures as detailed in 'Recommendations of the Task Force on Climate-related Financial Disclosures' 2017, with use of additional guidance from 'Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures', 2021. Additionally, following amendment of sections 414C, 414CA and 414CB of the Companies Act 2006, the Group has indicated in the below table which of the climate-related disclosures, outlined in Section 414CB, are addressed by the TCFD recommended disclosures, alongside the pages of the FY2025 Annual Report and Accounts where these are located.

Recommendation	Recommended disclosures	Page reference	CA 414CB
Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities	Page 73	(a)
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Page 74	(a)
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Pages 75 to 76	(d)
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Pages 77 to 81	(e)
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Page 75	(f)
Risk Management Disclose how the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	Page 74	(b)
	b) Describe the organisation's processes for managing climate-related risks	Page 75	(b)
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Page 75 to 81	(c)
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Page 82	(h)
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks	Page 83 to 84	(h)
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Page 82 to 85	(g)

Governance

Board level

The Board of Directors has oversight and ultimate responsibility for Volex's sustainability strategy, our targets, disclosures and reporting. The Board's responsibility includes (but is not limited to) climate-related risks and opportunities and the monitoring of Group performance towards achieving climate-related targets in line with TCFD recommendations. The Board regularly considers climate-related issues when reviewing and guiding strategy, such as inclusion of ESG factors within the due diligence processes that take place prior to acquisitions and overseeing the sign-off of major capital expenditures. Extensive environmental due diligence, including a site by site assessment of flood risk, was undertaken prior to the FY2024 acquisition of Murat Ticaret with the support of a specialist consultancy.

The Board receives quarterly updates at Board meetings on key sustainability and climate-related matters that impact the sectors in which the Group's businesses operate and on the specific measures that need to be implemented to drive improved climate-related performance of the businesses.

The Board delegates responsibility for driving ESG strategy, including responsibility for identifying, considering and managing climate-related risks and opportunities, to the Safety, Environment and Sustainability ('SES') Committee, whose members include the Executive Chairman, an independent Non-Executive Director and the Group's HR Director. The SES Committee reports to the Board following its biannual meetings.

The Board oversees and monitors progress against our key sustainability goals including the development of our near term and long term emissions reduction targets as submitted to the SBTi.

The Board is yet to deploy a firm link between Executive remuneration and ESG indicators; however, the Board has resolved that its Remuneration Committee will review this on an annual basis.

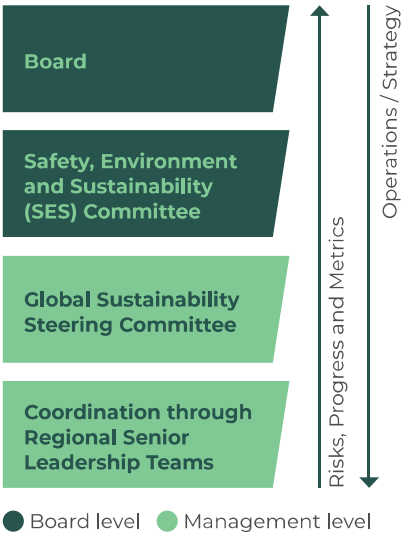
Management level

At the management level, an Executive Group Sustainability Steering Committee (formed of the Executive Chairman, Group Chief Operating Officer, Group Chief Financial Officer and the Group HR Director who is a Chartered Environmentalist and Fellow of the Institute of Environmental Management and Assessment) is responsible for developing the climate agenda and driving its implementation at an operational level. The Global Sustainability Steering Committee discusses and reviews all sustainability data, performance and targets as they develop at quarterly meetings. The Committee reports to the Board-level SES Committee.

Each regional Chief Operating Officer ('COO') has responsibility for the sustainability strategy in their locality. Site-level sustainability reviews are conducted to inform regional action plans that are managed locally. Every employee is kept informed of role-relevant behaviours that promote Volex's commitment to sustainability and climate resilience.

