Extreme networks

CALENDAR YEAR 2025

Climate-related Financial Risk Report

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Introduction and Overview

Extreme Networks Inc. (Extreme) is headquartered in Morrisville, North Carolina. We are a leader in AI-powered cloud networking, focused on delivering simple and secure solutions that help businesses address challenges and enable connections among devices, applications, and users. We push the boundaries of technology, leveraging the powers of artificial intelligence, analytics, and automation. Tens of thousands of customers globally trust Extreme to drive value, foster innovation, and overcome extreme challenges, relying on our innovative solutions and industry-leading support services. Extreme also designs, develops, and manufactures wired, wireless, and SD-WAN infrastructure equipment. We deliver critical networking solutions for some of the world's leading names in business across verticals such as large sports and entertainment venues, hospitality, retail, transportation and logistics, education, government, healthcare, manufacturing and service providers.

This report encompasses the period covering Calendar Year 2025, for submission, and the data in the report is reflective of CY 2024, unless otherwise mentioned. This report follows the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), focused on the climate-related financial risks of Extreme. This report is Extreme's first formal assessment of physical and transition climate-related risks.

Extreme believes our exposure to material climate-related risks is limited given our network redundancy measures, diverse supply chain, and remote work capabilities. However, we recognize that both physical and transition risks could have localized or long-term impacts on our operations and supply chain resilience.

In accordance with the recommendations of the TCFD framework, the report addresses the following four elements:

- **Governance:** Board oversight and management's role in assessing and managing climate risk
- **Strategy:** Material climate-related risks and actual/potential impacts on operations, strategy, and financial planning
- **Risk Management:** Processes for identifying, assessing, and managing climate risks
- **Metrics and Targets:** Current state of climate-related metrics and performance tracking

Climate-related Financial Risk Disclosures

Governance	
Recommended Disclosures	**Response**
a. Describe the board's oversight of climate-related risks.	The Nominating and Corporate Governance Committee of the Board of Directors (Board) has designated the primary responsibility for overseeing corporate responsibility, including climate change issues, to the Company's management; however, the Board retains ultimate oversight and anticipates that management may report on such matters to the Board, from time to time, as deemed appropriate. Climate-related risks are also included in periodic reporting to the Audit Committee of the Board, consistent with the treatment of other enterprise risks. All Board members possess expertise in strategic planning, and three Board members have deep expertise in risk assessment and management. As climate has been delegated as a management issue, there are no current plans to conduct Board-specific training or to modify the Board to accommodate climate risk expertise. See Extreme's most recent proxy statement, which further outlines the oversight of corporate responsibility.
b. Describe management's role in assessing and managing climate-related risks.	Extreme has delegated corporate responsibility oversight, including climate, to management. The Corporate Responsibility Council (the Council), made up of leaders from across the organization, is led by the Company's Chief Legal, Administrative and Sustainability Officer (CLASO). The Council meets monthly, reviews progress against goals, sets and allocates budgets for climate projects and identifies priorities. The CLASO ensures that climate risks are integrated into the broader enterprise risk management process. When requested, the CLASO provides updates to the Board. Climate risk oversight is managed through the corporate responsibility framework. • Operational (physical) risk from data centers or facilities is managed by the Head of Supply Chain, the Head of Facilities, and the Chief Information Officer. This includes disruptions from climate-related events, energy spend, logistics and supplier relationships, as well product enhancements. • The Legal department has regulatory oversight and policy monitoring responsibility. • A group of senior executives on the Product and Supply Chain teams meets bi-weekly to discuss customer requests, product enhancements, and energy efficiency enhancements. • Another group of Supply Chain, Engineering, Information Technology, and Facilities team members meets bi-weekly to address corporate sustainability measures such as facilities and lab efficiencies.

