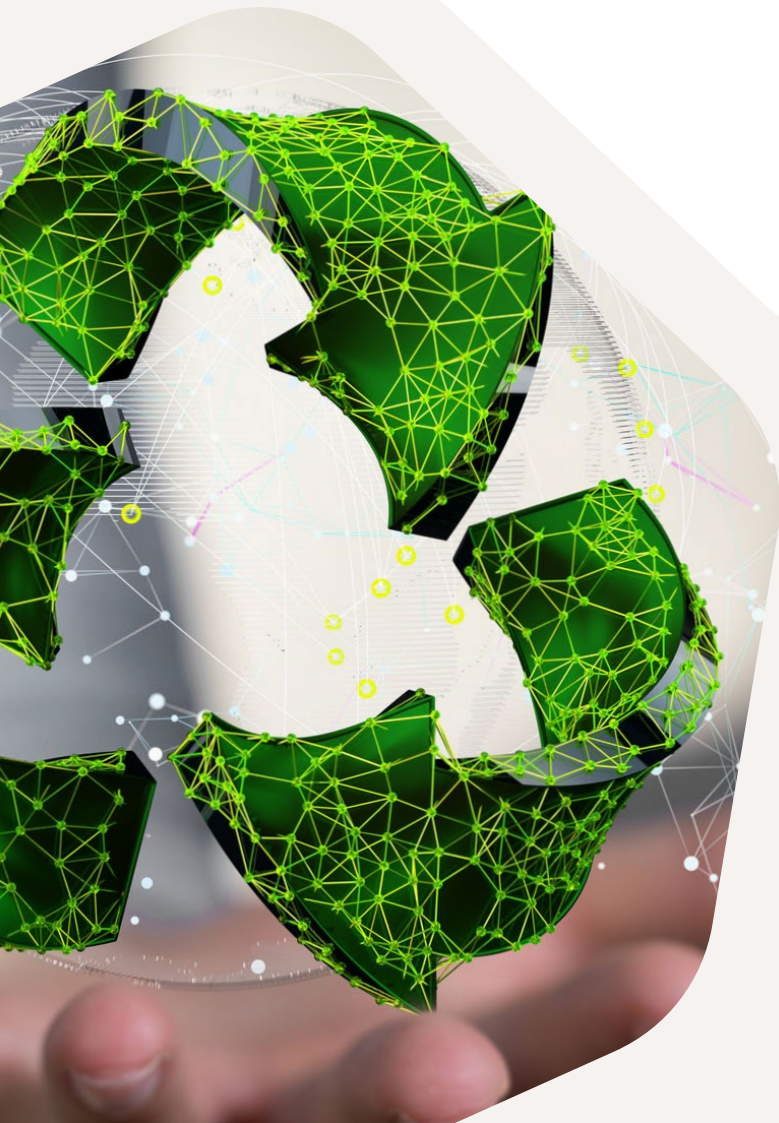


Sustainability Report 2024



Introduction

Letter to Stakeholders

Tark Thermal Solutions' inaugural report is a milestone that reflects our commitment to transparency and our vision for a more sustainable future. It follows the rebranding of our business from Laird Thermal Systems, underscoring our expanded capabilities and sharpened mission.

As a global leader in thermal management solutions, we understand the critical role our products play in essential systems and technologies. With that responsibility comes an opportunity to drive meaningful progress on the environmental and social challenges facing our world today.

This report lays the foundation for how we embed sustainability into our business. It highlights the progress we've made so far – including having our greenhouse gas emissions reduction targets approved by the Science Based Targets initiative – and the goals we've set for the future, with a focus on:

- Embedding sustainability into our product portfolio to maximize our impact
- Integrating sustainability across our operations, improving energy efficiency, reducing waste, empowering our people and strengthening ESG governance.

Looking forward, we will continue to work with our employees, customers and valued stakeholders to drive impact.

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About this Report

Tark Thermal Solutions, previously Laird Thermal Systems (LTS), acquired Tark Inc. in 2024. The company rebranded as Tark Thermal Solutions in May 2025. This Report covers activities in the company's global operations unless otherwise noted, from January 1, 2024, to December 31, 2024. Selected prior information has been included for comparative purposes only. Data from the years 2022-2023 covers LTS only. Data from 2024 takes into consideration the acquisition of Tark Inc.



About Tark Thermal Solutions

Tark Thermal Solutions designs, develops and manufactures thermal management solutions for demanding applications across global medical, industrial, transportation and telecommunications markets. We manufacture one of the most diverse product portfolios in the industry, ranging from active thermoelectric coolers and assemblies, temperature controllers, specialty pumps and liquid cooling systems. With unmatched thermal management expertise, our engineers use advanced thermal modeling and management techniques to solve complex heat and temperature control problems.

Our Locations

Tark Thermal Solutions provides local design engineering, testing, prototyping, and manufacturing services along with sales, customer service and technical support for our global customers. Our facilities include Europe, Asia and North America.

