



**CLIMATE RISK  
REPORT 2025**



# Forward Looking Statement

This report includes forward-looking statements regarding our climate-related strategies, risk management approaches and anticipated financial impacts on our operations. These statements reflect current expectations, estimates and assumptions based on available information and are subject to risks and uncertainties, including changes in regulatory requirements, market conditions, supply chain, technological developments and climate-related events. Actual outcomes may differ materially from those expressed or implied in these statements. “Material risks” in this report refers to those ranked “Likely” (Likelihood ranking 4) to occur or “Major” (Magnitude ranking 4).



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# Introduction

TE Connectivity (TE) is a global industrial technology leader creating a safer, sustainable, productive and connected future. As a trusted innovation partner, our broad range of connectivity and sensor solutions enable the distribution of power, signal and data to advance next-generation transportation, energy networks, automated factories, data centers enabling artificial intelligence (AI), and more.

As a business, we recognize the role we play in advancing sustainability, guided by our Corporate Responsibility strategy: One Connected World. Through this strategy, we prioritize innovation and continuous improvement, delivering quality solutions that meet customer needs while reducing environmental impacts. To continue doing so, we also recognize the need to build resilience and adapt to ever-evolving climate-related risks and opportunities.

## About This Report

This report aligns with International Financial Reporting Standards (IFRS) S2. Any physical risk data presented encompasses TE U.S. sites only.

Many of our operations have already been impacted by severe weather. That is why we continually assess the greatest climate-related risks and opportunities for our business and value chain. Since 2020, we have aligned our internal processes and reporting with Task Force on Climate-related Financial Disclosures (TCFD) recommendations; this year, we are aligning, for the first time, with IFRS S2, which replaces TCFD.

In preparing this report, we built upon the climate-related risks and opportunities previously reported in our [2024 TCFD index](#) by conducting an analysis of peers, customers, suppliers and cross-sector disclosure activity. To do so, we evaluated the magnitude, likelihood and time horizon of identified risks and opportunities, prioritizing them for qualitative scenario analysis.

We also conducted a quantitative risk assessment to assess the financial impacts of both physical and transition risks on our business. This research was conducted on the best available resources at this time. As new data and insights emerge, we will continue to review and refine our analysis to ensure accuracy and relevance.

# Climate Governance

## Board Oversight

TE's Board reviews our environmental strategy, programs and performance annually, including progress against our climate-related goals and matters related to risks and opportunities.

## Management Oversight

Our Senior Vice President (SVP), Operations has ultimate executive responsibility for our environmental programs and is briefed at least monthly on our progress.

The Vice President (VP), Environmental, Social and Governance (ESG), Supply Chain reports to the Chief Supply Chain Officer, who reports to the SVP. They oversee the Environmental Sustainability and Facilities functions, which manage climate-related initiatives, including Scope 1 and 2, energy, water and waste management, and supply chain compliance.

The VP also oversees our Environmental Sustainability Leadership team (ESLT), which comprises multiple departments, functions and our businesses. The ESLT has several sub-working groups, including, but not limited to, operational waste, software, water, energy monitoring, capital, operating standards, renewable sourcing and tracking, Carbon Border Adjustment Mechanism (CBAM) and EU Deforestation Regulation (EUDR) reporting projects, and circularity. These help target efforts against specific goals and shape our environmental strategy.

Our VP, AI and Sustainability Transformation oversees Scope 3 emissions performance and circularity. They report to the SVP.

Our ESLT and Scope 3 team report monthly business unit-level progress against key sustainability metrics, including climate, energy, water, waste and emissions, to the SVP, Operations.

TE's Enterprise Risk Management (ERM) function maintains a comprehensive risk management and business continuity process, which is inclusive of climate risk exposures and mitigations. The function is led by our Chief Risk Officer and is the responsibility of the Executive Vice President (EVP) and General Counsel. Our General Counsel also manages the Global Government Affairs and Corporate Responsibility function. This function helps manage policy and regulatory risks and has oversight of ESG disclosures.

## Skills and Expertise

Our Board members and management leaders bring a range of professional skills and expertise that support TE in advancing our environmental performance.

For more information please view our Board Skills Matrix in our [Proxy Statement \(page 16-30\)](#).

# Strategy

When it comes to addressing climate-related risks and opportunities, we pursue various actions, overseen by our VP, ESG, Supply Chain and the ESLT. Supported by a series of sub-working groups, the ESLT brings together cross-enterprise experts who collaborate to establish and implement key environmental sustainability priorities, goals and objectives. This includes near-term targets validated by the Science Based Targets initiative (SBTi) in 2022 to reduce absolute Scope 1 and 2 emissions by 70+ percent by 2030 (versus 2020) and absolute Scope 3 emissions by 30+ percent by 2032 (versus 2022).