All manufacturing sites submit greenhouse gas emissions data, alongside an extensive range of other sustainability-related data, to the Group on a monthly basis through the Group's Sustainability Reporting System. Each regional COO coordinates their region's sustainability improvement activities, and this is reported to the Group Sustainability Steering Committee, through which information is fed up to Board level via the SES Committee to be integrated into risk assessment and strategy development.

Climate governance structure



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Risk management

Identification of climate-related risks is integrated into Volex's risk management processes and considered as part of the overall Group risk management process. This risk assessment considered existing and emerging risks and all risk categories outlined in the TCFD recommendations in relation to all of Volex's operations as of the 30 March 2025. Climate-related risks and opportunities were also considered in the Group's upstream and downstream supply chains, particularly a number of freight hubs that are crucial for the flow of goods and products to and from key manufacturing sites.

'Climate and Environment' has been identified as a Principal Risk (Operational) for Volex.

While the Board has overall responsibility for the management of risks at Volex, businesses invest in and implement appropriate systems and processes to manage their impact on the environment. The Audit Committee is delegated specific responsibility for the oversight of the risk management process.

The management of Volex's climate-related risks is integrated into the Group's overall risk management framework. All climate-related risks are assessed in the same manner as other Group risks, so that their relative significance is comparable.

Climate-related risk identification is performed both top down: based on a strategic risk assessment at Executive and Board level; and bottom up: risk assessment at operational and functional level. In practice, this means that Transition risks are identified and managed at Group level, and Physical risks, which are location specific, are identified and reported up from site level. The risk management process is comprised of two key elements, which are supported by other activities within our risk management framework:

- An ongoing process of assessment and review of individual Volex sites and / or entities undertaken by a combination of the Internal Audit function, the Group Finance team and the operations teams
- An annual risk survey is conducted centrally across the entire senior management team and managers within the Group-wide functions

This provides a top-down, bottom-up approach, whereby a strategic risk assessment is conducted at Executive and Board level, as well as the assessment of risks at an operational and functional level. Climate-related risk is considered within this process and included within the Principal Risk Register.

All risks within the Group's Risk Register are assessed on a 5x5 matrix incorporating an assessment of the likelihood of occurrence and the potential financial impact on the business were they to occur, as well as the extent to which they are being addressed and mitigated. The matrix is consolidated into four risk levels: Low, Medium, High and Very High. The Group defines the likelihood and financial impact as follows:

Likelihood		Impact	
1	Almost Certain	Catastrophic	Impact or lost opportunity of >$10million
2	Likely	Critical	Impact or lost opportunity of $5million - $10million
3	Possible	Serious	Impact or lost opportunity of $3million - $5million
4	Unlikely	Significant	Impact or lost opportunity of $1million - $3million
5	Rare	Minor	Impact or lost opportunity of <$1million

Risk mitigation factors for all risks, including climate-related, are included in the Risk Register and this combined view determines the approach for managing climate-related risks (e.g. mitigation, accept or control).

Strategy

Our approach to climate scenario analysis

An analysis of the potential climate-related risks and opportunities under various climate scenarios was completed again during FY2025. Assessments were completed with support from external sustainability consultants, through climate-related workshops and interviews across the business. Quantification of risks and opportunities has been further refined and expanded, although we remain unable to fully financially quantify all risks and opportunities due to data limitations and uncertainties remain due to the extended timescales assessed.

Our risk assessment and climate scenario analysis has shown that, in aggregate across all scenarios assessed, the overall climate risk exposure for Volex is Low and the Group is financially resilient and strategically robust to climate change. Our current understanding of climate-related risks is that any impacts on assets is limited and risks can be accommodated within business-as-usual activity considering existing and planned mitigation strategies.

Risks are subject to ongoing refinement and quantification over time, which enables us to build a complete picture and assists with incorporating the management of any climate-related risks into the ongoing strategy.

