

Task Force on Climate-Related Financial Disclosures (TCFD) Report 2024



About this Report

This report is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a G20 expert commission that has issued recommendations on standardized climate reporting for companies. It presents an update of the corresponding chapter in our Group [Sustainability Report 2023](#) on the status of implementation in all areas of the TCFD recommendations: governance, strategy, risk management and metrics and targets, with a focus on climate-related risk assessments. Further information is available in connection with the Company's participation in the CDP Climate Change questionnaire. For some information, we have included references to our [Annual Report 2023](#).

1 Governance: Disclosure of the Organization's Governance concerning Climate-related Risks and Opportunities

As an aspect of sustainability, responsibility for climate-related topics rests with the Management Board. This is in line with its remit involving fundamental issues of business policy and corporate. Accordingly, the Management Board is responsible for the climate strategy and its implementation, which it adopted 2022. Within the Management Board, the Chief Financial Officer (CFO) is responsible for sustainability and makes the necessary decisions for the entire Management Board. Specialist coordination is the responsibility of the Sustainability Department, in collaboration with the relevant specialist departments and business units. This is embedded in the reporting line of the CFO. As part of its remit as a governance body, the Supervisory Board deals with climate protection in particular, in addition to other sustainability-related topics. Within the Supervisory Board, the ESG Committee monitors, among other things, the implementation of the climate strategy and upcoming regulatory requirements in connection with the company's climate reporting. It works closely with the Audit Committee, which also deals with sustainability-related regulatory requirements and the future EU-wide mandatory sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD). The Sustainability Council, which consists of Management Board members, the business unit heads, and the heads of certain corporate functions, ensures the broad anchoring of sustainability in the Company. The Council carries out strategic assessments of climate-related and other sustainability topics. It examines the trends, risks, opportunities, as well as future legal requirements and embeds appropriate measures within the organization where necessary.

2 Strategy: Disclosure of the Actual and Potential Impacts of Climate-related Risks and Opportunities on the Organization's Businesses, Strategy, and Financial Planning

Physical and transition risks were systematically assessed for the first time in 2021/22 and re-assessed in 2024. This year's assessment covers physical and transition risks and opportunities. The goal was to further develop our climate risk reporting towards the requirements of the CSRD and the EU Taxonomy. This was carried out by internal and external experts and embedded in the methodology of the existing enterprise risk management (ERM) system and procedures. When assessing the extend of the potential risk the likelihood, magnitude, and duration of the hazards specific at ams OSRAM locations and at supplier/customers sites were assessed.

Although the identified risks are monitored within our ERM system, financial quantification of the risks has not been undertaken yet. As currently all risks are below the defined ERM thresholds, according to the ERM logic, their potential financial impact does not have to be evaluated. Risks reported in this document are all net risks to be consistent with our reporting

on financial risks. We describe how we manage non-financial risks in the chapter “Risk Management and Geopolitical Risks” in our Sustainability Report 2023.

2.1 Physical Risk Assessment

The physical climate risk assessment was in a first step conducted by a recognized climate data provider and evaluator. Thereby, 29 climate risks or hazards (acute and chronic) across 22 key ams OSRAM sites (production, R&D, administration and logistic), two key supplier sites, and three key customer sites were mapped and analyzed taking into account different scenarios and time horizons.

Scenarios: As required by the EU Taxonomy and the CSRD, the analysis was conducted based on four climate scenarios, i.e., the Representative Concentration Pathways (RCP) 2.6, 4.5, 6.0 and 8.5, with a special focus on the worst case respective high carbon scenario, i.e., RCP 8.5/SSP 5. Wherever data was available, the provider based its analysis on the more comprehensive climate scenarios produced by the newly established Shared Socioeconomic Pathways (SSPs).

Time Horizons:

- The short-/medium-term assessment covers the period up to 2030. As climate modeling is directed far into the future, a short period, e.g. the coming year, is practically impossible to evaluate. To circumvent these limitations and still achieve reliable results and a clear picture on the current situation and the coming years, short- /medium-term risks have been assessed based on risks/events data series starting in 2011 and projected into the future till 2030.
- The long-term assessment was done with long-term climate data projections covering the period 2031– 2050.