To identify priorities and establish effective goals and objectives, we first need to understand our risks and opportunities over different timeframes and climate scenarios. We have mapped out this information, identifying key physical and transition risks, as well as their impacts on our business, strategy and financial planning.

## Risk and Opportunity Identification

TE commissioned a third party to undertake a detailed identification of risks and opportunities, considering TE's entire value chain and macroeconomic factors. This builds on the work already done by our ERM team to review, assess and report risks and opportunities impacting TE.

As part of the assessment, we completed an analysis of peers, customers, suppliers, industry standards, desk-based research and cross-sector disclosure activity. This was followed by a physical risk analysis review for TE's U.S. locations using the Federal Emergency Management Agency (FEMA)-designated risk rating.

TE's U.S. locations were then analyzed for exposure to physical risk at the county-level based on this FEMA rating to determine their base risk relative to the rest of the United States. The assessment also involved identifying potential financial impact risks that would affect TE. We also set a materiality threshold to focus on risks that reached the "relatively high" and "very high" categories. The results of the physical risk analysis review of all segments (US locations only), inclusive of the percentage distribution of each risk level, are detailed below.

## Physical Risk Exposure

% of TE offices at each FEMA designation

	FEMA Designation	
	VERY HIGH 80th-100th percentile cluster	RELATIVELY HIGH 60th-80th percentile cluster
Hurricane Risk	0%	0%
Coastal flooding	2%	0%
Wildfire Risk	4%	0%
Drought Risk	15%	0%
Heatwave Risk	18%	0%
Riverine Flooding Risk	31%	0%
Severe Wind Risk	27%	11%
Winter Weather Risk	31%	13%

### Assessing Magnitude and Likelihood

Once the assessment was completed, we tested each risk and opportunity for materiality, assessing magnitude and likelihood across different time horizons, including short (0-2 years), medium (2-5 years) and long term (5+ years). These tests were conducted by combining an internal workshop with members of the Environmental Sustainability and Enterprise Risk Management (ERM) team and a review of TE's business model and value chain. FEMA data also informed the risk assessment scoring.

Any risk or opportunity to be ranked "Likely" (Likelihood ranking 4) to occur or "Major" (Magnitude ranking 4) was deemed material to the assessment, disclosed below, and was carried forward for scenario analysis.

We identified mandatory ESG reporting costs as being the greatest transitional risk in terms of likelihood in the short term while, in the medium and long term, our most likely risk is supply-chain disruption from transition-driven shifts in material demand and regulation. In the long term, this plus gross margin compression from supplier pass-through of carbon compliance costs demonstrate the greatest risk in terms of likelihood.

In terms of physical risk, four risks will remain likely across all time horizons:

- Increased insurance costs and protection gaps.
- Chronic heat and water stress.
- Damage and disruption to U.S. facilities from flooding and storm surge.
- Operational shutdowns due to grid failure from extreme cold events.

In the long term, material shortages and price spikes due to climate impacts on raw material production, and production delays and increased freight costs from climate-disrupted logistics networks will also pose likely risks. Our assessment also identified several likely opportunities. Across all time horizons, opportunities will present themselves in the form of:

- Capturing growth in vehicle electrification.
- Operational cost savings from energy efficiency.
- Cost stability and savings from renewable energy.

Furthermore, in the medium and long terms, reduced input costs and enhanced supply stability through sustainable procurement will likely pose an opportunity to TE's operations.

A key part of our business strategy focuses on developing products that meet growing customer demands for sustainable solutions. This ensures we are globally positioned to best provide industry leading sales and engineering support. Serving global customers across multiple industries allows us to leverage capabilities across markets and reduce exposure to any single sector, helping stabilize financial performance.

Our operations and supply chains have been and may be in the future vulnerable to physical and transitional risks as identified in this report. Resulting disruptions could delay production, reduce sales, increase costs, and cause property or personnel harm. If a disruption to the business occurs and we are unsuccessful in our continuing efforts to minimize the impact of these events, our business strategy, financial condition, and planning could be adversely affected.

### Scenario Analysis

Once we identified material physical and transition risks, we worked with the third party to conduct a quantitative scenario risk assessment to consider how these risks affect our business. Using global climate pathways from the World Bank, Intergovernmental Panel on Climate Change (IPCC) and Network for

Greening the Financial System (NGFS), we explored how our risk profile could change under different scenarios. The analysis helps us test and understand the resilience of our operations, supply chains and strategic positioning over the short (2030), medium (2040) and long (2050) terms.

