

Environmental Policy - Volex plc

Introduction

At Volex we are committed to conducting our business in an environmentally responsible way so as to benefit our shareholders, the environment and other stakeholders.

We recognise the challenges facing the modern world from climate change and the urgent need for substantive action.

We are committed to playing our part in reducing our emissions (scope 1 and 2) to net zero by 2035. We will determine our targets in accordance with the Science-based Targets Initiative and we will disclose a detailed roadmap and targets by the end of FY2025. Through the implementation of this roadmap we are confident of our ability to contribute to the transition to a low carbon future.

Through this policy statement, and the commitments and actions described below, we demonstrate our commitment to building a sustainable business and minimising the potential negative impacts that our business and operations may have on the environment over the longer term.

Scope

This policy is applicable to all of our global operations including all of our subsidiaries in which we have a majority ownership.

This policy applies to all our employees; officers; consultants; contractors; casual workers; agency workers; interns; volunteers; students; suppliers; visitors, customers and any third parties who are affected by our operations.

Our Management Framework

In response to our international obligations:

1. we have assigned overall responsibility for this policy and for ensuring its effectiveness to our Board's Safety, Environmental and Sustainability Committee.
2. we have assigned Executive responsibility for this policy to our Group Sustainability Steering Committee;
3. we have established Regional Sustainability Steering Committees to ensure regional accountability for the achievement of the targets defined below;
4. we have established a Volex Factory Sustainability Framework that provides a framework for each of our factories to define their sustainability improvement initiatives.
5. we encourage all our sites to achieve the ISO14001 environmental management standard and 13/19 manufacturing factories (represents 87% of our global workforce) have already achieved this standard including our 3 factories in China, our largest sites in Mexico, both of our factories in Turkey and our largest site, in Batam, Indonesia.

Stakeholder Engagement and Consultation

Environmental management, climate change and its related risks and opportunities and broader sustainability topics are all of significant interest to our stakeholders.

We value and recognise the importance of open dialogue with our stakeholders on these important matters. Our engagement with our stakeholders is described within our s.172 Statement contained within our Annual Report.

Metrics and Disclosures

Our performance and progress towards our sustainability targets will be reported to our Safety, Environment and Sustainability Committee on a periodical basis.

Annually our performance will be reported through our Annual Report and Accounts before being displayed on our website and disclosed through sustainability disclosure platforms such as CDP and Ecovadis.

Responsibility

Compliance with this policy is the responsibility of the Board of Directors and will be monitored through our Safety, Environment and Sustainability Committee.

Review of the policy

This policy will be reviewed at least annually.

Board Approval

This policy has been reviewed and approved the board of directors.

Date of Last Review

14 March 2023

Environmental Policy - Our Policy Principles

At Volex we strive to be a sustainable business by:

1. Responding to the challenges of climate change

We have committed to achieve Net Zero Emissions (on our scope 1 and 2 emissions) by 2035 in line with the Paris Agreement. We are committed to identifying, understanding, quantifying, reducing and or mitigating our scope 3 emissions. We will implement the necessary workstreams in order to achieve this. Working under the Science-Based Targets Initiative we will publish our targets by end of FY2025.

In FY2024 our focus will be to:

- To investigate the feasibility of using solar and other renewable energy sources in order to decarbonise our energy supply
- Deliver year-on-year improvements in the efficiencies of our production processes helps deliver improvements to our carbon intensity
- Investigate and establish our scope 3 emissions.

2. Reducing our energy consumption

Energy is an expensive resource however energy is also a fundamental necessity for us a manufacturing company. We require all our sites to adopt LED lighting and we require all sites to be engaged with energy conservation projects. Case studies and best practice examples are reported and shared through our Kaizen and Operational Excellence framework.

In FY2024 our focus will be to:

- Ensure that all sites adopt LED lighting (currently 90% of all lighting in Volex is LED)
- Ensure that all sites identify and deliver energy saving kaizen ideas and to ensure that these are reported through our Operational Excellence programme.

3. Using natural resources or energy more efficiently

As a manufacturer we recognise the importance of resource and energy efficiency. It is fundamentally beneficial to our business performance and it is our clear responsibility to ensure that all natural resources are used responsibly and sustainably.

In FY2024 our focus will be to:

- Ensure that all sites assess the feasibility of using solar and other renewable energy sources in order to decarbonise our energy supply
- Ensure that all sites assess the opportunities for green energy procurement or the installation of onsite green energy generation such as solar PV installations.

4. Reducing our water consumption

As a manufacturer we recognise the importance of water as a resource. We are committed to reducing our water consumption and encourage our factories to proactively work on reducing water usage within their operations and within their non-manufacturing areas. We have published a separate policy statement on water.

In FY2024 our focus will be to:

- Ensure that all sites monitor their water usage and that for those sites considered primary consumers (having >5% of total Group water usage) they are encouraged to reduce their water usage. We will monitor consumption levels across the business.
- Ensure that our primary consumer sites (those >5% of total water usage) will establish water use efficiency improvement programs (Zhongshan, Henggang, Suzhou, Batam)
- Report our water performance through the CDP disclosure platform (Carbon Disclosure Project).



5. Reducing our atmospheric emissions that are not related to our energy consumption

We will never knowingly cause or allow atmospheric pollution, not related to energy consumption, to occur from our operations. In line with our broader commitments under this policy we will require all sites to have pollution identification, prevention and control measures.

In FY2024 our focus will be to:

- Confirm that all sites have pollution identification, prevention and control measures in place.
- Confirm that all sites maintain environmental permits in accordance with local regulatory requirements and that they report any fines or penalties.