Geolocation: The GPS (Global Positioning System) was used to determine the coordinates of the assessed sites and further allocate them on risk maps.

2.1.1 Short-/Medium-term Climate-related Physical Risks (till 2030)

The short-/medium-term assessment within the RCP 8.5/SSP 5 emission scenario resulted in the identification of five red flags or major risks for ams OSRAM sites and two red flags each for supplier/customers. No site has multiple climate risks. Also, acute climate risks prevail. From a regional perspective, only own sites located in South-East Asia, predominantly Malaysia and China, are affected.

The climate risks expected to affect our own sites in a short-/medium-term horizons are:

- Heavy precipitation (one site)
- Windstorm (incl. cyclone, hurricane, and typhoon) (one site)
- Sea level rise (one site)
- Flood (coastal, fluvial, pluvial, ground water) (one site)
- Subsidence (one site)

A further, more detailed analysis was conducted to ascertain the actual exposure to the potential risk of the five sites marked with red flags. To this end, local hazard zone plans were consulted to ascertain whether the sites are indeed situated within a hazard zone and to identify the measures that have been implemented at the municipal level, such as flood embankments or flood zones. Additionally, the extent to which the sites are prepared for such risks was examined, including an evaluation of structural measures such as reinforced roofs, embankments, or rainwater drainage, as well as an assessment of whether damage had occurred in the past. It was established that the aforementioned risks have not yet resulted in

any notable impact at any of the sites, or that the sites or municipalities have already implemented measures to mitigate them. It can therefore be reasonably assumed that, in the short to medium term, the sites will experience a low exposure to the identified climate risk. Nevertheless, we will closely monitor developments, particularly at locations with red flags, in order to be able to react at an early stage. The monitoring process will be aligned with the expected lifetime of its assets, strategic planning horizons and capital allocation plans if necessary.

2.1.2 Long-term Climate-related Physical Risks (2031–2050)

The long-term timeframe (2031–2050) in the RCP 8.5/SSP 5 emission scenario shows 25 red flags across 12 own sites. The top five climate risks expected to affect most sites in a future timeframe are:

- Changing air temperature (9 own sites, 2 supplier/customer sites)
- Heat stress (7 own sites, 2 supplier/customer sites)
- Water stress (4 own sites, 1 supplier/customer site)
- Windstorm (incl. cyclone, hurricane, and typhoon) (1 own site, 1 supplier/customer site)
- Flood (coastal, fluvial, pluvial, ground water) (1 own site, 1 supplier/customer site)

In the long-term assessment chronological, heat related climate risk prevail. In future 50% of our sites are either at risk of heat stress and/or changing air temperatures. Almost all sites in South-East Asia and North America are affected, as well as one in Europe/Germany. Such increase in air temperature may lead to an increase in infrastructure/equipment requirements and energy demand for air-conditioning and cooling. This will lead to increased investments and operational cost across our business, including suppliers and customer located in these areas. The potential impact of rising temperatures and the necessity for further cooling are monitored. The same approach is taken with regard to the predicted water stress.

Currently, the availability of water is not considered to be a critical issue at any of our locations. Even if droughts do not lead to a red flag in the future, we could face an increase in water stress in Malaysia, Philippines, and Singapore. Here relevant semiconductor sites are located, where water is an important process medium in the manufacturing and for cooling. In order to proactively identify potential issues with the availability of water, we review the water requirements at our locations every year using the World Resources Institute's Aqueduct Water Risk Atlas. The analysis looks at the levels of water withdrawal as well as the type and amount of wastewater discharges at the locations. Data on the amount of wastewater produced at the individual locations are collected every year. We have already started to implement measures to reduce water consumption. We have already taken steps towards reducing our water consumption. In 2023 more than 17,000 m³ of water could be saved. There is potential need for further measures to be implemented in the future, which could require additional investment. However, it is also possible that the cost of water may increase as a result affecting operational costs.

2.2 Transition risk assessment

For the transition risk assessment, a scenario consistent with the Paris Agreement and limiting climate change to 1.5°C, based on related scenarios of the International Energy Agency (Net zero Emissions by 2050, Sustainable Development Scenario, etc.) has been applied associated with the shift from a high-carbon to a low-carbon economy.