There are no effects of climate-related matters reflected in judgements and estimates applied in the financial statements as a result. Our analysis will continue to evolve as new data becomes available, both internally and externally, and we will continue to monitor our climate exposures and action plans through the Group's risk management framework.

Physical risks

As global temperatures rise, the frequency and severity of extreme weather events are likely to increase, resulting in a higher chance of disruptions to global operations and supply chain. A geospatial physical hazard modelling software has been used to assess current and potential future exposure to physical climate-related risks at all of our sites and expanded to consider a number of freight hubs that the Group's operations rely upon.

Physical risks were assessed under the Shared Socioeconomic Pathways ('SSPs') identified in the latest Assessment Report ('AR6') of the Intergovernmental Panel on Climate Change ('IPCC'). The SSPs align to the Radiative Concentration Pathways ('RCPs'), which are associated with mean average surface temperature increases, from which the impact on Earth's physical processes can be modelled.

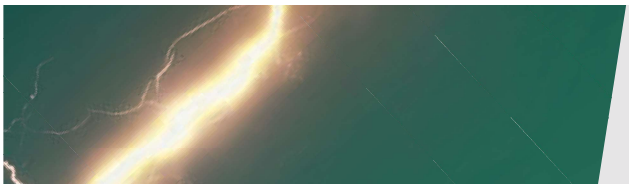
- **SSP 1-2.6:** A climate-positive pathway in an increasingly sustainable world, aligned to RCP2.6 in which average surface temperature warming is limited to 1.3°C to 2.4°C by 2100
- **SSP 2-4.5:** A baseline scenario that extrapolates past and current global developments into the future, linked to RCP 4.5 with a mean surface temperature increase of 2.7°C by 2100
- **SSP 3-7.0:** Characterised by a revival of nationalism and conflicts that push global issues to the background, aligned to RCP7.0 with mean surface temperate increases of 3.6°C by 2100
- **SSP 5-8.5:** Characterised by the intensification of fossil fuel exploitation aligned to RCP8.5 in which mean surface temperatures increase by 4.4°C by 2100

Based on a combination of the likelihood of an event, the materiality of the location and the potential financial impact, we have identified four potentially significant climate-related physical risks.

Non-financial and sustainability information statement continued

Key physical risks

Risks	TCFD Category	Potential Impact on the business	Metrics used to track risk
Flooding in direct operations Severe precipitation events have the potential to cause flooding, which may lead to property damages and disrupt operations, leading to potential financial losses and decreased revenues, as well as potentially increased insurance premiums. **Area**: Direct operations	Acute	· Asset damage costs · Loss of revenue due to operational disruption · Increased insurance costs · Productivity loss	· Number of days lost due to disruption · Revenue lost due to disruption · Cost of asset damage / replacement
Property damages and operational disruption caused by subsidence A subsidence event, whether gradual sinking or a sudden collapse, may cause severe property damage with substantial costs for building repairs and additional costs for any capital (equipment, materials, etc.) that are lost. Operating in areas with high subsidence risk may potentially lead to higher insurance premiums, as insurers expect they are more likely to cover the damages. Any additional health and safety consequences may lead to fines, legal fees or reputational damages for the Group. A subsidence event would also substantially disrupt operations, either until the site can be repaired and recovered, or by forcing operations to relocate to areas with lower risk. **Area**: Direct operations	Acute	· Asset damage costs · Loss of revenue due to operational disruption · Increased insurance costs · Productivity loss	· Number of days lost due to disruption · Revenue lost due to disruption · Cost of asset damage / replacement
Disrupted access to sites caused by potential flooding and storm surge in adjacent areas Climate-related events including flooding and storm surge across the infrastructure network, particularly the road network, can impact access to and from sites, potentially disrupting operations. This may include inability of workers to access sites, leading to lost working hours, missed or delayed deliveries to site and missed or delayed order fulfilment. **Area**: Direct operations, upstream and downstream value chain	Acute	· Loss of revenue due to operational disruption · Productivity loss	· Number of days lost due to disruption · Revenue lost due to disruption
Sea freight disruption at key hubs Sea freight is a key distribution channel. Climate-related events, particularly storm surges, may prevent the flow of goods to and from key strategic sites, which may disrupt or cause operations to cease without the necessary input of goods and materials, or may prevent the shipment of manufactured goods, causing delays or missed deliveries to customers. **Area**: Direct operations, upstream and downstream value chain	Acute	· Productivity loss · Loss of revenue due to operational disruption	· Number of days lost due to disruption · Revenue lost due to disruption



