

6. Climate reporting in accordance with TCFD

As a full-service provider of building technology that spans all trades, the Burkhalter Group assumes that demand for its services in the area of energy-efficient buildings will increase because of Switzerland's 2050 net-zero target. Climate-related risks form part of the Burkhalter Group's risk management framework. To mitigate greenhouse gas emissions, the Group is systematically expanding its greenhouse gas emissions inventory across the value chain and is expanding its climate transition plan accordingly.

While the Burkhalter Group identified climate-related risks and opportunities for the first time in 2023 and integrated climate risks into its risk management framework, as well as conducting a qualitative scenario analysis, in 2024, its focus in the reporting year was on expanding its inventory of greenhouse gas emissions along the value chain (Scope 3). In connection with this, the Group revised its climate target for the vehicle fleet to reduce its own greenhouse gas emissions and defined a Scope 3 climate target (Category 1) relating to its suppliers.

Governance

At the Burkhalter Group, the Board of Directors has overall responsibility for the sustainability strategy and therefore also for strategic climate issues. The Management of the Burkhalter Group, comprising the CEO and CFO, is responsible for its commitment to climate protection. In collaboration with the Group Head of Sustainability, the Management identifies key sustainability issues, assesses climate-related opportunities and risks, and defines the targets, which are then approved by the Board of Directors. The CEO periodically (at least annually) informs the Board of Directors at its meetings about

the Group's progress and challenges in achieving targets.

The Management of the Burkhalter Group is also responsible for embedding the sustainability and climate strategy. It creates the framework for implementing the strategy and monitors progress towards achieving the targets. Within the Group companies, the managing directors are responsible for communicating the targets to the employees and ensuring that they are met.

The Management, the Group Head of Sustainability and the topic owners in the various departments at Burkhalter Services Ltd support and monitor implementation of the defined measures and collect the relevant key figures.

Strategy

Physical climate risks manifest themselves in changes to the climate caused by rising concentrations of greenhouse gas emissions in the atmosphere. The impacts of these risks can disrupt the Group's own operations and/or lead to disruptions in supply chains. Transition risks, on the other hand, arise from political, social and economic changes in the course of decarbonisation. Whilst physical risks require protective measures and involve costs, the transition to a climate-friendly economy

can also present opportunities for companies through the development of corresponding products or services.

The Burkhalter Group has analysed its material climate-related risks and opportunities, as well as their potential impacts on the business, using two qualitative climate scenarios. Scenario analyses make it possible to assess the risks and opportunities, while taking account of various developments in society and the environment, and thereby plan for the future. The Burkhalter Group used the SSP (shared socio-economic pathways) scenarios for this purpose. These are based on scientific findings on greenhouse gas emission concentrations (representative concentration pathways, RCPs) and combine environmental, socio-economic and political changes. The following table summarises the most important elements of the scenarios selected by the Burkhalter Group.

SSP1, 1.5°C scenario
<ul style="list-style-type: none"> - Countries enact laws focusing on climate protection and the circular economy - Sustainable development and climate protection are a priority for politicians, organisations and society - Political frameworks enable countries and companies to realise climate protection projects and projects to adapt to climate change - Global trend away from fossil fuels and towards renewable energies - Circular economy is at the centre of economic and social values - Transition risks are increasing - Physical risks are becoming smaller
SSP3, > 3.6°C scenario
<ul style="list-style-type: none"> - The lack of a political framework makes it difficult to adapt to climate change and implement climate protection measures - Sustainable development and climate protection are not a priority for politicians, organisations and society - Heavy use of and dependence on fossil energy sources - Linear economy in the foreground - Transition risks of secondary importance - Physical risks are high and lead to damage to the environment and nature as well as adverse effects on human health

The following tables present the impacts of the main climate-related risks and opportunities under the climate scenarios outlined above and highlight the measures that the Burkhalter Group is implementing to mitigate the risks and exploit the opportunities.