- Rosenheim, Germany
- Gothenburg, Sweden
- Liberec, Czech Republic
- Durham, North Carolina, USA
- Shenzhen, China
- Dayton, Ohio, USA

Our Services

- Design
- Manufacturing
- Prototyping
- Service and support
- Software
- Testing



ESG Approach

Tark Thermal Solutions is committed to protecting the environment and the health, safety and welfare of our employees and the communities where we operate. Our ESG Strategy is built on this focus – as well as a desire to grow sustainably and strategically.

This year, we undertook a double materiality assessment to identify our environmental and social impacts, as well as opportunities for strategic value creation related to sustainability. The assessment identified material topics important to our business and stakeholders, listed below. We address each of these topics through our ESG Strategy, with goals and KPIs for each theme.



We continue to consider the regulatory landscape and emerging guidance from the EU Corporate Sustainability Reporting Directive (CSRD) to ensure compliance and focus. Our approach emphasizes transparency, robust governance and measurable progress.

We believe it is important to align our actions with globally recognized sustainability frameworks and initiatives where possible. This helps us assess our performance and position within the industry in a meaningful way.

→ **SBTi-approved targets since 2022**

→ **Shenzhen and Liberec sites are ISO 45001, ISO 14001 and ISO 9001 certified**

→ **REACH, RoHS, UL, CE and UKCA product certifications**

2024 Highlights

Tark Thermal Solutions has continued to drive progress on our ESG Strategy this year. Some highlights include:

Progressed towards SBTi targets



Awarded EcoVadis bronze medal



Completed a double materiality assessment



Integrated Tark Inc. into reporting



Further embedded sustainability into product solutions



Expanded waste reduction initiatives



Launched new HR platform



Conducted a cybersecurity assessment

Product Sustainability

As global demand grows for sustainable and low-carbon solutions, embedding sustainability into our products and supply chain not only drives long-term value, but also supports the transition to a more resilient, low-emissions future.

We began developing our environmental product portfolio in 2022 as part of a broader strategic shift to position sustainability as a key driver of innovation and long-term growth. This initial phase focused on designing energy-efficient solutions and identifying opportunities to reduce or eliminate materials with adverse environmental impacts.

We continued to strengthen our portfolio throughout 2023, further embedding sustainability into our product offering. This has included the development of our range of chillers that use alternative refrigerants with a global warming potential (GWP) that is lower than other commonly used refrigerants.

Alongside this, we progressed our rebranding efforts, which continued into 2024 with a renewed focus on aligning our brand strategy to our sustainability principles. This alignment reflects our commitment to driving positive environmental impact through both our products and our brand, reinforcing sustainability as a core element of our business strategy.



Goal

Embed sustainability into product solutions that help enhance the ESG performance of our customers.

Sustainability is a key driver of innovation and long-term growth

Looking Forward

We will continue to focus on product sustainability by conducting life cycle analysis of our products and services to better understand their environmental impacts from raw materials through to end-of-life. This will help guide the development of our products, identifying opportunities to reduce emissions, energy consumption and waste – to enhance the environmental performance of existing solutions and accelerate the growth of our sustainable product portfolio.

Climate Change

Our approach to carbon management is driven by our commitment to reducing our carbon emissions and enhancing energy efficiency throughout our operations. In 2022, we had our GHG emissions reduction targets approved by the Science Based Targets initiative (SBTi) – a milestone of our sustainability program.

To support progress towards our target, this year we have focused on improving data collection methods for Scope 1-3 GHG emissions. These improvements are important for us to ensure accurate data measurement so we can better identify opportunities to reduce our footprint.

In 2024, Scope 1 and 2 GHG emissions increased, primarily driven by the acquisition of Tark Inc, which introduced additional operational sites and associated energy use into our reporting boundary. Similarly, Scope 3 GHG emissions increased, due to organic growth of Laird Thermal Solutions, reflecting increased activity across our value chain.

While these increases were expected as part of our strategic growth, they also reinforce the importance of our ongoing efforts to integrate emissions management into business planning and decision-making.

KPI	2022	2023	2024
Total Scope 1 and 2 (tCO2e)	2,906	2,657	2,828
Scope 1&2 intensity (tCO2e/ headcount)	5.6	5.3	5.3
Total Scope 3 (tCO2e)	533,616	488,103	602,282
Scope 3 intensity (tCO2e/ headcount)	1024.2	980.1	1130.0
Total energy consumption (kWh)	5,149,000	5,808,000	5,783,000

Our approach is supported by globally recognized sustainability frameworks. All our high-volume manufacturing sites are ISO 45001 and ISO 14001 certified. Through regular audits we make sure our products and manufacturing sites fulfil international environmental requirements and create safe and healthy working conditions.

Climate Risk

At Tark Thermal Solutions, we recognize the growing importance of climate-related risks as key business risks, and climate-related opportunities as drivers for competitiveness as well as long-term value.

We conducted a climate risk assessment in 2024, identifying several physical risks across our sites, including changing air temperature, extreme heat, tropical cyclones and water stress. We will continue to monitor these risks moving forward, integrating mitigation efforts into our business strategy.