6. Reducing our emissions, releases and waste

As a manufacturer we recognise the inherent environmental consequences of our operating model. We are fully committed to reducing our emissions, releases and waste and have set internal targets accordingly. We monitor hazardous waste levels across the group and support our local sites to reduce hazardous waste levels year on year. We encourage all sites to strive towards zero waste to landfill.

In FY2024 our focus will be to:

- Use our resources efficiently and maximise our recycling rates (currently at 90%)
- Expand the number of sites that are taking action to reduce their waste including those that have already taken measures to eliminate single use plastics from their operations (Batam, Bydgoszcz)
- Encourage all sites to work to optimise their waste management, reduce hazardous waste and to achieve zero waste to landfill status. We monitor recycling rates across the Company.



7. Responsible sourcing

We are committed to ensuring that across our business our sourcing teams act in a responsible, ethical and sustainable manner. We require each of our sites to have strict procedures in place in respect of sourcing products or raw materials contained 3TG minerals as is set out in our Responsible Minerals Sourcing policy which is available on our website.

In FY2024 our focus will be to:

- Encourage our suppliers to comply with our Supplier Code of Conduct.
- Conduct an ongoing risk assessment of our suppliers to identify those who fall within the scope of the Conflict Minerals and Responsible Sourcing Framework



8. Making our products and services more sustainable

We are working to make continuous and long term improvements to mitigate the impact we have on the environment through the design, delivery of our products and services to our customers. We recognise the necessity of a circular economy and we work closely with our customers to deliver solutions to the environmental challenges we face. We work to deliver more sustainable products and services and work to reduce our emissions, water consumption and levels of waste generation.

In FY2024 our focus will be to:

- Continuously develop product innovations and enhancements that deliver more sustainable solutions for our customers.
- Actively support our customers to understand the lifecycle emissions associated with their products.

Environmental Policy - Our Policy Principles

At Volex we strive to be a responsible business by:

9. Respecting legally designated protected areas and to avoid causing any negative impacts on threatened and protected species

We will never knowingly cause or allow damage to occur to any legally designated protected areas or to threatened and protected species from our operations. Where potential impacts or concerns are identified we will work with local partners and appropriate experts to determine the best solutions to resolve and remediate any impacts.

In FY2024 our focus will be to:

- Encourage all sites to identify their proximity to legally designated protected areas and the presence of threatened and protected species in their vicinity

10. Protecting biodiversity

We will never knowingly cause or allow damage to biodiversity from our operations. We encourage our sites to proactively identify and support local projects that enhance biodiversity within the communities in which we operate.

In FY2024 our focus will be to:

- Encourage all our sites to proactively identify and support local projects that enhance and protect biodiversity.

11. Preventing and managing the risks of accidental pollution into the soil or ground

We will never knowingly cause or allow environmental pollution to occur from our operations. In line with our broader commitments under this policy we will require all sites to have an environmental management system and to establish pollution identification, prevention and control measures.

In FY2024 our focus will be to:

- Encourage all sites to operate an accredited environmental management system such as ISO 14001.
- Encourage all sites to identify and pollution risks from their operations

12. Protecting the environment

As a manufacturer we recognise the inherent environmental consequences of our operating model. We are fully committed to protecting the environment. We work to minimise the negative impacts on the environment from our business and will support and engage with environmental protection initiatives in the communities in which we operate.

- Encourage all sites to promote environmental protection initiatives in the communities in which they operate

At Volex we strive to be a trusted business by:

13. Monitoring the company's environmental performance

We recognise the importance of monitoring our environmental performance. We have implemented a comprehensive sustainability reporting platform which we call V-SRS. We have set environmental performance targets and our performance is monitored by our management team. Progress is reported periodically to the Board through the Safety, Environment and Sustainability Committee.

In FY2024 our focus will be to:

- Continue to establish effective regional governance through our steering committees and ensure that each region has a robust action plan.
- Enhance our disclosures by ensuring accurate and complete data through our V-SRS platform.

14. Reporting regularly on environmental issues

We recognise the importance of transparency and integrity to our reporting on environmental issues and in the reporting of our progress towards our environmental commitments. In our FY22 Annual Report and Accounts we aligned reporting to the UN's Sustainable Development Goals. We utilise external environmental auditors to review and verify, providing limited assurance on, our annual declarations made through our Annual Report and Accounts.

In FY2024 our focus will be to:

- Continue to report annually on our environmental performance through our Annual Report and Accounts.
- Disclose a broader sustainability performance through independent rating mechanisms such as CDP and Ecovadis and through the reports published on our website

15. Implementing an environmental management system

We recognise the importance of adopting a systematic approach to environmental management and we encourage all of our operational sites to implement the ISO 14001 environmental management standard that ensures regular external verification of the systems and procedures required under this standard.

In FY2024 our focus will be to:

- Ensuring that we continue to progress towards our goal of ensuring that 100% of our manufacturing facilities maintain an accredited environmental management system.

16. Promoting environmental awareness

As a global employer operating across 22 countries we recognise our role and responsibilities in creating environmental awareness within our global workforce. We encourage all sites, through our Factory Sustainability Framework and through our annual Volex Site Excellence Awards, to proactively work on initiatives that increase levels of sustainability in the Company, whether locally within their community or more broadly across the wider business. We publish case studies in our Annual Report and Accounts and via our website and through our use of social media platforms.

In FY2024 our focus will be to:

- Encourage all sites to have a sustainability improvement plan in line with the Volex Factory Sustainability Framework.
- Recognise excellence in sustainability through the annual Volex Site Excellence Awards.