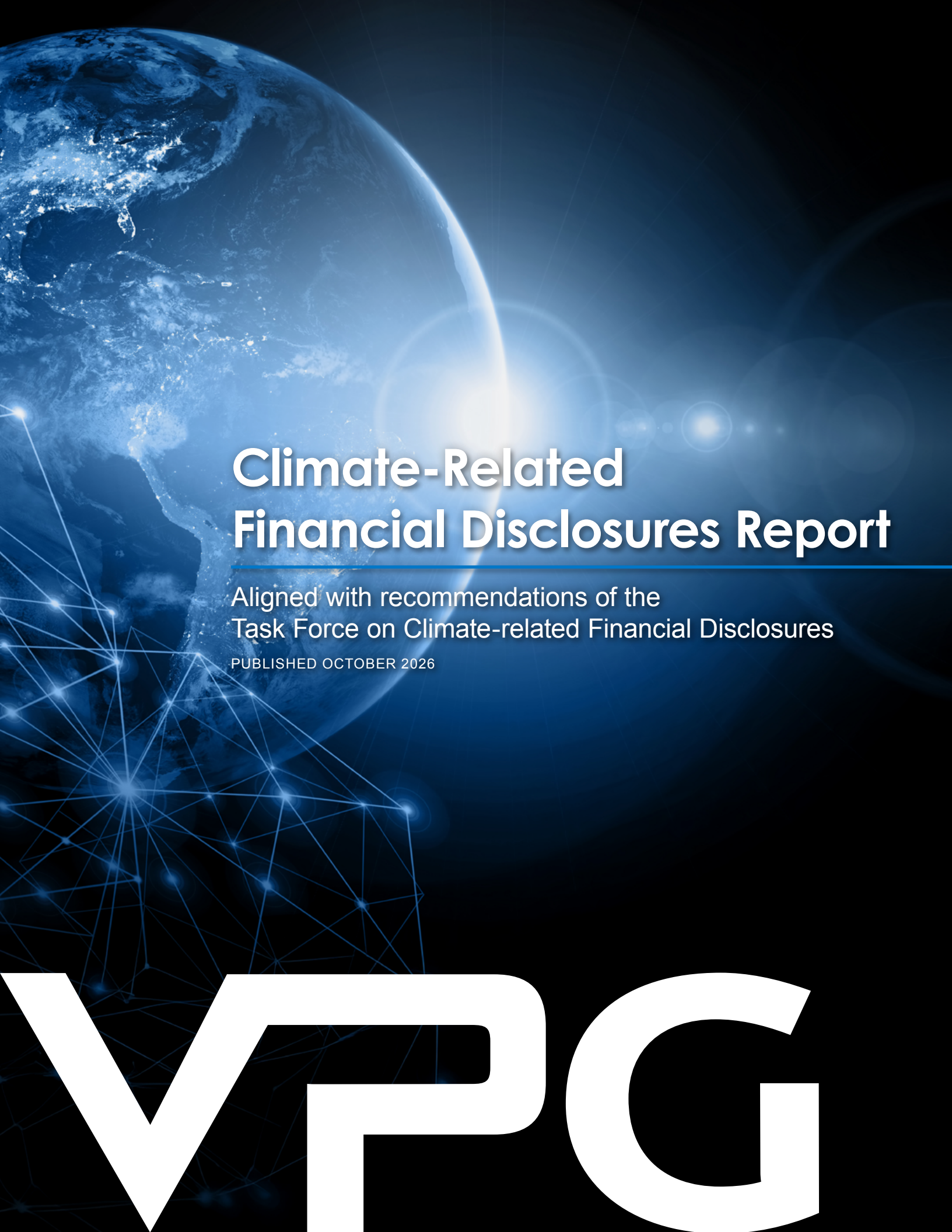




Climate-Related Financial Disclosures Report

Aligned with recommendations of the
Task Force on Climate-related Financial Disclosures

PUBLISHED OCTOBER 2026

WFG

CEO Letter

From our formal ESG program launch in late 2022 to the full release of our first ever sustainability report in late 2024 to the publication of this TCFD-aligned report, Vishay Precision Group (VPG), Inc. has embedded climate-related risk and opportunity analysis into its core business strategy.

In 2025 and 2026, we completed our first comprehensive transition and physical climate risk assessments across our global operations. These qualitative analyses are now informing our capital allocation, operational resilience planning, and emissions reduction strategy. They also provide critical insights into how VPG can strengthen long-term resilience, manage risk, and capture opportunities aligned with the global transition to a lower carbon economy.

More specifically, these assessments and subsequent report support the development of meaningful greenhouse gas (GHG) emissions targets, risk management and resiliency, and plan for growth. To further strengthen climate risk management, emissions measurement, energy resilience and supply-chain transparency, VPG anticipates implementing the following climate-related key performance indicators (KPIs), targets and programs during the 2026–2027 planning cycle.

-
- Conduct comprehensive energy audits at VPG's three highest energy-consuming manufacturing facilities and develop site-specific energy efficiency, renewable energy, and emissions reduction roadmaps
 - Establish a Renewable Electricity KPI (% of Global Electricity Consumption), develop a baseline and establish medium-term targets if available to increase renewable electricity utilization across global operations.
 - Establish a Scope 3 emissions baseline; engage suppliers representing two-thirds of the direct procurement spend; and integrate supplier climate risk, emissions and sustainability metrics into strategic procurement and supplier management processes.
 - Establish a carbon intensity metric based on Scope 1 and Scope 2 emissions relative to revenue and develop a longer-term roadmap toward enterprise-wide carbon intensity reporting inclusive of Scope 3 emissions.
 - Incorporate climate-related factors into capital allocation and resilience planning

These initiatives represent an important next step in VPG's climate journey and will support future enhancements to climate-related governance, emissions reporting, energy management, and supply-chain resilience. We will continue to remain committed to keeping you informed as our measurement and sensing technologies help to make our customers' products and processes safer, smarter, and more productive.

Sincerely,



Ziv Shoshani

President and CEO



TCFD Contents and Alignment Summary

TCFD Recommended Disclosure	VPG Report Section	Page
Governance (a) Describe Board oversight of climate-related risks and opportunities	Governance of Climate Strategy	9
Governance (b) Describe management's role in assessing and managing climate-related risks and opportunities	Governance of Climate Strategy	9
Strategy (a) Describe climate-related risks and opportunities identified over the short, medium and long term	Time Horizons; Transition Risk Assessment; Physical Risk Assessment	7, 13-45
Strategy (b) Describe the impact of climate-related risks and opportunities on businesses, strategy, and financial planning	Key Analysis and Implications for Strategy and Financial Planning (Transition and Physical Risk Sections)	18-20, 27-29
Strategy (c) Describe resilience of strategy considering different climate scenarios	Scenario Analysis; Climate Strategy Resilience	14-16, 28-29, 43-45
Risk Management (a) Describe processes for identifying and assessing climate-related risks	TCFD Assessment Process; Transition Risk Assessment; Physical Risk Assessment	8, 18 and 28
Risk Management (b) Describe processes for managing climate-related risks	Governance of Climate Strategy; Key Analysis and Implications Sections	9, 27-29, 39-42
Risk Management (c) Describe how climate-related risk processes are integrated into overall risk management	Executive Summary; Governance of Climate Strategy; Time Horizons; Transition Risk: Key Analysis; Physical Risk: Key Analysis; Climate Strategy Resilience	5-9, 18-20, 39-45

Metrics & Targets (a) Disclose metrics used to assess climate-related risks and opportunities	Climate Metrics & Targets	11-12
Metrics & Targets (b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions	Climate Metrics & Targets	11-12
Metrics & Targets (c) Describe targets used to manage climate-related risks and opportunities and performance against targets	Climate Metrics & Targets; Core Climate Focus Areas	11-12

Executive Summary

Vishay Precision Group (VPG), Inc. is committed to transparent climate action and as such it performed a qualitative analysis aligned with the Task Force on Climate-related Financial Disclosures (TCFD) to better inform our key decision makers of salient risks and opportunities that may guide future strategy and financial planning.

In 2025-2026, VPG completed its first comprehensive transition and physical climate risk assessments across global operations under two transition scenarios – the IEA Net Zero Emissions by 2050 (NZE, 1.5°C) and STEPS ~2.5°C (range: 2.4–2.7°C) and two physical scenarios- the Intergovernmental Panel on Climate Change (IPCC) SSP2-4.5 and SSP5-8.5 to support the VPG's alignment with the strategy pillar of the TCFD framework and the [VPG Climate Related Risk-Greenhouse Gas \(GHG\) Policy](#). These assessments support the development of meaningful GHG emissions targets aligned with VPG's current business strategy and are now integrated into capital allocation, risk management and operational resilience planning.

Key assumptions and methodological approaches used in this analysis were reviewed against ESG and proxy benchmarked peers, industry consensus practices, and with assistance from an external sustainability consultant. Climate scenario analysis is inherently subject to uncertainty, and the results presented represent directional estimates intended to inform long-term strategic planning rather than precise forecasts of future conditions.

Unless otherwise noted, references to VPG in this report relate specifically to its global operational sites, key sales locations, and finished goods and raw material warehouses. The current assessment boundary includes thirty-seven owned or leased facilities worldwide, representing more than 2,200 employees and contractors. For physical risk assessment these facilities were consolidated into thirty assessment locations with unique geographic characteristics, risk profiles and vulnerability levels.

Scope 3 emissions and supplier climate risks were not included in the current climate risk assessment but will be evaluated and included in future reporting cycles as data availability improves. Specifically, VPG anticipates expanding future assessments to include key raw material suppliers to better evaluate supply-chain emissions and climate-related physical risks in subsequent TCFD reports.

The completed assessments form part of VPG's broader approach to identifying, evaluating, and managing climate-related risks and opportunities across the organization.

