# Sustainability statement

SCANFIL

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# 1. General Information

## 1.1 General basis for preparation of the Sustainability Statement

This Sustainability Statement complies with the EU's Corporate Sustainability Reporting Directive (CSRD) and its reporting requirements ESRS.

The Sustainability Statement has been prepared on the Position Green cloud service reporting and consolidation solution. It follows the same consolidation principles as financial statements for all Scanfil subsidiaries that belong to the Group in 2024. SRXGlobal Pty Ltd was acquired on October 3, 2024, and has been consolidated since. The progress made in Scanfil's strategy regarding its 2030 sustainability targets is also reported.

The disclosed sustainability topics are based on a Double Materiality Assessment conducted in 2024. The material topics and sustainability targets based on the materiality assessment were approved in May 2024, and reporting based on them was initiated in June 2024.

Scanfil's sustainability reporting complies with the Group's common principles and processes for statutory reporting, risk management, and internal control. In sustainability reporting, internal control is based on risk identification and analysis, focusing on the most material risks identified and applying the best internal control practices.

Scanfil's Chief Financial Officer, supported by the sustainability function, oversees the implementation of sustainability reporting. Data is collected from all Scanfil sites, including its factories and offices. The data is consolidated in Scanfil's sustainability reporting platform, Position Green, in such a way that the data is traceable and auditable.

The risks identified in sustainability reporting include the accuracy of information and the timing of reporting. To ensure that the disclosed information is accurate and appropriately timed, Scanfil has defined and adopted a process and a governance structure that specify the roles, responsibilities, and reporting timelines in sustainability reporting for the data included.

Data providers from each site are responsible for ensuring the correctness of site-level information. The Global Sustainability Function supervises the correctness of the consolidated data and then provides it to Group Accounting.

An internal auditor is responsible for ensuring the accuracy and timeliness of disclosed information as a part of the audit work. The internal auditing results are monitored, and supervised by Scanfil's Chief Financial Officer, Audit Committee, and Group Management Team.

The Scanfil Sustainability Statement covers all the parts of the upstream and downstream value chain that are assessed as material in the Double Materiality Assessment and discloses metrics on:

- Raw material manufacturers
- Component manufacturers/suppliers
- Own operations
- Customers

End-users are excluded as Scanfil only manufactures according to a customer's specifications and has no product ownership or market surveillance.

Scanfil has not identified any specific information corresponding to intellectual property rights, neither results of innovations nor expertise that have been decided not to be disclosed in this report, and has not used any exemptions based on articles 19a(3) and 29a(3) of Directive 2013/34/EU.

## 1.2 The role of the administrative, management and supervisory bodies

### Business Conduct

The supreme decision-making bodies are the Annual General Meeting (General Meeting) of the parent company Scanfil plc and the Board of Directors (the Board). The Board has an Audit Committee to supervise the financial reporting process and the reporting of the financial statements, sustainability statements, and interim reports, as well as monitoring the functionality of Scanfil's internal control and risk management. It also evaluates the appropriateness of auditing and prepares the proposal for the appointment of an auditor.

The Shareholders' Nomination Board (Nomination Board) prepares proposals for General Meetings concerning the election of Board members, their remuneration, as well as the remuneration of Board Committee members. The Nomination Board is also responsible for ensuring that the Board and its members have sufficient knowledge and experience corresponding to the company's needs, e.g., strategy development, sustainability, and financial accounting. The Board appoints the CEO to set Scanfil's strategic goals and objectives and ensure the necessary resources are in place to achieve them. The Group Management Team assists the CEO with expertise in the business' code of conduct and sustainability.

The Group's General Counsel reports directly to the CEO and acts as a secretary to the Board. The General Counsel is a part of the Extended Management Team. The area of sustainability is led by the Chief Development Officer, assisted by a Director for Global Sustainability. All members of the Board have long and comprehensive expertise on business conduct matters throughout their professional careers.

Scanfil's Board of Directors comprises six Board members, all of whom are non-executive. No employees or other workers are represented on the Board of Directors. 83.3% of the Board members are independent of the company. Four men (66.7%) and two women (33.3%) are represented on the Board. 80% of the Board members have previous experience in the Electronic Manufacturing Service (EMS) industry and/or Scanfil's customers' businesses, while 100% of the members have geographical knowledge of the locations where Scanfil is active. 33.3% of the Board members have a deep understanding of sustainability-related matters through their professional careers or research work. The Group Management Team (Management Team) comprises of seven people: Five men (71.4%) and two women (28.6%).

### The Board of Directors

The Board of Directors is the company's highest body overseeing sustainability. The company's Board of Directors approves Scanfil's sustainability targets as part of the company's strategy and supervises the achievement of the targets.

Sustainability is incorporated into Scanfil's strategy, long-term business and investment plans, risk assessments, and annual action plans. They are prepared by the Group Management Team and approved by the Board of Directors. In accordance with the annual cycle, the Board of Directors reviews the Sustainability Statement once a year. The Board also discusses other sustainability-related matters when required and consults with sustainability management.

### CEO and Group Management Team

The CEO and the Group Management Team review the progress of the sustainability strategy and target achievements quarterly. In addition, sustainability progress is reported and evaluated in bi-annual management reviews defined in the Scanfil Quality Management System.

The Group Management Team makes decisions related to capital expenditure, expenses, and organization to enable the successful execution of the sustainability strategy, following the Group Authorization Manual. The Group Management Team is also responsible for proposing adjustments to the sustainability strategy to be decided by the Board of Directors and to ensure that it remains relevant and aligned with any possible changes, i.e., in the regulatory landscape.

### Sustainability Function

The Sustainability Function prepares and follows up on the Group sustainability strategy execution plans, supervises the preparation of site-specific plans, and ensures alignment with the group-level plans. The function also defines the lower-level sustainability targets and sets up the tools, processes, and partnerships to enable the successful execution of the sustainability strategy.

### Sites

Local sites prepare, execute, and follow up on the local sustainability plans and provide the local reporting data to the Group's sustainability reporting platform. Sites also decide or prepare proposals for sustainability-related capital expenditure, expenses, and organization according to the limits specified in the Group Authorization Manual.

### Internal audit

The responsibility of the internal auditor is described in section 1.1 General basis for the preparation of the Sustainability Statement.

### Audit Committee

The Board of Directors has established an Audit Committee. The Board of Directors holds primary responsibility for the oversight of the organization's impacts, risks, and opportunities. Within the Board, the Audit Committee is specifically tasked with monitoring financial reporting and evaluating financial and operational risks, including ESG (Environmental, Social, and Governance) topics. The Audit Committee reports regularly to the Board and ensures accountability through quarterly assessments and annual impact reviews. The CEO and the Group Management Team work closely with the Audit Committee to implement strategies and respond to emerging risks, ensuring alignment with the organization's long-term objectives.

The Board of Directors plays an important role in overseeing the identification, assessment, and management of key impacts, risks, and opportunities that are vital to Scanfil's long-term success. This responsibility is clearly articulated in the Board's mandate, ensuring that considerations of risk and opportunity are integral to strategic decision-making. Through routine reviews and updates to governance policies, the Board incorporates sustainability factors, financial risks, and emerging opportunities into its accountability framework, guided by specific policies including the Risk Management Policy and Code of Conduct.

The Shareholders' Nomination Board is responsible for ensuring that the Board of Directors has sufficient capabilities represented. The Board of Directors and its Audit Committee are responsible for acquiring external expertise if it cannot be covered with internal resources. Operationally, the CEO is responsible for staffing the company's sustainability function to fulfill legislative requirements. Scanfil continuously trains its personnel in sustainability matters to meet the requirements.

### Sustainability Governance at Scanfil

The Global Sustainability Function reports regularly to the Group Management Team, which communicates with the Board of Directors and its committees to govern the creation process of objectives linked to material consequences, risks and opportunities and the progress of objectives presented in the double materiality analysis. This is done through administrative documentation and meetings, where representatives from the Sustainability Function are involved when convenient. If there should be any updates of objectives related to Scanfil's material consequences, risks and opportunities, these are reviewed and approved by the Group Management Team and the Board, and later considered in the corporate strategy which is updated on a yearly basis.

Scanfil has had a Director Global Sustainability since 2024. Scanfil will develop its sustainability agenda further in 2025, and there is a plan to incorporate the sustainability structure into the Corporate Management System.

Every site has a Quality & Environmental Manager covering environmental topics and an HR Manager covering social topics. Governance topics are handled globally by the Group Management Team and locally by the Factory Manager supported by the Factory Management Team. They consult with the expertise of Global Functions when needed e.g. on sustainability, HR and legal matters.

The Board and the Group Management Team have limited expertise in sustainability-related matters. The Board's Audit Committee is the key body in guiding and gathering expertise in sustainability reporting. Scanfil has utilized its internal resources and external expertise to increase its knowledge level. Scanfil has also hired third-party consultancy experts when needed.

## 1.3 Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

The Board has appointed the Audit Committee to have the main responsibility over Scanfil's sustainability topics. Throughout 2024, the Audit Committee has had three major topics on the agenda: CSRD, SBTi, and Sustainbility as a brand pillar. The CDO together with the Chair of the Audit Committee, CFO and Director of Global Sustainability have governed Scanfil's progress towards fulfilling the requirements related to the ESRS and EU-taxonomy, where the focus has been put on developing the sustainability reporting process, the corresponding double materiality assessment and its risk management process. The DMA was conducted during 2024 and was reviewed by the Board, Scanfil's Group Management Team, and Scanfil's external auditor. Scanfil was validated by the Science Based Targets initiative (SBTi) short-term target 2030, and the company is committed to setting a net-zero target for 2050 within the next few years. Moreover, The Group Management Team has recognized the opportunity to position Scanfil as one of the leading companies in sustainability, strengthening its reputation and embedding sustainability as a core element of the brand. Material risk monitoring is part of Scanfil's risk management process. Risks are reported and revalued monthly as part of Scanfil's financial reporting, where proactive measures and corrective actions are taken when certain thresholds are exceeded.

The Board of Directors convened 15 times in 2024. Sustainability related matters were discussed four times on the following dates:

22 February - The plan for participating in the SBTi NetZero with the Letter of Commitment to achieve zero emissions in Scope 3 by 2050 at the latest. The matter was presented by the CEO Christophe Sut.

22 February - CEO Christophe Sut presented the Sustainability Report (NFI/ESG Report) from fiscal period 2023.

22 May - Discussion and conclusions of the Audit Committee meeting held on May 21, 2024 on CSRD and the sustainability reporting process, the double materiality assessment and its pre-assurance. Matters were presented by the Audit Committee's Chairman Juha Räisänen.

20 November - Status of the sustainability process including updates on the NetZero journey. Matters were presented by the Chief Development Officer Riku Hynninen.

## 1.4 Integration of sustainability-related performance in incentive schemes

Scanfil is a listed company, and its sustainability agenda affects the company's share value, which is linked to management incentives through option programs. The general principles of a company's remuneration, together with the sustainability-related incentive scheme set for Scanfil's Management Team, are described in the Remuneration Report.

Scanfil has a Remuneration Policy that guides general principles of remuneration for the Board of Directors, the CEO, and other senior management.

Scanfil has annual and share-based incentive schemes. The annual scheme is linked to short, usually annual targets, but it may also include longer-term indicators, which are typically set for three years. The scheme aims to encourage and guide the achievement of short-term financial and operational goals and reward the achievement of short-term goals in the implementation of the company's strategy, including sustainability targets.

Scanfil is gradually moving towards a one-year target setting. However, the sustainability target was set for three years until 2026. In addition, Scanfil has a share-based incentive plan that links the CEO and other Group Management members to the shareholders. Scanfil is a listed company, and share-based incentives expose beneficiaries to sustainability risks through the company's reputation on the share price.

The Board of Directors decides on the remuneration for the CEO. The remuneration that relates to the members of the Group Management Team is managed by the CEO. Updates are made on an annual basis.

### Climate change

Scanfil's Remuneration Policy outlines compensation principles for the Board, CEO, and Group Management. The company uses annual and share-based incentives. In 2024, the scope 1 and 2 GHG (greenhouse gas) emission target was ≤8,800 tCO2e, based on 2023's calculation method and numbers of production units. The multiplier is 0.9x, implying that the annual short-term remuneration will be deducted by 10% if the target is not met. The Board annually reviews and decides on the remuneration based on the CEO's proposal.

## 1.5 Statement on due diligence

### Due diligence in sustainability

Scanfil is committed to embed sustainability into the core operations and business strategy. The due diligence processes align with the ESRS framework, ensuring that sustainability is integrated at every level of decision-making. Below is a breakdown of how Scanfil approaches due diligence across key areas:

### Incorporating sustainability into policies and management system

Sustainability principles are embedding into its corporate policies and management systems. Scanfil continuously updates the environmental, social, and governance (ESG) policies to reflect the industry's best practices, regulatory requirements, and stakeholder expectations. This alignment drives accountability across the organization, ensuring that sustainability considerations are integral to operational processes.

