

Report on non-financial matters 2023

In accordance with the [Swiss Code of Obligations, Article 964a-c](#)

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Introduction

Purpose and business model

How we generate value and contribute to a world that is good to live in

As a trailblazing, leading tech company in radio frequency power and x-ray technology, we make a growing contribution to a safer, more efficient and sustainable world of manufacturing, communication and mobility.

Our high-tech products and services create value for countless people. Part of this value comes from our setting goals that go beyond shareholder returns. In everything we do, we aim to balance economic, environmental and social aspects in order to thus support a sustainable future and profitable long-term growth.

As a close and trusted partner to our customers, we expect to:

- Develop innovative and sustainable products that support our customers in realizing their strategies
- Leave the smallest possible environmental footprint along the entire value chain
- Provide career opportunities for employees in all our businesses and at all our sites
- Build relationships with suppliers and business partners based on fairness and transparency
- Take a leading role in sustainable development in our industry

Our ESG program serves as a compass for managing our environmental footprint, taking responsibility for our employees and satisfying the highest standards of compliance and governance. Our focus is on the long term.

Our business model

We strongly believe that in a world of finite resources, innovation improves all our lives.

The resources we draw on



Environmental

- Implement roadmap for efficiency gains and renewable energy use
- Enforce sustainability through supplier selection



Social

- Build customer relationships and co-creation capabilities
- Invest in people, culture and values
- Engage in communities



Governance

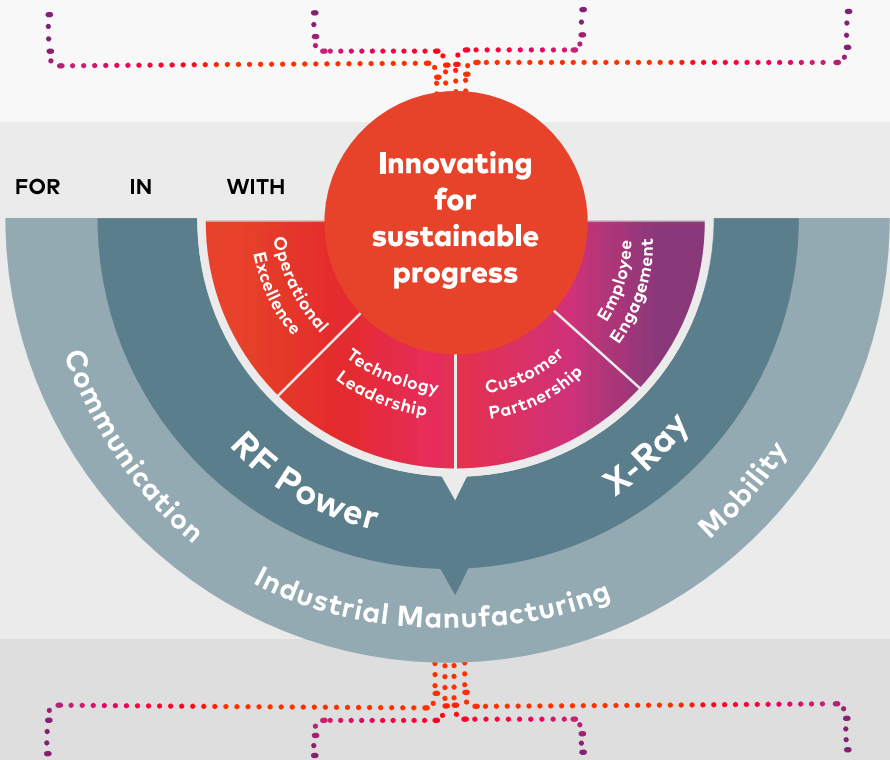
- Monitor and train adherence to Code of Conduct and ethical principles
- Embed regulatory standards in day-to-day operations



Economic

- Maintain access to capital
- Achieve high brand recognition
- Make targeted investments

How we create value



The outcome we achieve

- Optimized efficiency and reduced greenhouse gas emissions
- Resilient and sustainable supply chain
- Increased customer loyalty and satisfaction
- Engaged, skilled and diversified workforce
- Strengthened license to operate
- High standards of behavior
- Full compliance with regulatory standards
- Sustainable financing of growth strategy
- Higher share of sales from semiconductor market
- Higher returns
- Capability to meet future customer needs

The impact of our actions



We provide stable and fair work for staff at all Comet locations worldwide.



Through innovation we contribute to a sustainable infrastructure.



We satisfy customer standards through binding supplier standards.



We contribute to emission reduction and the efficient use of energy.

Along our value chain, we rely on numerous resources in order to manufacture our products and provide our services. This is always done with the aim of using these resources as efficiently as possible and of minimizing the risks associated with their procurement.

Environmental: As a manufacturing company, we depend on a reliable supply of energy and raw materials. Wherever possible, we procure electricity from renewable sources such as hydropower, solar or wind energy. When purchasing raw materials, we work with suppliers who can provide us with information about the origin of their products and who are interested in long-term business relationships. At our own production sites around the world, we are always working to keep our processes and facilities up to date in order to continuously improve production efficiency and thus reduce material and energy consumption. While we see only low environmental risks in our internal processes, we are exposed to developments in global energy and raw material markets and to disruptions in our supply chains.

Social: As a corporate citizen, we are aware of our responsibility in a world with ever more people and limited resources. Qualified and highly

committed employees are central to our past and future success. We invest in a corporate culture that – in everything we do – is based on customer orientation, on empowering people and on trustful collaboration.

Governance: The individual behavior of each one of us – how we interact with colleagues, customers, suppliers, and all other stakeholders – determines our success as a company. The values and principles of our Code of Conduct form the foundation of our corporate culture and the basis for all our actions and decisions. We strive for best-in-class governance in order to safeguard our excellent reputation. This mitigates the risk of losing customers, suppliers or employees.

Economic: We invest a high proportion of our profit in targeted long-term and sustainable growth. Access to sufficient equity and debt capital is ensured by our company's balanced and conservative financial policy. Operating from this position of financial strength, we have consistently delivered value for our stakeholders over the past decades. Our success story is reflected in high awareness of the Comet brand among customers and competitors.

As a pioneering and leading tech company in radio frequency power and x-ray technology, we make a growing contribution to a safer, more efficient, and sustainable world of industrial production, communications, and mobility. We are the high-tech company of choice for all those who are actively shaping the future and an employer for all who want to get involved, make a difference, and explore new territory. We are committed to continuously developing our four

core competencies of operational excellence, technology leadership, customer relationships and employee engagement. With our forward-looking technologies, we are a preferred partner to the most innovative companies in our markets. We stand for solutions and services deliver high value-added and sustainable progress. In pursuing our aims, we are guided by our long experience and keen spirit of discovery and innovation.

Led by experience. Driven by curiosity.

Environmental: The thoughtful use of energy and resources, the expansion of renewable energy use, and a constant increase in efficiency throughout the entire value chain – with a focus on suppliers and production – together lead to a reduction in the emissions we cause. The data systematically collected in relation to this formed the basis for our climate roadmap.

Social: Through our activities in the social realm, we create value for our employees, our customers and our communities worldwide. Our employees benefit from progressive working conditions, a high standard of occupational health and safety, and a culture based on trust. This creates the foundation for superior performance and thus a high level of customer satisfaction and loyalty that in many cases endures over years. Finally and importantly, we fulfill our social responsibility by supporting community projects and privately funded initiatives.

Governance: Strict adherence to and full compliance with laws, policies and regulatory standards at the local, national and international level is an important asset on which our reputation is based. The ethical conduct of all individuals and partner organizations with whom we work also contributes to this. All internal and external stakeholders can rely on us to treat them fairly and ethically at all times.

Economic: Thanks to our strong positioning, solid financial footing, secure access to capital and the successful implementation of our focus strategy, we are growing our business. Anticipating customer needs and investing in advance are key in helping customers succeed with our leading-edge technologies. Backed by the Group's sustainable financing, we will continue to fulfill these activities in the long term and thus add value for all stakeholders.