Key Findings at a Glance

Category	Key Finding	Strategic Implication
Assessment Scope	Climate assessments covered 37 owned and leased facilities globally, consolidated into 30 physical risk assessment locations across operations, warehouses and sales facilities	Provides enterprise-wide visibility into climate-related risks and opportunities
Transition Scenario Analysis	VPG evaluated climate transition risks using both the IEA NZE (1.5°C) scenario and the IEA STEPS (Approx. 2.5°C) scenario	Supports strategic planning under both accelerated and delayed global decarbonization pathways
Physical Scenario Analysis	Physical climate risks were evaluated using IPCC SSP2-4.5 and SSP5-8.5 scenarios through 2050.	Enables assessment of resilience under both moderate and high-emissions futures.
Most Significant Transition Risks	Technology transition requirements, regulatory developments, energy pricing and market disruption represent the most significant transition risks identified.	Supports investment in energy efficiency, renewable energy and climate-related compliance systems.
Most Significant Physical Risks	Heat stress, extreme heat, flood, tropical cyclone and sea level rise represent the most significant physical climate hazards.	Supports prioritization of adaptation planning, infrastructure resilience and business continuity measures.
Highest Physical Risk VPG Locations	VPG's Chennai, Tokyo, Shanghai and Taipei facilities exhibit the highest projected physical climate risk exposure by 2050 under SSP5-8.5.	Long-term adaptation planning and resilience investments are prioritized for these locations.
Portfolio Resilience Finding	No facilities are projected to reach the Significant risk band under SSP2-4.5 by 2050; four facilities reach the Significant band under SSP5-8.5.	Current portfolio remains generally resilient under moderate warming but requires monitoring under higher-emissions scenarios.

Climate Opportunities	Energy efficiency, renewable energy, climate-resilient products, precision sensing technologies and supply chain resilience initiatives were identified as key opportunities.	Climate-related investments can support both risk reduction and business growth.
Governance	Climate oversight is provided by the Nominating & Governance Committee with implementation managed through the VPG ESG Committee.	Climate-related risks and opportunities are integrated into governance and enterprise decision-making.
Integration into Business Planning	Findings from climate assessments are incorporated into capital allocation, operational resilience planning and enterprise risk management processes.	Supports alignment between climate strategy and business strategy.
Climate Target	VPG established an initial target to reduce absolute Scope 1 and Scope 2 emissions by at least 5% from a 2024 baseline by 2027.	Represents an initial step toward longer-term climate target development.
Future Priorities	VPG plans to establish renewable electricity and carbon intensity key performance indicators (KPIs), expand Scope 3 emissions quantification, and increase supplier climate engagement.	Supports the continued maturation of climate governance, reporting and supply chain resilience practices.

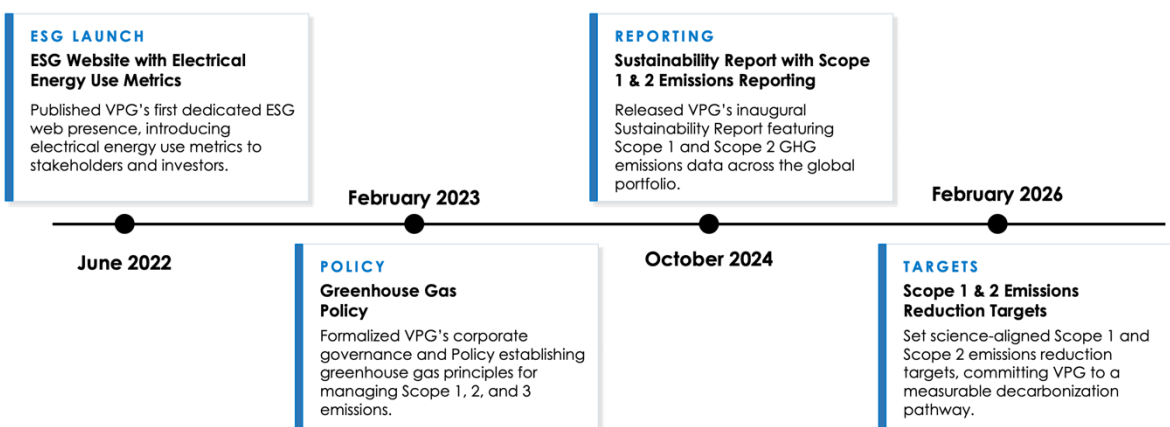
Time Horizons

At VPG, we have made strides by launching our initial Sustainability Report in 2024, defining our Greenhouse Gas boundaries and disclosing our Scope 1 and Scope 2 emissions.

More recently we have set targets for reduction at least 5% in total Scope 1 and Scope 2 actual emissions over 3 years.

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VPG's Climate Focus Areas



VPG CLIMATE COMMITMENTS | SSP5-8.5 HIGH EMISSIONS SCENARIO | TCFD ALIGNED

Climate change creates emerging risks and opportunities for our business. Unless otherwise stated, our analysis provides a forward-looking approach to assess these potential risks and opportunities under various climate scenarios. Climate-related risks identified through this assessment are incorporated into VPG's broader enterprise risk management processes and are reviewed periodically as part of VPG's overall risk monitoring and governance framework.

The TCFD Framework's categorization of transition risks and physical risks was adopted to assess impact.

VPG evaluated transition risks and opportunities using relative planning horizons (short, medium and long term), reflecting the uncertain timing of policy, technology and market developments. Physical risks were evaluated using fixed future years (2030–2050) consistent with climate-model projection methodologies.

For transition risk analysis, VPG defines short-term as 1–4 years, medium-term as 5–10 years and long-term as 11–25 years. For physical climate risk analysis, fixed assessment horizons of 2030, 2035, 2040, 2045 and 2050 were used. For comparison purposes, 2030 broadly aligns to the short-term horizon, 2035 aligns to the medium-term horizon and 2040–2050 align to the long-term horizon.

Stakeholder Involvement and Periodic Monitoring

VPG evaluated key topics impacting the market and our peers.

The current perspective on these TCFD topics was reviewed by our Executive Management, as well as the VPG ESG Committee.

As climate topics, progress towards targets, and even newer risk and opportunities and frameworks will evolve, VPG commits to at least biennial review of the TCFD key topics and assumptions to ensure alignment and support of its climate-related priorities and will continue to monitor key stakeholders including investors, customers, peers, employees and suppliers.

Governance of Climate Strategy

The Board of Directors has overall oversight of climate-related risks and opportunities through the Nominating and Governance Committee (NGC) who approves and monitor plans supporting VPG's climate strategy. The NGC is briefed periodically on climate strategy and risks by the CAO and Sr. Director ESG, and at a minimum receives an annual update.

More tactically, the VPG Environment, Social and Governance (ESG) Committee manages climate related risks and opportunities and meets quarterly to set objectives, targets and programs, and monitor completion of identified actions to support the climate strategy. The VPG ESG Committee is comprised of the Chief Accounting Officer (CAO), the Chief Financial Officer (CFO), the Sr. Director of Investor Relations, the General Counsel, the Vice President of Digital/IT, the Senior Vice President of Human Resources, the Director of Quality, and the Sr. Director of EHS/ESG.

The CAO provides the NGC with an annual update, at a minimum, of transition risk exposure and physical risk resilience and key performance indicators and projects for reductions of GHG emissions, electrical energy use, water use and hazardous waste disposal. Additionally, the CAO and Sr. Director EHS/ESG plan, approve and monitor climate related and maintenance related capital expense to minimize risks and improve resilience.

Governance Body	Role(s)	Frequency(s)
Board of Directors	Overall climate strategy oversight	Annual
Nominating and Corporate Governance Committee of the Board of Directors	Approves climate strategy and monitors metrics, targets and risk exposure	Annual + updates
VPG ESG Committee	Operational implementation and quarterly monitoring	Quarterly

TCFD Assessment Process

VPG conducted a qualitative risk assessment involving its Executive Team and the VPG ESG Committee. The results will be provided at the next NCG committee meeting. The review intended to get input on relevant climate risks and opportunities within the framework of the current and future business strategy. The assessment provides an overall view of the current climate-related processes and risks.

Scenario Analysis

To understand VPG's exposure to the risks related to the transition to a low carbon economy and physical impacts of climate change VPG conducted qualitative scenario analyses. VPG evaluated two transition scenarios (NZE and STEPS) and two physical risk scenarios (SSP2-4.5 and SSP5-8.5). Detailed scenario descriptions are provided in Appendix A- Detailed Climate Scenario Descriptions.

The identification of the impacts of climate risk will aid VPG in protecting employees, business and physical assets. VPG assessed the potential risks and opportunities for all key manufacturing, sales/distribution, and warehouses worldwide using climate scenarios that were established by the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC).

Category	Scenario	Description
Transition	NZE 1.5°C	Accelerated decarbonization
	STEPS~2.5°C	Delayed/fragmented transition
Physical	SSP2-4.5	Moderate emissions
	SSP5-8.5	High emissions stress test

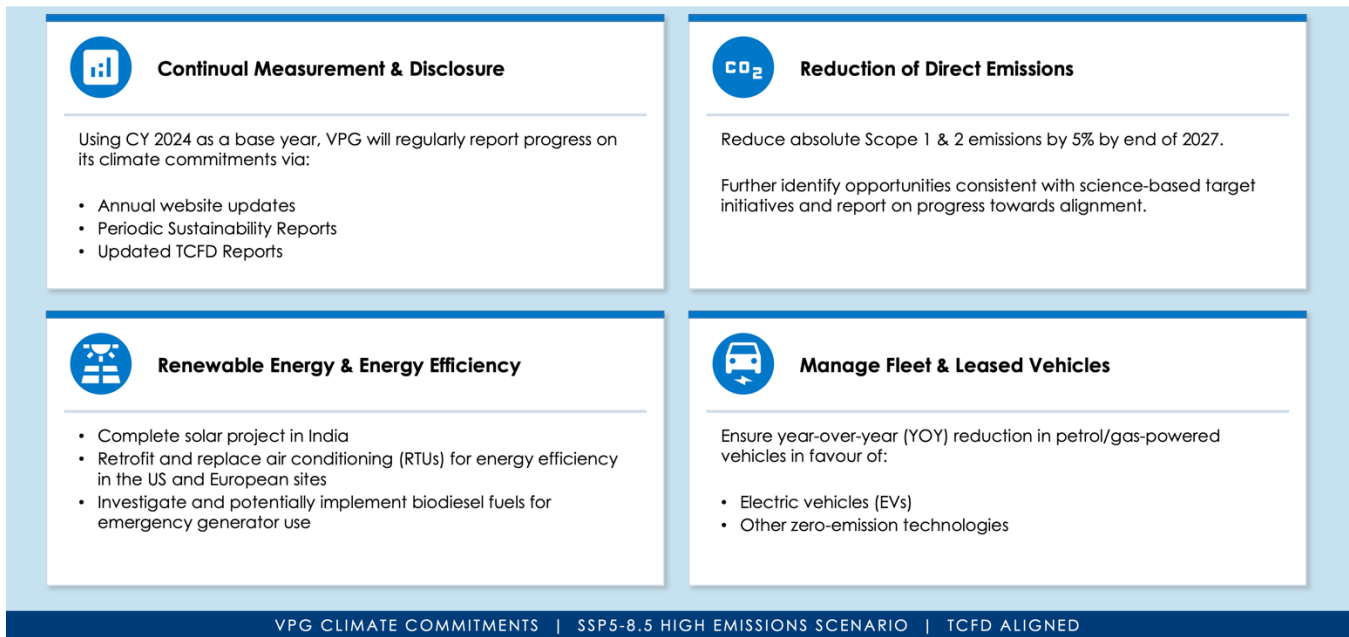
Core Climate Focus Areas

Based on transition and physical risk assessments, VPG commits to the following climate actions.