TE operates manufacturing sites, office locations and distribution centers across the U.S., which show diversified exposure to physical climate risks. Under high-warming scenarios, overall physical risk levels increase, though impacts vary by geographic location. Extreme heat emerges as a consistent risk across all scenarios, posing operational challenges. Flood risk is generally stable; however, certain sites face heightened exposure in higher-warming conditions.

Using the results of these assessments, we will continue to build the identification and management of climate-related risks into our environmental management processes.

# Risk Management

TE conducts an annual integrated risk assessment to broadly analyze cross-enterprise risks and mitigations with the ERM framework. Insights are gathered through iterative surveys and interviews with senior business and function leaders.

Participants from every business and function can provide insight into climate risks related to their operations. We also regularly engage risk management stakeholders in targeted discussions, including, but not limited to:

- Annual assessments of business units and corporate functions.
- Deep dives and focused analyses of identified key enterprise risks.
- Mitigation performance reviews for principal areas of risk exposure.
- Best practice and information sharing through an ERM Network.

## Risk Oversight

We maintain a focus on risk at all levels of leadership. The Board's Nominating, Governance and Compliance Committee (NGCC) has ultimate oversight for ERM, while the EVP and General Counsel is responsible for the Enterprise Risk and Security Management (ERSM) function, which implements our risk management and business continuity process. A Chief Risk Officer reports to the EVP and General Counsel, with day-to-day ERSM responsibility.

The ERSM team partners with TE's Insurance Risk Management function to help the company reduce exposure to risks from severe weather and wildfires at our locations, for example, by installing features like flood barriers and conducting footprint analyses to identify exposure levels. Our Insurance function further estimates financial exposure of acute physical risks addressed in our disaster preparedness and business continuity plans to better understand the financial implications of climate-related impacts.

## Business Continuity Planning

Together with Operations leadership teams, ERSM develops business continuity planning, inclusive of evaluating climate-related threats like extreme temperatures, precipitation and wind events. Having considered our greatest risks, cross-functional teams establish mitigation plans, including estimating potential impacts on TE's operating locations (physical risk) and any regulatory, tax or reputational implications (transition risk). To continue enhancing our approach, our next step will be to conduct an assessment of these risks globally.

We are effectively managing the risks and opportunities we have identified throughout existing business continuity plans.

# Metrics and Targets

Under the Planet focus area of our One Connected World strategy, we have the following long-term and mid-term goals we are committed to achieving:

- Long-term goal: 70+ percent absolute GHG emissions reduction in Scope 1 and 2 by 2030.
- Long-term goal: 30 percent absolute GHG emissions reduction in Scope 3 by 2032.
- Mid-term goal: 80 percent renewable electricity by 2025.

We disclose Scope 1, 2 and 3 GHG emissions in our [annual Corporate Responsibility Report](#).

# IFRS S2 Index

IFRS S2 is a global standard for climate-related disclosures, developed by the International Sustainability Standards Board (ISSB). It builds on the reporting we have already conducted against

the TCFD and sets clear requirements for reporting governance, strategy, risk management and metrics related to climate risks and opportunities.

Section	IFRS S2 reference	Requirement summary	Response
<b>GOVERNANCE</b>	6(a)	Governance body or individual responsible for oversight of climate-related risks and opportunities, including how responsibilities are defined in mandates, role descriptions and policies.	Climate Risk Report, Climate Governance, p.3
		(i) How responsibilities for climate-related risks and opportunities are reflected in terms of reference, mandates, role descriptions and related policies.	Climate Risk Report, Climate Governance, p.3
		(ii) How the governing body determines that appropriate skills and competencies are or will be available to oversee climate-related strategies.	Not currently reported on
		(iii) How and how often the governing body is informed about climate-related risks and opportunities.	Climate Risk Report, Climate Governance, p.3 Climate Risk Report, Risk Management, p.6
		(iv) How climate-related risks and opportunities are considered in overseeing strategy, major transactions and risk management, including trade-offs.	Climate Risk Report, Climate Governance, p.3 Climate Risk Report, Risk Management, p.6
		(v) How the governing body oversees setting of climate-related targets, monitors progress and links related metrics to remuneration.	Climate Risk Report, Climate Governance, p.3 Climate Risk Report, Risk Management, p.6
	6(b)	Management's role in governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Climate Risk Report, Climate Governance, p.3 Climate Risk Report, Risk Management, p.6
		(i) Whether responsibilities are delegated to specific management positions or committees and how oversight is exercised.	Climate Risk Report, Climate Governance, p.3 Climate Risk Report, Risk Management, p.6
		(ii) Whether and how management uses controls and procedures for climate-related risks and opportunities, and integration with other internal functions.	Climate Risk Report, Climate Governance, p.3 Climate Risk Report, Risk Management, p.6