The Comet Group contributes to the achievement of the Sustainable Development Goals developed by the United Nations as part of the 2030 Agenda. With our long-term and sustainable focus strategy, we aim to provide measurable added value as well as a clearly identifiable contribution to the improvement of the environment, society and the economy. Our focus is on those objectives over which we have the greatest influence in our business:

Decent work and economic growth: Our technologies are at the heart of digitalization. As a company with a long teaching tradition, we support dozens of apprentices, trainees and young professionals and help pave their road to success. By doing this, we actively contribute to economic growth, as these young talents become crucial for developing our innovative products that play a vital role in the digitalization of society.

Industry, innovation and infrastructure: As a critical supplier and partner to the semiconductor/electronics industry as well as to the automotive, aerospace

and security market, we are co-creating with our customers to develop the innovative solutions that provide sustainable progress and improve safety, security and quality of life for people everywhere.

Responsible consumption and production: We reject the ruthless pursuit of profit at the expense of the environment and society. We strive for a balance between economic, environmental, and social goals by training and sensitizing our employees worldwide regarding ecological and social aspects, by and also involving customers, suppliers and other interest groups.

Climate action: We are committed to actively addressing climate change and contributing to the climate goals of the 2030 Agenda for Sustainable Development. To this end, we have developed and are implementing a climate action roadmap.

Following the sale of the ebeam business in 2020, the Comet Group is concentrating on its traditional technology areas of plasma control and x-ray, as well as on expanding its service business, which is based on the growing use of artificial intelligence and machine learning in all areas of life. By focusing on these two technologies, we want to exploit the considerable potential of the digital world.

Comet is focused on four core markets with strong long-term growth. First and foremost, the semiconductor and electronics market offers enormous potential for all three divisions. In addition, the traditional automotive, aerospace and security industries offer attractive opportunities for us, particularly in innovative segments such as battery testing for electric vehicles. Comet's diversified market focus puts it in an ideal position to benefit from current and future trends in these key industries.

The semiconductor and electronics market is and will remain the central market for Comet - despite its cyclical nature. Forecasts predict high single-digit growth for the semiconductor market until 2030. Demand for sensors and microchips is also rising steadily in traditional industries. We therefore expect to generate over 80% of our sales with high-tech X-ray and plasma control solutions for the semiconductor & electronics market in the coming years.

As a globally active company with Swiss roots, Comet generates more than 99% of its sales in the key regions of Asia, North America and Europe. As an important supplier to the dynamic semiconductor industry, we ensure proximity to our customers with a sensible choice of location. The choice of location also has a significant influence on the selection of our suppliers and the design of efficient supply chains. In view of the trend towards regionalization in semiconductor manufacturing, we must be able to adapt our production network quickly and flexibly.

The semiconductor industry and its suppliers, including Comet, are facing various challenges in connection with climate change. The production of semiconductors consumes significant amounts of electricity, water and process gases, which results in a significant CO₂ footprint. In the automotive, aerospace and security industries, there is also a need to reduce climate-damaging emissions.

In the semiconductor industry, Comet's core market, producers rely on innovative manufacturing processes and the use of gases with a lower global warming potential in order to reduce their CO₂ footprint. Semiconductor manufacturers are pursuing ambitious environmental strategies, such as the use of 100% renewable energy in the short term, or the goal of reducing emissions to net zero by 2050.

To achieve their climate targets, semiconductor manufacturers are involving their suppliers in efforts to reduce their greenhouse gas footprint. We want to support them in achieving their targets in this regard. But that's not all: driven by the incentive to make a contribution to reducing greenhouse gas emissions, Comet has launched a comprehensive ESG program, which is being implemented step by step.

Material topics

The content of this report on non-financial matters addresses those topics that have the greatest medium- and long-term impact on the environment, society and the economy and the greatest relevance for business success in the sense of double materiality. The report is based on the Report in Accordance with the GRI Standards.

To ensure that the key topics are up to date, Comet regularly reviews which topics are central to the long-term, sustainable development of the company. The aim of updating the materiality analysis in the reporting year to incorporate double materiality was to review the relevance of the topics already identified in previous years and verify the strategic parameters for the prioritization of topics. The selection of topics itself is based on the central elements of the corporate strategy and of long-term planning on the one hand, and on inputs from management and stakeholders on the other.

As part of a context analysis, the existing material topics developed in 2021 were first examined as to whether they remained relevant in light of the present business model, and were found to remain appropriate. The topics from the economic, environmental, social and governance categories were then analyzed according to the principle of double materiality: Relevant stakeholder groups assessed the impact under these topics on the economy, the environment and society in a survey. Feedback from a total of 67 stakeholders was incorporated, including investors and analysts (with a weighting of 25%), suppliers and business partners (weighting of 25%), customers (weighting of 25%) and Comet employees (weighting of 25%). In a second survey, a total of 32 managers from Comet's various divisions and from Group headquarters assessed the materiality of the topics for the company's long-term business success. The resulting materiality matrix was validated and approved by the Executive Committee and the Board of Directors of Comet Holding AG.

The result of the materiality analysis is presented in the materiality matrix. The 15 material topics form the basis for this sustainability reporting.



Sustainability at Comet

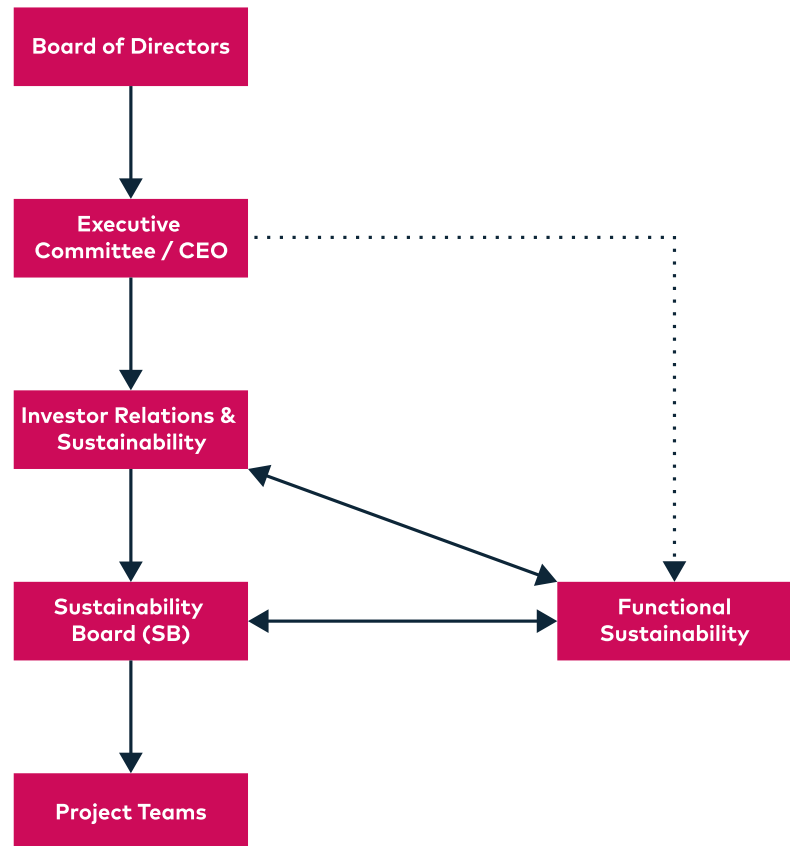
Strategy

For 75 years, we have been developing and producing innovative high-tech components and systems based on x-ray and radio frequency technology. Consistent alignment with global trends and developments was and is the basis of our success.

For Comet, sustainability is one of the central pillars of the high-performing organization we strive for, alongside technological leadership. Consistent with this, our company has long been actively committed to the concerns of the socially disadvantaged, to supporting and delivering the training of young people, to promoting diversity, and generally to reducing energy consumption and using sustainable energy sources. In order to further intensify these efforts and coordinate them even better within the Group, we want to work in these areas in a structured manner at a global level. As a company that is aware of its social responsibility and knows how to live up to it, we set ourselves long-term goals that we implement in small steps in the short term in order to improve every day.

Governance and organization

Sustainability must be part of strategic management and corporate planning. This is because the company can take a holistic view only when sustainability is integrated in the ways the company is managed. Through forward-looking governance practices, Comet can positively influence environmental, social and economic development. Accordingly, we strive to integrate sustainability into each of our many business processes. To do so, the measurement and management of sustainability performance must be integrated into corporate strategy and governance. Taking sustainability into account throughout the corporate management process is therefore a prerequisite for effective sustainability management.