The key policies are: Environmental Policy, Work Environmental Policy, Code of Conduct, and Supplier Code of Conduct. All of these policies are communicated internally and externally, and employees receive regular trainings on these policies

### Identifying and assessing consequences, risks, and opportunities

Scanfil conducts regular risk assessments to identify sustainability-related risks and opportunities throughout its supply chain and operations. The assessments cover environmental impacts, social responsibility, and governance issues, which are evaluated for both short-term and long-term consequences. This proactive approach helps Scanfil to anticipate the potential risks and capitalize on emerging opportunities.

### Preventing, mitigating, and responding to negative impacts

Scanfil employs a framework for preventing, mitigating, and addressing negative impacts associated with its operations. Preventive measures include supplier audits, resource efficiency initiatives, and employee training. Mitigation strategies focus on minimizing risks through innovation and collaboration with stakeholders, while response plans ensure swift action in case of any adverse impacts.

### Measuring progress

Progress on sustainability efforts is followed up through key performance indicators (KPIs) tied to Scanfil's environmental and social goals. Metrics such as carbon emissions, energy consumption, and labor practices, are regularly reviewed to ensure alignment with Scanfil's sustainability objectives. The data is used to refine strategies and inform stakeholders on the company's sustainability performance.

### Open and transparent communication

Transparency is a core part of Scanfil's sustainability reporting. Scanfil is committed to openly communicating with stakeholders and providing regular updates on its progress, challenges, and initiatives. The reports are adapted to the ESRS standard, which ensures that stakeholders have clear insights into the sustainability work and future plans.

### Actions to address consequences

In the event of any negative consequences to its operations, Scanfil takes immediate action. This includes corrective actions such as reviewing policies, engaging with stakeholders, and implementing changes to prevent recurrence. The goal is not only to address the immediate issue but also to ensure long-term improvements in the business.

By addressing these six areas, Scanfil ensures that sustainability is an integral part of the company's operations, governance, and strategic decision-making, thereby reflecting its commitment to responsible business practices.

Scanfil does not currently have any specific sustainability due diligence process but plans to prepare for the Corporate Sustainability Due Diligence Directive (CSDDD), which will impact the company in 2028.

Current due diligence processes related to people and the environment are embedded in several of Scanfil's policies: Scanfil Environmental Policy, Work Environment Policy, Code of Conduct, Supplier Code of Conduct, and Sustainable Procurement Policy. For each of these policies, there are processes and instructions ensuring suppliers fulfill Scanfil's policy aspects that are connected to people and the environment. In the introduction of new suppliers, Scanfil follows a specific approval process, which includes risk analyses and assessments related to these two topics. For new customers, there is currently a process related to adverse impacts on the environment but not related to the topic of people.

If there should be any potential adverse impacts identified during the due diligence process with new suppliers, Scanfil acts through the supplier audit process, where the process identifies and mitigates impacts. If any adverse impacts are identified outside the due diligence process

of Scanfil's value chain, the whistleblower channel is a useful element in which adverse impacts can be reported by both internal and external stakeholders.

## 1.6 Risk management and internal controls over sustainability reporting

Scanfil's process for sustainability reporting currently follows the Group's common principles and processes for statutory reporting, risk management and internal control. The internal control process is based on risk identification and analysis and focuses on the most material risks that are identified. This is currently also the risk assessment methodology that Scanfil is using.

The Sustainability Report is compiled by the Global Sustainability Team, where Scanfil's Chief Financial Officer oversees the reporting process. Data is collected from all Scanfil sites, including its factories and office locations, and is consolidated in Scanfil's sustainability reporting platform in a way that the data is traceable and auditable. The risks identified in relation to the process of compiling the Sustainability Report include the accuracy of information and the timing of reporting. Data providers from each geographical site are responsible for ensuring that the site-level information provided is correct. The Global Sustainability Team supervises the accuracy of the consolidated data and then provides it to the Group Accounting Team.

To ensure that the disclosed information is as accurate as possible and delivered on time, Scanfil is currently developing a process and structure that specify the roles, responsibilities, and reporting timelines for the data collection. The plan for 2025 is to develop this process by utilizing more features of the Position Green reporting tool.

## 1.7 Strategy, business model, and value chain

### Strategy

Scanfil has divided its customers into three segments: 1. Industrial 2. Energy & Cleantech and 3. Medtech & Life Science. New sales organizations is expected to drive organic growth, and improve customer focus and industrial knowledge. This transformative change from a generalist EMS to an industry-focused one occurred in the first half of 2024.

In 2024, Scanfil also announced its new regional structure, which comes into force as of January 1, 2025. New regions are the Americas, APAC, Central Europe, and Northern Europe. The change should enable faster decision-making, and drive organic and inorganic growth by bringing decision-making closer to the region and factories.

Primarily, Scanfil provides its expertise and services to international large and medium-sized companies with low or medium volumes and complex products. In addition, Scanfil selectively serves smaller growth companies.

Scanfil differentiates itself from its competitors mainly by having strong capabilities in design-driven manufacturing (DDM), cost optimization, and test development. Design-driven manufacturing is involved, especially in the early phases of industrialization of a new product. Nearly 60% of the costs are defined in this phase and, thereby, the cost competitiveness of the product as well. In this phase, the use of components, materials, and manufacturing methods are defined. In industrial products, the life span of a product can be over a decade, and unless it is redesigned, the cost structure remains unchanged. These costs are also revisited in a cost optimization, which usually needs at least some level of redesign and reconsideration of manufacturing methods. Cost optimization could be driven by component obsolescence, which drives up prices and lowers availability. Testing is an integral part of manufacturing, especially among industrial customers with long product lifespans and high-quality requirements. Scanfil offers its customers test-as-a-service packages where testing is developed especially for the customer's product.

Scanfil's strategy is based on two growth aspects: acquisitive and organic. It aims for 10% annual turnover growth considering both growth components. In its acquisition strategy, Scanfil has three main criteria. (i) Target(s) should include customers that fit Scanfil's customer portfolio. This means that the customer base of the acquired company does not include much B2C business and customer relationships in the automotive industry. It should add new customers, especially in Energy & Cleantech and Medtech & Life Science. (ii) It should add to Scanfil's geographical footprint in regions with expected high economic growth and preferably also serve the growth aspirations of Scanfil's existing customers. North America, including Mexico, Southeast Asia outside of China, and Eastern Central Europe, have been identified as interesting. (iii) The target should have a scale of >200 employees and growth potential.

### Business model

Scanfil is a global EMS company that specializes in industrial customers and low-to-mid-volume production. The advantages of purchasing production services from an EMS company like Scanfil are mainly the scale in manufacturing, materials and component procurement, logistics, warranty and repairs, and value-added services like testing, design, and the redesign of products. Scanfil has approximately 160 active customers and produces approximately 10,000 different products per annum for different companies. The EMS business is driven by the utilization rate of machinery and people as well as purchasing power in materials and supporting services, e.g., logistics.

### Value chain and creation

In the value chain, an EMS company can be a subcontractor to an Original Equipment Manufacturer (OEM), e.g., Tomra, which sells the reverse vending machine to a supermarket or Danfoss, which supplies a heat pump to cool and heat a building. An EMS can manufacture the whole product for its customer or a part of it, such as a control panel or a component, e.g., a PCBA.

Value is created in efficient procurement through purchasing power and high-utilization manufacturing, which should be higher than the customer's own production. Many customers choose an EMS, especially in circumstances where it should make significant investments in manufacturing capabilities for a new product or expand the production of an existing product.

The headcount per geographical area is presented in section 3.1 Own workforce.

Scanfil has no products or services that are banned in certain markets.

Scanfil reports total revenue according to IFRS 8. Total revenue by customer segments is reported in note 1.1 in the financial statement.

Since Scanfil's business strategy does not relate to any controversial sustainability matters like coal, oil, gas, chemicals production, controversial weapons, cultivation or production of tobacco, there is no corresponding revenue to be presented in this report.

Scanfil has specific sustainability related goals for suppliers:

- 80% of suppliers should have been assesed with a sustainability rating by 2030
- All new suppliers must sign the Supplier Code of Conduct to be able to be a Scanfil supplier
- 50% of current suppliers must have signed the Supplier Code of Conduct by 2025

Scanfil has specific sustainability related goals for its own workforce. These targets are described in section 3.1.5.

Scanfil has made the sustainability assessment based on its generic value chain, and has not adopted any assessment related to any significant products and/or services, and significant markets or customer groups.

One of Scanfil's corporate strategy goals for 2030 relates to the main challenge of reducing the greenhouse gas (GHG) footprint. Read more about this in section 2.1 Climate change. The largest contributor is the emissions from the manufacturing of purchased goods. This is handled by the upstream supply chain.

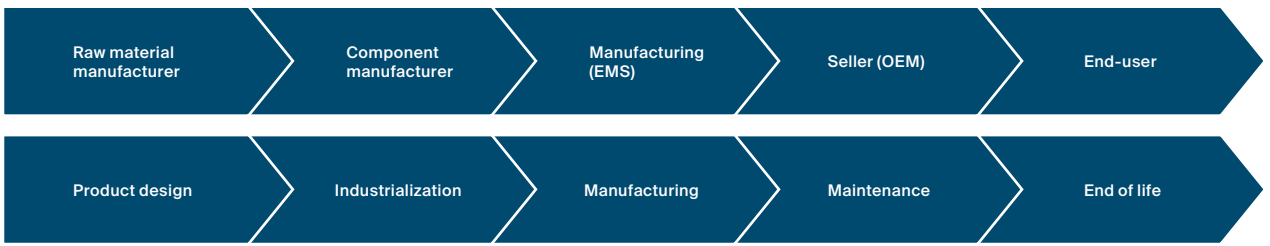
To achieve this long-term goal, Scanfil must understand the supply chain and its challenges, and be able to select materials and suppliers that can deliver on its goals.

An important activity to support this objective is to improve the data quality for GHG calculations on purchased goods. The ongoing work to implement real GHG emission data on all purchased goods into its business system allows Scanfil to continuously improve. By having access to this data, Scanfil gets the opportunity to choose purchasing materials based on the component's GHG content. This together with more detailed supplier performance data, enables Scanfil to contribute refined calculations on delivered products, that can be used for a customer's product life cycle assessments (LCA).

Scanfil does not currently report according to ESRS sectors. Since Scanfil is an EMS company, it mainly produces electric products for its customers. Thus, the only significant ESRS sector for Scanfil is currently 'Electronics'.

Scanfil specializes in Business-to-Business customers and High-Mix Low-Volume Manufacturing.

Scanfil offers a full range of electronic manufacturing services, starting from prototyping to manufacturing and ending with a complete, fully tested and packaged product. In mechanics, Scanfil offers flexible manufacturing methods and expert sheet metal fabrication from sub-assemblies to ready-made integrated units. One of the key strengths is the ability to combine the manufacture of electronics and mechanics and, in this way, build high-quality and technically advanced integrated equipment.