In accordance with the 1.5°C scenario previously outlined, the following general and industry-specific assumptions have been employed in the analysis and identification of 21 potential risks and three potential opportunities:

- Policy and regulations: Governments implement policies and regulations to encourage the transition to a low-carbon economy. These may include carbon pricing/tax, and stronger regulations regarding energy consumption and carbon emissions from key technologies/products.
- Technology: There will be continuous advancements in low-carbon technologies such as renewable energy, energy storage, and carbon capture and storage (CCS).
- Market dynamics: Markets will favor low-carbon investments and technologies over traditional high-carbon ones due to factors such as cost competitiveness and consumer preferences.
- Investor sentiment: Investors will increasingly prioritize environmental, social, and governance (ESG) factors, leading to greater capital allocation towards low-carbon projects and divestment from high-carbon assets. Risks include investor skepticism, short-termism, and lack of transparency in ESG reporting.
- Social acceptance and behavior change: There will be widespread societal acceptance of the need for transitioning to a low-carbon economy and willingness to change behaviors and consumption patterns accordingly.
- Physical impacts of climate change: Efforts to mitigate climate change will be successful in limiting its physical impacts, such as extreme weather events, sea-level rise, and ecosystem disruptions.
- Transition costs and economic impacts: Assumption that the transition to a low-carbon economy will generate overall economic benefits through job creation, innovation, and improved public health.
- Increase demand for Rare Earth Elements (REE) and other scarce materials.
- The transition to net zero involves a significant expansion of renewable energy technologies such as wind turbines, solar panels, and electric vehicles (EVs), all of which rely heavily on REEs for their production. This increased demand could strain existing supply chains and potentially lead to shortages if production capacity does not keep pace with demand.
- LED/sensor/lighting market is expected to continue its strong growth trajectory as energy efficiency becomes a top priority for governments, businesses, and consumers alike. The combination of regulatory support, cost reductions, technological advancements, financial incentives, and environmental considerations creates a favorable environment for the widespread adoption of Semiconductors as a key component of efforts to reduce carbon emissions and mitigate climate change.
- A growing emphasis on innovation in semiconductor technology. This includes research and development efforts to improve the energy efficiency, performance, and reliability of semiconductor devices used in clean technologies. Semiconductor companies may prioritize R&D investments in areas such as wide-bandgap materials, power electronics, and advanced packaging technologies to meet the evolving needs of a low-carbon economy.
- Increased regulatory measures to improve energy efficiency across various sectors. This drives the adoption of energy-efficient electronics and appliances, which rely on semiconductor devices such as microcontrollers, sensors, and power management chips. The increased demand for these components can lead to supply constraints if semiconductor manufacturers are unable to ramp up production capacity accordingly.

A two-stage assessment process was adopted to determine the net transitory risks and opportunities. The first stage was based on a long list in which the 21 identified potential risks and three potential opportunities, all of which could materialize in a medium to long-term timeframe, were assessed according to the probability and the extent to which the company's

assets and business activities could be exposed to the identified transition events. For the classification, the risk management scoring defined in ams OSRAM's internal risk management system was utilized. The assessment led to the identification of six potentially high risks and one potentially high opportunity. See also Figure 1.