The Board of Directors is responsible for overseeing and approving the sustainability strategy. It is also responsible for the review and approval of the annual sustainability reporting as part of the reporting process. The Board receives quarterly updates on the progress made in implementing the strategy and thus monitors the achievement of the sustainability targets. Specific subject areas are dealt with by the relevant committees of the Board of Directors. For example, the Audit Committee covers reporting, the Technology Committee deals with eco-design, and the Nomination & Compensation Committee handles the non-financial aspects of executive compensation. The practical implementation of the sustainability strategy is delegated by the Board of Directors to the Executive Committee.

The Executive Committee is responsible for executing the sustainability strategy and preparing the annual sustainability report. The Chief Executive Officer (CEO) assumes the role of sponsor for the sustainability program. The Executive Committee is supported in the implementation of the strategy by the Vice President of Investor Relations & Sustainability (VP of IR & Sustainability).

The VP of IR & Sustainability is responsible for planning, organizing and monitoring the operational implementation of the sustainability program. He or she coordinates the cross-functional and cross-project activities and, as chair of the Sustainability Board, leads the preparation of this body's decisions. The VP of IR & Sustainability reports to the Executive Committee on a quarterly basis on the progress made in executing the strategy.

The Sustainability Board, consisting of representatives from the upper management levels of the company, also meets quarterly. It discusses ongoing sustainability initiatives, initiates new projects and prepares sustainability targets for approval by the Executive Committee. The Board ensures the coherence of the sustainability initiatives within the Comet Group.

The detailed elaboration and operational implementation of the sustainability initiatives is carried out in various project teams that cover the material topics. These are made up of representatives from the divisions and Central Services (Group functions) who are responsible for the respective topic in their area of activity.

Environmental

In order to protect the environment and the interests of society, the Comet Group must focus on sustainability in all its activities and introduce and comply with appropriate environmental standards.

As a manufacturing company, we depend on a reliable supply of energy and raw materials. Wherever possible, we obtain electricity from renewable sources such as hydropower, solar or wind energy. When procuring raw materials, we work with suppliers who can provide us with information about the origin of their products and who are interested in long-term business relationships. At our own production sites around the world, we are constantly working to keep our processes and facilities up to date in order to continuously improve production efficiency and thus reduce material and energy consumption.

The careful use of energy and resources, the expansion of renewable energies and the constant increase in efficiency along the entire value chain - with a focus on suppliers and production - lead to a reduction in our emissions. The systematic refinement of data collection forms the basis for the development of a climate protection roadmap, which is part of our targets for the 2023 financial year.

Climate action roadmap: Strategy

In 2021, Comet launched a formal, Group-wide sustainability initiative that also includes climate-related aspects. Part of this initiative is a climate protection roadmap with which Comet intends to analyze and balance its greenhouse gas emissions in detail. The aim is also to review scenarios for reducing these emissions and to set ambitious targets in line with the Science-Based Targets Initiative (SBTi). Specific measures have been defined to achieve these targets, including the development of a climate action roadmap and the initiation of an eco-design project.

Our way to achieve net-zero in the long term:



In 2024, Comet will further develop the climate action roadmap in a top-down process. We already implemented various initiatives in the reporting year using a bottom-up approach. These include reporting on Scope 1 and Scope 2 emissions, setting initial targets for Scope 2 emissions, an initial estimate of Scope 3 emissions and various measures to

reduce the CO₂ footprint. The intention to commit to the targets of the Science-based targets initiative has been postponed until the end of 2024 in order to gain a deeper understanding of the potential for reducing emissions in the company before the targets are submitted.

Focus on analysis and initial implementation measures

We have implemented many initiatives at our plants in recent years. For example, we run our own plant in Flamatt (Switzerland) on 100% renewable electricity. At our leased sites in Hamburg (Germany) and San Jose (California), we also purchase completely renewable electricity.

With regard to Scope 3 emissions, we reviewed the initial findings from the previous year and, on this basis, expanded the categories with the greatest impact on Comet's greenhouse gas (GHG) emissions. This process led to the conclusion that seven of the 15 Scope 3 emission categories are responsible for the majority of GHG emissions:

- Category 1 – Purchased goods and services
- Category 2 – Capital goods
- Category 4 – Upstream transportation and distribution
- Category 6 – Business travel
- Category 7 – Employee commuting
- Category 9 – Downstream transportation and distribution
- Category 11 – Use of sold products

Based on a previous analysis, Comet has conducted an initial Scope 3 screening. We estimated the approximate carbon emissions for what we consider to be the most important categories using an expenditure-based economic input-output method. This screening showed that Scope 3 emissions, at roughly 61,000 metric tons of CO₂ equivalent, account for approximately 90% of Comet's direct or indirect total emissions. Further work to calculate Scope 3 emissions more precisely is planned for 2024 in order to achieve greater transparency and improved data quality. Based on this refined database, Comet intends to develop initiatives to reduce Scope 3 emissions.

Risk management

In 2024, Comet will integrate climate-related risks into its existing multidisciplinary risk management process. This includes a regular review of the risk and opportunity assessment at each production site. Risks are identified for all time horizons in a top-down approach that covers the entire value chain from suppliers to customers. This identification is validated in collaboration with divisional management and the site managers. The main risks are to be extracted, categorized in a matrix and assessed in terms of their probability of occurrence and potential damage. Comet plans to quantify the potential impact of these risks in the near future.

For risks that are classified as significant, Comet develops action plans to reduce both the probability of occurrence and the severity of the potential damage. The Executive Committee reviews the effectiveness of these action plans and the entire risk portfolio at regular intervals and decides on any necessary adjustments. The Executive Committee in-

forms the Audit Committee and the Board of Directors of its findings. The necessary risk management measures are discussed and decided at the top management level, after which implementation is delegated to the respective departments and/or locations. In addition, the results of the risk management process are incorporated into the annual review and approval of the business strategy by the Board of Directors and are integrated into the documented risk management process implemented by the Executive Committee.

Metrics and targets

Since 2021, Comet has disclosed key figures on greenhouse gas emissions and its general sustainability performance annually in accordance with the GRI Standards. The climate-related key figures are presented and explained in the following sections under the respective material topics.

Objectives and priorities for 2024

On our way to our long-term net zero ambition, we set our first climate-related targets in 2022. Over time, we will develop further targets based on our action plan, which will help us to monitor the efforts and measures we have defined to achieve net zero by 2050 at the latest.

For 2024, we have defined five priorities to drive forward our efforts to reduce CO₂ emissions and improve our processes in order to further increase transparency with regard to the quality of our sustainability reporting:

1. Taking the next steps in our climate roadmap

- Refine the Scope 1, 2 and 3 data
- Implement pilot projects to determine the CO₂ footprint of our products (the product carbon footprint, or PCF)
- Integrate the eco-design approach in research, development and production

2. Set environmental targets for the individual Comet sites

3. Improve the collection of environmental data through use of a cloud-based software solution; focus on CO₂ emissions

4. Further develop the database to comply with the TCFD framework: governance, strategy, risk management, metrics and targets

5. Submit commitment to the Science-based Targets initiative (SBTi)

Materials compliance

Materials compliance refers to compliance with certain standards and specifications in the selection and use of materials in products and processes. These standards can relate to various aspects, such as quality, safety, environmental compatibility and health risks. For Comet as a manufacturer of industrial products, compliance with environmental and market access regulations is an essential prerequisite for global business activities. These include, for example, the regulations on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), Restriction of Hazardous Substances (RoHS), the Toxic Substances Control Act (TSCA) or laws governed by international law and ethics, such as the Conflict Minerals Act, the Dodd-Frank Act and Regulation (EU) 2017/821.

Report on conflict minerals

In accordance with the "[Ordinance on Due Diligence and Transparency with regard to Minerals and Metals from Conflict-Affected Areas and Child Labor \(DDTrO\) of 3 December 2021 \(status as of 1 January 2024\)](#)"

Comet has a responsibility to its customers to provide a supply chain of the highest quality that meets all defined product performance standards and expectations. Our purchasing department maintains high standards in its supply chain by continuously evaluating new suppliers, but also by regularly assessing the performance of established suppliers. This is all the more important as the careful selection and maintenance of relationships with suppliers who adhere to ethical and sustainable practices contributes significantly to Comet's business success.