Mitigation / actions to manage risk	SSP1-2.6 Short term risk rating	SSP1-2.6 Medium risk rating	SSP1-2.6 Long term risk rating	SSP5-8.5 Short term risk rating	SSP5-8.5 Medium risk rating	SSP5-8.5 Long term risk rating
· Diversified production strategy – production can be switched from any disrupted sites, although noting operational and commercial constraints · Flood damage insurance cover at all manufacturing sites with limits that reflect the magnitude of risk · Materiality of financial impact of a negative event disruption at each site decreases with Group growth · Experience also shows that in the event of a super-damage / typhoon, impact is limited to just a few weeks to return power supplies and fix infrastructure	Low	Low	Low	Low	Low	Low
· Diversified production strategy – production can be switched from any disrupted sites, although noting operational and commercial constraints · Materiality of financial impact of a negative event at each site decreases with Group growth	Low	Low	Low	Low	Low	Low
· Diversified production strategy – production can be switched from any disrupted sites, although noting operational and commercial constraints · Materiality of financial impact of a negative event at each site decreases with Group growth	Low	Low	Low	Low	Low	Low
· Maintaining redundancy in global manufacturing capabilities allows for production to continue for all products should a single facility be materially disrupted by supply chain / distribution issues · Volex operates a very expansive supply chain mitigating against any single supplier being impacted by physical climate-related events · Major climate-related events would likely equally affect competitors, meaning no loss of competitive advantage	Low	Low	Low	Low	Low	Low

Non-financial and sustainability information statement continued

Transition risks and opportunities

Volex is exposed to the risks and opportunities that result in the transition to a low-carbon economy. The speed of this transition will determine the severity and impact of climate transition risks and opportunities.

Transition climate-related risks and opportunities were identified and assessed over three different time horizons. These horizons allowed us to consider the lifespan of our assets and infrastructure as well as any longer term regulatory changes and to consider our near and long term targets.

Climate scenario time horizons

	Years	Rational
Short	2025 – 2026	Aligned with short term business actions and financial planning
Medium	2027 – 2035	Aligned to the Group's net zero by 2035 target (scopes 1 & 2)
Long	2036 – 2050	Aligned to the Group's net zero by 2050 target (scopes 1, 2 & 3)

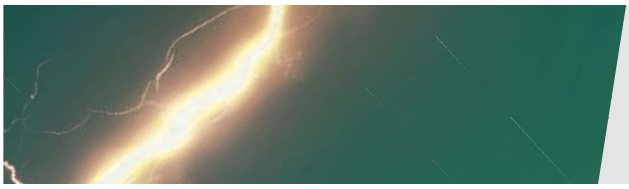
The following scenarios from the International Energy Agency ('IEA') were applied to assess the behaviour of climate-related transition risks and opportunities. The IEA scenarios are far more descriptive and useful for modelling more positive climate outcomes, so are appropriate for modelling transition risks.

- **Net zero 2050 ('NZE')**: an ambitious scenario which sets out a narrow but achievable pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. This meets the TCFD requirement of using a 'below 2°C' scenario and is included as it informs the decarbonisation pathways used by the Science Based Targets initiative ('SBTi'), which validates corporate net zero targets and ambition.
- **Stated Policies Scenario ('STEPS'):** a scenario which represents the roll forward of already announced policy measures. This scenario outlines a combination of physical and transitions risk impacts as temperatures rise by around 2.4°C by 2100 from pre-industrial levels, with a 50% probability. This scenario is included as it represents a base case pathway with a trajectory implied by today's policy settings.