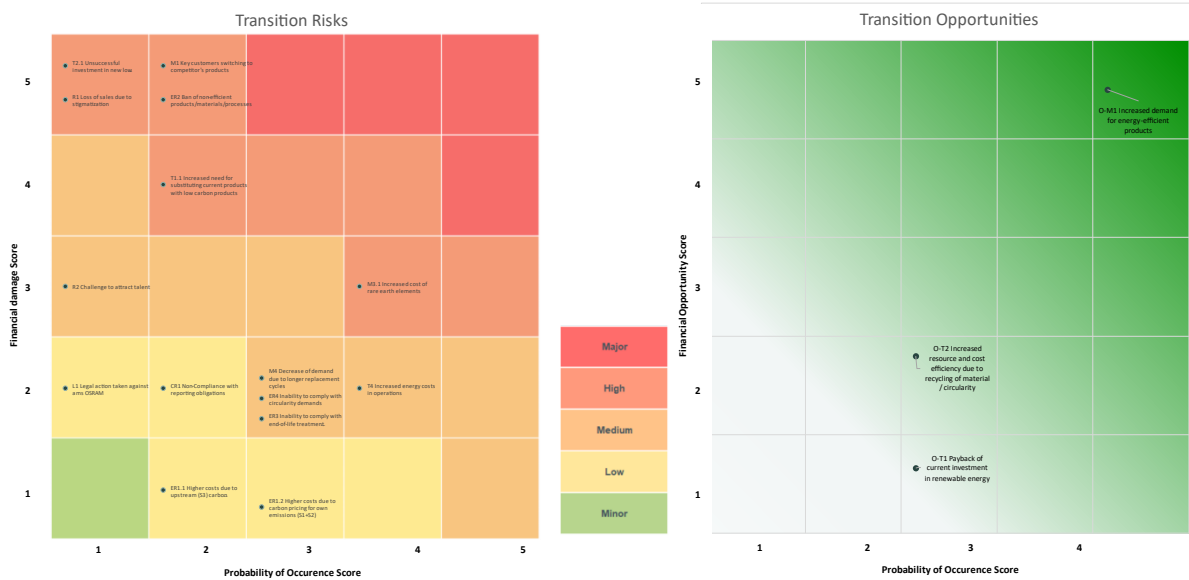


Figure 1: Gross Risks and Opportunities – Long List

In the second stage the six potential high transition risks were further evaluated and assessed against risks mitigation measures which are already in place, proposed or under evaluation. See Figure 2.

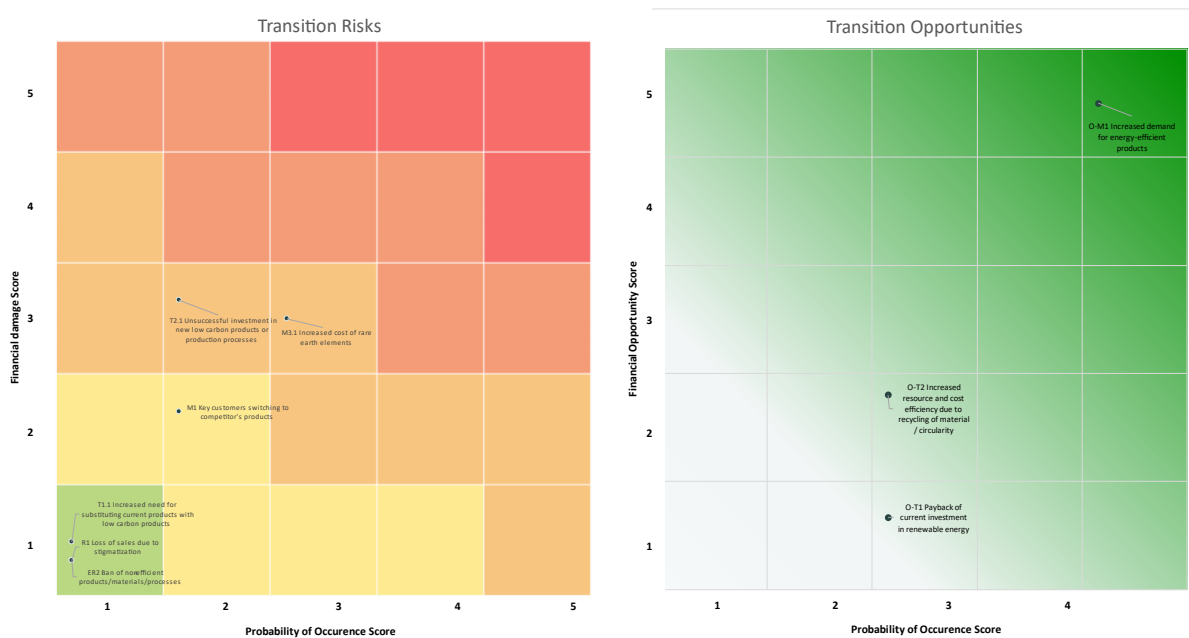


Figure 2: Net Risk and Opportunities – Short List

No assets or business activities that are incompatible with or require significant effort to be compatible with a transition to a climate-neutral economy have been identified. All identified transition risks pertain to business activities and do not involve assets.