| Stakeholder | Stakeholder engagement | How engagement is organized | Purpose of engagement | How Scanfil takes the results into account |
|---|---|---|---|---|
| **Customers** | Customer experience surveys | Bi-annual customer surveys are sent by Scanfil's Sales and Marketing Function. | Getting customers' input on Scanfil's ability to meet their requirements and understand how satisfied the customer is. The survey is anonymous. | The result of the study is analyzed and Scanfil sets an action plan for improvement. Topics are addressed by the affected departments. |
| | Quarterly business review | Quarterly business meetings between Scanfil's Global Account Manager and customers. | The meeting is to emphasize close cooperation between Scanfil and its customer. The meetings ensure that the relationship and cooperation develop and maintain in a positive way. | Scanfil's Account Manager takes care of the actions needed and that they are initiated with the affected functions. The Account Manager is also responsible for following up on actions addressed to the customer. |
| **Own workforce**<br><br>*Read more about how Scanfil engages with its own workforce in section 3.1 Own workforce* | Employee survey | Yearly employee surveys are managed by Scanfil's HR Department. | Gain insight into Scanfil's workforce by measuring employee engagement and their perception of the company. | The result from the yearly survey will be escalated down the organization and each management area needs to establish action plans for improvements. |
| | Town hall meetings | Quarterly virtual town hall meetings for all employees organized by the Group Management Team. | Inform and discuss with employees about operational status and strategy. | Possible concerns are brought to management's attention. |
| **Workers in the value chain**<br><br>*Read more about how Scanfil engages workers in the value chain in section 3.2 Workers in the value chain* | Supplier quarterly business reviews | Quarterly meetings between Scanfil's Sourcing Function and Scanfil's preferred suppliers. | The meeting is to emphasis a close cooperation between Scanfil and it's suppliers. The meetings will secure that the relationship and cooperation develop and maintain in a positive way. | Scanfil's Sourcing Category Manager takes care of the actions needed and initiates actions with affected functions. The manager is also responsible for following up actions addressed to the supplier. |
| | Supplier evaluations, balanced scorecards | An evaluation of suppliers' performance indicators is done quarterly. | The evaluation will give Scanfil's supplier a clear understanding of how Scanfil experiences its performance and indicate areas for improvements. | If suppliers do not meet targets, the supplier evaluation will result in Scanfil requesting action plans for improvements. The action plans shall be presented to Scanfil by the suppliers. |
| | Supplier days/ supplier webinars | A supplier sustainability webinar is held twice per year<br><br>Local supplier days are arranged by local sites (non-mandatory). | Sustainability webinars are held with suppliers that need to improve their operations. The purpose is to communicate Scanfil's requirements in terms of sustainability.<br><br>Supplier days are used to communicate and encourage suppliers to cooperate and to improve their relationship with Scanfil. | Meetings are informative and do not result in any action plans. |
| | Supplier audits | On-site supplier audits re done by following a pre-defined questionnaire. All audits are initiated based on business needs, regulatory requirements and/or upon customers requests. They can also be organized on-site or at the global level. | The purpose is to get an evaluation of a supplier's ability to meet Scanfil's requirements in terms of quality and sustainability. | The audit results lead to audit action plans. The suppliers need to address the tasks and provide a time plan for how the results are handled by them. |
| **Scanfil Management** | Management review meeting | Monthly report meetings with Scanfil's Group Management Team, where sustainability is part of the agenda. | The meeting is held to ensure that Scanfil meets its targets in terms of sustainability. | The Group Management Team is responsible for assigning resources to handle the requirements and will track that targets are met. If targets cannot be met, measures will be taken by the Group Management Team in order to mitigate potential risks. |
| **Shareholder/investor** | Meeting notes | Active and open dialog one-on-one and group meetings, factory visits, Capital Markets Days, Annual General Meetings, and answering emails and phone inquiries in a timely manner. | Provide investors with accurate information about Scanfil's financials, strategy and goals for investment decisions in a timely manner. | To meet the expectations of its investors and shareholders, Scanfil is continuously developing its Investor Relations- and Financial Reporting processes. |
| **Authorities** | Laws/ directives | No direct engagement (one-way engagement) | Scanfil monitors updates regularly to understand, prepare and act on new laws and governmental laws and directives. | New laws and directives that affec Scanfil's processes and business, must be handled, and affected functions must immediately be informed. This is handled both on a local level to secure local initiatives and also from a global perspective when needed. |

Before manufacturing begins, several preliminary steps must be recognised and completed by the EMS company. This includes gaining a thorough understanding of the customer's product, technical requirements, specifications, and expectations. Once these requirements are gathered, a feasibility study should be conducted.

When a detailed cost breakdown is done, including material, labor, tooling, test equipment, and overhead costs, the contract will be finalized. The final agreement shall include all negotiation terms, final agreements, outline deliverables, timelines, and payment terms.

The workforce consists of skilled workers essential for manufacturing and testing. The workers should be put in place before starting manufacturing and the production can start when components and purchased materials are in place.

Products: A diverse range of electronic, PCBAs, boxbuilds, and system integration solutions, based on customer specifications.

Customer benefits: Enhanced production efficiency, cost savings (no need for investments in manufacturing capabilities), and access to value-added services such as testing, warranty, and repairs.

Investor benefits: Stable revenue streams from a broad customer base and efficient utilization of resources. High return on investment and equity.

Stakeholder benefits: Reliable supply chain partnerships and contributions to local economies through employment and business activities. A financially solid company is a reliable investment for its financiers (shareholders and banks).

### Upstream value chain

Scanfil's upstream value chain consists of suppliers of different sizes and importance. Scanfil focuses on consolidating procurement with its Preferred and Key suppliers, but suppliers can also be directed by the customers. All purchases related to the manufacturing of products adhere to the specifications provided by the customer. This means that a high number of suppliers must be managed by Scanfil's procurement. Global processes are used for handling the purchase and all activities are managed and stored in Scanfil's Integrated Management System. This enables the opportunity to consolidate and streamline the supplier portfolio.

In addition, all suppliers are monitored and evaluated where continuous communication ensures timely and cost-effective sourcing.

### Downstream value chain

The downstream value chain solely consists of Business-to-Business customer relationships, where industrial customers require electronic manufacturing services from Scanfil. This means that Scanfil produces products based on customers' specifications and are customers of Scanfil's customers. Scanfil works closely with its own customers to understand their needs based on product specifications and then provide tailored solutions suitable for the use of the end-users.

### Scanfil's position in the value chain

Scanfil is positioned at the intersection of the upstream and downstream value chain.

Scanfil plays a crucial role in transforming materials and components from suppliers into finished products for customers. This position allows Scanfil to leverage economies of scale, optimize production processes, and offer comprehensive services that add value to customers.

## 1.8 Interests and views of stakeholders

Scanfil's stakeholders are involved in the company's sustainability work in various ways. The table in the section 1.9 lists each stakeholder, how the engagement with them occurs and how it is organised, as well as the purpose and how its outcome is considered in Scanfil's strategy and business model. During the development of the Double Materiality Assessment (DMA), Scanfil sent out stakeholder surveys to the majority of its main stakeholders to receive their views and interests on various material and financial impacts throughout the Scanfil value chain. The stakeholders listed financial and material impacts following the ESRS list of sub-sub topics. Each stakeholder scored a level of criticality for these impacts according to their views and interests. The input was later used as a baseline throughout the DMA process and its finalization. The final DMA was communicated in 2024 to the Group Management Team and the Board of Directors and has been used as input into the Annual Review and update of Scanfil's strategy and business model.

No amendments have been made to Scanfil's strategy and business model since there has not been any input from its stakeholders that affects the current model and strategy. Thus, no plan to change the current set up is presented.

As stated above,stakeholder engagement is a key component of the DMA and has been embedded throughout the whole DMA process to consider their interests and potential impacts.

### Own workforce

Scanfil's strategy indicates that culture and people are the fundamental enablers for any strategically important deliverables.

The strategy creation and follow-up process involve input from Scanfil's workforce. Each function performs strategic workshops involving the function's managers from factories as well as global experts. These are preceded by factory strategy work where key employees are invited to share their observations, input received from external stakeholders (customers, suppliers, subcontractors, other partners) as well as their own ideas for development. Utilizing the workforce's knowledge and expertise is a crucial asset. Similarly, the business model is monitored for its efficiency and competitiveness as well as the impact it generates.

Strategic growth through geographical expansion and acquisitions brings the necessity to investigate if there are any risks related to child labor or forced labor. As human rights standards are crucial for Scanfil's culture and business, none of the growth opportunities that would hold these kinds of risks would be accepted.

The strategic approach to efficiency expressed by productivity-focused initiatives as well as the Dream Factory concept supports developing high standards of working conditions. Those are meant as the ones that ensure safe and effective workplaces for employees as well as secure employment characterized by adequate wages, optimized work time, and a healthy work-life balance. All of that is provided in a respectful environment.

The company strategy is openly shared with its workforce by the Group Management Team through quarterly town hall meetings and the monthly Scanfil Way Bulletin distributed to all factories. Common practices are regular meetings with the whole crew as well as channeled meetings and discussion forums with employee representatives, including unions and works councils. Factories also use digital communication platforms to keep the workforce engaged.

The Scanfil business model definition with its drivers, is part of the onboarding process for employees. The company believes that as a service provider, it is crucial to continuously increase business awareness and enhance the engagement of its workforce. Only engaged individuals can provide high-quality service to the company's customers. Therefore, employees are informed about the business drivers that may impact them, such as:

- Variations in volumes of customer demand and periodical fluctuation
- Manufacturing processes that require different technologies and, therefore, different competencies from Scanfil's workforce
- Cost plus price model that calls for efficient cost management to ensure competitiveness.

### Workers in the value chain

As for Scanfil's own employees, workers throughout the value chain play a crucial role in supporting Scanfil's strategy. Culture and people are fundamental enablers to reach Scanfil's deliveries of high efficiency and supply chain excellence. This includes all workers in the value chain, from suppliers of raw materials and manufacturers of components to EMS production, but also for work done with Scanfil's customers and during the transportation of goods. To reach their full potential in the value chain, workers must be able to perform their duties in a healthy and safe environment, in which human rights, diversity and inclusion are respected. The Scanfil way is to explain the business model and emphasize the importance of Supply Chain Excellence. This is a strategic enabler of sustainability. Following Scanfil's value chain, workers in the value chain can be found in all steps. This means workers who are in direct contact with Scanfil, such as tier 1 suppliers, transport companies, and customers. Scanfil's upstream suppliers are normally distributors of electronic components, but can also be manufacturers of machined components, plastic components, PCBs, and cables. For sheet metal manufacturing, Scanfil works with suppliers of metal blanks.

## 1.9 Material impacts, risks and opportunities, and their interaction with the strategy and business model

### The identification and assessment of material impacts, risks, and opportunities

Scanfil's sustainability-related material impacts, risks, and opportunities have been identified in a Double Materiality Assessment based on the principles of Scanfil's Risk Management Process. The key goal is to identify and assess the risks, threats, and opportunities potentially significant to the implementation of Scanfil's values and strategy and to the achievement of long-term targets as well as to identify and assess Scanfil's impacts on society and the environment. In addition to Scanfil's own operations, the identification and assessment of impacts, risks, and opportunities encompasses the upstream and downstream value chain and any other parties that Scanfil's operations affect. Scanfil's Risk Management Process and its responsibilities are described in more detail in the Corporate Governance Statement.

Scanfil updated its materiality assessment of sustainability matters in 2024. The updating of the materiality assessment proceeded in two phases. In the first phase, in 2023, the views of external and internal stakeholders on Scanfil's real and potential impacts, risks, and opportunities were collected through interviews and surveys. The stakeholders interviewed included the company's own employees as well as its customers, investors, and goods and service suppliers. Based on the material collected, the impacts, risks, and opportunities were prioritized in management workshops. The prioritization was based on double materiality, meaning that the workshop participants paid attention to the company's impacts on the environment, society, employees, and other stakeholders, as well as to the qualitative and financial risks and opportunities for Scanfil's business related to sustainability matters. The likelihood and scope of the impact, risk, or opportunity were considered in prioritization.

The next table gives a description of Scanfil's material impacts, risks and opportunities resulting from Scanfil's materiality assessment, including a description of where in its business model, its own operations, and its upstream and downstream value chains these material impacts, risks and opportunities are concentrated. A description of each material topic's specific impacts, risks and opportunities are disclosed for each topical ESRS. Scanfil has not yet anticipated the current and expected effects of the impacts, risks, and opportunities with respect to the company's strategy and business model. Scanfil plans to analyze the anticipated effects in 2025.

Each material topic's negative or positive impact on people and/or the environment, including the expected time horizon, is disclosed under each relevant chapter in this Sustainability Statement.

The material impacts originate from Scanfil's business model as an EMS company.

Scanfil has not identified any significant risk of a substantial adjustment to the reported values of assets and liabilities in the relevant financial statements during the next annual reporting period.

Scanfil has not yet conducted an analysis of the resilience of its strategy and business model regarding its material impacts, risks and opportunities except for the information disclosed in section 1.8. Material impacts, risks and opportunities, and their interaction with the strategy and business model.

Since the DMA was conducted for the first time in 2024, the impacts, risks and opportunities that are presented in this report have not been changed from last year.