Physical risk

Description and classification of the risk	Impacts in a 1.5 °C scenario	Impacts in a 3.6°C scenario	Measures to minimise risks
<p>More frequent and more intense temperature extremes (heatwaves) and chronically higher summer temperatures</p> <ul style="list-style-type: none"> - Acute physical risk (heatwaves, extreme temperatures) - Chronic physical risk (increasingly high temperatures in the summer) - own operations - Short term <p>KPIs: Number of heat wave days</p>	<ul style="list-style-type: none"> - Because temperature extremes hardly ever occur in the 1.5°C scenario, health problems for employees working outdoors are rare - Climate has no impact on the popularity of professions at the Burkhalter Group - Financial impact: low 	<ul style="list-style-type: none"> - Severe impairment of the health and performance of employees working on construction sites due to chronic heat and acute heat-waves - Popularity of professions at the Burkhalter Group negatively impacted - Exacerbated shortage of skilled labour - Financial impact: high 	<ul style="list-style-type: none"> - Protective measures for employees to make working in the heat more bearable and to protect them from temperature extremes and the associated health problems - Adjustments to working hours to avoid heat extremes - Innovative technical solutions such as AI, BIM or robotics could take over activities and therefore mitigate the risk - Project planning (e.g. prefabrication) with consideration of heat extremes

Transition risks

Description and classification of the risk	Impacts in a 1.5 °C scenario	Impacts in a 3.6°C scenario	Measures to minimise risks
<p>Fluctuating and rising raw material prices for metals (copper, aluminium, steel) and plastic due to increasing energy prices</p> <ul style="list-style-type: none"> - Transition risk - Market risk - upstream, own operations - Short to long term (variable, depending on the materials, their origin and supply chain) <p>KPIs: Purchase price of the most relevant individual materials in terms of volume</p>	<ul style="list-style-type: none"> - Volatility of raw material prices is not due to climate-related changes (e.g. electricity price) but to other factors such as geopolitics - Financial impact: low to medium 	<ul style="list-style-type: none"> - Limits on the range of services available due to material shortages - Increases in the cost of services that are passed on to customers - Financial impact: medium 	<ul style="list-style-type: none"> - Keep stocks of critical materials to guarantee availability and minimise the impact of fluctuating prices - Focus on suppliers based in Switzerland (90% of materials are sourced from Switzerland) - Broad supplier base instead of exclusivity - Future innovative technological solutions cushion raw material shortages and price fluctuations

Transition risks

Description and classification of the risk	Impacts in a 1.5 °C scenario	Impacts in a 3.6°C scenario	Measures to minimise risks
<p>Official regional bans on work where workers are exposed to extreme heat in certain cantons of Switzerland</p> <ul style="list-style-type: none"> – Transition risk – Politics and law – own operations – Short to long term time horizon <p>KPIs: Number of days off due to construction site closures and financial losses</p>	<ul style="list-style-type: none"> – Heat extremes are rarer than today, so the Burkhalter Group's activities are hardly affected by bans on working imposed by the authorities – Financial impact: low 	<ul style="list-style-type: none"> – Frequent delays in customer projects – More difficult project planning – Financial impact: high 	<ul style="list-style-type: none"> – The Burkhalter Group's room for manoeuvre is restricted by overarching official requirements – Technological solutions can replace employee activities, resulting in fewer interruptions to construction sites – Advanced planning of projects to account for the risk of heat-related bans on working in certain cantons in summer

Transition opportunity

Description and classification of the opportunity	Impacts in a 1.5 °C scenario	Impacts in a 3.6°C scenario	Measures to capitalise on the opportunity
<p>Due to the global climate targets, the Swiss 2050 net-zero target and the associated bans on fossil-fuelled heating systems in some cantons, the demand for the Burkhalter Group's services delivering energy-efficient solutions and modern building technology is rising.</p> <ul style="list-style-type: none"> – Technology – Products and services – Short to medium term: individual Swiss cantons are already banning fossil-fuelled heating systems; others will follow 	<ul style="list-style-type: none"> – Increasing demand for services to reduce energy consumption and greenhouse gas emissions in the Swiss building stock – Financial impact: very high 	<ul style="list-style-type: none"> – Because the Burkhalter Group offers a wide range of building technology services, there would be no climate-related opportunity under a 3.6°C scenario, but the demand for other services would remain (e.g. installation of heating systems based on fossil energy sources) – Financial impact: low 	<ul style="list-style-type: none"> – Focus on high-quality orders centred on renewable energy and energy efficiency – Training on professional installation of latest technologies – Promotion of technical knowledge in day-to-day business (e.g. Energy specialist group) in order to be able to offer and implement forward-looking services that focus on decarbonising the building stock