It can thus be reasonably assumed that the probability of occurrence and impact of transition risks in the mid- to long-term are medium to low. However, developments will continue to be monitored closely.

A further description of the relevant transition events, the potential risks and opportunities, mitigation measures and net risks can be found below.

2.2.1 Risk of Key Customers Switching to Competitor's Products that Offer a Lower Carbon Footprint or Improved Energy Efficiency

Description of the Transition Event and Scenario:

This is a market-related transition event, where, under a 1.5°C scenario, a significant proportion of ams OSRAM's key customers would have ambitious climate-related targets in place, which would be passed on to ams OSRAM. There is a possibility that these customers may transition to competitors offering alternatives with a lower carbon footprint if ams OSRAM and its suppliers are unable to meet the specified requirements.

The climate-related transition event mentioned above is a subset of the overall risk described in the 2023 Annual Report, chapter Risk Management. This section reports the risk of disruptive technologies rapidly reaching market readiness and competitors introducing alternative products or technologies that are more cost-effective, higher quality, more functional, more energy-efficient, or otherwise more competitive. Should this risk materialize, it could lead to a loss of revenue.

Potential Impact: Decreased sales and/or loss of revenue

Time Horizon for Materialization: Medium- and long-term horizon. As we monitor markets developments and are in constant exchange with our customer, we conclude that there is no short-term risk.

Mitigation Measures:

- Continue to invest in R&D regarding low carbon products and services.
- Communicate low carbon products and services offered by ams OSRAM.
- Engage with key customers to understand the key drivers for their purchase decisions.
- Increase availability of sustainability data required by customers such as Life Cycle Assessments (LCA).
- Conduct market research to understand current trends, consumer preferences, and degree of price increase customers are willing to absorb for lower-carbon products.

We report on our management approach in the chapter "Green tech development" of our ams OSRAM Sustainability Report 2023.

Net Risk Exposure:

ams OSRAM has already established teams that perform market analyses and review areas of technology as well as research and development plans on a regular basis, so that these areas can be focused on more sharply and reinforced if needed. In addition, the most important areas of application for new technologies are closely monitored. Besides this, as a leader in energy-efficient LED lighting, sensors, and semi-conductors, it is unlikely that customers will chose to use other technologies, especially in the short-term horizon. In addition, ams OSRAM technologies are already pushing the limits of energy efficiency since customers already demand this from such products and components. For this reason, the net exposure to such a risk is low. However, we regard the risk as rising as long-term developments are uncertain to predict in a dynamic market environment as ours. Uncertainties could be political

developments that might lead to unexpected decisions, e.g., in terms of transparency requirements for products.

2.2.2 Risk of the Ban of non-Efficient Products and Services

Description of the Transition Event and Scenario:

This is an emerging regulation-related transition event, where under a 1.5°C scenario, products, materials, and technologies that won't comply with climate/energy efficiency regulations were to be banned. This carries the risk that technologies or services produced or provided by ams OSRAM would be banned. This risk is especially relevant for traditional lighting products or traditional production technologies, where alternative technologies/materials are available, or are at a very advanced stage of development, or ready for mass market introduction.

The above-described risk is a sub-set of the legal and compliance risks reported in the Annual Report 2023, chapter Risk Management. ams OSRAM is subject to a wide range of government regulation worldwide, e.g., in the areas of climate and environmental protection, product safety, and labor conditions. It is of primary significance here to consider the high complexity of regulations relating to reporting obligations in the area of sustainability, the implementation and meeting of emission targets, and the protection of human rights in the supply chains. Under certain circumstances, a failure to comply with the relevant regulations may result in significant fines and reputational risk.

Potential Impact: Decreased sales and/or increased CAPEX/R&D cost to develop products that comply with the new regulation.

Time Horizon for Materialization: Medium-/long-term horizon. As we monitor legislative developments, including the use of specialized tools, and as new regulations are typically implemented with a period of adjustment, we conclude that there is no short-term risk.