Scanfil's only additional entity-specific disclosure, other than ESRS Disclosure Requirements, is regarding cyber security which is disclosed in the Sustainability Statement in section 4. Governance.

| Topic | Sub-topic | Sub-sub topics | Description | Value chain direction | Potential and actual impacts | Time horizon | Nature of activities or business relationships | Where in the business model | Location | Impact Materiality | Financial Materiality |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **E- ENVIRONMENT** | | | | | | | | | | | |
| Climate change | Climate change adaptation | | Scanfil operates across four continents, where energy consumption for facility heating and cooling is significant, especially in warmer regions, e.g., China and the US, and colder regions, e.g., Nordics. | Own operations | Actual | - | Own activities: Adapting own facilities to climate change. | Manufacturing, Facilities | Local | **Material** | Not Material |
| | Climate change mitigation | | Scanfil operates globally, focusing on energy-efficient, fossil-free solutions, especially in warmer regions e.g. China and the US, where cooling demands are high. While stable conditions are expected elsewhere, uncertainties around climate change prompt a commitment to sustainability and increased fossil-free energy use. | Upstream, Own operations, Downstream | Actual | - | Own activities: Greenhouse gas emissions from procurement and usage of energy and combustion of fuels at own facilities. | Manufacturing, Facilities, Suppliers, Logistics | Global | **Material** | Not Material |
| | Energy | | Scanfil operates worldwide, prioritizing energy-efficient, fossil-free solutions, where heating and cooling needs are high. Commitment to sustainability drives increased use of fossil-free energy, despite stable conditions elsewhere. | Own operations | Potential | Short, medium and long term | Own activities: Need of energy for manufacturing at facilities. | Manufacturing | Local | **Material** | **Material** |
| Pollution | Substances of very high concern | | Scanfil complies with REACH regulations. This commitment ensures product safety, environmental protection, and customer trust. Scanfil collaborates with suppliers to drive a cleaner electronics industry. | Upstream, Downstream | Actual | - | Business relationship: Product specifications drives the need and purchase of components that can contain substances of very high concern. | Customer specification | Local | **Material** | Not Material |
| Circular economy | Resource inflows, including resource use | | Resource inflows represent the acquisition of materials, energy, and services necessary for Scanfil's operations. The efficient and sustainable use of these resources is critical to minimizing environmental impact and ensuring long-term viability. | Upstream | Potential | Medium and long term | Business relationship: Product specification that may include non-renewable resources. | Customer specification | Local | **Material** | **Material** |
| | Resource outflows related to products and services | | Renewable resources like water, plants, and wind energy can replenish naturally.<br>Non-renewable resources like fossil fuels and minerals cannot.<br>Sustainable or regenerative sources minimize environmental harm and ensure long-term availability. | Downstream | Actual | - | Business relationship: Customer order drives resource outflows of products and services. | Customer orders | Local | **Material** | Not Material |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | Waste | | Effective waste management benefits the environment, economy, and society. It reduces pollution, conserves resources, and creates jobs. By reducing waste, Scanfil improves public health and creates cleaner communities. | Downstream | Actual | - | Own activities: Hazardous and non-hazardous waste generated via manufacturing activities. | Customer specification | Local | **Material** | **Material** |

| Topic | Sub-topic | Sub-sub topics | Description | Value chain direction | Potential and actual impacts | Time horizon | Nature of activities or business relationships | Where in the business model | Location | Impact Materiality | Financial Materiality |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **S - SOCIAL RESPONSIBILITY** | | | | | | | | | | | |
| Own workforce | Working conditions | Secure employment | Secure employment at Scanfil fosters trust and stability, boosting morale and productivity. The commitment to job security strengthens the company's workforce and enables it to focus on innovation and quality. | Own operations | Actual | Short, medium and long term | Own activities: Scanfil follows country regulations on secure employment and enhances it by applying own policies. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| | | Working time | Effective management of working time enhances productivity and employee well-being. Balanced working hours reduce burnout and absenteeism, leading to higher morale and retention. Compliance with labor laws minimizes legal risks and potential fines. Overall, an effective working time approach improves operational efficiency, employee satisfaction, and company reputation, driving profitability and sustainable growth. | Own operations | Actual | Short and medium term | Own activities: Scanfil follows country regulations on working time and enhances it by applying own policies, e.g., on remote work. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| | | Adequate wages | Adequate wages ensure financial stability and workforce loyalty, strengthening morale and productivity. Fair compensation strengthens the team and fosters innovation and quality. | Own operations | Actual | Short term | Own activities: Scanfil follows country regulations on minimal wage and enhances it by applying own Salary Regulations Process. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| | | Social dialog | Social dialog fosters collaboration and mutual understanding between management and employees. Open communication channels promote transparency and trust, driving innovation and problem-solving. | Own operations | Actual | Short term | Own activities: Scanfil cultivates open dialog culture and supports that through own processes. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| | | Work-life balance | Without a good work-life balance, employees may experience increased stress, burnout, and dissatisfaction. This can lead to higher turnover rates, increasing recruitment and training costs. Productivity and quality of work may suffer, affecting client satisfaction and company reputation. Moreover, health issues arising from chronic stress can result in higher healthcare costs and absenteeism. | Own operations | Potential | Short and medium term | Own activities: Scanfil monitors workload and work-life balance through in-house activities. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| | | Health and safety | Health and safety are top priorities at Scanfil. Risks are minimized through safety protocols, training, and risk assessments. By fostering a safety culture, Scanfil protects its own employees and demonstrates a commitment to corporate responsibility and operational excellence. | Own operations | Actual | Short, medium and long term | Own activities: Scanfil follows country regulations on work safety and enhances it by internal experts forum Safety Council. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | **Material** |
| | Equal treatment and opportunities for all | Gender equality and equal pay for work of equal value | Gender equality and equal pay ensure fairness. It promotes a just society, boosts the economy, and improves well-being for all. By valuing everyone equally, Scanfil creates a better future. | Own operations | Potential | Short, medium and long term | Own activities: Scanfil ensures equal treatment and opportunities for all in its policies. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | **Material** |

| Topic | Sub-topic | Sub-sub topics | Description | Value chain direction | Potential and actual impacts | Time horizon | Nature of activities or business relationships | Where in the business model | Location | Impact Materiality | Financial Materiality |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Own workforce | | Training and skills development | Continuous training improves safety, compliance, and environmental impact. It fosters employee growth and satisfaction, leading to higher retention and efficiency. This supports Scanfil's sustainability and competitiveness. | Own operations | Actual | Short, medium and long term | Own activities: Scanfil offers internal and external training. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| | | Employment and inclusion of people with disabilities | Inclusive hiring benefits everyone. It boosts diversity, innovation, and productivity. By creating a welcoming workplace, Scanfil attracts top talent, improves employee morale, and enhances the company's reputation. | Own operations | Potential | Medium term | Own activities: Inclusion of people with disabilities is Scanfil in-house activity. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| | | Diversity | Diversity drives innovation at Scanfil. A diverse workforce fosters creativity, improves employee satisfaction, and attracts top talent. It also enhances the reputation and attracts customers and investors. Ultimately, diversity contributes to the company's long-term success. | Own operations | Actual | Short, medium and long term | Own activities: Scanfil's company culture and policy promotes diversity. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| | Other work-related rights | Child labor | Child labor is unacceptable at Scanfil. It would damage the reputation, lead to legal penalties, and harm the workforce. Preventing child labor is crucial for integrity and long-term success. | Own operations | Actual | Short, medium and long term | Own activities: Scanfil follows country regulations which eliminates risk of child labor. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| | | Forced labor | Forced labor is unacceptable at Scanfil. It would damage the reputation, lead to legal penalties, and harm the workforce. Preventing forced labor is crucial for ethics, legality, and long-term success. | Own operations | Actual | Short, medium and long term | Own activities: Scanfil follows country regulations which eliminates risk of forced labor. | Manufacturing, Sales & Marketing, Procurement | Local | **Material** | Not material |
| Workers in the value chain | Working conditions | Health and safety | At Scanfil, the health and safety of employees, contractors, and stakeholders is a top priority. While striving to eliminate risks associated with manufacturing, accidents, injuries, and illnesses can still occur. To mitigate these risks, Scanfil implements robust safety protocols, provides comprehensive training, and conducts regular assessments. By fostering a culture of safety awareness, promoting ergonomic practices, and investing in protective equipment, Scanfil creates a safer workplace and safeguards the well-being of its workforce. The commitment to health and safety reflects Scanfil's dedication to corporate responsibility, employee welfare, and operational excellence, ultimately contributing to a more sustainable and resilient organization. | Upstream | Actual | Long term | Business relationship: Relationship with supplier partner guided by International standards for Labor and human rights (ILO and UN). | Suppliers | Global | **Material** | **Material** |

| Topic | Sub-topic | Sub-sub topics | Description | Value chain direction | Potential and actual impacts | Time horizon | Nature of activities or business relationships | Where in the business model | Location | Impact Materiality | Financial Materiality |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **G - GOVERNANCE** | | | | | | | | | | | |
| Business conduct | Corporate culture | | Scanfil values and cherishes diversity, equality, and inclusion. The value "Achieving Together" highlights how being one team globally is emphasized, how diversity is benefited from: ideas are shared, respect and reliance on each other are emphasized, collective success is aimed for, and how every individual is respected with no tolerance for bullying, harassment, or discrimination. | Own operations | Actual | - | Own activities and business relationship: Corporate culture and customer business ethical requirements are driven by the Code of Conduct. | Manufacturing, Sales & Marketing, Procurement | Global | **Material** | Not Material |
| | Management of relationships with suppliers including payment practices | | By managing supplier relationships and payment practices effectively, businesses can significantly impact their operational efficiency and financial health. Timely payments strengthen trust, foster loyalty, and attract high-quality suppliers, ultimately leading to a more stable and reliable supply chain. Fair and ethical payment practices also contribute to social responsibility, supporting fair wages and working conditions. Conversely, delayed or unfair payments can strain relationships, leading to disruptions, quality issues, and increased costs. | Upstream | Potential | Short and medium term | Business relationship: Relationships with suppliers, including payment practices are a part of healthy supplier relationships. | Procurement, Suppliers | Global | **Material** | Not Material |
| | Corruption and bribery | Prevention and detection, including training | Effective prevention and detection of corruption and bribery are essential for maintaining organizational integrity and building stakeholder trust. By implementing robust policies, procedures, and controls, businesses can significantly reduce the risk of legal and financial penalties. Regular audits and compliance training further strengthen these efforts, fostering a culture of transparency, ethics, and accountability. | Upstream, Own operations, Downstream | Potential | Short, medium and long term | Own activities and business relationships: Corruption and bribery can have a financial impact on the business. These incidents can result in increased regulatory scrutiny and loss of business opportunities. | Sales & Marketing, Procurement | Global | **Material** | Not Material |
| | Cybersecurity | | Cybersecurity breaches can have severe financial consequences. Direct losses include theft, fraud, and ransom payments. Legal and regulatory penalties arise from data breaches and non-compliance. Reputational damage can lead to customer loss and reduced revenue. Operational disruptions cause downtime and productivity loss. Finally, insurance premiums may increase, further impacting costs. | Upstream, Own operations, Downstream | Potential | Short, medium and long term | Own activities and business relationships: Cybersecurity breaches can have direct financial losses, legal and regulatory costs, operational disruptions and reputation damage. | Manufacturing, Sales & Marketing, Procurement | Global | **Material** | Not Material |

## Climate change

Scanfil has not conducted any resilience analysis or climate scenario analysis of its strategy and business model in relation to climate change. Consequently, Scanfil cannot report the scope, method or results of such an analysis.

Although Scanfil has not conducted these types of analyses, it has assessed its exposure to physical climate-related hazards using a Disaster Evaluation Matrix, which considers risk severity and likelihood but lacks specific time horizons and high-emission scenarios. The assessment is based on local knowledge. For transitional climate-related risks and opportunities, Scanfil has initiated a process to identify climate-related transition risks and opportunities within its operations and value chain. However, no climate scenario analysis has been conducted for this matter.

The resilience analysis will be conducted once the process to identify physical and transitional climate-related risks and opportunities are finalized. For further information, see section Description of the processes to identify and assess the material climate-related impacts, risks, and opportunities. The table below presents the results from the initial assessment of material physical climate-related hazards.