Climate-related Financial Risk Disclosures

Strategy	
Recommended Disclosures	**Response**
a. Describe the climate-related risks the organization has identified over the short, medium, and long term.	Climate-related risks fall into two categories: risks arising from the physical impacts of climate change (physical risks), both acute and chronic, and risks caused by the global transition to a low-carbon economy (transition risks). Extreme analyzed climate-related risks over the short (0-2 years), medium (3-10 yrs), and long-term (greater than 10 years). These timelines were considered for two primary reasons (1) short and medium time horizons are consistent with financial planning horizons, and (2) the long-term horizon is consistent with Extreme's long-term climate targets (2050). **Physical Risk** The physical risk analysis assessed potential impacts from climate-related physical hazards on Extreme's key locations (i) including owned/leased offices, and co-located data centers, and (ii) tier one suppliers. Location data was processed for physical risk modelling. The physical climate risk for each of Extreme's global locations was quantified using climate models for historical and future periods using low and high emissions scenarios. • **Flooding:** Assets and suppliers in Asia (Taiwan and Thailand) face increased risk exposure from coastal and riverine flooding, especially in the high emissions scenario. Risk of flood, both coastal and riverine, is evident in the short, medium and long-term. • **Hurricanes/cyclones**: Assets and supplier locations in Asia (India and Taiwan) are projected to experience high hurricane risk exposure, in both low and high emissions scenarios. Risk of cyclones is evident in the short, medium and long-term. • **Sea level rise:** Chronic physical risk in the form of Sea Level rise increases in high emissions scenarios, especially for global coastal assets and long-term scenarios. **Transition Risk** Extreme has identified potential transition risks, which are caused by the global shift to a low-carbon economy. These risks can be categorized into four primary areas: policy and legal, technology, market, and reputational risks. Extreme identified the following transition risks as having potential short term, medium term, or long-term financial impacts on the Company.

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	Policy & Legal Risks • Carbon pricing and clean energy mandates can impact companies by increasing operational costs, especially in the long-term. • Global Regulations in states and countries are mandating companies' sustainability reporting requirements. This has the potential to increase reporting resources in the medium and long term. **Technology Risks** • Accelerated depreciation of network infrastructure, for example legacy servers and inefficient facilities, may become stranded assets if new low-carbon technologies or efficiency standards are mandated, especially in the long-term. • Increased R&D costs and equipment investments may be required in the transition to a low-carbon economy, requiring investment in more energy-efficient technologies, especially in the long term. **Market Risks** • Shifting client preferences, especially large consumer-facing brand clients, are under public pressure to decarbonize their supply chains, and may shift business to partners with stricter energy efficiency standards or superior technology that offers energy efficiencies. This risk increases over the medium and long-term. • Increased supplier costs from upstream suppliers of Extreme may face higher expenses tied to climate policies, energy price volatility, or raw material constraints. This risk increases over the medium and long-term horizons. **Reputational Risks** • Negative stakeholder perception from perceived lack of climate action or customer pressure may demand stronger climate commitments over the long term. • Greenwashing and climate target underperformance or making unverifiable claims can result in reputational damage or legal liability, especially for those with public goals or targets, increases over the long term.

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b. Describe the impact of climate-related risks on the organization's businesses, strategy, and financial planning.	Extreme aims to be a net positive contributor with respect to reducing global emissions. The Company considers climate risk and opportunities in its operational, financial and strategic planning exercises. While not the primary driver of business strategy, climate is a consideration for many important aspects of Extreme's operational model, including risk management and capital planning processes. For example: • **Reduced office footprint:** Extreme has strategically revised its operational model and reduced a significant portion of its facilities footprint. To date, Extreme has reduced our real estate footprint of leased commercial office square footage by 50%, since 2020, moving to a hybrid and remote work environment. This enables the Company to reduce power, reduce its emissions, and ensure continued operations during a weather-related event, or other business disruptions. • **Diversified supply chain:** Extreme has a diversified supply chain to help mitigate supplier disruptions, including those caused by climate or weather-related events. • **Network redundancy measures:** Critical network infrastructure redundancy measures and failover processes are in place to minimize effects on customers or the company in the event of disruptions such as weather events or power supply disruption. From a product development perspective, Extreme considers the impact of its products across the entire product lifecycle. This is a goal of the Company from a sales and R&D perspective. The Company spends considerable resources, financial and other, to ensure responsible product development from cradle to grave. • **Power usage:** The Company considers the power usage of its products by customers during the design, build, use and disposal phases of the product life cycle. Products are engineered to deliver superior energy efficiency compared to previous generations. Our products are designed to reduce power consumption, through technology such as high efficiency energy supplies, energy efficient ethernet, and adaptive cooling techniques. The majority of Extreme's products meet 80 PLUS® Platinum efficiency standards.