Purchasing maintains a relationship based on trust with its suppliers and pursues long-term strategies and goals with them. It also creates an environment in which Comet and its suppliers can continue to develop without making even the slightest compromise with regard to compliance with the Comet Group's [Supplier Code of Conduct](#) for ethically impeccable and legally compliant behavior. Purchasing checks that this code is also practiced and adhered to by suppliers.

To supplement the suppliers' self-declaration in the form of the signed [Supplier Code of Conduct](#), we work together with the external supply chain specialist Assent Compliance Inc. The Assent platform collects the data required for compliance with REACH, RoHS, Conflict Minerals and TSCA. With this solution, we can ensure that our suppliers comply with all relevant laws and regulations. Suppliers who do not submit data to Assent will be contacted directly and asked to provide the required documentation. Where appropriate, we will work with our suppliers to identify measures for improvement. However, we also reserve the right to terminate the business relationship with suppliers under applicable laws if they do not comply with the Code or to take legal action against suppliers.

Comet imports individual raw materials and semi-finished products into Switzerland to manufacture its products, which are used in numerous industrial manufacturing processes in the semiconductor industry and in non-destructive testing. Only the metals imported by Comet in the reporting year under the designation "Other semi-manufactures and articles of tungsten" with customs tariff number 8101 99 00 pursuant to the Swiss DDTrO, annex 1, part B are subject to the provisions on due diligence and reporting obligations. Of these, Comet imported 684 kg of these metals in the reporting year and thus exceeded the exemption limit of 350 kg.

The purchased tungsten and its alloys are mainly used by the Industrial X-ray Modules division in x-ray tubes as anodes and cathodes. Small quantities of these materials are mixed into electronic components or alloys for turning and milling tools.

With regard to imported tungsten and tungsten alloys with customs tariff number 8101 99 00, Comet has implemented the obligations arising from the following legislation:

- Regulation (EU) 2017/821 and its delegated regulation (EU) 2019/429
- Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502 about Conflict Minerals

Through the implementation of the obligations under Regulation (EU) 2017/821 and its Delegated Regulation (EU) 2019/429, Comet is exempt, as defined in DDTrO, article 9, from the due diligence and reporting obligations in accordance with DDTrO, annex 2, part A.

By strictly adhering to all aspects of material compliance, we eliminate a wide range of risks that can have serious consequences. These include health hazards for employees and customers, environmental damage caused by our products, and legal and financial consequences that can arise from non-compliance with existing laws and regulations. It is therefore in Comet's interest that all employees involved in materials compliance receive regular training on this topic and understand both the underlying rules and the potential consequences of non-compliance.

The responsibilities for the processes are mapped in the Comet Group's management system. Essentially, the requirements for materials compliance at Group level are set by the Vice President of Global Operational Excellence (VP GOE), who reports directly to the CEO. The VP GOE defines the compliance regulations together with the Comet Group's legal experts. Responsibility for implementation in the regions lies with the divisions, and accountability lies with the respective Country General Manager. Activities in the area of materials compliance are coordinated worldwide by the Quality & Excellence Board.

Environmental Management System and Compliance

The principle of sustainability is an integral part of Comet's corporate culture. We strive to offer our customers high-quality products and services while avoiding environmental risks and producing in a resource-efficient manner. If these principles are disregarded, the company exposes itself to considerable risks. An environmental management system serves as a tool for managing our ecological footprint. Accordingly, we will step-by-step define environmental targets for the individual sites based on ISO 14001. Without environmental targets based on ISO 14001, it will be difficult to measure whether our climate protection targets are achievable. We also expose ourselves to legal and financial risks that could jeopardize our competitiveness in the long term. The principles of this approach are set out in the Comet Group's quality, environmental and safety policy and are supplemented by the Code of Conduct.

While all of our production and R&D sites are certified in accordance with ISO 9001:2015, Comet Yxlon (IXS division) in Hamburg has gone

further by designing and implementing an environmental management system in accordance with ISO 14001:2015. Smaller units with purely sales and marketing activities are not certified. To ensure compliance with environmental regulations, internal audits, customer and certification audits, benchmarking and best practice applications are carried out at regular intervals at all production sites.

Comet successfully achieved a single Group-wide ISO 9001 certification in the reporting year. Group-wide certification to ISO 14001 is to be tackled in stages over the course of 2024.

The Vice President of Global Operational Excellence (VP GOE) is responsible for the performance of Comet's quality management system, including the process framework and architecture. The VP GOE drives the definition, implementation and improvement of Group-wide processes in close cooperation with the divisions. The tasks of the VP GOE include setting minimum standards for non-financial KPIs and ensuring certification and compliance with ISO standards. In this function, he is supported by various committees and advisory boards, such as the Operations Council and the Quality & Excellence Board, in which the Q&E heads of the divisions are represented. Responsibility for compliance with environmental regulations lies with the respective Country General Manager, while responsibility for compliance with environmental regulations lies with the Division President. In the reporting year, the Comet Group did not have any ongoing or completed legal proceedings due to non-compliance with environmental laws or regulations. Similarly, no fines were imposed on the company for environmental violations.

Energy Management and Carbon Emissions

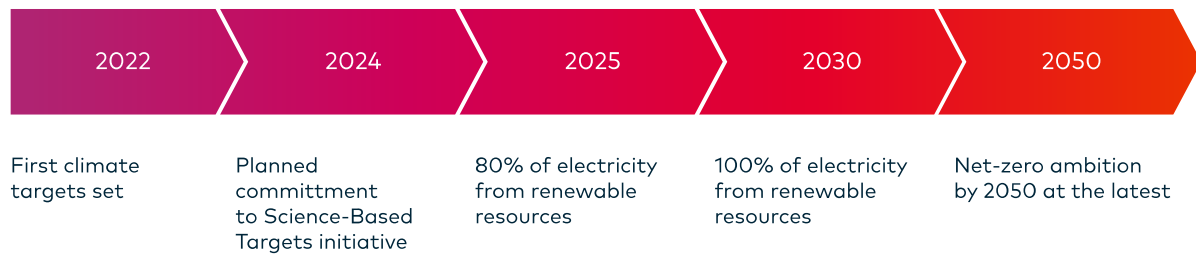
All steps in the Comet value chain are associated with the consumption of energy. Accordingly, Comet is dependent on a stable and reliable power supply at its sites. Financial and operational risks from a possible power shortage, for which Comet was already preparing at the Flammatt site in the winter of 2022/2023, are among the most significant risks.

Energy consumption and emissions are also significant in the upstream and downstream value chain, particularly in the production and transportation of raw materials, semi-finished products and products, as well as in the use of products by customers.

In the 2023 reporting year, Comet refined the environmental data collection process. This makes it possible to publish consolidated, Group-wide environmental key figures for our own production (Scope 1 and 2) as well as an initial quantitative estimate of Scope 3 emissions for the reporting year as part of CDP. As expected, Scope 3 emissions account for the lion's share of emissions, at around 61,000 tonnes or 90% of total CO₂ emissions.

Comet has developed a climate roadmap to achieve its short, medium and long-term targets for reducing CO₂ emissions and working towards a net-zero emissions target by 2050. This roadmap also includes measures to increase the proportion of green electricity in its energy mix. This is set to rise to 80% in the 2025 financial year. By 2030, Comet plans to operate its sites exclusively with green electricity. We have also taken the first steps in eco-design to further improve the environmental footprint of our products and to identify measures for the

development of a reduction pathway along the entire value chain in accordance with SBTi specifications.



Numerous measures need to be implemented in order to achieve the net-zero target. Using the knowledge gained from refined environmental data collection and improvements in energy management, Comet intends to develop these measures using a systematic approach and implement them over the coming years. In this way, we want to understand the physical and transition risks arising from climate change, such as damage to buildings, production disruptions due to natural events or new regulatory requirements, as part of a detailed analysis and identify and ensure measures to avoid them or the willingness to comply with them. This topic will be addressed as part of TCFD and SBTi in the coming years.