### Material physical risks and their management

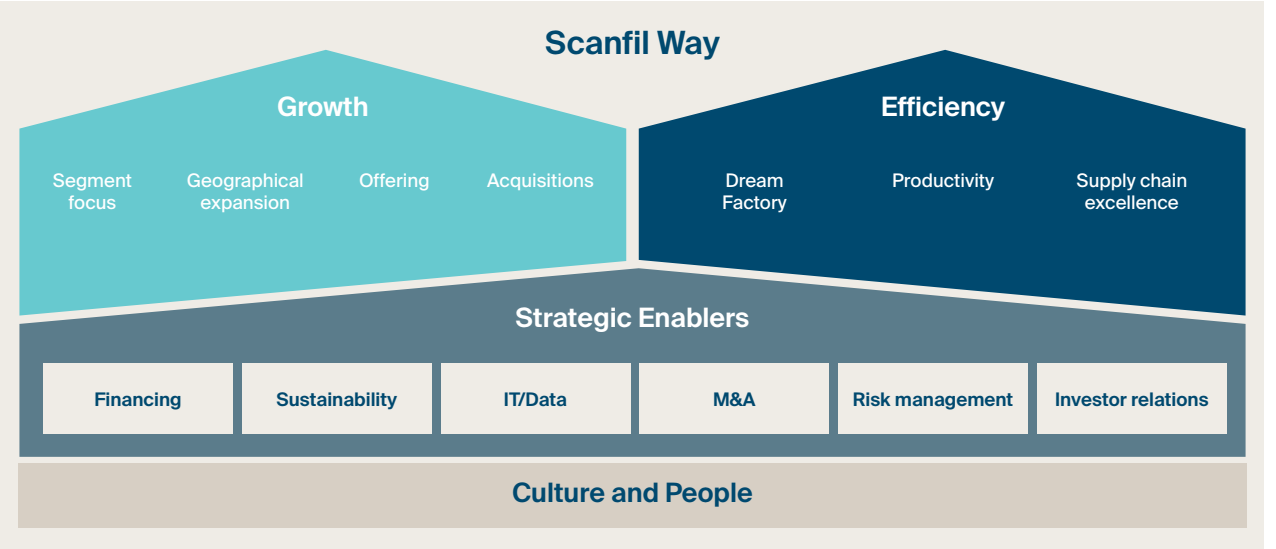
| Risks for Scanfil Group | Management |
|---|---|
| **Acute** | |
| ↓ Storms, fires, and floods cause disruptions in Scanfil's production.<br>Scanfil's factories are not directly in any risk area, even if risks are considered.<br>Supply chain disruptions: If a supplier's production facilities are in vulnerable areas, extreme weather events may interrupt their ability to deliver goods and services. This can cause delays and increased costs for the business. | Scanfil prepares for the risks arising from extreme weather by implementing comprehensive resilience strategies across its global operations. These include fortifying infrastructure to withstand extreme weather and adopting relevant fire prevention systems. Scanfil is managing risks by diversifying suppliers and establishing rapid response protocols. Furthermore, Scanfil invests in continuous training and awareness programs for employees and collaborates with local authorities to ensure preparedness. These proactive measures ensure business continuity while safeguarding the employees, assets, and the environment. |
| **Chronic** | |
| ↓ Increasing temperatures can strain cooling systems in Scanfil's manufacturing plants, reduce productivity, and harm workers' health. | Adequate cooling and ventilation systems are implemented. Scanfil continues to develop and implement heat-resistant technology, provide adequate hydration and rest periods for workers, and adapt work schedules to cooler times of the day. |

### Own workforce

The material impacts, risks, and opportunities related to the company's own workforce have been identified in a Double Materiality Assessment based on the principles of the company's Risk Management Process. Scanfil's Risk Management Process and its responsibilities are described in more detail in section 1.6 Risk management and internal controls over sustainability reporting. The materiality assessment process is described in the section Description of the process to identify and assess material impacts, risks, and opportunities.

The strategic initiatives chosen by the Human Resources function for 2024 are focused on three pillars:

- Scanfil Way culture roll-out addressing updated Scanfil core values as well as their practical application to workforce's behaviors.
- Productivity support by HR-driven activities, designed and driven according to local needs.
- Internal job market to roll-out cross-factory resource sharing and offer attractive personal development opportunities for individuals.



| Material sub-sub topics | Impacts | Risks and opportunities for Scanfil | Management |
|---|---|---|---|
| **Working conditions** | | | |
| • Secure employment<br>• Working time<br>• Adequate wages<br>• Social dialog<br>• Work-life balance<br>• Health and safety | ↑ **Actual:**<br>Scanfil ensures secure employment, which positively impacts employee engagement and productivity. It has a powerful positive impact on people's sense of safety, which is a fundamental basic human need. Scanfil pays adequate wages, which ensures good living standards for employees and their families.<br>Offering flexible work time and remote work schemes for positions where the nature of work makes it possible, as well as prioritizing work-life balance, enables employees to better organize their working time in a way that supports their family-related duties.<br>Social dialog, which is a vital part of Scanfil's collaboration culture, provides empowerment for employees, helps them grow in their business awareness, and enhances their engagement.<br>**Potential:**<br>Scanfil observes the opportunity to support employees' mental health through professional EAP (Employee Assistance Programs) differentiating the company from other employers. | ↑ **Opportunity:**<br>A high standard of workplace safety positively impacts employees engagement and loyalty, leading to increased productivity and reduced turnover and sick leave costs. This, in turn, can boost productivity, reduce employee turnover, and lower costs associated with sick leave. Moreover, this would enhance Scanfil's reputation and elevate its standing in the employer market within its operating areas. As a result, it would facilitate the recruitment of desired professionals and help retain talent within the company. | • Scanfil follows all the country-specific legal requirements to ensure high-quality working conditions. Additionally, both the development ideas driven from the Employee Engagement Survey as well as from the Safety Council meetings are shared between factories as best practices to continuously enhance company standards, even exceeding the country's regulations.<br>• In all of Scanfil's operating countries, the requirement for minimum required wages is met. Furthermore, Scanfil monitors market remuneration to be able to offer attractive salaries and annually review its own workforce's wages.<br>• Scanfil offers flexible or hybrid/remote work schemes for the positions where the nature of the work allows it.<br>• Health and safety aspects are managed in line with the country's regulations as well as manufacturing standards for the technologies used. The Safety Council monitors and enhances the sharing of best practices on preventive measures.<br>• The well-being of employees is supported both by monitoring the workload in each department as well as by promoting healthy habits and offering sports or leisure activities.<br>• The dialog with employees and their representatives is executed through both need-based meetings benefiting from a direct and open communication culture as well as through structured processes like Employee Engagement Surveys, and regular meetings with unions or workers councils. |
| | ↓ **Actual:**<br>Restricting remote work possibilities is negatively impacting employees' satisfaction in some locations where other employers widely offer it (e.g. Poland).<br>Any work-related accident occurring on Scanfil premises can negatively impact employee health. Accidents can happen at all locations. However, these incidents have been very minor with no severe impact on the employee's health. There have not been any fatalities, but one serious accident requiring hospitalization in 2024.<br>**Potential:**<br>Improper working conditions could negatively impact on the health of employees on the job as well as the well-being of their families if secure living conditions are not ensured. Furthermore, insecure employment terms or disrespectful dialog and communication practices could lead to chronic stress, impacting employee health and potentially damaging the company's reputation. | ↓ **Risk:**<br>A high rate of sick leave incurs costs associated with absenteeism. Additionally, periods in which absent employees need replacement lead to competence gaps and risks of lower service quality as well as increased overtime costs for other employees covering the tasks. In cases of long-term absences, this may require additional training for stand-in staff. | |

| Material sub-sub topics | | Impacts | | Risks and opportunities for Scanfil | Management |
|---|---|---|---|---|---|
| **Equal treatment and opportunities for all** | | | | | |
| • Gender equality and equal pay for work of equal value<br>• Training and skills development<br>• Employment and the inclusion of persons with disabilities<br>• Diversity | ↑ | **Actual:**<br>The diversity supported by Scanfil's corporate culture brings exclusive benefits to the business owing to higher creativity and the ability to see the wider context of business situations as well as attract a wider range of diverse customers. The openness for this is cultivated in the company's core values as well as the Scanfil Way leadership. They both encourage empathy which supports cross-cultural acceptance among employees and naturally enhances equal treatment and opportunities for all. The training and development opportunities are available to all employees, regardless of their personal characteristics.<br>**Potential:**<br>Increasing diversity at Scanfil, especially in China and Europe where the sites are generally (very) homogeneous, would have a significant positive impact on the social acceptance and understanding of both diverse cultures and backgrounds, as well as different personal perspectives. | ↑ | **Opportunity:**<br>Well-developed equal treatment standards enhance Scanfil's reputation as an employer, attracting top talents from diverse backgrounds who are eager to work for Scanfil. This, in turn, contributes to the company's innovation and overall performance. | • Competence and skills development are monitored in both the annual appraisal process and monthly skills matrix reviews.<br>• Training is offered and done both through internal and external trainers. Development opportunities are equally available for all employees, independent of gender.<br>• Diversity in the management is actively searched through both external recruitment and structured succession planning.<br>• Scanfil adapts selected workplaces for disabled persons. |
| | ↓ | **Actual:**<br>Scanfil can offer a limited number of positions for individuals with disabilities, as the majority of roles require high precision and full mobility.<br>**Potential:**<br>A highly homogeneous workplace can lead to the isolation of individuals, fostering a lack of understanding and tolerance for alternative views and approaches, which can fuel conflicts. In such an environment, inequality in the treatment of the workforce lowers employee morale, limits development opportunities for underrepresented groups, and widens gaps in pay and living standards. | ↓ | **Risk:**<br>Retaining experienced professionals becomes challenging if they are not provided with opportunities for growth and a salary that distinguishes them from junior employees. Scanfil plans to invest in a new salary grading system to monitor pay gaps, and if discrepancies are identified, adjustments will be made to address these inequalities. This could lead to higher salary costs for the company. | |
| **Other work related rights** | | | | | |
| • Child labor<br>• Forced labor | ↓ | **Actual:**<br>Scanfil upholds high ethical standards in its employment policies, ensuring that neither child labor nor forced labor is tolerated.<br>**Potential:**<br>If child labor or forced labor were observed at Scanfil, it would have a detrimental impact on people's lives. Child labor disrupts the natural course of human development, while forced labor infringes on the basic human right to freedom. These situations would also negatively affect the families of the employees involved. | ↑ | n/a | • Scanfil operates in countries where there are high-quality standards for employment practices. The birth date is one of the measures that is mandatorily validated prior to the start of the employment. All employment relationships are on a voluntary basis as all applications are employee-initiated. |

In the section, 3.1 Own workforce, Scanfil discloses the required information for its own workforce, which covers all employees and non-employees in its own operations. The impacts related to workers in the value chain are described in section 3.2 Workers in the value chain.

The Scanfil workforce mainly consists of Scanfil contracted employees comprising 86% of the total workforce. The remaining workforce is third-party contracted employees. The participation of self-employed delivering services to Scanfil is minimal and globally totals less than 1% of its workforce. The company's goal is to incorporate third-party employees to the greatest extent to the work standards and company culture, providing seamless services to the customers.

The identified potential negative impacts refer to working conditions, equal treatment and opportunities for everyone, and other work-related rights like child labor or forced labor. None of those can be seen as widespread or systematic in Scanfil operations.

Within working conditions, Scanfil observes that restricting remote work possibilities is negatively impacting employee satisfaction in some locations where other employers widely offer it (e.g. Poland).

Any work-related accident occurring at Scanfil premises can negatively impact employee health. Accidents can happen in all locations. However, the incidents which occurred in 2024 have been very minor, with no severe impact on the employee's health. There have been no fatalities in 2024, but there was one serious accident requiring hospitalization.

Scanfil can offer a limited number of positions for individuals with disabilities, as the majority of roles require high precision and full mobility. This is negatively impacting its capability of employment and inclusion of persons with disabilities.

Through appropriate risk management, Scanfil has identified potential negative impacts that should be prevented. One impact is improper working conditions, which could adversely affect employee health and the well-being of their families if secure living conditions are not ensured. Furthermore, insecure employment terms or disrespectful dialog and communication practices could lead to chronic stress, impacting employees health and potentially damaging the company's reputation. Another potential impact could be a highly homogeneous workplace, which can lead to the isolation of individuals, fostering a lack of understanding and tolerance for alternative views and approaches, which can fuel conflicts. In such an environment, inequality in the treatment of the workforce lowers employee morale, limits development opportunities for underrepresented groups, and widens gaps in pay and living standards. Scanfil upholds high ethical standards in its employment policies, ensuring that neither child labor nor forced labor is tolerated. It would have a detrimental impact on people's lives. Child labor disrupts the natural course of human development, while forced labor infringes on the basic human right to freedom. These situations would also negatively affect the families of the employees involved.

Scanfil ensures secure employment for its own workforce; all employees hold legally valid work contracts. Scanfil pays adequate wages which ensures good living standards for the employees and their families. The company performs annual salary reviews and benchmarking analysis towards the local markets to ensure optimal pay development. The company uses third-party work agencies to hire employees, which ensures both higher stability and security of employment for its own employees as well as flexibility for the business, needed to address the periodic demand fluctuations. The third-party providers are thoroughly verified on the employment conditions offered to Scanfil's non-employees.

Offering flexible work hours and remote work schemes for the positions where the nature of work makes it possible, as well as prioritizing work-life balance, enable employees to better organize their working time in a way that supports their family-related duties.

Scanfil continuously improves its working conditions as part of both strategic efficiency-centric projects, for example Dream Factory or Lean Six Sigma certification projects performed by its own employees as well as working conditions development initiatives driven from the input of employee engagement surveys inputs.

Social dialog between the employer and the workforce is a common practice at Scanfil. It is a vital part of the company's collaboration culture and provides empowerment for the employees by helping them grow in their business awareness and enhancing their engagement. It is performed through the regular meetings of Factories' Management Teams with employees representatives (both formed in unions or works councils as well as simply nominated by the crew), periodic meetings with the whole factory personnel, and quarterly town hall meetings led by the company's Group Management Team.