Mitigation Measures:

- Continue cooperation between legal, product development and sustainability team to detect sustainability-based bans early on.
- If applicable, develop a transition plan to phase-out upcoming banned products and introduce compliant alternatives.
- Educate customers about the importance of energy efficient/low-carbon products to increase demand for existing 'green' products and to promote new green products.

Net Risk Exposure:

Currently, to prevent this to the extent possible and to anticipate future regulatory changes in a timely manner, ams OSRAM monitors global changes in the legal landscape through central departments that support the country-specific implementation of appropriate processes and controls.

Although regulation is increasing, we regard the risk as being minor as our processes for monitoring and in some cases involvement via industry associations, plus the implementation of new regulating initiatives in general takes several years, thus allowing for adaptation. Nevertheless, the long-term risk might be higher as more uncertainty is involved to the many jurisdictions, we are doing business in, and a general uncertainty of how fast or progressive legislators will act. However, due to political developments, there could even be a less strict regulation in place for a certain time in some areas.

2.2.3 Risk of the Loss of Sales due to Stigmatization of ams OSRAM as Lagging behind Industry Standards

Description of the Transition Event and Scenario:

This is a reputation-related transition event, where under a 1.5°C scenario, companies would be expected to implement ambitious climate strategies. This carries the risk that the semiconductor industry and/or ams OSRAM is stigmatized if it was not able to ambitiously contribute to climate change mitigation and other sustainability related challenges such as ambitious goals for water usage, waste treatment etc.

Potential Impact: Decreased sales and/or increased OPEX due to higher personnel and recruiting costs.

Time Horizon for Materialization: long-term horizon. Due to our robust commitment to research and development, our technological leadership in core business areas, and that industry standards development process progress in stages, we do not anticipate any short or medium-term risks.

Mitigation Measures:

- Implementation of a science-based climate strategy.
- Further develop water and waste strategy/targets.
- Constantly further develop the sustainability strategy, incl. targets.
- Continue close customer engagement and to understand and predict the costumers' needs and future requirements to proactively steer R&D/product development in a timely manner.
- Continue communication efforts to position ams OSRAM as a key player within the semiconductor industry that contribute to innovative, low-carbon product solutions.
- Continue participation in EU innovation programs that foster the role of the semiconductor industry for a climate-friendly transformation.
- Continue to participate in industry associations where the role and reputation of the sector is constantly being monitored.
- Ensure that ams OSRAM complies with all regulatory requirements and makes efforts to go beyond compliance.

Net Risk Exposure:

As we are already implementing the aforementioned strategies and maintaining these processes together with other measures, we do not anticipate any significant risks. Currently we are leaders or among the leaders in our business areas.

2.2.4 Risk of Increased Need for Substituting Current Products with Low Carbon Products

Description of the Transition Event and Scenario:

This is a technology-related transition event, where under a 1.5°C scenario, emerging regulation and customer/consumer expectations would require the substitution of existing products and services with low energy consumption/high efficiency alternatives. This would imply the risk that ams OSRAM were to modify its existing product portfolio, especially with regards to traditional lighting products.

The above describe risk is a sub-set of the risk regarding the competition for the introduction of new technologies, described in the Annual Report 2023, chapter Risk Management. Here the risk is seen that changes in market and customer requirements are not or cannot be

considered early enough and to a sufficient extent, or that such changes can be implemented only at a higher cost.

Potential Impact: Increased CAPEX/R&D cost to develop products that comply with the new regulations and expectations.

Time Horizon for Materialization: Medium-/long-term horizon. As we monitor legislative developments, including the use of specialized tools, and as new regulations are typically implemented with a period of adjustment, we conclude that there is no short-term risk. Also, from our continuous exchange with customer and the related market research, we see no short-term risk.

Mitigation Measures: (medium-/long-term)

- Continue investment in R&D regarding low carbon products and services.
- Continue participation in EU innovation programs that foster the role of the semiconductor industry for a climate-friendly transformation.
- Continue to participate in industry associations where the role and reputation of the sector is constantly being monitored.
- Engage with customers to understand the need and interest for low-carbon products in specific markets and focus on markets with greatest potential growth in demand.