Section	IFRS S2 reference	Requirement summary	Response
<b>STRATEGY</b>	9(a)	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Climate Risk Report, Strategy, p.4
	9(b)	Current and anticipated effects of these climate-related risks and opportunities on the business model and value chain.	Not currently reported on
	9(c)	Effects on strategy and decision-making, including any climate-related transition plan.	Not currently reported on
	9(d)	Effects on financial position, financial performance and cash flows in the reporting period and over short, medium and long term, including integration into financial planning.	Not currently reported on
	9(e)	Climate resilience of the strategy and business model to climate-related changes, developments and uncertainties.	Not currently reported on
<b>STRATEGY: CLIMATE-RELATED RISKS &amp; OPPORTUNITIES</b>	10(a)	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects (cross referenced to 9(a) where relevant).	Climate Risk Report, Strategy, p.4
	10(b)	For each climate-related risk, whether it is considered a physical risk or a transition risk.	Climate Risk Report, Strategy, p.4
	10(c)	Time horizons (short, medium, long term) over which the effects of each identified climate-related risk and opportunity are expected to occur.	Climate Risk Report, Strategy, p.5
	10(d)	How the entity defines short, medium and long term and links these to planning horizons used for strategic decision-making.	Not currently reported on
<b>STRATEGY: BUSINESS MODEL &amp; VALUE CHAIN</b>	13(a)	Description of current and anticipated effects of climate-related risks and opportunities on the business model and value chain.	Not currently reported on
	13(b)	Where in the business model and value chain climate-related risks and opportunities are concentrated (e.g. geographies, facilities, asset types).	Not currently reported on

Section	IFRS S2 reference	Requirement summary	Response
<b>STRATEGY: STRATEGY &amp; DECISION-MAKING</b>	14(a)	How the entity has responded and plans to respond to climate-related risks and opportunities in its strategy and decision-making, including plans to achieve any climate-related targets or mandated targets.	Not currently reported on
		(i) Current and anticipated changes to the business model and resource allocation (e.g. capex, R&D, acquisitions/divestments) to address climate-related risks and opportunities.	Not currently reported on
		(ii) Current and anticipated direct mitigation and adaptation efforts (e.g. process, equipment, location, workforce, product changes).	Not currently reported on
		(iii) Current and anticipated indirect mitigation and adaptation efforts (e.g. through customers and supply chain).	Not currently reported on
		(iv) Details of any climate-related transition plan, including key assumptions and dependencies.	Not currently reported on
		(v) How the entity plans to achieve any climate-related targets, including greenhouse gas emissions targets.	<a href="#">Corporate Responsibility Report 2025, Our Approach to Climate, p.25</a>
	14(b)	(iv) Details of any climate-related transition plan, including key assumptions and dependencies.	Not currently reported on
	14(c)	(iv) Details of any climate-related transition plan, including key assumptions and dependencies.	Not currently reported on
<b>STRATEGY: CLIMATE RESILIENCE</b>	22(a)	Assessment of climate resilience at the reporting date, including implications for strategy and business model and response to scenario analysis results.	Climate Risk Report, Scenario Analysis, p.5
	22(a)(ii)	Significant areas of uncertainty considered in the resilience assessment.	Not currently reported on
	22(a)(iii)	Capacity to adjust or adapt strategy and business model to climate change over short, medium and long term, including financial flexibility, asset redeployment and mitigation/adaptation investments.	Not currently reported on
	22(b)	How and when climate-related scenario analysis was carried out, including inputs, scenarios used, time horizons, scope of operations and key assumptions, and reporting period of the analysis.	Climate Risk Report, Scenario Analysis, p.5
<b>RISK MANAGEMENT</b>	25(a)	Processes and related policies used to identify, assess, prioritize and monitor climate-related risks, including data sources, scope and use of scenario analysis.	Climate Risk Report, Risk Management, p.6
		(iii)–(vi) How the entity assesses likelihood and magnitude, prioritizes climate risks relative to other risks, monitors risks and changes in processes from prior periods.	Climate Risk Report, Strategy, p.4
	25(b)	Processes used to identify, assess, prioritize and monitor climate-related opportunities, including any use of scenario analysis.	Climate Risk Report, Strategy, p.4 Climate Risk Report, Scenario Analysis, p.5
	25(c)	Extent to which and how climate-related risk and opportunity processes are integrated into overall risk management.	Climate Risk Report, Risk Management, p.6 <a href="#">Corporate Responsibility Report 2025, Managing Risk, p.50</a>