Current targets primarily focus on the first portion of the short-term horizon (through 2027), with longer-duration targets to be developed as data maturity improves

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VPG's Climate Focus Areas



Key actions include emissions reduction, energy efficiency and renewable energy deployment, fleet transition planning, and transparent climate-related disclosure. Additional details are provided in the Climate Metrics & Targets section.

Climate Metrics & Targets

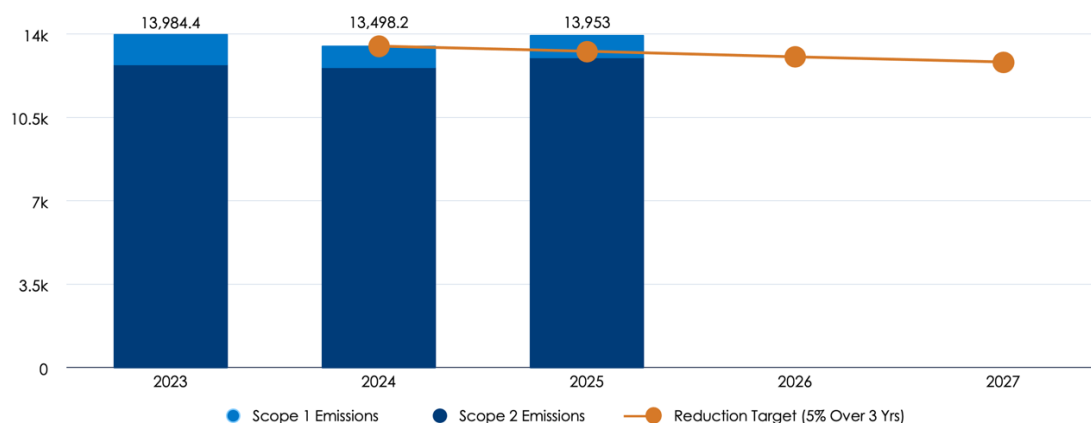
VPG has established an initial target to reduce combined Scope 1 and Scope 2 greenhouse gas emissions from a 2024 baseline by at least a **5% absolute reduction by 2027**, representing an initial step toward longer-term alignment with targets consistent with the Science Based Targets initiative (SBTi) framework.

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VPG's GHG Emissions

GHG EMISSIONS

(t CO₂ Equivalent)



*2023 Scope 1 value shown as reported in the provided data.

VPG CLIMATE COMMITMENTS | SSP5-8.5 HIGH EMISSIONS SCENARIO | TCFD ALIGNED

To support further reduction of GHG emissions and electrical energy use, VPG will complete audits of the top 3 energy-consuming sites and develop site-specific roadmaps to improve.

Additional initiatives include establishing renewable electricity, carbon intensity and Scope 3 baseline metrics, with targets to be developed following baseline completion.

Metric	CY 2023	CY 2024 (baseline)	Target
Scope 1 emissions	1,262.3 tCO ₂ e	875.3 tCO ₂ e	-5% by 2027
Scope 2 emissions	12,722.5 tCO ₂ e	12,622.9 tCO ₂ e	-5% by 2027
Energy Consumption	29,762 MWh	28,992 MWh	No Target
Energy Use Intensity	84 MWh/\$M	94 MWh/\$M	-2% YOY by 2027

Transition Risk Assessment

This section presents VPG's assessment of climate-related transition risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Transition risks arise from the process of adjusting to a lower-carbon economy and encompass policy and legal developments, technological change, market shifts, and reputational pressures. Transition opportunities reflect the potential for value creation as VPG adapts its operations, products and services to changing climate-related conditions and stakeholder expectations.

The assessment covers four risk categories — Policy & Legal, Technology, Market and Reputation — and five opportunity categories — Resource Efficiency, Energy Source, Products & Services, Markets and Resilience. Each risk and opportunity is evaluated using a structured likelihood-impact scoring matrix, producing a Total Risk or Opportunity Score and a qualitative rating band, consistent with the VPG Risk and Opportunity Assessment Framework described in Appendix B.

Scope

VPG's transition risk and opportunity assessments are presented under two contrasting climate scenarios, in accordance with TCFD guidance to evaluate strategy resilience across a range of futures. The inclusion of both the IEA Stated Policies Scenario (STEPS 2.5°C) scenario alongside the NZE 1.5°C scenario enables VPG to test the sensitivity of its risk profile and strategic planning to alternative policy, technology and market trajectories, and to identify the risks and opportunities that are scenario-dependent versus those that are structural and invariant across pathways.

Risks and opportunities were identified through a combination of regulatory horizon scanning, stakeholder engagement, sector benchmarking and internal business unit review. The assessment was reviewed by senior management and was presented to the NGC as part of the VPG's annual report on ESG and Sustainability initiatives to the Board of Directors.

Transition Risk Summary

Transition risk refers to the shift toward a lower-carbon economy driven by governmental policy, disruptive technologies, changes in supply chains, and evolving consumer demand for lower-carbon products.

To further evaluate the resilience of VPG's strategy under differing climate transition scenarios, VPG considered the potential impacts of a global transition toward a lower-carbon economy consistent with a **1.5°C warming trajectory and a more disorderly transition with a ~2.5°C (range: 2.4–2.7°C) warming trajectory**. The 1.5° scenario reflects accelerated policy action, rapid deployment of low-carbon technologies, and increasing market expectations and regulations for decarbonization across industrial sectors, while the ~2.5°C scenario reflects a slower growth of renewables, efficiency mandates and greater market and regulatory fragmentation.

Under a 1.5°C transition scenario, governments and regulators may introduce more stringent climate policies, including carbon pricing mechanisms, mandatory emissions reporting requirements, and enhanced energy efficiency standards. These developments could increase compliance costs, require additional capital investment in low-carbon technologies, and influence customer procurement expectations. At the same time, the transition is expected to drive increased demand for energy-efficient technologies, precision sensing, and measurement solutions that enable electrification, automation, and improved resource efficiency.

For a slower (STEPS 2.5°C) transition, fuel price volatility continues, while sudden and uncoordinated customer and regulatory demands create potential lost markets and business growth, and mounting operating inefficiencies and litigation risk coupled with research and development pathways lead to further cost and uncertainty.

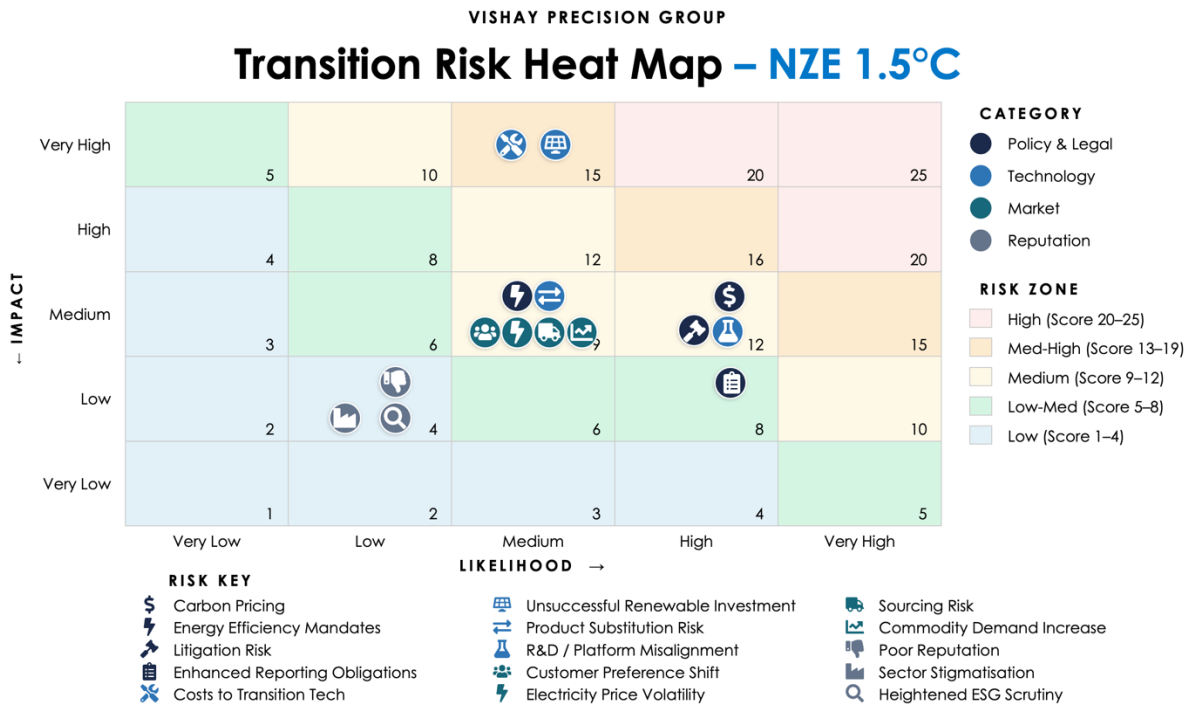
VPG's transition risk and opportunity assessment therefore considers potential downside exposures—such as higher energy costs, technology transition investment requirements, and supply chain decarbonization pressures—as well as potential strategic opportunities arising from VPG's product portfolio and research and development capabilities.

The findings from this scenario analysis inform VPG of ongoing capital planning, energy transition investments, and product development strategy, supporting the long-term resilience of the business under a range of climate transition pathways.

The goal of this analysis was to determine the potential impacts on VPG's business model under two different climate pathways, including both **low-warming transition scenarios** and **higher-warming scenarios associated with increased physical climate risks**.