Net Risk Exposure:

As we are already implementing the aforementioned strategies and maintaining these processes together with the other measures, we do not anticipate any significant risks in the long-term.

However, long-term developments are uncertain to predict in a dynamic market environment as ours. Uncertainties could be political developments that might lead to unexpected decisions by customers.

2.2.5 Risk of Unsuccessful Investment in New Low Carbon Products or Production Processes

Description of the Transition Event and Scenario:

This is a technology-related transition event, where under a 1.5°C scenario, ams OSRAM would need to develop new low-carbon technologies or production processes to 1) comply with current and future regulations, 2) improve ams OSRAM's carbon footprint, and 3) meet customer requirements. This entails the risk that investments in these technologies could fail, i.e., that technologies/products/production processes were developed that were not able to fulfill the intended functions/requirements or price expectations, or that the technical and qualitative properties would not meet the requirements.

This risk is a sub-set of the financial risk, reported in the Annual Report 2023, chapter Risk Management, regarding competition for the introduction of new technologies. Here it is stated that it is possible, that the actual adoption of new and highly innovative technologies by the markets will deviate from the Company's or the customer's expectations and this may lead to an adjustment of the technology roadmap. As a result, there is a risk that investments already made in research and development or investments in property, plant and equipment cannot be recovered, or that the amortization through sales may change over time or not be sufficient.

Potential Impact: Decreased sales and/or loss of revenue and increased CAPEX resulting from increased R&D cost.

Time Horizon for Materialization: Medium-/long-term horizon. As we monitor markets developments and are in constant exchange with our customer, we conclude that there is no short-term risk.

Mitigation Measures:

- Continue to conduct market research to understand current trends, consumer preferences, and regulatory requirements related to low carbon products.
- Continue close customer engagement and to understand and predict the costumers' needs and future requirements to proactively steer R&D/product development in a timely manner.
- Continue to participate in industry associations where the role and reputation of the sector is constantly being monitored.
- Continue cooperation between legal, product development and sustainability team to detect sustainability-based bans early on
- Conduct market research to understand current trends, consumer preferences, and degree of price increase customers are willing to absorb for low-carbon products.
- Assess your key competitor's offerings of low-carbon, sustainable products.

Net Risk Exposure: medium-/long-term

Potential new fields of technology are constantly monitored, and the results of these observations are thoroughly considered in our strategic planning. Technological expertise that will be necessary in the future is incorporated into the technology roadmap for the respective business segments at an early stage. See also our R&D approach in the corresponding chapter of the Annual Report.

As described above our business model allows us to foresee developments to a certain degree quite well in the future. However, we see especially the automotive sector under a high pressure for a fast decarbonization. As a supplier we therefore rated the net risk medium in the medium-/long-term horizon as faster adaptations might be necessary which could potentially lead to wrong developments and higher costs.

However, we regard the risk as rising as long-term developments are uncertain to predict in a dynamic market environment as ours. We could for example be affected by unexpected changes downwards in the value chain beyond our direct customers.

2.2.6 Risk of Increased Costs for Rare Earth Elements and other Scarce Resources

Description of the Transition Event and Scenario:

This is a market-related transition event, where under a 1.5°C scenario, the production of energy efficient, climate friendly products/production would increase. This would imply the risk that raw materials/resources needed for the production of these products became scarce, which in turn would lead to an increase in prices. For ams OSRAM, this risk would be relevant for rare earths/gold/water as they are already today relevant components for the production of semiconductors.

This risk is a sub-set of the financial risk, reported in the Annual Report 2023, chapter Risk Management, regarding dependence on suppliers, were firstly, ams OSRAM faces the risk of price increases by suppliers, secondly, one or more of these suppliers may fail to fulfill its supply obligations, which would impair our delivery capacity and result in loss of revenues.

Potential Impact: Increased OPEX/cost, resulting from increased prices of raw materials.

Time Horizon for Materialization: Medium-/long-term horizon. As we monitor markets and supplier-chain developments and are in constant exchange with our supplier, we conclude that there is no short-term risk.