Goal

Enhance energy efficiency in production processes and facilities, driving cost and environmental savings.

SBTi-approved target

Reduce Scope 1 & 2 GHG emissions by 42% by 2030 from a 2021 base year.

Our high-volume manufacturing sites are ISO 45001 and ISO 14001 certified

We have focused on improving data collection methods in 2024

Looking Forward

We will continue to improve the quality and completeness of our emissions data by collecting supplier-specific data, conducting an energy audit at our Shenzhen facility, and expanding the transportation data we capture. These initiatives will provide a stronger foundation for emissions reduction planning as we move forward.

Circular Economy

Our approach is supported by robust ISO-certified management systems, present at all our sites. Recycling plays an important role in reducing our impact and supporting our commitment to circularity. We have recycling programs at most of our sites to divert waste from landfill and promote responsible material management. In addition to these efforts, we operate various refurbishment and parts harvesting initiatives across our operations.

We have a dedicated e-waste program to ensure that end-of-life electronic equipment is handled responsibly. Through this program, computers and other electronic devices are either donated for reuse or recycled.

As part of our commitment to integrating sustainability into our product portfolio, Thermoelectric Modules, Thermoelectric Assemblies, Liquid Cooling Pumps and Liquid Cooling Systems product lines are designed and tested to ensure durability and prevent component failures.

This year we also began measuring waste intensity to gain insight into the efficiency of our waste management practices. As we continue to grow our business, it allows us to understand our impact while accounting for business growth.

These initiatives reflect our proactive and evolving approach to waste management. By combining operational improvements, circularity-focused programs, and product design considerations, we are building a more resource-efficient and resilient business.

Goal

Lower material costs through targeted waste reduction initiatives, including minimizing production scrap and improving raw material utilization.

All sites have ISO-certified management systems



KPI

2024

Waste materials (kg)

199,167



Looking Forward

We will strengthen our waste reduction initiatives by adopting a data-driven approach, implementing tracking at key sites, and analyzing waste sources to identify opportunities to reduce waste at each of our sites.

Own Workforce

Our approach to employee management is underpinned by our People Strategy, which sets out our commitment to employee development, health, safety and well-being.

Employee Engagement

We run an annual employee survey to collect insights on employee engagement and satisfaction, and to support a culture of openness and inclusion. 82% of employees responded this year, supporting the development of people-related policies and initiatives.

We also track our employee Net Promoter Score (eNPS) and are continuously looking at ways to improve our score to ensure our employees are happy, motivated and satisfied.

Employee Development

We are strengthening opportunities for employee development by supporting our people with structured personal development plans, ensuring they have clear visibility of the opportunities available to grow and thrive within the business.

This year, we launched a new employee platform that gives staff and managers real-time access to people-related data and insights to support engagement and development.

Employee Health, Safety and Well-being

Our approach is outlined in our Global Health and Safety policy, which is supported by local policies. Our Liberec and Shenzhen sites are certified to ISO 45001, providing us with a robust framework for implementing and maintaining health and safety standards throughout our operations.

We provide first aid training and medical checks at some of our sites to ensure employees have access to care. We also support our employees with their mental health, offering services at a discounted rate or as benefits at some of our sites.

KPI	2022	2023	2024
Headcount	521	498	533
Female representation (%)	47	49	49
Female representation in C-1 (%)	15	18	14
Survey response rate (%)	87	82	82

Goal

Improve employee satisfaction and boost productivity across operations, reducing production costs.

82%

of employees responded to the annual survey

47%

of new joiners in 2024 were women

Our Liberec and Shenzhen sites are certified to ISO 45001

Looking Forward

We will focus on further strengthening employee satisfaction by providing more opportunities for employee development, including regular performance reviews and training for line managers.

Business Conduct

Our business is underpinned by robust governance frameworks and management systems that ensure our success as a responsible business. This provides a strong foundation to build trust with our customers, suppliers and employees, delivering high quality products and services.

Our approach is guided by our Code of Conduct and other policies addressing governance-related issues, including anti-bribery and corruption. We have a whistleblowing process and hotline, provided by a third party which covers all our sites. We encourage all employees and business partners to report any concerns regarding potential misconduct or compliance violations.

Supplier Engagement

We recognize the importance of supplier engagement to drive meaningful environmental and social impact across the entire value chain. We have included ESG-related principles in our supplier selection process since 2021. We also require our suppliers to adhere to our Supplier Code of Conduct and Conflict Minerals Policy, which sets the standard for ethical business practices in our relationship with suppliers.

Cybersecurity

This year, we conducted a cybersecurity assessment with a third party to address potential vulnerabilities in our systems. The insights gained from this assessment are being used to strengthen our infrastructure, enhance threat detection capabilities, and guide ongoing improvements.



Goal

Integrate ESG into operations and supply chain management.

We require suppliers to adhere to our Supplier Code of Conduct

We conducted a cybersecurity assessment



Looking Forward

We plan to further align ESG governance structures and policies, following the acquisition of Tark Inc. We will also continue to expand our supplier engagement efforts to drive impact throughout our value chain.



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