VPG recognizes the following Medium-High technology-related risks to be most important in this scenario, which would require careful monitoring and CAPEX deployment to mitigate or lessen these risks:

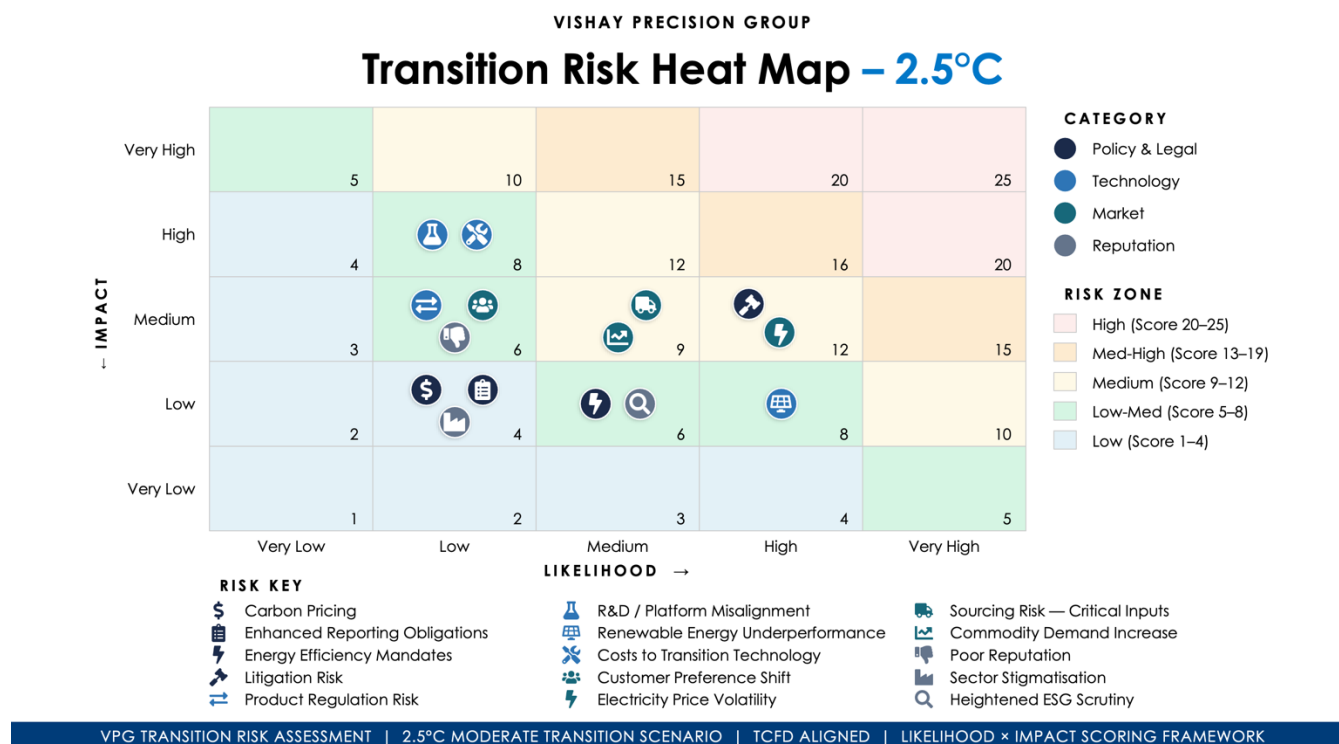
- Costs to transition to lower emissions technologies
- Unsuccessful investment in renewable energies



VPG TRANSITION RISK ASSESSMENT | TCFD ALIGNED | LIKELIHOOD × IMPACT SCORING FRAMEWORK

Under the STEPS ~2.5°C scenario, risk shifts from policy-related impacts toward operational, market and energy-price volatility. Priority focus areas include:

- Supply chain resilience and adaptive R&D strategies
- Energy cost management
- Renewable energy deployment



The comparison between the NZE scenario and STEPS ~2.5°C scenarios highlights a shift in VPG's transition risk profile from **policy-driven pressures under the NZE scenario to market and operational uncertainties under STEPS**.

In the NZE scenario, risks are higher **and more concentrated in technology and policy-driven categories**, reflecting accelerated decarbonization, stricter regulations, and rapid technological change. In contrast, the STEPS scenario shows **lower regulatory pressure but increased fragmentation**, leading to higher exposure to **market volatility, litigation, and strategic misalignment risks**. While overall risk severity declines in STEPS, the nature of risk becomes less predictable. For detailed scoring, see Appendix C- Detailed Transition Risk Assessment Tables

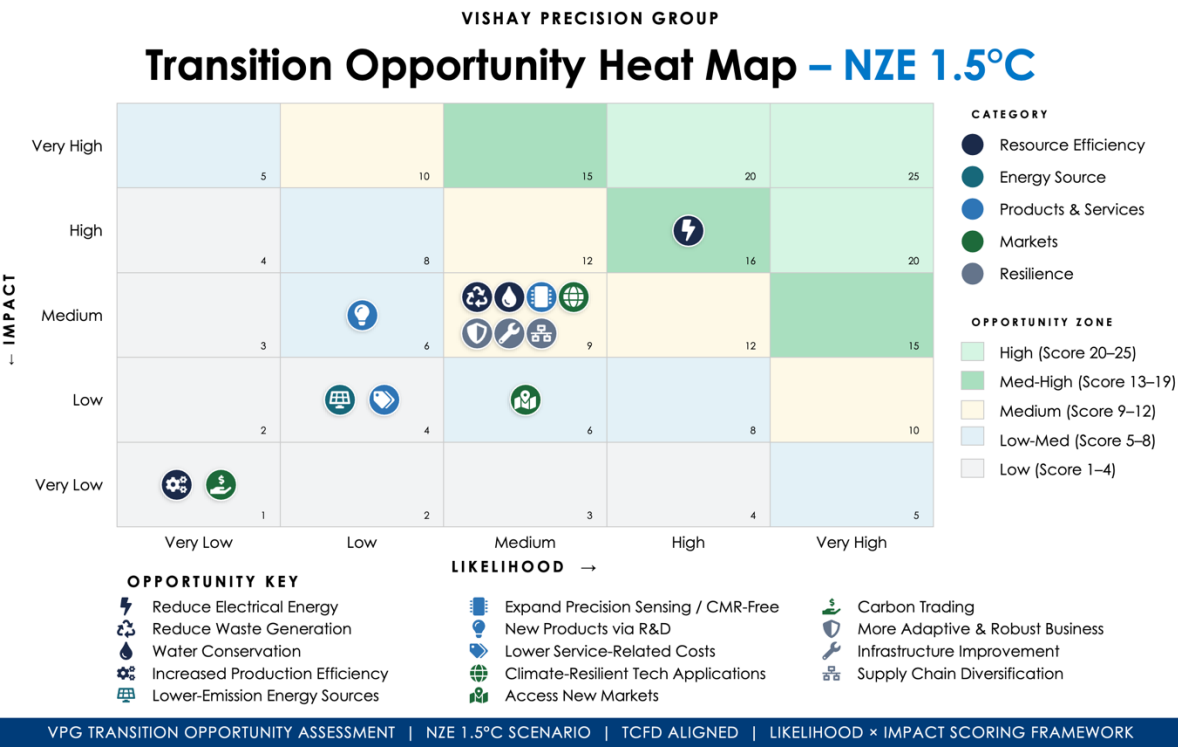
Transition Opportunity Summary

Transition opportunities refer to the potential positive financial impacts and business advantages an organization can capture by adapting to a lower-carbon economy.

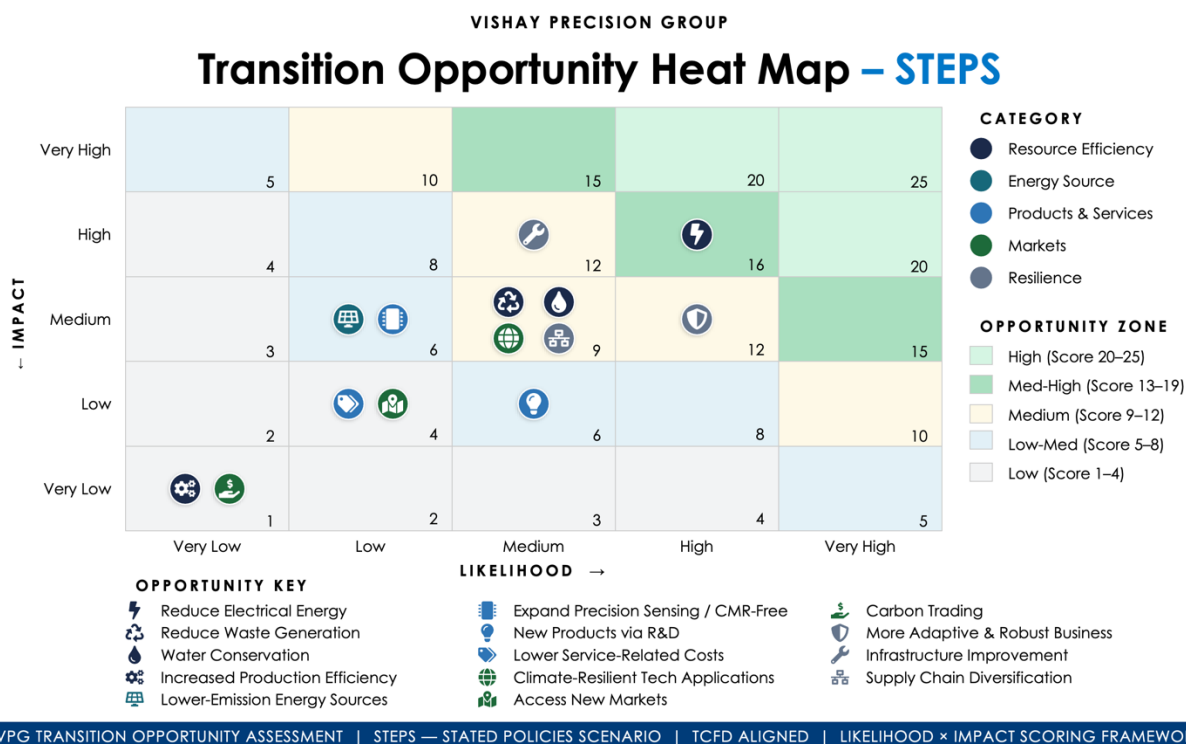
Opportunities can include competitive advantages and new markets, and operational efficiencies that arise from this shift.