Scanfil promotes diversity in its operations, e.g., through the DEI (Diversity Equity Inclusion) Forum. This community meets online on a quarterly basis to discuss the best practices on how to enhance diversity as well as increases awareness and understanding regarding diverse cultures. Another initiative that takes place monthly is the SWAT (Scanfil Women Appreciation Team) meetings that are focused on enhancing opportunities for professional growth and development of women. The community explores new ways to support talented individuals, e.g., by mentoring as well as encouraging recognition and sharing achievements of females who are still in the minority in higher positions.

Scanfil effectively performs internal campaigns on well-being and safety which promote good habits among employees.

A high standard of workplace safety positively impacts employee engagement and loyalty, leading to increased productivity and reduced turnover and sick leave costs. This, in turn, would boost productivity, reduce employee turnover, and lower costs associated with sick leave. Furthermore, this would enhance Scanfil's reputation and elevate its standing in the employer market within its operating areas. As a result, it would facilitate the recruitment of desired professionals and help retain talent within the company.

At the same time, a high sick leave rate generates absenteeism costs. Additionally, periods in which absent employees need replacement lead to competence gaps and risks of lower service quality, as well as increased overtime costs for other employees covering the tasks. In cases of long-term absences, this may require additional training for the stand-in staff.

Well-developed equal treatment standards enhance Scanfil's reputation as an employer, attracting top talents from diverse backgrounds who are eager to work for Scanfil. This, in turn, contributes to the company's innovation and overall performance.

At the same time, retaining experienced professionals becomes challenging if they are not provided with opportunities for growth and a salary that distinguishes them from junior employees. Scanfil plans to invest in a new pay equity software to monitor pay gaps, and if discrepancies are identified, adjustments will be made to address these inequalities. This could lead to higher salary costs for the company.

Scanfil's commitment to environmental and sustainability standards is very serious and thus executed thoroughly. Employees are expected to perform the mandatory training delivered by Scanfil and follow the sustainability standards. In case of a serious breach of these standards, disciplinary actions can be applied.

The enhancement of travel policy and business meeting guidelines which prioritize virtual collaboration channels requires employees to develop new skills, both in the use of advanced technologies as well as professional and impactful communication techniques. It is observed that managers face challenges when leading remote teams and having limited possibilities to travel for face-to-face meetings. They are supported with training and mentoring.

It is not tolerated at Scanfil to allow forced labor, compulsory labor, or child labor. Scanfil strictly follows the legal standards ensuring freedom of movement for all its employees and employment of only legally allowed employees (adults and teenagers after the age defined by the laws in the operating countries). However, when operating globally, it might be considered that the manufacturing plants in Asia may uphold the potential risk of forced or compulsory or even child labor.

Scanfil applies the same health and safety measures to both employees and third-party employees in its workforce. All individuals performing particular kinds of tasks use the same workstations and personal protection equipment.

Third-party employees might be impacted negatively regarding the security of employment as, by definition, their contracts offer significantly shorter notice periods.

Employees who have hourly-based contracts may have limited possibilities for personal leave as these days or hours are unpaid. The potential risks for the workforce might be observed in very few areas.

The most highly desirable positions at Scanfil, especially in specialist work and engineering, are dominated by male employees. This may negatively impact the career possibilities for women thereby resulting in the underrepresentation of women in senior management. Scanfil's definition of senior management is the Group Management Team, Factories Management Teams and Directors and Heads of global functions. As of the end of 2024, the percentage of women in these teams was at 27%. At the same time, the total employee gender balance in the organization is close to a 50/50 split between females and males, which proves equal accessibility to all and fair treatment driven by company culture and policies.

Another risk is the possibility of losing an experienced workforce driven by just minor differentiation in pay between employees with long years of work compared to junior employees. This is observed mainly in Poland where the minimum wage which is offered to junior employees was increased significantly due to country regulations, while more experienced worker salaries did not increase to the same extent.

### Workers in the value chain

Based on the information under section Interest and views of stakeholders, Scanfil has identified four main areas of risk and opportunities for value chain workers:

**Upstream value chain workers:** These are workers employed by suppliers and based in facilities managed by suppliers. These are workers in the value chain employed by direct suppliers or by other tier-up suppliers.

**In-house value chain workers:** These are employees of suppliers, but they work at Scanfil's premises. It could be suppliers working with installations, temporary employees contracted via a service provider, etc. All supplier employees working at Scanfil's premises undergo safety training and are guaranteed to have personal safety protection. It is the responsibility of the site's top management to ensure that no one visits Scanfil's premises without the right safety gear.

**Downstream value chain workers:** These are employees of customers and will be impacted by the quality and service that are provided by Scanfil.

**Distribution value chain workers:** These are employees of contracted transportation companies and transport goods either to or from Scanfil.

**Particularly vulnerable worker:** All people have equal value, and Scanfil prioritizes work guided by the DEI principles. This is applicable in the Scanfil value chain. For more information, please refer to the Own workforce section.

Scanfil has very limited possibilities to impact the workers in the value chain downwards, as these are controlled by customers. It is part of the sales process to decline businesses that do not meet a decent maturity level of sustainability. It was, therefore, natural to focus on upstream suppliers and/or suppliers that Scanfil can impact directly through the procurement channels. The below matrix shows how Scanfil impacts or will be impacted by the thematic sub-sub topics according to ESRS. In Scanfil's DMA, health and safety were identified as material.

| Material sub-sub topics | Impacts | Risks and opportunities for Scanfil | Management |
|---|---|---|---|
| **Working conditions** | | | |
| • Health and safety | ↑ **Potential:** Implementing health and safety across the value chain yields significant benefits e.g., safeguarding the well-being of employees, reducing risks, boosting operational efficiency, and saving costs.<br>Compliance ensures resilience and enhances brand reputation, while fostering innovation and continuous improvement. This proactive approach not only protects employees but also drives sustainable business success. | ↑ **Opportunity:** Enhancing working conditions in the supply chain offers the opportunity to build resilient and ethical supply networks, and strengthens the company's reputation which attracts socially conscious consumers and investors. Improved working conditions also leads to higher productivity and quality from suppliers, reducing defects and delays.<br>↓ **Risk:** Breaches related to bad or dangerous working environment can damage Scanfil's reputation. | To ensure that suppliers share the same values as Scanfil, the aim is to have all suppliers to sign the Scanfil's Supplier Code of Conduct.<br>Scanfil does also evaluate the suppliers compliance during supplier audits and visits in general. |

As a global company, Scanfil operates in various regions with diverse regulatory environments. Human rights and labor standards vary significantly across different countries. Among the different regions that Scanfil's supply chain is operating in, the APAC region is considered to have a higher risk of child or forced labor. In addition, Africa is considered high-risk, but Scanfil does not have any direct business in this region.

The current political situation in the world addresses risks to Scanfil's supply chain. Much of the electronic components come from countries located in Asia with high political tensions. In case of conflict, there is a risk that the supply chain will be disrupted and that would cause disturbances in Scanfil's production.

No material negative impacts have been identified within Scanfil's own operations or in any of the company's partners in the value chain. Scanfil is aware of the risks related to the mining of minerals in conflict areas and, for that purpose, has included processes for reporting conflict minerals according to the guidelines set by the RBA (Responsible Business Association).

## 1.10 Description of the process to identify and assess material impacts, risks and opportunities

The DMA covers all the sustainability matters covered by ESRS. Scanfil has analyzed its impacts, risks, and opportunities within the sub-topics provided by ESRS. For those sub-topics where ESRS has identified a sub-sub-topic, Scanfil has been able to choose the relevant sub-sub-topic for the identified impact, risk, or opportunity. Scanfil has been able to add entity-specific sustainability matters that they see as relevant.

### Time horizon identification

For potential impacts, risks, and opportunities, the time horizon has been identified within which the impact, risk, or opportunity will occur. The default time horizons used are based on those defined in the ESRS:

- Short-term: Reporting period
- Medium-term: Reporting period to 5 years
- Long-term: > 5 years

### Value chain parameters

Scanfil's value chain has been taken into consideration for each identified impact, risk, and opportunity. Scanfil has identified what direction(s) of the value chain (upstream, own operations, and downstream) the impact, risk, or opportunity occurs in as well as the specific position(s) within the value chain direction.

### Impact identification

For each impact identified, the company has analyzed the following criteria:

- Whether the impact is actual or potential
- Whether the impact is negative or positive
- Whether the impact is direct or indirect

### Impact scoring criteria

The impacts were then scored based on the following criteria, in line with ESRS:

- Negative impacts were scored based on severity, a combination of scale, scope and remediability, and likelihood. Severity was prioritized over the likelihood of negative impacts on human rights.
- Positive impacts were scored based on their scale, scope, and likelihood.

Scale, scope, remediability, and likelihood were determined based on the following default criteria:

**Scale:**
1. Minimal consequence on people/environment
2. Low consequences on people/environment that are easily managed or mitigated
3. Medium consequence that is manageable within reasonable means
4. High consequence that can cause substantial disruption and require immediate attention
5. Absolute: Major disruption with long-term consequences

**Scope*:**
1. Few individuals / Very low – Isolated location
2. Groups / Minority of customers / Low – Multiple locations
3. Departments / Large groups / Roughly half of customers / Medium – Several large areas
4. Business divisions / Majority / Entire region
5. Global / Entire populations / All customers/end-users

* Dependent on the most affected stakeholder group

**Remediability:**
1. Easily reversible
2. Low
3. Reversible with material effort/cost
4. High
5. Permanent

**Likelihood:**
1. Rare (<10%)
2. Low (10-25%)
3. Possible (25-50%)
4. Likely (50-75%)
5. Almost certain (>75%)
6. Actual (100%)

## Scoring and threshold methodology

The scoring and threshold methodology for impact materiality included:

- Each impact was assessed by positive/negative and actual/potential
- Assessment of the severity of the impact was then plotted against the likelihood of it occurring
- The product of both is the impact score
  - Impact score = Likelihood x Severity
    - Severity of negative impacts = (Scale + Scope + Irremediability)
    - Severity of positive impacts = (Scale + Scope)

All impacts related to that sustainability matter were plotted on a 5x5 grid of Severity vs. Likelihood. The threshold for impact is set as a sloping line, dependent on the combination of severity and likelihood.

A threshold line was established that gave precedence to severity over likelihood (i.e., all impacts with severity scores > 4 were considered material irrespective of likelihood, while also taking into account less severe risks that were more likely).

If any impacts for a given sustainability matter were above the threshold, then the sustainability matter itself would be deemed to be material.

## Risk and opportunity identification

For each risk and opportunity identified, Scanfil has analyzed the following criteria:

- The direct or indirect ownership of the risk/opportunity
- The negative or positive financial effect of the risk or opportunity, respectively

## Risk and opportunity scoring criteria

The risks and opportunities were then scored based on the magnitude of the financial effect and the likelihood of it occurring.

The magnitude of the financial effect and likelihood was determined using the following criteria:

**Magnitude of financial effect*:**
1. Minor
2. Moderate
3. High
4. Very High
5. Major

* The default is based on the Net Asset Value entered by the company.

**Likelihood:**
1. Rare (<10%)
2. Low (10-25%)
3. Possible (25-50%)
4. Likely (50-75%)
5. Almost certain (>75%)

### Scoring and threshold methodology

The scoring and threshold methodology for financial materiality included:

- The product of both is the Financial score
- Financial score = Likelihood X Magnitude
- All of the risks and opportunities related to that sustainability matter were plotted on a 5x5 grid of Size of financial effect vs. Likelihood. The threshold for financial materiality is set as a sloping line, dependent on the combination of Size of financial effect and Likelihood. An approximate materiality threshold line had been established, which captured all the highest tiers of financial effects and less affecting risks that were more likely. This means that, for each risk/opportunity where the product of Size of financial effect and Likelihood score is above the threshold, it is considered to be material.

Scanfil's sustainability-related material impacts, risks, and opportunities have been identified in a Double Materiality Assessment based on the principles of the company's risk management process. The key goal is to identify and assess the risks, threats, and opportunities potentially significant to the implementation of the company's values and strategy and to the achievement of long-term targets as well as to identify and assess the company's impacts on society and the environment. In addition to the company's own operations, the identification and assessment of impacts, risks, and opportunities encompasses the upstream and downstream value chain and any other parties that the company's operations affect. Scanfil's Risk Management Process and its responsibilities are described in more detail in the Corporate Governance Statement.

Scanfil updated its materiality assessment of sustainability matters in 2024. The updating of the materiality assessment proceeded in two phases. In the first phase, in 2023, the views of external and internal stakeholders on the company's real and potential impacts, risks, and opportunities were collected through interviews and surveys. The stakeholders interviewed included the company's own employees as well as its customers, investors, goods and service suppliers, Scanfil management, creditors, and shareholders. Based on the material collected, the impacts, risks, and opportunities were prioritized in management workshops. The prioritization was based on double materiality, meaning that the workshop participants paid attention to the company's impacts on the environment, society, employees, and other stakeholders as well as to the qualitative and financial risks and opportunities for the company's business related to sustainability matters. The likelihood and scope of the impact, risk, or opportunity were considered in prioritization.

