

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT 2022



INTRODUCTION

TE'S TCFD JOURNEY

Since 2020, we have been aligning our internal processes and reporting against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and continue to assess and enhance our policies, processes and reporting to further meet TCFD recommendations. Legislation globally is moving toward a “comply or explain” approach around corporate governance and ESG disclosures, and we have considered this in developing our TCFD report.

TE'S APPROACH TO ADDRESSING CLIMATE CHANGE

TE operations worldwide have already experienced risks related to climate change, including increases in localized flooding, logistics disruptions and other challenges for operations (notably in the United States, Mexico and China).

However, as a technology company, we believe that transitioning to a low-carbon economy presents material opportunities for our business, since many of our solutions support our customers in making their own products and services more efficient.

For example, we provide solutions for hybrid and electric vehicles; for alternative and renewable energy solutions; for commercial air which enable lighter, more efficient airplane designs; for medical devices used in lifesaving interventional medical procedures; and for data and devices in which our components enable data centers to run cooler. We expect continued sales growth in sustainable applications.

We also see opportunity in the changes in product design and energy use that will be driven by regulatory changes intended to reduce greenhouse gas emissions and continue to invest in research, engineering and development to strengthen our work in these industries. TE has worked, and will continue to work, with our customers in the energy, lighting, wind, automotive, computer, consumer electronics, communications, appliance and other industries to develop smaller, faster, smarter, lighter and more energy-efficient products, of which TE components are an important part.

This opportunity exists in our Appliances; Data and Devices; Aerospace, Defense, and Marine Energy; Industrial Equipment; Medical; Automotive; Commercial Transportation; and Sensors business units.

Over the past few years, TE has rapidly scaled up our ESG commitments and enhanced our disclosures on our impact and progress. In 2022, we developed two new ambitions related to our carbon footprint: to achieve a 70+ percent absolute greenhouse gas (GHG) emissions reduction for Scope 1 and 2 by 2030 from a 2020 baseline and a 25 percent absolute GHG emissions reduction for Scope 3 by 2032 from a 2022 baseline. We have submitted our near-term carbon reduction targets for approval by the Science Based Targets initiative. Scope 1 and 2 targets are aligned to a 1.5°C scenario, while Scope 3 targets are aligned to a below 2°C scenario.

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“Our customers, employees and shareholders all expect us to manage the growth of our business responsibly, which is why we have made significant enhancements to our environmental commitments, including setting new and ambitious climate emissions goals. I am very proud of how our team approaches each commitment, ensuring we have a clear vision of our path forward and full alignment within TE to meet these important commitments to improving environmental sustainability.”

JOEL DUBS, SENIOR VICE PRESIDENT, OPERATIONS

GOVERNANCE

THE ROLE OF THE BOARD

Our Board is responsible for reviewing and guiding our environmental strategy and monitoring implementation and performance against goals and targets, including those addressing climate-related risks and opportunities. In addition, the Nominating, Governance and Compliance Committee of TE's Board of Directors annually reviews our environmental strategy, programs and performance, including actions to support and progress toward achieving our climate-related goals (GHG emissions reductions). The Committee's report on this review, including all supporting materials, is provided and summarized for all Board members.

THE ROLE OF MANAGEMENT

In fiscal year 2021, we formed an Environmental Sustainability Leadership team. This team reports progress on our various environmental sustainability metrics monthly, including our climate change, water, waste and emissions actions, to the Senior Vice President, Operations. This team also includes working groups that help us drive strategic progress more efficiently and cohesively manage these impacts in a way that supports our goals.

The responsibilities of the Senior Vice President, Operations include the Environment, Health and Safety (EHS) function and the Vice President EHS reports to this SVP. Our sustainability initiatives, including our climate change-related actions, are part of this function.

We also created a new role, Vice President Environmental Sustainability, who reports to our Chief Supply Chain Officer.

We establish and regularly review our environmental goals and progress with senior management and operations staff.

The Executive Vice President and General Counsel has responsibility for the Enterprise Risk Management function, which implements a comprehensive risk management and business continuity process that includes climate change risks and climate strategy.

The Executive Vice President and General Counsel also has responsibility for the Global Government Affairs and Corporate Responsibility function, which helps manage risks related to policy and regulatory developments and is responsible for environmental, social and governance disclosures.