Alongside the transition risks described above, VPG has identified a range of financial climate-related opportunities across five TCFD opportunity categories. These opportunities reflect both the defensive value of operational adaptation and the offensive potential of product and market positioning in a lower-carbon economy.

Under NZE, transition opportunities are concentrated in energy efficiency, renewable energy, precision sensing technologies, and climate-related product innovation.



Under STEPS, opportunities remain strongest in operational efficiency, resilience and selective innovation initiatives.



While most opportunities are neutral or modestly affected, three notable scenario-sensitive findings emerge:

- On-site renewable energy generation has a stronger financial case under STEPS due to fossil fuel price volatility
- Precision sensing and cancer, mutagenic and reproductive (CMR)-free product opportunities are lower under STEPS due to weaker customer Scope 3 demand signals
- Resilience-oriented opportunities (business continuity planning (BCP), infrastructure investment) are stronger under STEPS due to the higher physical risk trajectory.

Key Analysis and Implications for Strategy and Financial Planning

The transition risk and opportunity assessment described above has been integrated into VPG's strategic planning, capital allocation and risk management processes. The following pillars represent the primary areas where transition climate factors are influencing near- and medium-term strategic decisions.

- **Regulatory Compliance and Disclosure Investment**

While regulatory risk is lower under STEPS, litigation potential could increase with the lack of clearly defined compliance pathways which can increase ambiguity and misleading disclosure. Coupled with Corporate Sustainability Reporting Directive disclosure requirements, together with expanding carbon pricing mechanisms in key jurisdictions, it is expected that VPG will be required to incrementally invest in sustainability data systems, internal capability and third-party assurance over the short term. Meanwhile, VPG continues to monitor CSRD requirements, and especially European customers' expectations as a supplier to support customers' CSRD regulatory requirements. Further, VPG will continue to monitor developments regarding the future climate disclosure rules, with a plan to ensure that the necessary reporting infrastructure is in place ahead of any regulatory deadlines.

- **Capital Expenditure: Energy Transition Program**

Electricity price and specifically volatility shows the greatest difference between the two scenarios as score increases from NZE scenario to STEPS. VPG has identified a near-term capital program of energy efficiency and renewable energy investments across major sites, and this program is robust as it delivers positive returns under both NZE scenario and STEPS, as detailed in the Technology risk and Resource Efficiency opportunity assessments above. These investments are expected to deliver operating cost savings, address regulatory pressure and carbon pricing exposure for Scope 1 and Scope 2 GHG emissions and improve site resilience to energy price volatility. VPG continues to explore renewables and implement climate-aligned capital expenditures as a dedicated input to its annual capital planning process.

- **Product Portfolio and Research and Development (R&D) Alignment**

Under STEPS, the technology pathway uncertainty is higher generating fragmented policies and divergent standards across jurisdictions. On the other hand, STEPS supports VPG's resilience-oriented opportunities to increase its value as it supports customer and society needs for climate resilient infrastructure investments. So VPG's ongoing R&D investment is being directed toward emerging product categories — precision sensing for electrification, automation and digital transformation and efficiency-enabling measurement solutions — that are aligned with customer decarbonization needs and these structural growth trends of the low-carbon transition. Focus on these trends will lead VPG to potentially capture commercial upside from the transition while reducing the risk of product obsolescence as regulatory and customer requirements evolve.

- **Supply Chain Resilience**

The concentration of sourcing risk for certain critical materials, combined with the regulatory complexity of product EHS-related rules and material sourcing rules, has been identified as a priority supply chain resilience issue. As already mentioned beyond product compliance and conformity requirements, VPG is implementing enhanced direct supplier risk assessments to include emissions risk, energy risk among other social and governance factors, prioritizing dual-sourcing arrangements for critical materials to support its customers regulatory, decarbonization and resiliency efforts while potentially gaining further market share.

Physical Risk Assessment

This section sets out the VPG's assessment of physical climate risks across its global portfolio of manufacturing, sales and logistics facilities, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The assessment is consistent with the TCFD framework's recommendations to evaluate both acute and chronic physical hazards and to disclose how those risks are identified, assessed and integrated into strategic and operational planning.

Physical climate risks are classified in line with TCFD guidance into two categories:

- Acute physical risks arising from extreme weather events, including wildfire, flood, tropical cyclone, tornado, hail, windstorm and storm surge; and
- Chronic physical risks resulting from longer-term shifts in climate patterns, including heat stress, extreme heat, extreme cold, drought and sea level rise.

Scores are assigned on a 0–100 scale mapped to seven qualitative bands — See Appendix E - Physical Risk Methodology and Scoring Framework.

These bands are then projected across five forward-looking horizons: 2030, 2035, 2040, 2045 and 2050.

A composite site risk score is derived as the arithmetic mean of the twelve individual hazard scores for each site-horizon combination.

Climate Scenario Alignment

Forward projections were produced under two contrasting IPCC Shared Socioeconomic Pathway scenarios:

SSP5-8.5 (High Emissions — Primary Stress-Test Scenario): Consistent with a high-emissions, limited-mitigation trajectory representing approximately 4–5°C of global warming by 2100. This scenario is used as the upper-bound stress test, enabling VPG to understand maximum potential physical exposure and to design adaptation strategies for worst-case conditions.

SSP2-4.5 (Intermediate Emissions — Secondary Scenario): Consistent with a moderate-emissions pathway representing ~2.5°C (range: 2.4–2.7°C) of global warming by 2100. This scenario reflects partial decarbonization, moderate policy action and stabilizing global emissions in the medium term. It represents a more likely central-case trajectory against which resilience investments are evaluated for proportionality.

The two scenarios are presented in parallel to establish a risk range across the portfolio. Sites that score as Significant or above under SSP2-4.5 represent the highest-priority adaptation candidates, as their exposure is elevated even under a managed transition. Sites that only reach elevated risk bands under SSP5-8.5 represent the contingent adaptation pipeline — investments that become necessary if global mitigation efforts fall short of moderate ambition. Results under both scenarios should be read alongside the transition risk scenario analysis presented in the previous section, which considers policy, technology and market changes under a lower-carbon transition pathway.

Assessment Scope

The assessment covers thirty general coordinates (some sites were combined due to their proximity) across eleven countries and three geographic clusters: EMEA (Europe, Middle East), Americas and Asia-Pacific. Sites are categorized by operational function — manufacturing, sales and logistics/warehousing — reflecting their differing asset characteristics, supply chain criticality and exposure profiles.

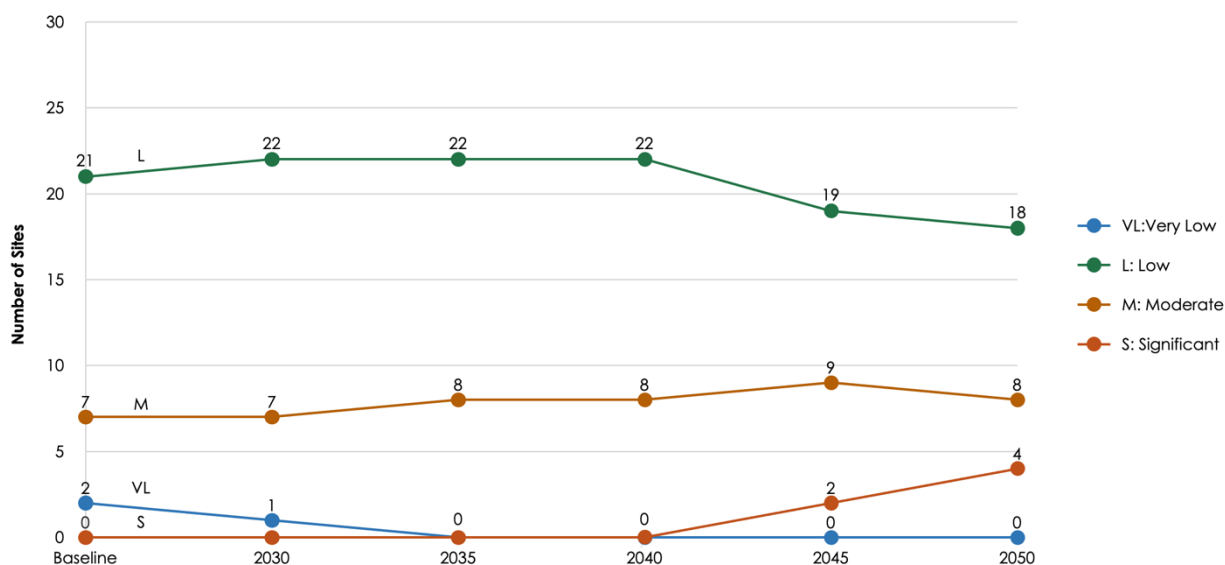
VPG Portfolio Risk Profile Summary

At the baseline assessment, the portfolio exhibits a range of risk profiles reflecting its wide geography. Under the SSP5-8.5 pathway, composite risk scores increase across the portfolio by 2050, with heat stress, extreme heat and sea level rise being the primary drivers of score escalation. The table below summarizes the portfolio-level risk distribution across each assessment horizon.

VISHAY PRECISION GROUP

Portfolio Risk Distribution – Sites by Risk Band Over Time

Composite QI score distribution across 30 VPG sites | SSP 5-8.5 scenario | Scores represent number of sites in each risk band



VPG PHYSICAL RISK ASSESSMENT | 2024 | SSP 5-8.5 | HIGH EMISSIONS SCENARIO | 2050 ALIGNED

The data indicate an upward shift in the distribution of risk across the portfolio over time. The number of sites scoring Significant or above is projected to increase from zero at baseline to four by 2050, underscoring the importance of proactive adaptation planning and the need to embed physical climate risk considerations into asset management, capital allocation and supply chain resilience decisions.

SSP2-4.5 Portfolio Risk Profile

Under the SSP2-4.5 pathway, the VPG portfolio exhibits a more moderate risk trajectory than under SSP5-8.5, consistent with the lower warming endpoint of this scenario.