The resilience of the Burkhalter Group in light of the climate scenarios

The Burkhalter Group's corporate success is based on the technical expertise of its employees, who provide complex heating, cooling, ventilation, air conditioning, plumbing and electrical engineering services. Based on official climate models (such as those of the Intergovernmental Panel on Climate Change), the Group assumes that significant weather changes may occur under the 3.6°C scenario. For example, the frequency and intensity of heatwaves and the chronic rise in summer temperatures could put a strain on the physical health of employees working outdoors on construction sites and lead to dehydration or a deterioration in heart and lung function. The Group's room for manoeuvre in this respect is limited to adjusting working hours and providing protective measures. This risk poses a challenge to the Group's resilience. On the other hand, new, innovative technologies, such as those based on artificial intelligence, BIM (prefabrication)¹ and robotics may also be used to support the execution of work in this scenario. Such solutions could be used for partial steps, particularly in the event of heatwaves, thereby reducing the time employees spend on construction sites and easing the strain on their health.

The Burkhalter Group protects its employees from heat stress by providing them with protective clothing, cool drinks and sun cream, extending breaks where possible and providing shade in work and recreation areas. In the event of a 1.5°C scenario, the Group assumes only a minor financial impact from physical climate risks.

In connection with the increasing temperature extremes during the summer months, there is a growing transition risk of the authorities in some Swiss cantons imposing bans on working. The higher the temperatures rise and the more frequently heatwaves occur, the more frequently and widely bans on working are likely to be imposed. The Burkhalter Group assumes that the financial impact of a sharp rise in temperatures will be high, as it will be difficult to complete customer projects on time and scheduling will become a challenge. The Group's room for manoeuvre with regard to the bans on working ordered by the authorities is limited to changing the project planning, although this may have an impact on employees' working hours. As already mentioned, the Group assumes that forward-looking technological solutions can increasingly be expected on construction sites. These solutions will require employees to be on site for shorter periods of time. This could reduce the Group's risk exposure under a 3.6°C scenario.

If the global temperature rise can be limited to 1.5°C, there will be significantly fewer heat extremes and bans on working imposed by the authorities will remain rare.

During the summer months of the reporting year, several heatwaves in Switzerland (particularly in the cantons of Ticino, Valais and Geneva) led to temporary work stoppages on construction sites. The Burkhalter Group responded to the heatwaves by implementing preventive measures of its own in order to protect its employees' health – including adjusted working hours (for example, starting work earlier and having the afternoons off), additional breaks and changes to the organisation of work.

¹ BIM prefabrication refers to the industrial manufacture of building components based on precise 3D models. These models contain all relevant geometric and technical information. This process enables collisions to be identified at an early stage, waste to be reduced, and materials to be manufactured to exact specifications. On the construction site, installation times are significantly reduced, and (with just-in-time deliveries) the construction process becomes more efficient and resource-friendly.

The Burkhalter Group purchases more than 100,000 different products and components from wholesalers every year in order to provide its services. In the Electrical Engineering division, the Group procures cable trays, cables and wires made of copper, among other things. The most important goods in the HVACP division include plastic and metal pipes, ventilation ducts made of galvanised sheet steel and chrome steel pipes. In order to counter fluctuating or rising raw material prices or possible supply bottlenecks, the Group is diversifying its supply chain and procures 90% of its materials from various suppliers in Switzerland. It is also likely that future technological developments will open up new ways of responding to such price fluctuations.

Transition plan and climate strategy

The Burkhalter Group is developing its transition plan in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and in line with the Swiss 2050 net-zero target. The transition plan is an element of the corporate strategy that paves the way to a lower-carbon economy. An effective transition plan includes climate protection measures and also shows how a company strategically handles climate-related risks and opportunities.

The Burkhalter Group's climate strategy is based on the following measures:

1. Expansion of greenhouse gas emissions accounting along the value chain: By examining and assessing further emission sources and Scope 3 categories, the Burkhalter Group aims in future to provide a more comprehensive picture of the climate impact of its business activities and to lay the foundation for further emission reduction measures.