CLIMATE AND RISK GOVERNANCE CHART



STRATEGY

We assess climate risk through annual enterprise surveys that inform our Enterprise Risk Management framework. In addition, discussions and reassessments with risk owners take place on a recurring basis.

This program includes:

- An annual assessment of all business units and corporate functions.
- Deep dives and focused analyses of identified key enterprise risks.
- Mitigation tracking with risk owners for all principal and enterprise risks.
- Best practice and information-sharing through an Enterprise Risk Management Network.

TE integrates climate risk directly into our annual integrated risk assessment process with participants, and has specific questions in our surveys to address and quantify this risk. Our annual integrated risk assessment is a broad analysis of risks from across the enterprise, involving surveys and interviews with senior business and function leaders across the company. Participants from every business and function can provide insight into specific climate-related risks related to their operations.



LEVERAGING OUR EXPERTS

TE has an Environmental Sustainability Leadership team (ESLT), which brings together experts across the enterprise from functions and our three business segments to set priorities, goals and objectives for environmental sustainability improvements. This group shares best practices in energy efficiency, zero emissions electricity procurement and operating standards, to name a few. Based on the priorities identified, the ESLT has working groups to charter a path to the most successful implementation of key environmental sustainability priorities. The group also carefully tracks TE's energy use and emissions data, water withdrawal and waste monthly by business unit to ensure we are on track to meet our

corporate environmental sustainability commitments. Finally, the group has representation from our Procurement team to track our performance on Scope 3 emissions.

Our employees also regularly monitor climate change risks and opportunities and evaluate the potential impact on TE's operations and business. Our environmental experts monitor GHG emissions issues and manage our environmental programs, reporting and driving progress toward our GHG reduction goals. TE's environmental employees work closely with finance, risk management, operations, legal and other functions to address environmental issues — including climate change issues — and current and emerging risks and

opportunities. These employees regularly communicate to senior management and the rest of the company on our GHG emissions and progress against our reduction goals. In addition, our risk management group also works with our insurance providers to reduce our exposures to climate change driven risks from severe weather and wildfires at our locations. Examples of this include designing and installing roofs for high wind exposure, flood barriers and footprint analysis to identify exposure to natural hazards (floods, windstorms and earthquakes).



SUPPORTING CUSTOMERS' CLIMATE EFFORTS

Another part of our strategy to adapt to current and potential future market changes is our ongoing work to develop new products to support our customers' efforts to address climate change.

Specifically, we are supporting our customers in the transportation, aerospace, energy and other markets by providing essential components for lower-emission vehicles, electric and hybrid vehicles, lighter weight (and therefore more fuel efficient) vehicles and aircraft, and components for alternative energy, energy distribution, and other energy-efficiency applications. We have made and continue to make strategic decisions to invest in new product development and new facilities to meet the needs of our existing and future customers with respect to energy efficiency in transportation, aerospace, energy distribution and other markets.

ASSESSING FINANCIAL IMPLICATIONS

Our operations worldwide have already experienced physical risks from climate change as material impacts at specific locations. These include the increasing number and severity of storms that have resulted in localized flooding, logistics disruptions and other challenges for operations. To better understand the financial implication of these impacts, our risk management group has estimated the financial exposure of the acute physical risks addressed in the disaster preparedness and business continuity plans. Conversely, we see financial opportunity in addressing climate-related risk through the products and services we provide.

We acknowledge that we have the opportunity to more deeply assess the risks of climate on our business and its financial impact, and build this analysis into our strategy. We look forward to taking these steps in the coming years.

RISK MANAGEMENT

The Executive Vice President and General Counsel has responsibility for the enterprise risk and security management (ERSM) function, and they oversee a Chief Risk Officer who has day-to-day responsibility for ERSM.

The TE Connectivity Board of Directors' Nominating, Governance and Compliance Committee has ultimate oversight of our Enterprise Risk Management. This structure reflects a greater focus on risk at all levels of leadership, as well as strong oversight and governance. The ERSM function implements our risk management and business continuity process.