Section	IFRS S2 reference	Requirement summary	Response
<b>METRICS &amp; TARGETS</b>	29(a)(i)-(ii)	Absolute gross Scope 1, Scope 2 and Scope 3 greenhouse gas emissions in metric tons CO <sub>2</sub> e, measured in line with the GHG Protocol or required local method.	<a href="#">Corporate Responsibility Report 2025, Performance Summary, p.54</a>
	29(a)(iii)	Measurement approach, inputs, assumptions and any changes to approach for greenhouse gas emissions.	<a href="#">Corporate Responsibility Report 2025, Performance Update, p.61</a>
	29(a)(iv)	Disaggregation of Scope 1 and Scope 2 emissions between consolidated accounting group and other investees.	Not currently reported on
	29(a)(v)	Location-based Scope 2 emissions and relevant information on contractual instruments (e.g. market-based).	Not currently reported on
	29(a)(vi)	Scope 3 categories included, and additional information on financed emissions where applicable.	<a href="#">Corporate Responsibility Report 2025, Performance Summary, p.54</a>
	29(b)	Amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Not currently reported on
	29(c)	Amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate Risk Report, Strategy, p.4
	29(d)	Amount and percentage of assets or business activities aligned with climate-related opportunities.	Not currently reported on
	29(e)	Capital expenditure, financing or investment deployed toward climate-related risks and opportunities.	Not currently reported on
	29(f)	Whether and how an internal carbon price is applied in decision-making and the price used per metric ton of emissions.	Not currently reported on
	29(g)	Whether and how climate-related considerations factor into executive remuneration and the percentage of current-period executive pay linked to climate considerations.	Not currently reported on
	33(a)	Metric(s) used to set each climate-related target.	<a href="#">Corporate Responsibility Report 2025, Our Ambitions &amp; Progress, p.12</a>

Section	IFRS S2 reference	Requirement summary	Response
<b>METRICS &amp; TARGETS</b>	33(b)	Objective of each target (e.g. mitigation, adaptation, conformance with science-based initiatives).	<a href="#">Corporate Responsibility Report 2025, Climate, p.24</a>
	33(c)	Part of the entity covered by each target (e.g. entity-wide, business unit, region).	<a href="#">Corporate Responsibility Report 2025, Our Ambitions &amp; Progress, p.12</a>
	33(g)	For quantitative targets, whether they are absolute or intensity targets.	<a href="#">Corporate Responsibility Report 2025, Our Ambitions &amp; Progress, p.12</a>
	33(h)	How the latest international climate agreement and related jurisdictional commitments have informed the target.	Not currently reported on
	34(a)	Whether the target and target setting methodology have been validated by a third party.	<a href="#">Corporate Responsibility Report 2025, Our Approach to Climate, p.25</a>
	34(b)	Processes for reviewing climate-related targets.	Climate Risk Report, Strategy, p.4
	34(c)	Metrics used to monitor progress toward each target.	<a href="#">Corporate Responsibility Report 2025, Our Ambitions &amp; Progress, p.12</a>
	34(d)	Any revisions to targets and explanations for those revisions.	Not currently reported on
	35	Performance against each climate-related target and analysis of trends or changes in performance.	<a href="#">Corporate Responsibility Report 2025, Our Ambitions &amp; Progress, p.12</a>
	36(a)	Greenhouse gases covered by each emissions target.	<a href="#">Corporate Responsibility Report 2025, Performance Summary, p.54</a>
	36(b)	Whether Scope 1, Scope 2 and/or Scope 3 emissions are covered by the target.	<a href="#">Corporate Responsibility Report 2025, Our Ambitions &amp; Progress, p.12</a>
	36(c)	Whether the target is a gross or net emissions target, and disclosure of associated gross target where a net target is used.	Not currently reported on
	36(d)	Whether the target was derived using a sectoral decarbonization approach.	Not currently reported on
	36(e)	Planned use of carbon credits to achieve any net emissions target, including reliance on credits, verification schemes, credit type and other information needed to understand credibility and integrity.	Not currently reported on