Based on a combination of the likelihood of an event and the potential financial impact, we have identified three potentially significant climate-related transition risks and three potentially significant climate-related transition opportunities:

Key transition risks

Risks	TCFD Category	Potential Impact on the business
Carbon price in own operations The scope of carbon pricing is expected to expand over the medium term and the price of carbon is expected to rise in the drive to make companies more responsible for energy use and carbon emission. The IEA forecasts that carbon prices relevant to Volex under NZE and STEPS scenarios are projected to increase. **Area**: Own operations	Policy & Legal	· Price of carbon related to GHG emissions in own operations increases expenses (greatest impact on cable manufacturing sites that are more energy intensive) · Increasing regulations on existing products (e.g. carbon intensity) increases costs and exposes the business to litigation · Greater costs associated with emissions reduction activities
Carbon price in value chain Volex is exposed to potential carbon pricing impacts in the value chain. It is uncertain how and when carbon prices will be imposed in the value chain and how much will be passed on to Volex. A full scope 3 carbon footprint is also required to fully understand the risk impact **Area**: Upstream value chain	Policy & Legal	· Higher costs of purchased goods and services as suppliers pass on costs · Higher costs associated with carbon tax on scope 3 emissions
Failure to meet / maintain expected ESG credentials Volex has obligations to its stakeholders, such as customers and investors, to maintain and show progress against sustainability ratings and frameworks and to demonstrate progress on decarbonisation. The expected growth of the business over the next four years introduces additional challenges in terms of managing sustainability. **Area**: Own operations	Reputation	· Increased shareholder concern could lead to increased cost of capital and loss of investment · Failure to maintain customer expectations on sustainability performance could lead to loss of trust, competitive advantage and ultimately contracts · Failure to comply with all relevant disclosure regulations could result in fines from regulatory bodies

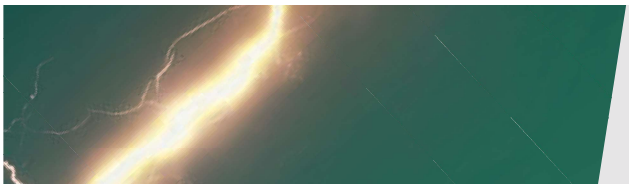


Mitigation / actions to manage risk	Metrics used to track risk	NZE			STEPS		
		Short term Risk Rating	Medium Risk Rating	Long term Risk Rating	Short term Risk Rating	Medium Risk Rating	Long term Risk Rating
· Current and planned initiatives to reduce energy consumption and targets for decreased emissions including increased investment in clean electricity through use of RECs and PPAs · Complete LCAs of products	· Emissions (scope 1 & 2) · Profit margin	Low	Low	Low	Low	Low	Low
· Supplier and customer engagement · Membership of industry stakeholder groups	· Emissions (scope 3) · Profit margin	Low	High	Medium	Low	Medium	Low
· Continuous improvement in sustainability reporting to align with external frameworks and rating agencies · Net Zero Transition Plan to be developed · Clear communication through dedicated sustainability report that meets stakeholder requirements	· Scope 1–3 emissions · ESG rating agency scores · Revenue · Cost of capital	Low	Medium	High	Low	Low	Low