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	• **ENERGY STAR®:** Extreme conducts ENERGY STAR® testing and lists qualifying products where applicable, ensuring that our products are designed to minimize power consumption while maintaining expected performance levels. • **Supplier screenings:** Extreme asks suppliers to share their carbon footprints and progress against climate goals as part of the procurement process. Suppliers need to sign Extreme's Supplier Code of Conduct, adopt the Responsible Business Alliance code of conduct, and agree to Extreme's Supplier Expectations and Guidelines Standard, which outlines climate-related expectations and is verified via on-site physical audits.
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We considered how Extreme's climate-related risks and its strategic and financial planning might change under two IPCC climate scenarios: SSP1-2.6 (low emissions) and SSP5-8.5 (high emissions). The Shared Socioeconomic Pathway (SSP)1-2.6 envisions reduced inequality, low-material consumption, and rapid human capital development. The scenario assumes widespread renewable energy deployment and adoption, improved energy efficiency, transport electrification, and carbon pricing in an effort to curtail emissions levels. It represents an achievable sustainable development path with low greenhouse gas emissions and aligns with climate policies aimed at limiting global warming to below 2°C by 2100. The SSP5 pathway envisions rapid economic growth, high energy demand, and lifestyle convergence with intensive resource consumption. Global emissions continue rising throughout the century, reaching extremely high levels by 2100. The scenario assumes continued reliance on fossil fuels, limited renewable energy deployment, energy-intensive transport systems, and an absence of effective carbon pricing. It represents a fossil fuel-intensive development path with high greenhouse gas emissions and assumes minimal climate policies, resulting in global warming of 3-5°C by 2100. **Physical Risk Resilience** Extreme's physical risks do not differ significantly in low emissions (SSP1-2.6) or high emissions scenarios (SSP5-8.5). The main risk considerations are increased flooding in high emissions scenarios compared to low emissions scenarios for some physical assets, and an increase potential coastal flooding and strength of cyclones in the long term scenarios. This resilience is supported by key strategic elements:

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	• **Primarily remote workforce:** Over the last 5 years, Extreme has migrated much of our workforce from physical office locations and into remote work environments, adopting a hybrid work environment. This mitigates business disruption in the case of weather-related climate events. • **Diversified supply chain:** Extreme's supply chain strategy reduces dependency on any one supply chain partner. For most products we have qualified secondary factory locations for production. We have multiple vendors for most components helping mitigate single source supplier risk and supply chain disruptions. • **Digital twin infrastructure:** All core Enterprise applications and systems are mirrored and backed up and fail over processes are in place to support rapid recovery in the event of disaster. **Transition Risk Resilience** Extreme's transition risk profile looks considerably different in a low warming scenario, with increased long-term risk of outdated technology, increased R&D costs, increased supplier costs and the potential for stakeholder pushback if Extreme does not meet its long-term climate goals. None of these risks are considered unmanageable. Our strategy is also resilient to transition risks, primarily due to commitment to being a net-positive contributor to reducing global emissions. • **Net zero by 2050:** Extreme has committed to achieving Net Zero by 2050 and interim 2030 targets. Extreme is on target to achieve this goal. • **Sustainable product management:** Extreme is committed to reducing the energy consumption of its products, helping customers reduce their own energy consumption and meet their climate targets. • **Supply chain resiliency:** Extreme's diverse supply chain and sourcing capabilities insulate it from significant policy and legal risks. Overall, our strategy is well positioned to manage climate-related financial impacts.

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Risk Management	
Recommended Disclosures	**Response**
a. Describe the organization's processes for identifying and assessing climate-related risks.	As the foundation for this report, we conducted a comprehensive analysis to identify and assess our climate-related financial risks. This assessment included: • **Physical risk assessment:** We used the RiskThinking.AI platform to conduct a quantitative analysis of 67 locations, including 52 Extreme-controlled assets and 15 tier-one supplier facilities. The assessment evaluated exposure to 12 distinct climate hazards across three time horizons (2027, 2030, and 2050) and under both High and Low Emissions Economy scenarios. • **Transition risk assessment:** We followed a qualitative process to assess transition risks. This involved identifying potential risks through third-party research, conducting executive interviews for internal validation and context, and evaluating each risk across both climate scenarios and all three time horizons. The transition risk assessment included a variety of transition risks that fall within four categories (1) regulatory and policy, (2) technology, (3) market, and (4) reputational risks. All metrics were scored and analyzed using a five-point risk scale: 1 (Insignificant), 2 (Low), 3 (Moderate), 4 (High), 5 (Very High). Those risk factors, both physical and transition, that scored a 3 or higher, have been flagged for deeper analysis and observation for potential risk mitigation in the future.
b. Describe the organization's processes for managing climate-related risks.	Extreme addresses climate-related risks through its established Enterprise Risk Management (ERM) processes, which include emergency preparedness, business continuity strategies, and continuous monitoring of operational, regulatory, and supply chain impacts. Both physical risks, such as severe weather events, and transition risks, like changing regulations, are managed within the same comprehensive framework used for all other enterprise risks to ensure consistent prioritization and response.