Disclosure in accordance with – GRI 302-1, GRI 305-1, 305-2

Environmental metrics ¹⁾		2023 ²⁾	2022
Energy consumption (total)	MWh	20,341	18,842
Electricity (total)	MWh	17,072	15,886
of which renewable	MWh	11,176	12,465
Heating (total)	MWh	2,352	2,038
Heating oil	MWh	137	147
Natural gas ³⁾	MWh	1,940	1,639
District heating	MWh	275	253
Fuels (total)	MWh	916	918
Diesel	MWh	630	704
Petrol	MWh	271	212
LPG	MWh	16	2
Greenhouse gas emissions (total)⁴⁾	tCO₂e	4,960	3,301
Greenhouse gas emissions (total)			
Scope 1 (total)³⁾	tCO₂e	655	598
Heating ³⁾	tCO ₂ e	428	369
Fuels	tCO ₂ e	227	229
Scope 2 (total)	tCO₂e	4,305	2,703
Electricity ⁵⁾	tCO ₂ e	4,256	2,657
District heating	tCO ₂ e	49	45

¹⁾ Scope covers all of Comet's companies and locations

²⁾ Figures 2023 were externally audited by Ernst & Young AG to obtain limited assurance regarding the compliance of the reported information with the GRI Standards

³⁾ Restated for Malaysia in 2022: 3,023 MWh / 918 tonnes of CO₂ / 652 tonnes of CO₂ reported in 2022

⁴⁾ Annual Report. See chapter "Basis of calculations and definitions"

⁵⁾ Calculations in accordance with the WRI/WBCSD Greenhouse Gas Protocol guidelines. Scope 1: GHG emissions from own sources, e.g., fuels. Scope 2: GHG emissions stemming from the production of electricity and district heating. Sources for emission factors: Defra & IEA.

With the exception of Flamatt, Hamburg, and San Jose greenhouse gas emissions associated with the production of electricity were accounted for in accordance with the "location-based approach" under the Greenhouse Gas Protocol Scope 2 standard. No emissions stem from electricity consumption in Flamatt, Hamburg, and San Jose, as the sites run entirely on renewable electricity. Considering only the location-based approach, electricity consumption across all sites would be responsible for 5,579 tonnes of CO₂e emissions in 2023.

Controlling and reducing Scope 2 emissions is a key part of our strategy to achieve our short and medium-term emissions targets. For Comet, these emissions mainly consist of indirect greenhouse gas emissions caused by the consumption of purchased electricity.

In the past financial year, Comet recorded an increase in Scope 2 emissions, which was largely due to the expansion of our production in Penang, Malaysia. The expansion, although commercially beneficial, resulted in an increased environmental impact for the Comet Group. In contrast to the increase in Penang, electricity consumption in Flamatt decreased due to the correction in the semiconductor cycle and the associated lower production volumes.

With the exception of the Flamatt site, Comet has leasing agreements at all locations. This makes emissions management difficult in that renewable electricity is only available to a limited extent or not at all at some locations. This also applies to the Penang site in Malaysia.

We are actively striving to meet these challenges. We plan to convert our facilities in Aachen to green energy in 2024. We also plan to develop our new building in Penang as a climate-neutral unit.

Although reducing Scope 2 emissions is a complex challenge, particularly in regions with limited availability of electricity from renewable sources, our commitment to sustainably reducing our environmental impact remains. Through targeted planning and coordinated efforts, we aim to significantly reduce our Scope 2 emissions.

Resource efficiency metrics ¹⁾		2023	2022
Waste (total)	t	1,940	2,444
Non-hazardous waste (total)	t	1,829	2,265
– Incineration	t	123	138
– Landfill	t	613	1,024
– Recycling	t	1,092	1,103
Hazardous waste (total)	t	112	179
– Incineration	t	1	1
– Recycling	t	110	178
Water consumption	m³	30,718	31,466

¹⁾ Scope covers all of Comet's companies and locations

Social and employee matters

Our employees are united by a passion for technology, a strong corporate culture and a commitment to our shared values. This is the basis for our success.

As a corporate citizen, we are aware of our responsibility in a world with more and more people and limited resources. Qualified and committed employees are a key prerequisite for our past and future success. That is why we invest in a corporate culture based on customer orientation, personal responsibility, and trustful collaboration in everything we do.

Through our continuous efforts, we create value for our employees, our customers and our stakeholders worldwide. Our employees benefit from progressive working conditions, a well-managed health and safety program and a culture based on trust. This creates the basis for above-average performance and thus a high level of customer satisfaction and loyalty, in many cases for years to come. Last but not least, we take our social responsibility seriously by supporting community projects and private sector initiatives.

Employer Attractiveness

In a rapidly changing world of work, a company's attractiveness as an employer is more crucial than ever. With the emergence of new working models, changing values among the younger generation and increasing competition for qualified employees, employer attractiveness is at the center of Comet's interest. A high level of employer attractiveness helps to attract and retain talented and committed employees in the long term.

In contrast, if Comet does not appear attractive in the eyes of potential and current employees, it may face a number of challenges. If we fail to position ourselves as an attractive employer, we will be exposed to significant risks in relation to our workforce. These risks range from difficulties in recruiting talent to high turnover rates and losses in productivity and innovation.

Comet focuses on attracting and retaining young talent. Networking with young talent while they are still students and attracting them to Comet are at the top of the agenda, alongside identifying and promoting talent within the company. Ensuring an attractive, flexible and inclusive working environment is the basis for this. A corporate culture that appeals to and retains both current and future employees is crucial.

The loyalty of our employees to the company, their commitment and their loyalty play just as important a role as the recruitment of new talent. We therefore regularly carry out comparative studies in the market and employee surveys in order to record the level of satisfaction and commitment of our employees and, if necessary, introduce measures to strengthen it. To guide and support our recruiting of new talent, we carry out needs analyses, regularly review our guidelines and regulations and adjust them where necessary.

We attach great importance to providing employees with good support beyond their working life at Comet. Here, the Human Resources team provides support during the transition to retirement as well as other departures from the company.

We regularly train our employees on topics such as quality, continuous improvement, health and safety, products and sales, management and leadership, compliance and IT security. In 2023, we switched the majority of safety training to our online training tool. New employees are assigned training courses when they join the company. In this way, we ensure a global standard and raise awareness of occupational safety. Employees are asked to repeat the training courses at regular intervals and are informed of any changes. In addition, we ensure that employees can gain a very good insight into the semiconductor industry and our products and markets with six-hour training courses on semiconductors held twice a year.

Disclosure in accordance with GRI 2-7

Composition of the workforce ¹⁾	Male			Female		
	2023 ³⁾	2022	±	2023 ³⁾	2022	±
Workforce by employment contract	1,146	1,348	– 15%	373	415	– 10%
Permanent	1,104	1,184	– 7%	356	374	– 5%
Temporary	42	164	– 74%	17	41	– 59%
Workforce by employment type ²⁾	1,104	1,184	– 7%	356	374	– 5%
Full-time	1,006	1,078	– 7%	288	304	– 5%
Part-time	98	106	– 8%	68	70	– 3%

¹⁾ Definition of categories see chapter "Basis of calculations and definitions"

²⁾ Permanent staff only

³⁾ Figures 2023 were externally audited by Ernst & Young AG to obtain limited assurance regarding the compliance of the reported information with the GRI Standards

Workforce by region	Europe		Asia		North America	
	2023	2022	2023	2022	2023	2022
Total	968	1,061	314	324	237	378
Permanent	920	897	311	292	229	369
Temporary	48	164	3	32	8	9

Workforce by employment type ¹⁾	Europe		Asia		North America	
	2023	2022	2023	2022	2023	2022
Total	920	897	311	292	229	369
Full-time	754	723	311	291	229	368
Part-time	166	174	0	1	0	1

¹⁾ Permanent staff only

Workforce by category ¹⁾	Male			Female		
	2023	2022	±	2023	2022	±
Total	1,104	1,184	– 7%	356	374	– 5%
Production-related	587	663	– 11%	146	168	– 13%
Marketing and sales	155	162	– 4%	76	72	6%
General and administration	95	95	0%	100	101	– 1%
Research and development	267	264	1%	34	33	3%

¹⁾ Permanent staff only

Disclosure in accordance with GRI 401-1

Entries by gender ¹⁾	2023	2022	±
Total	179	346	– 48%
Male	127	264	– 52%
Female	52	82	– 37%
Turnover rate ²⁾	20.1%	11.5%	–

¹⁾ Permanent staff only

²⁾ Turnover rate 2023 externally audited by Ernst & Young AG to obtain limited assurance regarding the compliance of the reported information with the GRI Standards

Comet was forced to make downward adjustments to its workforce as a result of the correction in the semiconductor cycle and the generally weaker economy. This had a significant impact on the number of employees. First and foremost, Comet reduced the number of temporary workers and temporary employees. Due to the weak order situation in the Plasma Control Technologies division, production-related jobs were disproportionately affected by the reduction. In contrast, Comet slightly increased the number of employees in research and development in order not to jeopardize its long-term technology leadership and to be ready for the next upswing with new products. While the turnover rate among colleagues who left Comet involuntarily increased significantly, it remained almost the same for employees who left voluntarily in the reporting year.