Scanfil's process for identifying potential and actual impacts is partially based on the due diligence process that explains whether and how business relationships are considered. This procedure is described in detail under the section Statement on due diligence. The sustainability matters presented by the ESRS standards have been included in the materiality assessment and have been connected to the impacts on Scanfil's value chain and business relationships.

Furthermore, Scanfil conducts qualitative risk assessments of geographical locations and parameters connected to a heightened risk of adverse impacts taking into consideration that a majority of the sourcing base of electronic components is in potential risk areas. Scanfil works systematically to reduce adverse impacts immediately, e.g., ensure alternative suppliers for the supply of key components already at the contract writing phase. In addition to these processes, the DMA takes into account parameters such as affected stakeholders, value chain position, actual or potential impact, recurring or non-recurring impacts, and more.

The key goal is to identify and assess the risks, threats, and opportunities potentially significant to the implementation of the company's values and strategy and to the achievement of long-term targets as well as to identify and assess the company's impacts (actual and potential) on society and the environment. In addition to the company's own operations, the identification and assessment of impacts, risks, and opportunities encompasses the upstream and downstream value chain and any other business relationships that the company's operations affect.

Stakeholder consultation through a survey is a part of the process to identify, assess, prioritize, and monitor Scanfil's potential and actual impacts. In the impact identification process, a stakeholder dialog was conducted to collect data and sustainability matter concerns from different stakeholder groups. This data was used as input to the DMA and impact description. The survey, comprising 68 questions, was divided into two parts aimed at assessing both the material impacts and material risks related to Scanfil's overall business approach. The questions focused on three areas: Environmental, Social, and Governance, with respondents being asked to rate their answers on a scale of 0-5, with 0 indicating no impact, or no risk and 5 representing critical impact or very high risk. Scanfil's management, shareholders, investors, and creditors were directed to questions on Financial Materiality, while customers, employees, subcontractors, and business partners answered on Impact Materiality.

After the survey was completed, the results were analyzed, and the second phase of the DMA implementation started. This phase was a more qualitative assessment, where different representatives from Scanfil participated, covering the scope of sustainability. The second part was performed in a newly purchased digital system named Position Green, where the input for this more qualitative assessment came from Scanfil participants and partly from the survey performed earlier.

Position Green has helped to perform the DMA by providing a comprehensive and user-friendly platform to identify and assess material sustainability issues. The software guides users through the process of identifying relevant topics, collecting and analyzing data, and prioritizing material issues based on their impact on the company's business model and operations, as well as their importance to external

stakeholders. Position Green also helps the organization comply with the regulations, as all sustainability matters in topical ESRS are covered. The assessment procedure of impacts takes into consideration whether the impact is positive or negative, the severity of the impact (scale, scope, irremediability), and the likelihood of the impact (for potential impacts). The prioritization of materiality is based on the assessment results from Position Green of severity and likelihood and the stakeholder survey.

Scanfil connects its impacts, risks, and opportunities in its Risk Management Process. Scanfil strives to maintain a holistic perspective in its risk assessment, even though financial risks remain the top priority. Sustainability risks that are considered financial are identified and assessed in the Risk Management Process, including in the Double Materiality Assessment and the Risk Management System. In the system, the financial risks are assessed by the likelihood of occurrence, the magnitude of the financial impact, and the nature of the effects. These assessments are based on three scales – the percentage of occurrence, financial impact in monetary terms, and the scoring of the level of risk control.

The Risk Management System is used by all local sites and departments where Scanfil has its own business operations. In 2025, Scanfil will start integrating severe sustainability risks from the Risk Management System into its DMA review process.

At Scanfil, the Director Global Sustainability is the owner of the DMA process. The results from the DMA have been presented to the Group Management Team and the Board. In addition to this, there are currently no other established decision-making processes or related internal control procedures related to DMA. However, Scanfil has internal control procedures regarding the overall Risk Management Process. This control procedure is handled by the Internal Auditing group and is owned by the Chief Financial Officer.

All local entities and global divisions conduct financial risk analysis on their own operations from a top-down level, where the results are implemented in Scanfil's Risk Management System. To align with Scanfil's focus on financial risks, a new Risk Management System was implemented in 2024. The system is used to support Scanfil in assessing the financial risks and opportunities that have been identified previously and newly identified risks and opportunities. The system is used to monitor financial risks and mitigate negative impacts.

Currently, Scanfil has not implemented any method to track the impacts of the CSRD sustainability topics in any Risk Management System. In 2025, Scanfil will develop a process to integrate the Risk Management System with the DMA process.

Scanfil uses multiple different parameters as inputs to its risk management and double materiality process. A comprehensive overview of each ESRS input parameter, data sources, and assumptions are presented below:

Climate change: Stakeholder engagement, SBTi targets, and ISO 14001 management system. Scanfil will decide in 2025 when a climate scenario analysis will be carried out.

Pollution: ISO 14001 management system. Compliance with REACH & RoHS. Mandated material compliance in the Supplier Code of Conduct, EcoVadis.

Resource use and circular economy: Stakeholder engagement. Detailed data collection on waste. Resource inflows and outflows have been estimated at a high level. Ecovadis, and mandated material compliance in the Supplier Code of Conduct. ISO 14001 management system.

Own workforce: Stakeholder engagement, country-specific legal requirements, employee dialogs, employee engagement survey, internal Code of Conduct.

Workers in the value chain: Stakeholder engagement, Supplier Code of Conduct, International Labour Organization (ILO), EcoVadis, supplier monitoring process (supplier selection criteria, balanced scorecard)

Business conduct: Stakeholder engagement (shareholders, investors, creditors) Supplier Code of Conduct, internal Code of Conduct, legal requirements, UN Global Compact, OECD conflict minerals, ILO, EcoVadis.

The Double Materiality Assessment was developed and conducted for the first time in the present reporting year. Based on this condition, changes have not been made to the process to identify impacts, risks, and opportunities. Scanfil is planning to review the Double Materiality Assessment annually starting in 2025. See the Scoring and threshold methodology for financial and impact materiality in the Appendix for more details.

## Climate change

The material impacts, risks, and opportunities related to climate change have been identified in a Double Materiality Assessment based on the principles of the company's risk management process. Scanfil identified the topics of climate change adaptation, climate change mitigation and energy as material topics. The materiality assessment is discussed in section Material impacts, risks and opportunities, and their interaction with the strategy and business model.

Scanfil has an ongoing but not finalized high-level company analysis to screen and assess whether assets and business activities may be exposed to, or the sensitivity to the identified climate-related hazards. The ongoing work is conducted by each site through a Disaster Evaluation Matrix. The matrix takes into consideration the severity and likelihood of the physical risk occurring but has not defined short-, medium- and long-term time horizons, nor is it based on high emissions climate-related scenarios.

The Disaster Evaluation Matrix is part of the process to identify and assess climate-related physical risks. It has a qualitative approach and is based on the classification table of climate-related hazards presented in the ESRS standard, where physical risks for Scanfil's own operations per manufacturing site have been identified. The qualitative approach is based on local know-how and local circumstances. However, a detailed physical risk assessment with the latest scientific data or climate-related scenarios is not yet in place.

Scanfil has started working on a process to identify climate-related transition risks and opportunities for its own operations and along the value chain.

Scanfil has yet to conduct a climate scenario analysis that is in line with the UN target of limiting global warming to 1.5 °C to identify transition risks and opportunities for the short-, medium- and long-term time horizons.

Since no climate scenario analysis has been carried out, there are still great uncertainties relating to the coverage of plausible risks, time horizons, details, geographical data, trends, key forces, drivers, and endpoints.

Scanfil will decide in 2025 to implement a climate scenario analysis as part of the transition risk identification process.

The transition risks and opportunities have been identified in relation to the negative impacts of the Double Materiality Assessment. When carrying out the DMA the assets and business activities were screened for their potential exposure to these risks and opportunities. The extent of the anticipated effects and any possible business activities that are incompatible with transitioning to a climate-neutral economy are yet to be identified.

As the analysis has not been based on climate-related scenarios, Scanfil is not able to make any critical assumptions in the financial statement.

| Material sub -topics | Impacts | Risks and opportunities for Scanfil | Management |
|---|---|---|---|
| **Climate change adaptation** | | | |
| | ↓ **Actual:** Climate changes and changes in weather patterns, such as a warmer climate, can have a negative impact on facilities and increase energy use for cooling and air conditioning. | | • Working on adapting own facilities to climate change.<br>• Adapting heating and cooling units in facilities.<br>• Having adaptation strategies for extreme weather events. |
| **Climate change mitigation** | | | |
| | ↓ **Actual:** Emissions of greenhouse gases have a direct negative impact on climate change. Mitigation activities drive energy consumption. | | |
| **Energy** | | | |
| | ↓ **Potential:** Energy consumption significantly impacts pollution levels and the surrounding environment. High consumption leads to increased emissions of greenhouse gases and pollutants, worsening air quality in local areas. | ↑ **Opportunity:** By consuming renewable energy, Scanfil can replace fossil-based energy sources. Renewable energy already accounts for 52% of the energy used in Scanfil's production (scope 1 and scope 2). | • Scanfil's strategic target is to improve its energy efficiency and the transition to fossil-free fuels, as well as fossil-free purchased electricity and heat.<br>• During the financial year, a survey was carried out on the feasibility of energy-saving activities in Scanfil's operations. Energy-saving geothermal heat will be tested when the expansion in Sieradz is completed. Solar panels are installed in Scanfil's factory in Suzhou, China. |

## Pollution

The material impacts, risks, and opportunities related to pollution have been identified in the Double Materiality Assessment based on the principles of the company's risk management process. The materiality assessment is discussed under the section Material impacts, risks and opportunities, and their interaction with the strategy and business model.

Ensuring uninterrupted production is a critical part of the company's risk management process for its manufacturing facilities. The environmental risks of these production units are evaluated through the ISO 14001 management system. The most significant risks identified are incorporated into the overall corporate risk management process. Regular risk assessments and official inspections help ensure the comprehensive monitoring and performance of the production units.

Substances of very high concern (SVHC) are a key focus area for Scanfil and were considered a material topic in the Double Materiality Assessment. The company carefully procures components to ensure they meet regulatory and customer requirements. Scanfil prefers to work with recognized, established suppliers and regularly communicates with them about the updated regulations. Scanfil's supplier agreements and Supplier Code of Conduct mandate "Material Compliance". This requirement is included in every purchase order. If a customer requests a deeper analysis of purchased materials, Scanfil provides this as an extended service.

By prioritizing the elimination or reduction of SVHC, Scanfil can reduce risk, protect stakeholders, and demonstrate its commitment to sustainability and responsible stewardship.

SVHC are present in the manufacturing process within the Electronic Manufacturing Service (EMS) business and are critical for ensuring product safety, environmental protection, and regulatory compliance. Despite efforts, SVHC may still be present throughout the supply chain and the manufacturing processes, posing risks to human health and the environment. Specific consultations have not been conducted with the affected communities, except when it is mandatory by legislation such as for environmental permits.

SVHC are material downstream in the value chain. At Scanfil, customers and the European Chemical Agency (ECHA) authority are informed through Substances of Concern in Products (SCIP) reports whether products and components contain substances above a certain threshold. If any SVHC exceeds the threshold, this information is forwarded to the individual customer along with a message to SCIP.

### Reporting principles for metrics

Scanfil reports regularly according to the regulations on substances of very high concern. The reporting is provided to customers but also to organizations that require the traceability of SVHC. The reporting is done by the local units and in accordance with applicable regulations and customer requirements.

One example is the SCIP database, which is an EU database designed to improve transparency and facilitate the safe use of chemicals in products. Companies are obliged to provide information about the presence of substances of very high concern in their products.