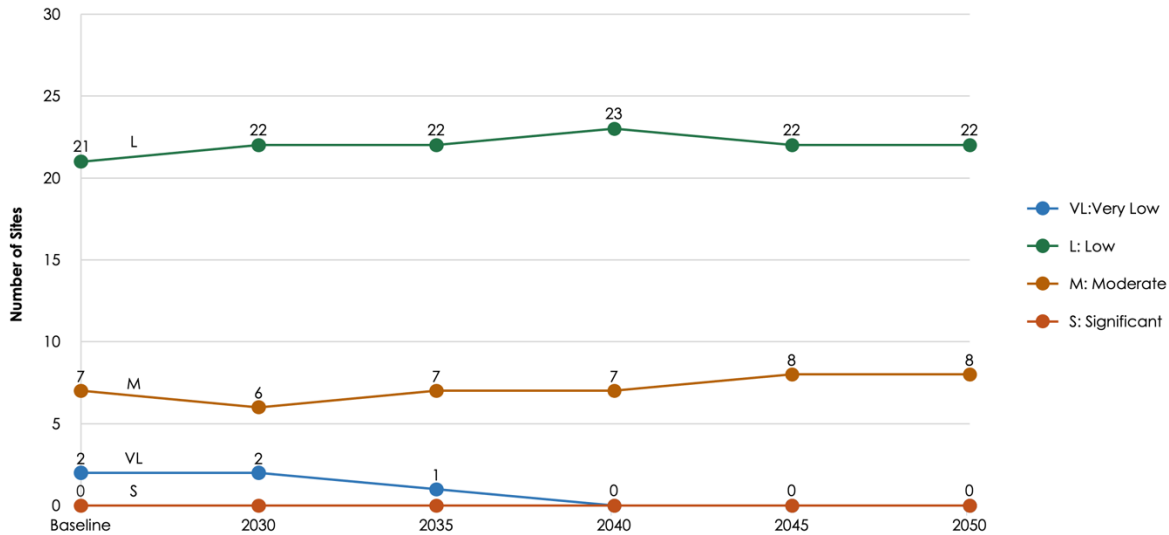
Composite risk scores increase across the portfolio through to 2050, but at a reduced rate. No sites are projected to reach the Significant band (composite score ≥ 55) by 2050 under SSP2-4.5, compared with four sites under SSP5-8.5. The primary hazard drivers of score escalation under SSP2-4.5 remain heat stress, extreme heat and flood, with sea level rise and wildfire also contributing meaningful increases at the most exposed locations.

The table below summarizes the portfolio-level risk distribution across each assessment horizon under SSP2-4.5.

VISHAY PRECISION GROUP

Portfolio Risk Distribution – Sites by Risk Band Over Time

Composite QI score distribution across 30 VPG sites | SSP 2-4.5 scenario | Scores represent number of sites in each risk band



VPG PHYSICAL RISK ASSESSMENT | 2026 | SSP 2-4.5 | MIDDLE GROUND | EMISSION SCENARIO | 2050 ALIGNED

Under SSP2-4.5, eight sites are projected to reach the Moderate band by 2050 — consistent with the SSP5-8.5 count at that band, since the SSP5-8.5 sites that exceed Moderate (reaching Significant) are still classified as Moderate under SSP2-4.5. The highest SSP2-4.5 composite score in the portfolio in 2050 is Chennai at 54, sitting at the upper boundary of the Moderate band. This compares to a composite score of 58 for Chennai under SSP5-8.5 at the same horizon, illustrating the difference in long-horizon exposure between the two pathways.

VPG Worldwide Risk Priorities Summary

For a detailed breakdown, please See Appendix F- Detailed Regional Physical Risk Analysis.

Heat Stress and Extreme Heat

Heat-related hazards represent the most pervasive and escalating risk across the portfolio under SSP5-8.5. At baseline, fourteen of thirty sites record Moderate or higher heat stress scores, rising to twenty-six sites by 2050. Chennai, Holon, Modi'in and Tokyo are particularly exposed, with heat stress scores projected to reach Extreme or Very High levels before 2050. Chronic heat exposure creates compounding risks including reduced labor productivity, increased cooling energy demand, accelerated equipment degradation and heightened worker health and safety risk.

Flood

Flood is the primary acute hazard for European and East Asian coastal sites. Bradford and Bingen carry the highest current-period flood risk in Europe, with Bingen projected to reach Very High levels by 2050. Across Asia, Shanghai, Tianjin and Chennai face Very High-to-Extreme flood risk by 2050 through the convergence of extreme precipitation, cyclone rainfall intensification and sea level rise.

Wildfire

Wildfire risk is geographically concentrated in western North America and Israel. Kelowna and Concord carry the most significant wildfire exposure globally, with both sites projected to reach Extreme scores under SSP5-8.5 by 2050. Modi'in presents a growing wildfire interface risk.

Tropical Cyclone, Wind and Storm Surge

Taipei's Extreme tropical cyclone score (92 at baseline), combined with Very High wind (85) and escalating storm surge and sea level rise, reflects the site's location in the most cyclone-exposed geography in the portfolio. Tokyo, Shanghai and Wendell, NC also carry High-to-Very High scores across tropical cyclones, wind and storm surge hazards.

Sea Level Rise

Sea level rise represents a long-horizon chronic risk with acute compounding potential through storm surge interaction. Shanghai is projected to face Extreme sea level rise (93) by 2050, the most long-term asset risk finding in this assessment. Tokyo (85), Tianjin (80), Chennai (88) and Taipei (70) all exceed High thresholds by 2050. Capital

investment planning for the most exposed coastal facilities should incorporate sea level rise scenarios into site protection and asset longevity assessments.

Scenario Comparison — Key Findings

The comparison of results under the two scenarios reveals several strategically significant findings that inform VPG's adaptation prioritization framework.

The two scenarios produce broadly comparable composite risk scores through approximately 2035, reflecting the fact that greenhouse gas concentrations already in the atmosphere determine near-term warming trajectories regardless of future emissions pathway. This indicates that VPG's planned near-term resilience investments — HVAC upgrades, flood preparedness, cooling infrastructure — are well-justified under both scenarios and carry limited scenario risk.

The scenarios diverge meaningfully by 2045–2050. Under SSP5-8.5, four sites — Chennai, Tokyo, Shanghai and Taipei — are projected to reach the Significant composite risk band by 2050, while no sites reach Significant under SSP2-4.5. The delta between the two pathways is largest at the most climate-exposed sites — Chennai (+4 composite points), Taipei (+4), Tokyo (+4) and Wendell (+5) — and is driven primarily by heat stress, extreme heat, sea level rise and tropical cyclone intensification. This divergence underscores the long-horizon strategic benefit to VPG of global decarbonization and supports the case for the VPG's ongoing GHG reduction commitments as a component of its own resilience strategy.

Certain hazard types exhibit greater scenario sensitivity than others. Heat stress, extreme heat, drought and sea level rise show the largest absolute differences between SSP5-8.5 and SSP2-4.5 projections by 2050, consistent with IPCC AR6 findings on the temperature-sensitivity of these hazard categories. Acute hazards with strong synoptic meteorological drivers — tornado, hail — show minimal scenario sensitivity and are effectively scenario-invariant across the assessment period. Flood and wildfire show intermediate scenario sensitivity, with SSP2-4.5 projections running approximately 35–40% below SSP5-8.5 values at the 2050 horizon for the most exposed sites.

The sites identified as the highest priority for adaptation investment — Chennai, Taipei, Tokyo, Shanghai, Wendell and Kelowna — retain elevated risk status under both pathways, albeit at differing absolute levels. This scenario consistency strengthens the investment case for adaptation at these locations and reduces decision risk associated with scenario uncertainty.

The table below summarizes the 2050 composite score comparison for the top highest-risk sites under SSP5-8.5, presented alongside the corresponding SSP2-4.5 projection.

Site/Type	SSP2-4.5 (2050) Score /Rating	SSP5-8.5 (2050) Score / Rating	Delta
Chennai, India – Manufacturing, Warehouse	54	58	▲ +4 Higher risk
Tokyo, Japan- Sales	52	56	▲ +4 Higher risk
Shanghai, China - Sales	52	56	▲ +4 Higher risk
Taipei, Taiwan- Manufacturing	52	56	▲ +4 Higher risk
Wendell, NC USA – Manufacturing, Warehouse	48	53	▲ +5 Higher risk
Tianjin, China- Manufacturing, Warehouse	46	51	▲ +5 Higher risk
Akita, Japan- Manufacturing, Warehouse	43	48	▲ +5 Higher risk
Seal Beach, CA USA- Manufacturing	39	44	▲ +5 Higher risk
Holon, Israel- Manufacturing, Warehouse	37	42	▲ +5 Higher risk

Table 5- Physical Risk Summary for SSP2-4.5 and SSP5-8.5 for highest risk sites.

Key Analysis and Implications for Strategy and Financial Planning

- **Capital Expenditure and Asset Resilience**

Sites scoring as Significant or above on one or more hazards at baseline have been identified as priority candidates for infrastructure and operational strengthening. This includes flood defense upgrades, enhanced HVAC and cooling infrastructure, hardened roofing systems in hail and wind-exposed locations and wildfire interface management at western North American sites. As depicted in Table 5, all highest sites remain in the same or adjacent risk band across both scenarios, confirming adaptation investment priorities are robust to scenario choice.

- **Supply Chain and Operational Continuity**

The concentration of manufacturing capacity in high-risk geographies — particularly the multi-hazard exposure of Chennai and the typhoon exposure of Taipei — has been flagged as a supply chain concentration risk. VPG is reviewing alternative sourcing and redundancy arrangements based on sales volume and production criticality, and

scenario-based business interruption analysis is being conducted for the five highest-risk, most productive or critical sites.

- **Insurance and Financial Risk Transfer**

VPG's insurance program has been reviewed considering the physical risk findings, with particular focus on property damage and business interruption to cover adequacy for the highest-risk, productive or critical sites. The escalating risk trajectory under SSP5-8.5 is expected to have implications for insurance premium levels and availability, particularly for wildfire-exposed sites in western North America and typhoon-exposed sites in Taiwan and Japan.

Key Considerations and Limitations for Physical Risk Assessment

Risk scores are indicative estimates only and have been developed for internal planning and preliminary TCFD disclosure purposes which have not been produced by, validated by or sourced from a licensed third-party climate data provider, but are derived from a combination of IPCC AR6 regional climate projections, peer-reviewed hazard modelling literature and geospatial hazard exposure datasets.

Individual hazard scores represent estimated physical hazard intensity and exposure at each site location; they do not incorporate site-specific engineering controls or adaptive capacity unless explicitly noted. The SSP5-8.5 scenario is used as a stress test and does not represent the VPG' forecast of future emissions or climate outcomes. This assessment will be updated on a biennial basis, with a full methodology review every three years.