Employee Health and Safety

Health and safety are fundamental aspects of the working environment that are essential to the well-being of employees and the success of Comet. As part of the semiconductor value chain and therefore operating in a high-tech industry, investing in effective health and safety measures is key for us. Our workforce is made up of highly qualified people, whether in production, sales, product management or research and development. Replacing these employees at short notice in the event of illness or accidents is practically impossible. This was made clear to us during the pandemic, when order books were full but some employees were absent due to illness. In our cyclical industry, production stoppages, especially with high order volumes, can lead to us not fulfilling orders on time and thus losing market share to competitors. This can result in business being lost to competitors. A forward-looking approach to health and safety is therefore not only an ethical responsibility, but also a business necessity that is crucial to our long-term success.

Our products and their manufacturing processes require appropriate attention and compliance with health and safety standards. The basic principles for this are set out in the quality, environmental and health

and safety guidelines. Occupational safety is guaranteed, practiced and documented in our management system. This applies not only to all employees without exception, but also to external/temporary service providers, i.e. everyone who works at our sites and in our buildings. Depending on the location, the organization of occupational safety is tailored to the size of the unit and the potential risk. Local laws and regulations are taken into account at all locations. In Germany, for example, these are the Occupational Health and Safety Act and the regulations of the German Social Accident Insurance; in Switzerland, the ten points of the Federal Coordination Commission for Occupational Safety (FCOS) are central standards.

With regard to the continuity of business operations and the well-being of our employees, there is no higher priority for us than ensuring the safety and health of our employees. Accordingly, we endeavor to avoid accidents as far as possible. The use of lasers and chemicals as well as the emission of ionizing radiation in our production processes require appropriate measures to protect our employees from exposure to these potential sources of danger. In addition to these legal requirements, we also have an ethical and moral obligation.

Comet's management attaches great importance to the well-being of its employees and customers. The organizational units of our company and all employees are responsible for health and safety in the workplace. We are committed to complying with the relevant laws and safety standards and carry out annual audits depending on location and exposure. In addition, we report deviations or violations immediately so that they can be rectified as quickly as possible or avoided in the future, and strive for improvements in occupational safety.

Preventive measures are essential for us. Health and safety in the workplace are regularly addressed in training and further education. Every employee should feel physically and mentally fit at work and in the working environment.

The achievement and improvement of occupational health and safety objectives is ensured through continuous process monitoring and review of the effectiveness of these processes. Principles and guidelines are reviewed at regular intervals to ensure that the management system is up to date and effective. If necessary, they are amended. Such reviews are also triggered in particular by changes in customer requirements.

Responsibilities for health and safety are mapped in the Comet Group's management system. Essentially, the Country General Manager ensures compliance with local health and safety standards and procedures. The Division Country General Managers are then responsible for implementing these standards and procedures.

Thanks to the deep-rooted awareness of health protection and occupational safety in the Group, there were no fatalities in our factories in the reporting year.

Occupational health and safety metrics	2023	2022	±
Injuries ¹⁾	24	16	50%
Lost workdays due to work-related injuries	9	370	– 98%
Lost workdays due to illness	12,703	13,755	– 8%

¹⁾ Injury arising out of, or in the course of work. Definition of injury according to local labour law (if applicable), otherwise according to internal organizational provision: recordable injuries only.

The number of work-related injuries increased in the reporting year, but the number of working days lost as a result was lower. The number of working days lost due to sickness-related absences also fell.

Responsible Supplier Standards

We strive to provide our customers with a supply chain of the highest quality that meets all established product performance standards and expectations. Accordingly, finding and maintaining the right suppliers is critical to Comet's commercial success. Our purchasing department maintains these high standards by continually evaluating new suppliers, but also by regularly assessing the performance of our established suppliers. This process is all the more important as the careful selection and maintenance of relationships with suppliers who adhere to ethical and sustainable practices contributes significantly to Comet's business success. In this way, we reduce what we consider to be the limited risks - as described in detail in the report on conflict minerals and child labor - associated with the selection of irresponsible suppliers, which are far-reaching and range from direct financial losses to legal problems and long-term reputational damage. In this way, we secure our own future viability and competitive strength and make a positive contribution to the development of the economy and society.

Report on child labor

In accordance with the "[Ordinance on Due Diligence and Transparency with regard to Minerals and Metals from Conflict-Affected Areas and Child Labor \(DDTrO\) of 3 December 2021 \(status as of 1 January 2024\)](#)"

Due to its product and service portfolio, Comet assesses its risks with regard to violations of human rights, including child labor or respect for the basic human rights of employees, as low.

In its risk analysis, Comet bases its assessment of regional risks on the UNICEF Children's Rights and Business Atlas (as at June 2023), which assesses the risk of child labor for 195 countries and classifies them as "Basic", "Enhanced" and "Heightened". Comet also uses the United Nations Global Compact Business & Human Rights Navigator to assess the risk of child labor at a sector-specific level. These regulations show that Comet has exposure to China, Malaysia and the USA, which are classified as "Enhanced", as well as to the mining and electronics manufacturing sectors.

Through a survey directed to the country general managers, the Global Strategic Supply Chain Director and the supply chain directors of the divisions, Comet assessed whether there was a reasonable suspicion of child labor in the respective countries and the supply chains of the Comet Group and of the divisions in the reporting year. The internal survey conducted in 2023 – addressed to our country general managers and the Global Supply Chain Director of the Group and the divisions – did not reveal any reasonable suspicion of child labor as defined in ILO Convention No. 138 of June 26, 1973 or DDTrO, article 2, para. 1, lit. f.

As there are no reasonable grounds to suspect child labor based on the surveys, Comet is exempt from the due diligence and reporting obligations regarding child labor.

The [Supplier Code of Conduct](#) (Supplier CoC), which has been in force since January 1, 2021, is based on the Responsible Business Alliance (RBA) Code of Conduct and sets out the basic principles and requirements for Comet suppliers and external service providers with regard to their responsibility towards their stakeholders and the environment and covers the following topics:

- Compliance with the law
- Prohibition of corruption and bribery
- Fair competition conditions, antitrust laws and intellectual property rights
- Conflicts of interest
- Respect for the fundamental human rights of workers
- Prohibition of child labor
- Health and safety of employees
- Environmental protection
- Supply chain
- Materials compliance

By signing the [Supplier CoC](#), our suppliers agree to comply with the principles and requirements of this Code in addition to their obligations under other contracts with us. We reserve the right to amend the requirements of the [Supplier CoC](#) to reflect changes in our compliance policies.

In order to minimize the risk of violations of the [Supplier CoC](#), we strive for long-term partnerships with reliable suppliers. However, if a supplier becomes aware of or suspects abusive behavior by the supplier itself or one of our employees, it must inform us immediately. In addition, suppliers agree that the Comet Group, including our subsidiaries or designated representatives (including third parties), may verify compliance with the [Supplier CoC](#), including through audits, on-site inspections of facilities or review of books and records. In the event of non-compliance, we follow the procedure set out in the ISO 9001 standard. Where appropriate, we will work with our suppliers to find measures to resolve issues. However, we reserve the right to terminate the business relationship with a supplier if they do not comply with the Code and to take legal action against the supplier if necessary.