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	The Company's business continuity and disaster recovery processes establish the foundation for managing physical climate-related risks. These procedures cover preparations for, responses to, and recoveries from events like storms, wildfires, and extreme heat, which can disrupt operations or impact critical facilities and suppliers. Existing capabilities include: • Emergency Response Protocols for Extreme Weather and Natural Disasters • Redundancy and Resilience Planning for Critical Systems These processes are tested and updated regularly to ensure the Company remains resilient and able to protect its people, assets, and operations during climate-related events. Transition risks, those arising from regulatory changes, market expectations, and customer sustainability requirements, are monitored through ongoing collaboration among the Legal, ESG, Operations, and Strategy functions. Management practices include: • Tracking emerging climate-related regulations and disclosure requirements, and complying with applicable laws and regulations • Evaluating potential impacts on product development, data-center energy use, and upstream components • Engaging with customers and partners on sustainability expectations • Diversified Supply Chain, providing resiliency and alternative sourcing options • Integrating climate-related considerations into long-range planning, supply chain strategy, and risk discussions

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c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	The Company incorporates climate-related risks into its existing Enterprise Risk Management (ERM) framework to ensure these risks are identified, assessed, and managed alongside operational, financial, strategic, and compliance risks. Climate-related risks, both physical risks such as extreme weather and transition risks such as regulatory changes or shifts in stakeholder expectations, are evaluated using the same methodology, scoring criteria, and governance processes applied to all enterprise-level risks. Climate-related risks are identified through our annual ERM refresh, ongoing regulatory monitoring, and input from Sustainability, Operations, Supply Chain, Finance, Strategy, and Legal functions. These risks are assessed using the Company's standard ERM scoring model, which considers likelihood, financial and operational impact, velocity, and trend. This approach ensures that climate-related risks are consistently prioritized alongside other risks in the enterprise risk portfolio. The assessed climate-related risks are incorporated into the Company's enterprise risk register and are monitored through the same governance channels as all other risks. Risk owners, typically senior leaders from Operations, Supply Chain, and Finance, are responsible for evaluating exposures, implementing mitigation activities, and reporting progress. Climate risks are not managed separately; rather, they are integrated into the broader risk landscape and are considered in business planning, operational continuity, and long-term strategic planning. Climate-related risks are reviewed through the Company's established risk oversight structure. The Enterprise Risk Management team facilitates the process. It ensures climate-related risks are considered during bi-annual risk discussions, cross-functional reviews, and senior leadership updates. Climate-related risks are also included in periodic reporting to the Audit Committee of the Board, consistent with the treatment of other enterprise risks.

Climate-related Financial Risk Disclosures

Metrics and Targets	
Recommended Disclosures*	**Response**
a. Disclose the metrics used by the organization to assess climate-related risks in line with its strategy and risk management process.	• Total Carbon Emissions - 74,089 Metric Tonnes (MT) CO2e (market based) • Total Electricity Consumption - 26,515,175 kWh • Total Natural Gas Consumption - 403,301 Therms • Total Water Consumption - 1,577 kgal
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Extreme disclosed the following metrics in its most recent Corporate Responsibility report: Total Carbon Emissions - 74,089 MT CO2e (market based) • Scope 1 - 2,511 MT CO2e • Scope 2 - 8,999 MT CO2e (market based) • Scope 3 - 62,579 MT CO2e Extreme calculates 6 categories of Scope 3 emissions • Category 1 - Purchased Goods and Services • Category 2 - Fuel Related Emissions • Category 4 - Upstream Freight • Category 6 - Business Travel • Category 7 - Employee Commuting • Category 9 - Downstream Freight