Mitigation Measures:

- Continue investment in R&D to decrease need for rare earth elements and other scarce resources, e.g., through the usage of alternative materials in existing technologies or the development of new technologies that do not require the usage of rare earth elements / require less rare earth elements.
- Follow market forecasts and reports regarding the market supply and demand for rare earth elements and other resources.
- Establish long-term relationships with suppliers incl. long-term contracts to secure access to materials with attractive and foreseeable pricing.

Net Risk Exposure:

Potential new fields of technology are constantly monitored, and the results of these observations are thoroughly considered in our strategic planning. Technological expertise that will be necessary in the future is incorporated into the technology roadmap for the respective business segments at an early stage. See also our R&D approach in the corresponding chapter of the Annual Report.

We expect material costs to rise over time because availability will be further limited due to increasing demand or restricted access. Generally, this leads to the development of alternatives. However, if and to what extent alternative solutions like recycling or new materials can be achieved is still uncertain up to date. We therefore rated the net risk medium in the medium-/long-term horizon. Uncertainties might come into play, especially in terms of geopolitical conflicts that could result in trade conflicts with unexpected influences on prices. This risk is therefore closely related to geopolitical risks, also covered in the Annual Report 2023, chapter Risk Management.

For more information on supply chain management see the corresponding chapter in the ams OSRAM Sustainability Report 2023.

2.2.7 Opportunity from an Increased Demand for Energy-Efficient Products

Description of the Transition Event and scenario:

This is a market related transition event, where under a 1.5°C scenario many ams OSRAM's key customers will have ambitious climate-related targets in place. If ams OSRAM can offer products with a comparable higher energy efficiency or new technologies for currently high energy demand products new business will be created.

Potential Impact: Increased sales and profitability

Time Horizon for Materialization: Medium-/long-term horizon.

Already up to date, our energy efficient products determine an important part of our business. Looking ahead, as a leading global provider of intelligent optical emitters and sensors, ams OSRAM focuses its business, product, and innovation strategy on key societal megatrends. These trends comprise digitalization, smart living (Internet of Things, "IoT"), as well as energy efficiency and sustainability, each one creating a broad spectrum of opportunities across the different end-markets. Therefore, we see the impact of this opportunity as even further increasing medium- to long-term. Uncertainties could be political developments that might lead to unexpected decisions, slowing down for some time the transition to a green economy.

3 Risk Management: Identifying, Assessing, and Managing Climate-related Risks and Opportunities

Climate-related and other non-financial risks are part of the enterprise risk management (ERM) process and must be recorded in the risk inventory for the entire Group if they satisfy the materiality criteria. The catalog of risks includes physical risks and transformation risks for the Company as well as risks relating to our business model that could have an impact on society and the environment. Explanatory notes on risk management (identification, process, reporting) can be found in the ams OSRAM Annual Report 2023.

The analyses described do not reveal any material climate-specific risks in the short- to medium-term. Therefore, whilst the risks are covered by our risk management activities, they are not currently quantified and, as such, are not incorporated in our risk reporting. Due to the long period over which the potential physical risks could materialize (2030 being the earliest), no specific measures are called for in the short-term; we will monitor developments over the medium-term. We have also performed an assessment of the potential risks of water stress, using the World Resources Institute's Aqueduct Water Risk Atlas. Results are reported in our Sustainability Report 2023.

Our Business Continuity Management draws up plans on how to resume business as usual as soon as possible following events such as natural disasters and other incidents that cause disruption. This limits the damage done and avoids existential threats to our own business and to associated companies. Appropriate insurance policies are in place for all buildings.

4 KPIs and Targets: Disclosure of the Metrics and Targets used to Assess and Manage relevant Climate-related Risks and Opportunities

To reduce our carbon footprint and implement the target for carbon neutrality for our own activities that we set in 2021, a climate strategy was developed in 2022. This strategy is in accordance with the Paris Climate Agreement, with the addition of a Scope 3 target ("Purchased goods and services" category). To achieve our Scope 1 and 2 targets, we are focusing primarily on switching to green electricity and on energy efficiency measures and report annually on progress. For fiscal year 2023, please refer to our Sustainability Report 2023. We aspire to a net zero target in the long-term respective by 2050.