Other important elements of the [Supplier CoC](#) are social and environmental aspects. By signing the Code, suppliers promise, for example, to:

- promote equal opportunities and equal rights for employees, regardless of skin color, ethnicity, national origin, social background, disability, sexual orientation, political or religious beliefs, gender or age;
- do not tolerate unacceptable treatment of employees, such as psychological violence, sexual harassment or discrimination, and
- act in accordance with the applicable legal and international standards on environmental protection.

Diversity, Equity, and Inclusion

Respect for diversity, equity and inclusion (DEI) is not only a matter of social responsibility, but also a key factor in Comet's success and competitiveness. DEI initiatives help to create a positive and productive working environment that values and supports all employees, regardless of their individual identity. This leads to higher employee satisfaction, greater loyalty and ultimately increased innovation and performance.

Failure to comply with DEI is associated with diverse and significant risks. First and foremost, there is a direct impact on employee satisfaction and talent retention. In addition, an inadequate DEI policy can damage Comet's reputation or even have legal and financial consequences for the company.

Our [Code of Conduct](#) and our Equal Opportunities Policy state that no employee may be discriminated against by the company or by other employees. We are firmly committed to ensuring equal opportunities in all areas of employment. Discrimination against employees by the company or by other employees on the basis of their nationality, ethnic origin, religion, gender, age, sexual orientation or any other protected characteristic is strictly prohibited. There were no incidents of discrimination in the reporting year.

Disclosure in accordance with GRI 405-1

	Male		Female	
	2023 ¹⁾	2022	2023 ¹⁾	2022
Diversity in management (gender)				
Headcount	163	177	35	36
Percentage	82.3%	83.1%	17.7%	16.9%

	Male		Female	
	2023 ¹⁾	2022	2023 ¹⁾	2022
Diversity of governance bodies (gender) [%]				
Board of Directors ²⁾	57	67	43	33
Executive Committee ³⁾	86	83	14	17

	<30		30–50		>50	
	2023 ¹⁾	2022	2023 ¹⁾	2022	2023 ¹⁾	2022
Diversity of governance bodies (age) [%]						
Board of Directors ²⁾	0	0	14	17	86	83
Executive Committee ³⁾	0	0	57	33	43	67

¹⁾ Figures 2023 were externally audited by Ernst & Young AG to obtain limited assurance regarding the compliance of the reported information with the GRI Standards

²⁾ For the definition of "Board of Directors", see the section "Basis of calculations and definitions"

³⁾ For the definition of "Executive Committee", see the section "Basis of calculations and definitions"

Community Engagement

Our stakeholders expect Comet to go beyond its economic interests and make a positive contribution to society. Social engagement, whether through social projects, environmental initiatives or local partnerships, has become an important measure of Comet's responsibility and integrity. As the double materiality analysis has shown, the issue of social commitment is considered important but not central by management and stakeholders. Nevertheless, we are exposed to certain risks if we fail to engage in social issues. Social engagement is an important factor for Comet's long-term success, its legitimacy and thus for maintaining our license to operate.

Our approach to direct engagement in society is twofold:

- At Group level, as a learning organization and a company with a long tradition of personnel training and development, we pave the way to success for dozens of trainees, interns and young professionals. In addition, we support institutions that are committed to a similar mission in the field of technology and education at a local and global level.
- At a local level, our regional teams and locations are opportunistically committed to social issues. The impetus for this often comes from committed employees who are encouraged and supported in their activities by local management.

Governance

We are committed to ethical and legally compliant behavior in everything we do. Every single point of our [Code of Conduct](#) is non-negotiable.

The individual behavior of all of us - how we interact with colleagues, customers, suppliers and all other stakeholders - determines our success as a company. The values and principles of the [Code of Conduct](#) developed in 2020 form the foundation of our corporate culture and the basis for all our actions and decisions.

Strict and full compliance with laws, guidelines and regulatory standards at local, national and international level is not only the right thing to do, but also an important asset on which our reputation is based. The ethical conduct of all individuals and partner organizations with whom we work also contributes to this. All internal and external stakeholders can rely on us to treat them fairly and ethically at all times.

Practicing and upholding proper business ethics is an integral part of our relationships with each other, with our customers, with our suppliers, with our investors and even with our competitors. Ethical behavior is a crucial basis for trustful cooperation and for the success of our company. We require all Comet employees to adhere to our [Code of Conduct](#). To ensure that every employee understands the content of our [Code of Conduct](#), we introduced mandatory compliance training some time ago, which every Comet employee must complete on a regular basis.

Ethics and Compliance

Ethics and compliance are key pillars of Comet's success and integrity. While ethical standards define the moral behavior of a company, compliance refers to adherence to legal regulations. Adherence to ethics and compliance standards is not only a necessity, but also a key element in maintaining the trust and loyalty of all stakeholders. Failure to comply with standards can have serious legal and financial consequences, such as the loss of business opportunities or lengthy and expensive legal disputes, but also long-term damage to the company's image and therefore a loss of trust among customers, investors and other stakeholders.

Ethical behavior and compliance with laws and internal guidelines and requirements are non-negotiable. Accordingly, our Code of Conduct obliges all employees to comply with all laws and ethical standards.

As part of the risk management process, for which the Board of Directors is responsible, the Group's risks are assessed twice a year by the Audit Committee. The most important points are reported to the Board of Directors and discussed as part of the general business risks. Significant risks are systematically identified and recorded in a risk matrix.

At Group level, guidelines, processes, training, monitoring and continuous improvement measures ensure the highest level of ethics and compliance awareness among the workforce. Comet is currently focusing on the following areas: (i) data protection, (ii) code of conduct, (iii) anti-corruption and (iv) anti-trust.

Accountability for the implementation of these topics lies with the respective Country General Manager, while responsibility lies with the divisions. Compliance officers report to the Country General Manager and support the divisions and locations in implementing the compliance requirements. Where necessary, adjustments are made to the legal requirements. Responsibility for issuing rules and guidelines on other compliance issues such as health and safety lies with the respective Country General Manager, while implementation is carried out by the Division Country General Manager to whom the location is assigned.

The value of these structures and efforts is demonstrated by the fact that we were not involved in any legal proceedings due to non-compliance with laws or regulations in the reporting year, nor did we receive any significant fines as a result.

Trade Compliance

Trade compliance is a crucial element in international business. It refers to compliance with all relevant laws and regulations that govern trade between different countries. This includes customs regulations, export controls, sanctions and anti-corruption laws.

We comply with a wide range of laws and regulations when selling our products worldwide. Under no circumstances may exports, brokerage, transit or transfer by persons acting on behalf of the company violate these laws and regulations. It is of utmost importance that Comet and its products comply with all standards and requirements relating to business, ethics, quality, supplier and consumer protection. Failure to comply with these rules and regulations can result in delays in delivery to our customers, severe financial losses in the form of fines, and other penalties imposed by international regulatory authorities. Non-compliance with trade regulations can also be perceived as a lack of integrity or irresponsibility and can affect the confidence of customers, investors and business partners.

To ensure compliance, Comet has introduced a Trade Compliance Policy integrated into the company's management system, which lists the most important requirements and defines the roles and responsibilities within the global organization. In addition, it serves not only to promote and protect personal and corporate interests, but also to ensure compliance in the various supply chains. As part of our management system, the Country General Manager is responsible for ensuring that trade in their country or region is conducted in accordance with Comet's Trade Compliance Policy and applicable regulations. The Country General Manager is responsible for the organizational design and implementation. To meet the specific requirements of trade compliance, a Trade Compliance Officer is appointed for each country. This officer is responsible for trade compliance and is supported by trade specialists. The trade specialists and the Trade Compliance Officer are authorized to stop transactions. We strengthen trade compliance through annual training for the responsible employees.

In 2023, we were not involved in any legal proceedings due to non-compliance with trade-related laws and regulations, nor did we receive any significant fines as a result.

Basis of calculations and definitions

Period and base year

The reporting period covers the period from January 1 to December 31, 2023.

Reporting boundary

The environmental key figures include all locations and companies in Comet's scope of consolidation as listed in the annual report. Compared to the 2022 reporting year, the companies in the scope of consolidation have remained unchanged.