**All data in metrics and targets section are reflective of Calendar Year 2024*

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c. Describe the targets used by the organization to manage climate-related risks and performance against targets.	Extreme has set a long-term greenhouse gas reduction target to achieve Net Zero Emissions by 2050. Additionally, the Company has set the following interim targets: • A 50% reduction in absolute Scope 1 and 2 emissions by 2030 vs. its 2021 baseline • A 30% reduction in absolute scope 3 emissions for transportation and use of sold products by 2030 vs its 2021 baseline The Company reports its progress against these targets annually in its Corporate Responsibility Report, which is publicly available on its website. The Company plans to achieve its Net Zero emissions goal by focusing on renewable energy, improving operational efficiency and working with our manufacturing and supply chain partners. As of the most recent report, the Company had reduced absolute Scope 1 and 2 emissions by 34% against its 2021 baseline

Appendix: Climate Risk Assessment Methodology

Research Approach

The assessment was conducted in alignment with TCFD guidance, combining:

Document Review: Analysis of relevant documentation including operational data, facility information, supplier relationships, insurance policies, acquisition processes, and existing risk management procedures.

Executive Discussions: Internal Extreme Networks executive discussions on current climate risk considerations, operational monitoring practices, strategic planning processes, and organizational structure.

Physical Risk Assessment

Tool and Platform

Physical climate risk analysis was conducted using RiskThinking.AI, a specialized physical risk mapping platform that evaluates current exposure and future vulnerability across operational footprints.

Scope of Analysis

The physical risk assessment examined 67 locations, including:

- All 52 Extreme Networks-controlled assets (offices & warehouses)
- 15 material upstream tier-one suppliers

Climate Scenarios

The assessment utilized two Shared Socioeconomic Pathway (SSP) scenarios from the Intergovernmental Panel on Climate Change (IPCC):

SSP1-2.6 (Low Emissions Scenario): Represents a sustainability-focused development path with low greenhouse gas emissions, limiting global warming to below 2°C by 2100. This scenario assumes widespread renewable energy deployment, improved energy efficiency, transport electrification, and carbon pricing implementation.

SSP5-8.5 (High Emissions Scenario): Represents a fossil fuel-intensive development path with high greenhouse gas emissions, resulting in warming extending beyond 4°C by 2100. This scenario assumes continued reliance on fossil fuels, limited renewable energy deployment, energy-intensive transport systems, and an absence of effective carbon pricing.

Time Horizons

Climate risk exposure was evaluated across three time periods:

- **Short term:** 2027
- **Medium term:** 2030
- **Long term:** 2050

Hazard Assessment

Each location was assessed for exposure to 12 distinct climate hazards:

- Acute risks: Coastal flooding, riverine flooding, cyclones, extreme wind, extreme precipitation, extreme heat, extreme cold, and wildfire
- Chronic risks: Sea level rise, drought, heat stress, and freeze-thaw cycles

Risk Metrics

Physical climate risk was quantified using three RiskThinking.AI metrics:

Tail Risk Asset Damage: Potential replacement/repair costs from extreme climate events (worst 5% of outcomes), expressed as percentage of total asset value

Expected Impact Asset Damage: Anticipated repair costs from typical climate events across the full range of scenarios, expressed as percentage of tangible capital asset value

Downside Likelihood: Probability of experiencing more severe climate impacts during future periods compared to the 2010 historical baseline

All metrics were scored using a five-point risk scale:

- 1 (Insignificant)
- 2 (Low)
- 3 (Moderate)
- 4 (High)
- 5 (Very High)

Transition Risk Assessment

Transition risk analysis followed a qualitative assessment process:

1. **Initial Identification:** Third-party research identified potential transition risks across policy/legal, technology, market, and reputational categories
2. **Internal Validation:** Internal executive discussions and document review provided context on Extreme's current processes and exposure.
3. **Risk Evaluation:** Individual assessment of each transition risk across both climate scenarios and all three time horizons

Limitations and Considerations

This assessment represents Extreme Networks' initial comprehensive climate risk analysis. As noted in the report, several areas have been identified for future enhancement, including formalization of enterprise-wide climate risk processes and development of climate-related metrics and targets.

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