Climate Strategy Resilience

Based on the results of the transition and physical climate risk assessments described in this report, VPG believes its current business strategy remains resilient under a range of plausible climate scenarios. While certain transition risks—such as evolving regulatory requirements, energy cost volatility and supply chain decarbonization expectations—may require targeted operational adjustments and incremental investment, the VPG's diversified global footprint, operational efficiency initiatives and focus on precision sensing technologies position VPG to adapt to changing market and regulatory conditions. Management will continue to monitor climate-related risks and opportunities and incorporate the findings of future climate assessments into strategic planning, capital allocation and risk management processes.

The two-scenario physical risk assessment — spanning SSP2-4.5 and SSP5-8.5 — provides additional confidence in the resilience of VPG's current strategy. The alignment of priority adaptation sites across both pathways reduces the risk of maladaptation: investments in cooling infrastructure at Chennai, flood preparedness

at Bingen and Bradford, wildfire interface management at Kelowna and Concord, and business continuity for Taipei and Tokyo are warranted and proportionate under both moderate and high-emissions futures.

The primary strategic differences emerge in the long-term horizon, particularly beyond 2040, where the SSP5-8.5 trajectory projects four sites crossing into the Significant composite risk band. VPG will monitor the divergence between observed climate conditions and scenario projections at its highest-risk sites as part of its biennial assessment update cycle, using this information to recalibrate adaptation priorities and capital allocation as appropriate.

Appendix A: Detailed Climate Scenario Descriptions

VPG used two scenarios for transition risks: the NZE scenario, representing an orderly, rapid and coordinated global transition consistent with 1.5°C warming; and the IEA Stated Policies Scenario (STEPS), representing a delayed and disorderly transition in which only currently enacted policies are implemented, resulting in approximately ~2.5°C (range: 2.4–2.7°C) of warming by 2100. Together, these two scenarios establish a range of the most ambitious transition pathway against a “business as usual” case.

Additionally, VPG conducted physical climate risk assessments under two IPCC Shared Socioeconomic Pathway scenarios to evaluate the range of potential physical hazard exposure across its global portfolio.

The primary stress-test scenario, SSP5-8.5, reflects a high-emissions, limited-mitigation trajectory consistent with approximately 4–5°C of global warming by 2100 relative to pre-industrial levels. The secondary scenario, SSP2-4.5, represents an intermediate emissions pathway consistent with ~2.5°C (range: 2.4–2.7°C) of global warming by 2100, reflecting partial policy action, moderate deployment of low-carbon technologies, and a stabilization of global emissions during future decades. Together, these two scenarios establish an analytical range — from a managed transition with partial mitigation to a high-emissions trajectory — enabling VPG to assess both the central and upper-bound physical risk exposure of its facilities and to design adaptation strategies that can remain robust across a range of plausible climate futures.

Appendix B: Transition Risk and Opportunity Methodology and Scoring Framework

All transition risks and opportunities were scored using a 5×5 likelihood-impact matrix across three horizons, reflecting the different rates at which climate policy, technology and market dynamics are expected to evolve:

- Short-term (1–4 years): Period over which the impact of a risk or opportunity is expected to be most immediately significant to the Company.
- Medium-term (5–10 years): Period over which policy frameworks, technology transitions and market preferences are expected to consolidate.
- Long-term (11–25 years): Period over which structural shifts in the global economy and energy system are expected to manifest fully.

Transition risk and opportunity scores reflect the highest risk anticipated across the defined assessment horizons.

Likelihood and impact are each rated on a scale of 1 (Very Low) to 5 (Very High), and the Total Score is the product of these two values (maximum 25).

Total Scores are mapped to qualitative rating bands as follows:

Total Score (Impact Scale)

Rating Band	Score Range	Description
High	20–25	Severe or significant impact with high/very high likelihood. Requires immediate management attention and Board awareness.
Med-High	13–19	Moderate-to-significant impact with medium-high likelihood. Active monitoring and mitigation planning required.
Medium	9–12	Moderate impact or likelihood. Subject to ongoing monitoring and inclusion in operational risk registers.
Low-Med	5–8	Minor impact with low-medium likelihood. Watched items, reviewed periodically.
Low	1–4	Insignificant or very low likelihood. Noted for completeness; no immediate action required.

Table B.1: VPG Impact scoring bands for transition risk and opportunity assessment.

Likelihood Scale

Rating	Label	Definition
5	Very High	Events have occurred within the last 6 months or has a $\geq 75\%$ chance of occurring within the specified time horizon.
4	High	Event has occurred within the last 12 months or has a 50–75% chance of occurring.
3	Medium	20–50% chance of occurring within the specified time horizon.
2	Low	10–20% chance of occurring within the specified time horizon.
1	Very Low	<10% chance of occurring within the specified time horizon.

Table B.2: VPG Likelihood scale definitions.

Impact Scale

Rating	Label	Definition
5	Very High	Severe impact on VPG Operations; or long-term brand impact.
4	High	Significant impact on VPG Operations; or long-term brand impact.
3	Medium	Moderate impact on VPG Operations; or long-term brand impact.
2	Low	Minor impact on VPG Operations; or long-term brand impact.
1	Very Low	Insignificant impact on VPG Operations; or long-term brand impact.

Table B.3: VPG Impact scale definitions.

Appendix C: Detailed Transition Risk Assessment Tables

The table below provides a consolidated summary of all identified transition risks across the four TCFD risk categories for both scenarios. Risks are ranked within each category by Total Score and Scenario Delta is calculated as the difference between NZE scenario and STEPS.

High (20–25)	Med-High (13–19)	Medium (9–12)	Low-Med (5–8)	Low (1–4)	▲ Higher risk (STEPS)	▼ Lower risk (STEPS)	● Unchanged
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Policy & Legal

Risk	NZE 1.5°C Score / Rating	STEPS ~2.5°C Score / Rating	Scenario Delta	Potential Financial Impact(s)
Carbon Pricing- increased carbon policy /pricing of GHG emissions	12 Medium	4 Low	▼ -8 Lower risk	Increased COGs
Energy Efficiency Mandates	9 Medium	6 Low-Med	▼ -3 Lower risk	Increased operating cost, more limited CAPEX, margin pressure
Litigation Risk – exposure to litigation	8 Low-Med	12 Medium	▲ +4 Higher risk	Margin pressure, higher cost of capital, reduced growth
Enhanced Reporting Obligations- emissions reporting	8 Low-Med	4 Low	▼ -4 Lower risk	Fines, litigation costs and increase operating costs

Technology

Risk	NZE 1.5°C Score / Rating	STEPS ~2.5°C Score / Rating	Scenario Delta	Potential Financial Impact(s)
Costs of Transition to Lower-Emissions Technology	15 Med-High	8 Low-Med	▼ -7 Lower risk	Increased CAPEX and OPEX spending
Unsuccessful Investment in Renewable Energies	15 Med-High	8 Low-Med	▼ -7 Lower risk	Stranded assets, O&M overruns, early replacement risks and decommissioning liabilities
Substitution of Existing Products with Lower-Emissions Options	9 Medium	6 Low-Med	▼ -3 Lower risk	Increased costs, narrow CAPEX deployment, production yield decrease
R&D / Platform Misalignment	12 Medium	12 Medium	● Unchanged	Technology obsolescence, cost redesign and write-offs, unsuccessful design wins

Market

Risk	NZE 1.5°C Score / Rating	STEPS ~2.5°C Score / Rating	Scenario Delta	Potential Financial Impact(s)
Shift in Customer Preference for Greener Alternatives	9 Medium	6 Low-Med	▼ -3 Lower risk	Reduced product demand and potential loss of key customer relationships
Electricity Price Volatility	9 Medium	12 Medium	▲ +3 Higher risk	Increased OPEX with limited pass through to customers
Sourcing Risks — Critical Input Disruptions	9 Medium	9 Medium	● Unchanged	Higher COGs, product obsolescence, supply chain disruption
Transition to Greener Economy Increases Commodity Demand	9 Medium	9 Medium	● Unchanged	Increased raw material costs and COGs

Reputation

Risk	NZE 1.5°C Score / Rating	STEPS~2.5°C Score / Rating	Scenario Delta	Potential Financial Impact(s)
Poor Reputation Leading to Decreased Sales	4 Low	6 Low-Med	▲ +2 Higher risk	Reduced revenue from customer attrition and loss of new business
Stigmatization of Industrial Sector	4 Low	4 Low	● Unchanged	Reduced ability to attract and retain capital and human resources
Heightened ESG / Compliance Scrutiny	4 Low	6 Low-Med	▲ +2 Higher risk	Reduced ability to attract and retain employees, and access capital markets

Table C.1- Detailed Comparison of 1.5°C and STEPS ~2.5°C (range: 2.4–2.7°C) Risks conducted in Q4 CY2025

Appendix D: Detailed Transition Opportunity Assessment Tables

The following sub-sections present the scenario-by-scenario opportunity assessment for each of the five TCFD transition risk categories. Each opportunity is scored under both NZE scenario and STEPS using the VPG 5×5 Likelihood-Impact scoring framework (Appendix B). Scores represent the risk level under each specific scenario pathway; the delta column indicates whether the risk is amplified, reduced or unchanged under the STEPS scenario relative to NZE scenario.