Non-financial and sustainability information statement continued

Key transition opportunities

Opportunity	TCFD category	Potential impact on the business	Metrics used to track risk
Aiding the transition to a green economy through electrification As a manufacturer of power and connectivity-related products and solutions, the business is well-placed within a variety of markets to drive electrification and aid in the green transition. As electrification across the economy grows, this allows Volex the opportunity of increasing its market share within this space, winning business and increasing sales. In particular, the Electric Vehicles sector is a significant and growing market that Volex will be able to benefit from. **Area**: Own operations	Products & Services, Markets	· Increased revenue from the expanding Electric Vehicle market · Increased market share in both existing and new markets · Overall positive effect on revenue, revenue growth and profit margins	· Revenue · Revenue growth · Profit margin
Improvements to resource efficiency Improving energy efficiency, reducing materials and improving recyclability of products will help reduce costs as well as mitigate against the future cost of carbon pricing. **Area**: Own operations	Resource efficiency	· Reduce production costs by improving operational efficiency and recyclability of products · Reduce capital expenditure through material efficiency	· Scope 1–3 emissions, emissions intensity · Energy consumption, energy intensity
Supporting the energy transition Opportunities to reduce operating costs through transitioning to green energy and improving business resilience through generation of own renewable energy through on-site installations. **Area**: Own operations	Energy Source, Resilience, Resource efficiency opportunities	· Reduce operating costs longer term through transition to green energy sources. · Reduced impact of carbon pricing in own operations and reduced energy bills through generation of own renewable energy on site	· Scope 1–3 emissions, emissions intensity · Energy consumption, energy intensity



Strategy / actions to manage opportunity	SSP1-2.6			SSP5-8.5		
	Short term risk rating	Medium risk rating	Long term risk rating	Short term risk rating	Medium risk rating	Long term risk rating
• R&D investment strategy – adapt to market and industry changes • Strategic partnerships to access new markets and customers • Marketing strategy – M&A to access markets	Very high	Very high	Very high	Very high	Very high	Very high
• Operational excellence • Set water, waste and material efficiency targets – Product LCAs	Medium	Medium	Medium	Medium	Medium	Medium
• Energy, Renewable installations (e.g. LED lighting, efficient machinery etc.) • Site and building improvements (e.g. insulation) • Leak detection and repair • Employee awareness and engagement • Technological innovation to enable a net zero economy	Low	Low	Low	Low	Low	Low

Non-financial and sustainability information statement continued

Metrics and Targets

Climate-related metrics

We disclose a wide range of metrics that underpin our assessment of climate-related risks and opportunities including GHG emissions, energy consumption, water use efficiency and waste generation. Having focused in FY2024 on integrating the Murat Ticaret business into our operations following the acquisition and establishing sound data capture and management processes at the Murat sites, we are pleased, this year, to have established our full scope 3 footprint as part of our full carbon inventory. Our FY2025 inventory has therefore served as the base year for the emissions reduction targets we have submitted to the Science Based Targets Initiative. See our SECR statement and Sustainability Supplement for full data disclosure.

Against each of our climate-related risks and opportunities, we have identified a number of key metrics that we use to track internally. These metrics are listed against the risks and opportunities in the tables in the Strategy section above.

We will continue our efforts to enhance our data capture and management process going forward, both to ensure appropriate monitoring of our climate-related risks and against our climate-related targets and in preparation for the reporting and assurance requirements under CSRD.

Climate-related targets

We remain committed to our carbon reduction ambitions, which we have formalised this year by submitting the following targets to the SBTi:

- Near term targets, from our base year of FY2025, we will, by FY2035:
  - Reduce, by 90%, our absolute scope 1 and 2 GHG emissions
  - Reduce, by 90%, our absolute scope 3 GHG emissions from fuel and energy related activities and waste generated in our operations
  - Reduce, by 64%, our scope 3 GHG emissions intensity ratio which is tCO_2e per million USD gross profit
- Long term target, from our base year of FY2025, we will, by FY2050:
  - maintain at least a 90% absolute scope 1 and 2 emissions reduction
  - reduce, by 90%, our absolute scope 3 GHG emissions

Once these targets have been validated, we will work to develop and publish our Net Zero Transition Plan, outlining the steps we will take to operationalise our ambitions.

We consider this overarching target the most appropriate in managing our climate-related risks, particularly relating to our carbon pricing risk and in order to directly manage our contribution to global climate change.