2. Transformation of the vehicle fleet to efficient and low-emission power, in particular electric vehicles: A gradual replacement of the vehicle fleet is intended to reduce the Group's own greenhouse gas emissions. The Group plans to define a quantitative climate target during 2026 based on a feasibility study that it conducted during the reporting year.

The Group is currently maintaining the target that it defined in 2024 to replace around two-thirds (67% or 400 out of 600) of all management vehicles (vehicles used by business and project managers) with electric ones by the end of 2028.

3. Improvement of energy efficiency at operational locations and decarbonisation of the energy sources used: The Group's own greenhouse gas emissions (Scopes 1 and 2) are to be reduced through the following measures: improving ventilation, heating and cooling systems in its own buildings, using building automation, prioritising lower-carbon electricity, and installing photovoltaic systems at its own locations.

4. Increase in the proportion of suppliers with ambitious climate targets in order to reduce emissions in the upstream value chain (Scope 3, Category 1): The Burkhalter Group plans to intensify its dialogue with its contractual partners to ensure that more of them set ambitious targets for reducing greenhouse gas emissions and that they pursue their existing validated targets.

The Burkhalter Group has set itself the target that, by 2030, more than 50% of its contractual partners (as measured by their Scope 3, Category 1 emissions) will have set themselves ambitious climate targets.

The Burkhalter Group's building technology services – particularly refurbishing and renovating poorly insulated older buildings and replacing fossil fuel heating systems – are helping to reduce greenhouse gas emissions in Switzerland and Liechtenstein. The Group is thereby supporting its customers in achieving their climate targets and is contributing to the implementation of the Swiss Federal Government's Energy Strategy 2050 and the Paris Agreement.

The global and Swiss climate targets, as well as the increased awareness of climate protection among many sections of the population, are increasing the demand from corporate customers and private owners for the Burkhalter Group's services and technical expertise.

The Burkhalter Group is aiming to use the Energy specialist group to increasingly support complete solutions for the decarbonisation of Swiss building stock (from private homes to large-scale projects). In the Group, project managers exchange views on current and future services relating to energy-efficient buildings and create the basis for innovative offerings in line with the Swiss 2050 net-zero target. Knowledge management is a core strategic issue for the Group. This is because imparting and promoting the exchange of technical expertise relating to climate-friendly building technology will enable the Group to further expand the corresponding range of services in future.

Risk management

The Burkhalter Group's risk management policy distinguishes between business-specific and internal risks. The Group's Management identifies the risks annually. The Board of Directors assesses and validates the risks annually, based on the Management's preparatory work. The Board of Directors also reviews the Group's risk management policy at regular intervals and has it adjusted if necessary.

The Board of Directors delegates the implementation of risk mitigation measures to the Management. The Management commissions the Group companies with designing and implementing risk mitigation measures. Process, control and risk responsibility lies with the managing directors of the Group companies.

Systematic risk management, clearly assigned responsibilities and supplementary systems, directives and regulations enable the Burkhalter Group to identify and manage the material risks and implement appropriate measures. In addition, the necessary checks can be implemented, any anomalies can be quickly identified and the necessary action can be taken.

The Burkhalter Group's risk management policy categorises the corporate risks into the categories below.

- Stock market risks
- Market risks
- Personnel risks
- Information technology risks
- Liability risks
- Climate risks

Metrics and targets

Chapter 3.2, Energy and Greenhouse Gases, in the [2025 Non-Financial Report](#) shows the metrics collected and discusses the climate targets also addressed in this climate reporting, but goes into more detail on individual climate protection measures.

Publishing details

Publisher

Burkhalter Holding Ltd
Flurstrasse 55
8048 Zurich

+41 44 537 64 00
info@burkhalter.ch
www.burkhalter.ch

The Non-Financial Report 2025 is available in German, French and English in PDF format.
The German version is binding.

German: www.burkhalter.ch/de/ueber-uns/investor-relations/publikationen

French: www.burkhalter.ch/fr/qui-sommes-nous/relations-investisseurs/publications

English: www.burkhalter.ch/en/about-us/investor-relations/publications

Reporting in accordance with TCFD: Sustainserv GmbH, Zurich

Editing: Burkhalter Services Ltd, Zurich

Layout: HI Schweiz AG, Lucerne