Low (1–4)	Low-Med (5-8)	Medium (9–12)	Med-High Low-Med (13–19)	High (20-25)	▼ Lower opportunity (STEPS)	▲ Higher opportunity (STEPS)	● Unchanged
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Resource Efficiency

Opportunity	NZE Score / Rating	STEPS Score / Rating	Delta	Potential Financial Impact(s)
Reduction in Electrical Energy Consumption	16 Med- High	16 Med- High	● Unchanged	Reduced operating costs
Reduction in Waste Generation and Disposal	9 Medium	9 Medium	● Unchanged	Reduced operating and disposal costs, reduced regulatory risk
Water Conservation Measures	9 Medium	9 Medium	● Unchanged	Reduced operating costs, improved water scarcity resilience
Increased Production Efficiency	1 Low	1 Low	● Unchanged	Reduced per-unit energy and material costs

Energy Source

Opportunity	NZE Score / Rating	STEPS Score / Rating	Delta	Potential Financial Impact(s)
Increased Use of Lower-Emission Energy Sources	4 Low	6 Low-Med	▲ +2 Higher opportunity	Reduced energy costs, improved sustainability credentials

Products & Services

Opportunity	NZE Score / Rating	STEPS Score / Rating	Delta	Potential Financial Impact(s)
Expand Precision Sensing and CMR-Free Solutions	9 Medium	6 Low-Med	▼ -3 Lower opportunity	New design wins, strengthen and increased customer relationships, continued market access
New Products via R&D and Innovation	6 Low-Med	6 Low-Med	● Unchanged	New revenue streams, expanded customer base and reduced regulatory risk.
Lower Service-Related Costs	4 Low	4 Low	● Unchanged	Reduced operating costs and improved customer value proposition

Markets

Opportunity	NZE Score / Rating	STEPS Score / Rating	Delta	Potential Financial Impact(s)
Climate-Resilient Technology Applications	9 Medium	9 Medium	• Unchanged	Revenue diversification, reduced operational risk and new market penetration
Access New Markets and Diversify Revenue Streams	6 Low-Med	4 Low	▼ -2 Lower opportunity	Revenue diversification, strengthened competitive positioning and longer-term growth
Carbon Trading	1 Low	1 Low	• Unchanged	New revenue source from carbon credit generation

Resilience

Opportunity	NZE Score / Rating	STEPS Score / Rating	Delta	Potential Financial Impact(s)
More Adaptive and Robust Business	9 Medium	12 Medium	▲ +3 Higher opportunity	Increase BCP capability, reduced business interruption losses and improved stakeholder confidence
Climate-Resilient Infrastructure Upgrades	9 Medium	12 Medium	▲ +3 Higher opportunity	Reduced business interruption, lower insurance costs and extended asset life
Supply Chain Diversification and Resilience	9 Medium	9 Medium	• Unchanged	Greater supply chain reliability, reduced disruption risk and stronger supplier compliance.

Table D.1- Detailed Comparison of 1.5°C and STEPS ~2.5°C (range: 2.4–2.7°C) Opportunities conducted in Q4 CY2025

Appendix E: Physical Risk Methodology and Scoring Framework

This appendix outlines the methodology to assess climate-related physical risks across VPG's global operations and provides a portfolio level summary of risk exposure under multiple climate scenarios.

All physical risks assessments used a combination of IPCC AR6- aligned climate projections, hazard modelling literature and proprietary geospatial data sets to provide a screening-level risk indicator. The data reflects hazard exposure only and does not incorporate asset-specific vulnerability or financial loss modeling.

For comparison with VPG's transition-risk framework, 2030 aligns broadly with the short-term horizon, 2035 with the medium-term horizon, and 2040–2050 with the long-term horizon.

The approximately thirty global sites were mapped to qualitative rating bands for baseline through 2050 (long-term) using SSP2-4.5 and SSP-8.5 to derive individual hazard scores.

The individual hazard scores derive a composite risk score from the unweighted average of all hazard scores to compare between broad geographic locations.

Hazard Scoring

Risk Band	Score Range	Definition
Very Low	0-19	Negligible impact. Hazard levels are consistent with historical norms and little to no measurable impact on financial performance or operations.
Low	20-39	Manageable impact. Minor increases in hazard frequency and impacts are absorbed by standard maintenance or routine operational adjustments.
Moderate	40-54	Significant impact. Hazards may cause periodic disruptions and require site specific mitigations, executions of business continuity unplanned OPEX/CAPEX.
Significant	55-69	Substantial impact. Frequent and/or severe events are likely to cause loss of workplace, workforce or supply chain delays. Measurable impact on annual EBITDA if uncontrolled.

Risk Band	Score Range	Definition
High	70-79	Critical impact. High probability of longer-term operational or facility or human capital or supply chain impairments requiring significant CAPEX, hardening or adaptation.
Very High	80-89	Severe impact. Hazard intensity(s) exceeding current adaptive or mitigation methods, potential for asset stranding, loss of insurability or permanent loss of production.
Extreme	90-100	Catastrophic impact. Exposure poses an existential threat to the asset or location; effective business continuity and other mitigation methods are impossible without complete relocation or transformation.

Table E.1: VPG risk bands and definitions for physical risk assessment.

Appendix F: Detailed Regional Physical Risk Analysis

VPG Region Risk Profile Summary

Middle East — Israel

The Israel facilities face the most pronounced chronic climate risk exposure among the EMEA sites. Heat stress and extreme heat are the dominant hazards, projected to reach Very High levels by 2045–2050 under SSP5-8.5, consistent with accelerating heat event intensity across the Eastern Mediterranean. Drought risk is also elevated and projected to escalate throughout the assessment period. Sea level rise is a growing concern for Holon, and wildfire risk is elevated and increasing in Modi'in.

Europe — United Kingdom, France, Germany, Sweden

Flood is the primary acute physical risk driver across European sites. The Bradford (West Yorkshire) and Bingen (Rhine floodplain) facilities carry the most significant flood exposure, with Bingen projected to approach Very High flood risk levels by 2050. Heat stress is an increasing risk across all European sites. The two Swedish sites currently exhibit the lowest composite risk scores in the EMEA portfolio, though wildfire and heat trajectories are rising under the high-emissions scenario.

Americas — USA and Canada

Kelowna, British Columbia records the highest wildfire score in the portfolio of Extreme by 2050. Concord, California similarly faces Very High wildfire risk alongside High drought and heat stress. Seal Beach, California exhibits growing sea level rise exposure escalating to High by 2050. While Wendell, North Carolina presents a notable multi-hazard acute risk profile (Significant tornado, Very High tropical cyclone, High wind). Plainfield, Indiana and Novi, Michigan face the highest tornado exposure in the US portfolio.

Asia-Pacific — India, Japan, China, Taiwan

Chennai records the highest heat stress score in the portfolio -Extreme by 2050 alongside Very High tropical cyclone, storm surge and sea level rise exposure. Tokyo carries Very High tropical cyclones, wind and storm surge scores, with sea level rise projected as Very High by 2050. Shanghai faces Extreme sea level rise by 2050. Taipei records the highest single-hazard score in the portfolio — Extreme tropical cyclone —

alongside Very High wind and escalating sea level rise. The Tianjin facilities share broadly comparable coastal climate risk profiles with Shanghai.

Appendix G: Physical Risk Portfolio Tables

Risk Band	Baseline	2030	2035	2040	2045	2050
Very Low	2	1	0	0	0	0
Low	21	22	22	22	19	18
Moderate	7	7	8	8	9	8
Significant	0	0	0	0	2	4
High	0	0	0	0	0	0
Very High	0	0	0	0	0	0
Extreme	0	0	0	0	0	0
Total Sites	30	30	30	30	30	30

Table G.1- Risk Bands Summary Under SSP5- 8.5 Scenario

Risk Band	Baseline	2030	2035	2040	2045	2050
Very Low	2	2	1	0	0	0
Low	21	22	22	23	22	22
Moderate	7	6	7	7	8	8
Significant	0	0	0	0	0	0
High	0	0	0	0	0	0
Very High	0	0	0	0	0	0
Extreme	0	0	0	0	0	0
Total Sites	30	30	30	30	30	30

Table G.2- Risk Bands Summary Under SSP2- 4.5 Scenario

Appendix H: Physical Risk Site-Level Composite Scores

Below is the composite physical climate risk scores by site using two comparison pathways against baseline. Note, sites with similar geographic coordinates were combined for this table.

All scores are derived from the methodology defined in Appendix E, reflecting the unweighted average of hazard scores, using exposure only without financial or vulnerability adjustments.

Site	Country	Function	Baseline	2050 SSP2-4.5	2050 SSP5-8.5	Acceleration Trend
Holon	Israel	Sales/Mfg/Warehouse	31	37	42	Moderate
Modi'in	Israel	Sales/Mfg/Warehouse	29	34	37	Slow
Basingstoke	UK	Sales/Mfg/Warehouse	21	25	29	Slow
Bradford	UK	Sales/Mfg/Warehouse	20	24	28	Slow
Chartres	France	Sales/Mfg/Warehouse	24	28	31	Slow
Chavenay	France	Sales/Warehouse	22	24	30	Slow
Degerfors	Sweden	Warehouse	18	22	24	Moderate
Karlskoga	Sweden	Sales/Mfg/Warehouse	18	21	24	Moderate
Bingen	Germany	Warehouse	24	28	31	Slow
Heilbronn	Germany	Sales	22	26	29	Slow
Teltow	Germany	Sales/Mfg/Warehouse	21	25	28	Slow
Illertissen	Germany	Sales	22	26	29	Slow
Baesweiler	Germany	Sales/Mfg/Warehouse	21	23	25	Slow
Concord, CA	USA	Sales/Mfg/Warehouse	30	32	35	Slow
Kent, WA	USA	Sales/Mfg/Warehouse	25	31	36	Slow

Site	Country	Function	Baseline	2050 SSP2-4.5	2050 SSP5-8.5	Acceleration Trend
Novi, MI	USA	Sales/Mfg	28	32	35	Slow
Plainfield, IN	USA	Warehouse	33	37	40	Moderate
Poestenkill, NY	USA	Sales/Mfg/Warehouse	25	30	33	Slow
Seal Beach, CA	USA	Sales/Mfg/Warehouse	32	39	44	Moderate
Wendell, NC	USA	Sales/Mfg/Warehouse	42	48	53	Slow
Kelowna, BC	Canada	Sales/Warehouse	32	36	39	Slow
Toronto, OT	Canada	Sales/Mfg/Warehouse	26	30	33	Slow
Chennai	India	Sales/Mfg/Warehouse	49	54	58	Moderate
Akita	Japan	Sales/Mfg/Warehouse	37	43	48	Moderate
Tokyo	Japan	Sales	46	52	56	Moderate
Shanghai	China	Sales/Warehouse	47	52	56	Moderate
Tianjin	China	Sales/Mfg/Warehouse	41	46	51	Moderate
Taipei	Taiwan	Sales/Mfg/Warehouse	46	52	56	Moderate

Table H.1: VPG portfolio, composite of physical risk assessment under two scenarios, against baseline with acceleration trend.

Acceleration Trend Scoring

Acceleration Trends	Definition
Slow	No risk category changes from baseline to 2050 under both scenarios.
Moderate	One risk category change from baseline for at least one scenario.
Significant	Two risk category change from baseline for at least one scenario

Table H.2: VPG acceleration trends for physical risk assessment, site composite summary.

Important: The GCI scores presented in this appendix are indicative estimates only and have not been derived from a licensed third-party physical climate risk data provider.



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