The following changes made by Comet to its business locations are significant for the calculation of environmental indicators in the 2023 financial year:

- In San Jose, California (USA), the four existing locations were merged into one new location in San Jose in the 2023 financial year
- The location in Beijing (China) was largely integrated into the two locations in Shanghai (China) in the course of the 2023 financial year
- The Hudson, Ohio (USA) site was closed during the 2022 financial year and integrated into the Shelton, Connecticut (USA) site

Restatements

The figure for natural gas consumption in Malaysia was corrected from the figure published in the 2022 Annual Report (3,023 MWh) to 1,639 MWh. This resulted in a correction of Scope 1 emissions from 918 tonnes of CO₂ in the 2022 Annual Report to 598 tonnes and of emissions caused by natural gas from 652 tonnes of CO₂ to 369 tonnes. The reason for the restatement is an erroneous classification of the energy source for the HVAC system (heating, ventilation, cooling) at the Penang site in Malaysia. Further deviations in the reported figures in this year's report compared to last year's report are considered insignificant (<10%).

Data sources and data collection

With the exception of the Flamatt site in Switzerland, which is owned by Comet, all of the company's other sites are leased. As a result of these leases, not all the necessary data on energy consumption for the financial year is available in time for the end of the reporting period.

In order to nevertheless gain a comprehensive overview of energy consumption at these locations, the data collection for Scope 1 and Scope 2 emissions calculations is based on various sources: these include invoices received during the year, extrapolations based on the latest available data or estimates based on the previous year's figures.

Scope 1 and Scope 2 data is collected every six months through surveys at all locations. The first survey takes place between November of the reporting year and January of the following year and forms the basis for the annual report. This is based on current information, with extrapolations made by Group Controlling in cooperation with the locations or estimates based on employee numbers and the size of the rented operating space being used in the event of missing data. A sec-

ond survey is carried out in the second quarter of the following year based on the figures actually reported for the reporting year in order to check the provisional figures and, if necessary, correct them retrospectively in the next annual report if there are significant deviations. These figures are used for the entries in the CDP Climate Change Questionnaire.

Internal costs, external invoices and information from service providers as well as data provided by the landlord are used to record water consumption, waste volumes and energy consumption for heating and vehicles. If such sources are not available, an estimate is made based on the number of employees.

Data control and data plausibility

Plausibility checks of the reported data are systematically ensured through year-on-year comparisons. For each data collection, as described in the "Data sources" section, those responsible for the locations check the data against the figures for the reporting year and the previous year. Any discrepancies identified are reported to Group Controlling. In the case of values outside a tolerance of ($\pm 20\%$), a detailed review is carried out. Group Controlling then works with the respective site managers to check and correct such data points. If the deviation is outside the tolerance and is confirmed, a correction is made in the annual report for the following reporting year.

Methodology Data evaluation and emission calculations

The data points collected are read in and consolidated by Sustainserv GmbH using a semi-automated Excel program. In order to ensure a uniform analysis, the different measurement units of the individual questionnaires, such as currencies, weights and performance units, are converted into standardized measurement units using conversion tables. This process complies with the guidelines of "The GHG Protocol Corporate Accounting and Reporting Standard".

Scope 1

For the calculation of Scope 1 emissions, which relate to direct emissions from the company's own energy sources, the specific consumption data is summarized and calculated using the current conversion factors from the DEFRA 2023 database. These emission factors are adjusted annually to ensure accuracy and timeliness.

Scope 2 location-based

For the location-based Scope 2 emissions, which record the indirect emissions from the energy consumption of the locations, the calculation is carried out by multiplying the specific consumption data with the country-specific energy mixes, based on data from the IEA and eGRID 2023 databases.

Scope 2 market-based

For the market-based Scope 2 emissions, which calculate energy consumption based on the actual energy mixes and conversion factors of the energy suppliers, the emission factors, where available, are updated annually directly by the Group companies with the respective energy suppliers. Comet will make additional efforts in the coming years to obtain utility-specific emission factors and further develop Scope 2 reporting on this basis.

Once the data has been evaluated, the calculations are randomly checked before the corresponding tables and figures are published in the annual report.

External audit

The contents of the Sustainability Report 2023 marked in the respective places were subjected to an external audit by Ernst & Young AG to obtain limited assurance regarding the compliance of the reported information with the GRI Standards.

Definitions

Employees: Persons who are in a direct employment relationship with the company under national law or practice. Excludes persons who work on another basis, such as consultants, contractors, temporary workers, self-employed persons, etc.

Permanent employees: Employees with an open-ended contract that is not limited by time and/or performance of duties and whose expiry requires certain measures on the part of the employee/employer in accordance with national law or practice. Internal categories: 1A (CEO), 1B (member of the Executive Committee), 2A (General Manager), 2B (member of Division Management), 2C (Senior Vice President), 2D (member of Group Functions Management), 2E (Vice President), 2F (Senior Director), 3A (Director), 3B (Senior Specialist), 4A (Manager), 4B (Team Leader), 4C (Specialist), 4D (Junior Specialist), 6A (salaried employees), 6B (hourly-paid employees).

Temporary employees: Employees with a contract for a limited period of time (fixed-term contract) that ends at the end of the specified period or after completion of a specific task or event. Internal categories: 6A (apprentices), 6B (interns/trainees), as well as all other categories if only a fixed-term employment contract exists.

Full-time employees: employees whose working hours are defined per period in accordance with national laws or practices.

Board of Directors: Comprises all members of the [Board of Directors of Comet Holding AG](#).

Executive Committee (EC): Comprises all members of the [Executive Committee of the Comet Group](#) in the internal categories 1A (CEO) and 1B (other members of the EC).

Regions: Europe - Denmark, Germany, Switzerland/Asia - China, Japan, Malaysia, South Korea, Taiwan/North America - Canada, USA

Turnover: Rate at which employees leave the organization.

Voluntary turnover: if the employee leaves the company of their own free will and this cannot be foreseen/prevented by the company.

Involuntary turnover: if the employer causes the employee to leave the company or the employee leaves the company for a reason independent of the employer (illness/death, etc.).

Calculation of employee turnover:

- Total [in %]: $(\text{total number of involuntary leavers} + \text{total number of voluntary leavers}) / \text{staff} \times 100$
- Voluntary [in %]: $(\text{total number of voluntary leavers} / \text{staff}) \times 100$
- Involuntary [in %]: $(\text{total number of involuntary leavers} / \text{staff}) \times 100$



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To the Board of Directors of
Comet Holding Ltd, Flamatt

Berne, 1 March 2024

Independent Assurance Report on selected KPIs in the Sustainability Report 2023

We have been engaged to perform a limited assurance engagement (the engagement) on selected metrics (the KPIs) disclosed in COMET Holding AG's (the Company's) Sustainability Report 2023 and the Report on non-financial matters 2023 (the report) for the reporting period from 1 January to 31 December 2023.

The metrics and information that we reviewed are indicated in the Sustainability Report on pages 148 – 199 and in the Report on non-financial matters 2023 on pages 203 - 236 through a corresponding footnote.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.

Applicable criteria

The Company defined as applicable criteria (applicable criteria):

- ▶ Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

A summary of the standards is presented on the GRI homepage. We believe that these criteria are a suitable basis for our limited assurance engagement.

Responsibility of the Board of Directors

The Board of Directors is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding



compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the report are free from material misstatement, whether due to fraud or error.

Summary of work performed

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management's internal control when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal control. Our procedures did not include testing control or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- ▶ Assessment of the suitability of the underlying criteria and their consistent application
- ▶ Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- ▶ Interviews with the Company's key personnel to understand the sustainability reporting system during the reporting period, including the process for collecting, collating and reporting the KPIs
- ▶ Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria
- ▶ Analytical review procedures to support the reasonableness of the data
- ▶ Identifying and testing assumptions supporting calculations
- ▶ Testing, on a sample basis, underlying source information to check the accuracy of the data

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.




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Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs for the reporting period from 1 January to 31 December 2023 have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd



Mathias Zeller
(Qualified Signature)
Executive in charge



Martin Mattes
(Qualified Signature)
Partner