In our business continuity planning, our ERSM and operations leadership teams work collaboratively to evaluate climate-related threats, including extreme temperatures, precipitation and wind events, and discuss mitigation plans. This includes an estimation of the impacts on our operating locations (physical risk), and our risk management process takes into consideration regulatory, tax and reputational risks (transition risk).

| CATEGORY | RISK/OPPORTUNITY | TIME HORIZON |
|-------------------------|--|--------------|
| Physical risks | | |
| Acute | Damage to infrastructure caused by increasing frequency and severity of extreme weather events, including wildfires, flooding and storms | Long term |
| Chronic | Damage to infrastructure caused by sea level rise | Long term |
| | Lack of access to water for production, particularly in water-stressed areas | Long term |
| Transition risks | | |
| | Increasing regulation around climate change, leading to increased requirements for TE for reporting, record keeping and auditing of GHG emissions and energy usage records | Medium term |
| | Increase in carbon and energy costs and taxation | Medium term |
| | Increased energy costs related to mandated purchases of renewable energy or credits in emissions trading schemes | Medium term |
| | Increase in process control limitations on operational flexibility | Medium term |
| | Increased transportation costs | Medium term |
| | Lack of access to raw and/or virgin materials required for production (metals and resins) | Long term |
| | Unattractiveness of traditional product portfolio that is not transitioned to be more sustainable | Long term |
| Opportunities | | |
| | Increasing customer attractiveness through provision of products that enable them to achieve their energy and GHG reduction goals. This includes solutions for electric vehicles, alternative and renewable energy solutions, high-speed and more-efficient data connectors and smart industrial and manufacturing technologies. | Medium term |
| | Increase in incentives for low carbon usage | Medium term |
| | Increased energy efficiency in production and distribution | Medium term |

METRICS AND TARGETS

In fiscal year 2021, we broadened our disclosures and reported our Scope 3 emissions for the first time in our CDP submission. In fiscal year 2022, we significantly scaled up our climate impact ambitions by setting new goals to achieve a 70 percent reduction for Scopes 1 and 2 by 2030 and a 25 percent reduction in Scope 3 by 2032.

In addition, we added a new target to implement 80 percent renewable electricity use in owned operations by 2025 against a 2020 baseline.

To further our efficiency and overall sustainability, we have a target to achieve 15 percent reduction in water withdrawal for targeted sites by 2025 versus a 2021 baseline and a target to achieve 15 percent reduction in hazardous waste disposed by 2025 versus a 2021 baseline.

Full data disclosure on our GHG emissions and energy and water use can be found in our [2022 TE Connectivity Statement of Greenhouse Gas Emissions and Energy Consumption and Independent Accountants' Review Report](#), our [Annual Corporate Responsibility Report](#) and our [2022 CDP Response](#).



*metric tons CO₂ equivalent.

FORWARD-LOOKING STATEMENTS

This report contains certain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995.

These statements are based on management’s current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance, financial condition or achievements to differ materially from anticipated results, performance, financial condition or achievements.

All statements contained herein that are not clearly historical in nature are forward-looking and the words “anticipate,” “believe,” “expect,” “estimate,” “plan” and similar expressions are generally intended to identify forward-looking statements. We have no intention and are under no obligation to update or alter (and expressly disclaim any such intention or obligation to do so) our forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

The forward-looking statements in this report include statements addressing our future financial condition and operating results and our governance, environmental and sustainability programs, goals and expectations. In addition, the actual Task Force on Climate-related Financial

Disclosures Report, Page 6 conduct of our activities, including the development, implementation or continuation of any program, policy or initiative discussed or forecast in this report, may differ materially in the future.

Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, the extent, severity and duration of COVID-19 negatively affecting our business operations; business, economic, competitive and regulatory risks, such as conditions affecting demand for products in the automotive and other industries we serve; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate, including continuing military conflict between Russia and Ukraine resulting from Russia’s invasion of Ukraine or escalating tensions in surrounding countries; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; and the possible effects on us of changes in tax laws, tax treaties and other legislation. In addition, the extent to which COVID-19 will impact our business and our financial results will depend on future developments, which are highly uncertain and cannot be predicted.



Such developments may include the geographic spread of the virus, the severity of the virus, the duration of the outbreak, the impact on our suppliers’ and customers’ supply chains, the actions that may be taken by various governmental authorities in response to the outbreak in jurisdictions in which we operate, and the possible impact on the global economy and local economies in which we operate.

More detailed information about risks and other factors facing our company is set forth in TE Connectivity Ltd.’s Annual Report on Form 10-K for the fiscal year ended September 30, 2022, as well as in our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports we have filed with the U.S. Securities and Exchange Commission.