### Pollution-related impacts, risks, and opportunities

| Material sub-topics | Impacts | Risks and opportunities for Scanfil | Management |
|---|---|---|---|
| **Substances of very high concern** | | | |
| | ↓ **Actual:** Managing substances of very high concern within Scanfil is critical for ensuring product safety, environmental protection, and regulatory compliance. Despite efforts, SVHC may still be present throughout the supply chain and manufacturing processes, posing risks to human health and the environment. Exposure to SVHC can lead to adverse health effects, workplace accidents, and environmental contamination. Addressing SVHC requires proactive measures such as implementing strict material sourcing policies and substituting substances of very high concern with safer alternatives. By prioritizing the elimination or reduction of SVHC, Scanfil can mitigate risks, protect stakeholders, and demonstrate its commitment to sustainability and responsible stewardship. | ↓ **Risk:** Weak management of substances of very high concern might lead to losses in several areas. These can be:<br>• Compliance costs: Non-compliance with regulations such as REACH or RoHS can lead to fines, legal fees, and increased operational costs to rectify the issue.<br>• Supply chain disruption: Changes in regulations or restrictions on certain substances can disrupt the supply chain, leading to increased costs due to sourcing alternative materials or redesigning products.<br>• Reputation damage: Negative publicity due to the presence of substances of very high concern in products can lead to decreased customer trust, brand damage, and loss of market share.<br>• Product recalls: Discovering substances of very high concern in products post-production can result in costly recalls, including expenses for product retrieval, replacement, and potential legal liabilities.<br>↑ **Opportunity:** By prioritizing the elimination or reduction of substances of very high concern, Scanfil can mitigate risks, protect stakeholders, and demonstrate its commitment to sustainability and responsible stewardship. | • Good management of substances of very high concern involves a proactive approach to identifying, assessing, and mitigating the risks associated with these. This includes measures to prevent pollution, protect human health, and ensure environmental sustainability.<br>• Regulatory adherence: Stay up to date with the relevant regulations and standards.<br>• Audits and inspections: Conduct regular audits and inspections to verify compliance. |

### Water and marine resources

The impacts, risks, and opportunities related to water and marine resources have been investigated as part of the preparations of the DMA, where a qualitative assessment based on internal knowledge and through consultations with the stakeholders was made. The consultations with stakeholders were conducted through surveys, with a focus on own operational activities as well as downstream and upstream activities. Together with a third-party consultant agency, Scanfil has identified this ESRS topic as not material. Read more about the conclusion from the DMA in the section Disclosures incorporated by reference in the Appendix to this report. In the stakeholder survey process, Scanfil involved the following stakeholders: own employees, supplier business partners, customers, Scanfil's management, shareholders and investors. Scanfil did not involve affected communities and thus no consultations were made with this group.

### Biodiversity and ecosystems

The impacts, risks, dependencies and opportunities related to biodiversity and ecosystems have been investigated as part of the preparations of the DMA, where a qualitative assessment based on internal knowledge and through consultations with stakeholders was made. The consultations with stakeholders were conducted through surveys, with a focus on Scanfil's own operational activities as well as downstream and upstream activities. Together with a third-party consultant agency, Scanfil has identified this ESRS topic as not material. Read more about the conclusion from the DMA in section Disclosures incorporated by reference in the Appendix to this report. In the stakeholder survey process, Scanfil involved the following stakeholders: own employees, supplier business partners, customers, Scanfil's management, shareholders and investors. Scanfil did not involve affected communities and thus no consultations were made with this group. Since Scanfil has identified this topic as not material, no scenario analysis of identified and assessed material risks and opportunities over different time horizons was conducted. Moreover, Scanfil production sites and offices around the world are in industrial parks and in areas not close to any biodiversity-sensitive areas, and it has not been concluded that any necessary measures regarding biodiversity mitigation need to be implemented at its own sites or among other stakeholders in the value chain.

### Resource use and circular economy

In the DMA, resource use and circular economy were identified as a material topic. The materiality assessment is discussed under the section Material impacts, risks and opportunities, and their interaction with the strategy and business model. Scanfil found the sub-topics Resource inflows, including resource use, Resource outflows related to products and services, and Waste as material.

The focus of Scanfil's previous reporting was on waste from its own operations. Resource inflows (components, materials, and capital goods such as equipment used in Scanfil's operations) and resource outflows (products and waste) related to products and services have so far been out of scope, and the data has not previously been collected.

From the 2024 reporting, Scanfil has detailed data collection on waste, while resource inflows and outflows of components and materials are estimated at a high level. Scanfil will refine the data quality over time. In 2025, Scanfil plans to implement initiatives that will improve data availability. For purchased goods and services and capital goods, the internal purchasing system is used to collect data.

Scanfil conducted a DMA to identify and evaluate sustainability-related impacts, risks, and opportunities, in line with its risk management principles relating to resource use and the circular economy. This assessment aimed to pinpoint significant factors affecting the company's values, strategy, long-term objectives, and environmental impacts. It covers Scanfil's own operations, and other affected parties both upstream and downstream in the value chain.

In 2023, insights from internal and external stakeholders were gathered via surveys with employees, customers, investors and shareholders, Scanfil's management, and suppliers. However, no special consideration was taken for affected communities as this stakeholder is considered non-material for Scanfil. This data was used to prioritize stakeholder insights, risks, opportunities and other relevant matters during management workshops which was later used to identify impacts, risks and opportunities for the core process, and upstream as well as downstream in the DMA. The positive and negative impacts were then combined with risks and opportunities to gain valuable strategic insights into Scanfil's material aspects.

In the table below, the identified impacts, risks and opportunities and integrated management routines and processes are presented.

| Material sub topics | Impacts | Risks and opportunities for Scanfil | Management |
|---|---|---|---|
| **Resource inflows, including resource use** | | | |
| | ↓ **Potential:** The extensive use of metals, components, and chemicals poses a risk to the environment, particularly when these materials are not sourced sustainably. The reliance on customer-chosen materials can lead to the use of less sustainable options. Scanfil utilizes global natural resources economically and efficiently by developing production processes in a more efficient direction. | ↑ **Opportunity:** There is an opportunity in the legislation that recognizes the environmental benefits of using fossil-free raw materials in production. Such legislation could require replacing primary fossil-based raw materials with more sustainable alternatives, particularly for packaging materials.<br><br>↑ **Opportunity:** All Scanfil's factories have a certified ISO 14001-compliant environmental management system. Waste materials are recycled if they cannot be reused in the company's own production. Steel is an important raw material used by Scanfil. Its effective use is closely monitored in the production process to reduce negative impacts. | Effective management of resource inflows and their subsequent use is critical for fostering sustainability in any organization. This approach not only ensures the long-term availability of resources but also aligns with global sustainability goals, such as reducing environmental impact and promoting social responsibility. The management of resource inflows encompasses the processes of sourcing, procurement, and the initial handling of resources, while resource use involves the efficient, equitable, and sustainable consumption of these resources throughout their lifecycle.<br><br>Scanfil has taken the step of managing resource inflows by adopting sustainable purchasing methods. This was done by introducing a Sustainable Procurement Policy, which will guide procurement personnel to include sustainability in the supplier selection process. The Scanfil Supplier Code of Conduct addresses Scanfil's expectations that raw materials are obtained from renewable sources or recycled inputs, which minimizes the depletion of natural resources. In addition, it promotes ethical working practices, fair trade and reduces the carbon footprint associated with transport and production.<br><br>Scanfil is using the Ecovadis sustainable procurement platform to assess the preferred and key suppliers, and all new suppliers have to sign Scanfil's Supplier Code of Conduct. |
| **Resource outflows related to products and services** | | | |
| | ↓ **Potential:** The manufacturing of electrical components from a resource outflow perspective has a negative impact from increased e-waste volumes, including defective units and obsolete components. | ↑ **Opportunity:** Legislation that promotes recyclable products made from renewable materials rather than plastic components, presents business development opportunities. | Cooperation with customers and suppliers creates a good basis for the development of sustainable production and a healthy outflow of resources. Scanfil often does not participate in the design work of products that are manufactured, but has good opportunities for influence over time, both upstream and downstream.<br><br>By understanding resource outflows, Scanfil can take steps to reduce the environmental impact. Some strategies include:<br>• Efficient resource use: Implementing measures to minimize waste and optimize resource consumption.<br>• Material substitution: Replacing harmful materials with more sustainable alternatives.<br>• Energy efficiency: Investing in energy-saving technologies and practices.<br>• Water conservation: Reducing water usage through efficient processes and recycling. |
| **Waste** | | | |
| | ↓ **Actual:** Waste from Scanfil's operations could negatively impact the environment by dispersing pollutants into the surrounding areas, leading to contamination and potential harm to ecosystems and human health. | ↑ **Opportunity:** Waste reduction and proper management have significant effects on the environment, the economy and society.<br>• Environmentally: It reduces pollution, conserve resources and minimize habitat destruction.<br>• Economically: Efficient waste management lowers waste disposal costs, creates jobs in the recycling and composting industry, and promotes innovation in waste-to-energy technology.<br>• Socially: It improves public health by reducing exposure to hazardous materials and improves community well-being by promoting clean and attractive surroundings.<br>For the Scanfil Group, adopting effective waste reduction and management methods is essential for a sustainable and healthy future and promotes the company's business development.<br><br>↓ **Risk:** Managing waste management in an efficient and sustainable manner is important from an environmental, legal and regulatory point of view, as well as from a reputational standpoint. Stakeholders expect Scanfil to take responsibility and invest in facilities and knowledge to manage waste in the best sustainable way. Improper waste management can lead to fines. | • Invest in new technology and follow the development of new methods to take care of waste in a more sustainable way.<br>• Develop cleaner process technologies that reduce waste.<br>• Choose suppliers based on the sustainability perspective and always try to promote recycling options. |

## Business Conduct

Scanfil has followed Position Green's approach in identifying material impacts, risk and opportunities related to business conduct matters. The areas that have been identified as relevant and material are corporate culture, corruption and bribery, cyber security and management of relationships with suppliers' payment practices. The criteria that have been used to identify material impacts, risks and opportunities related to these areas have been to assess whether Scanfil and its value chain stakeholders have any direct operational activities related to these in the geographical locations where they operate.

| Material sub topics | Impacts | | Risks and opportunities for Scanfil | Management |
|---|---|---|---|---|
| **Corporate culture** | | | | |
| • Diversity, Equity, and Inclusion | ↑ | **Actual:** A strong corporate culture rooted in Diversity, Equity, and Inclusion (DEI) fosters innovation, collaboration, and belonging. It empowers diverse voices, ensuring equitable opportunities and representation at all levels. DEI-driven cultures attract top talent, improve employee engagement, and enhance decision-making through varied perspectives. By addressing systemic barriers and promoting fairness, organizations build trust and resilience. An inclusive environment boosts morale and retention while strengthening connections with diverse customers and communities. Prioritizing DEI is essential for driving business success, fostering innovation, and creating a workplace where everyone can thrive. | n/a | Scanfil values and cherishes diversity, equality, and inclusion. The value "Achieving Together" highlights how being one team globally is emphasized, how diversity is benefited from shared ideas, how respect and reliance on each other are emphasized, the aim for collective success, and how every individual is respected with no tolerance for bullying, harassment, or discrimination. |
| **Corruption and bribery** | | | | |
| • Prevention & Detection | ↑ | **Potential:** Effective prevention and detection of corruption and bribery protect organizational integrity and stakeholder trust. Implementing robust policies, regular audits, and compliance training reduces legal risks, financial losses, and reputational damage. These measures foster a transparent, ethical culture, promoting sustainable and fair business practices. | n/a | All employees receive comprehensive training in Scanfil's Code of Conduct. Raising awareness of corruption and bribery risks strengthens prevention efforts, mitigates potential threats, and reinforces stakeholder trust while promoting a culture of integrity and compliance. |
| **Cybersecurity** | | | | |
| | ↓ | **Potential:** Strong cybersecurity protects sensitive data, ensures business continuity, and builds stakeholder trust. It prevents financial losses, enhances compliance, and safeguards reputation. Effective cybersecurity also promotes innovation by reducing operational risks. | n/a | Likelihood is determined through threat intelligence, historical data, and industry trends. Sources include cybersecurity frameworks (NIS, ISO), threat intelligence platforms (Cyber awareness platform), incident response data, and vulnerability assessments. Conducting regular audits, penetration tests, and staying informed through industry reports ensures a proactive and adaptive cyber-security strategy. |
| **Management of relationships with suppliers including payment practices** | | | | |
| | ↓ | **Potential:** Effective management of supplier relationships and payment practices improves operational efficiency, strengthens trust, and ensures supply chain stability. Timely and fair payments foster loyalty, attract high-quality suppliers, enhance product quality, and promote innovation. Ethical practices support social responsibility and long-term sustainable partnerships, contributing to overall business success. | n/a | Scanfil is committed to foster strong partnerships with suppliers who align with its core values. Through well-defined agreements, both parties ensure mutual accountability in fulfilling business commitments. These agreements encompass clear guidelines on deliveries and payment practices, promoting transparency, reliability, and sustainable collaboration. |

## 1.11 Disclosures in relation to specific circumstances

Measures including estimated value chain data, using indirect sources and the basis for preparation of these metrics, are presented below:

### Upstream metrics:

- **Scope 3.1 Purchased Goods and Services**
  - Calculated on spend of purchased material and use of emission factors from Exiobase 3.9
- **Scope 3.2 Capital Goods**
  - Calculated on spend of purchased capital goods and use of emission factors from Exiobase 3.9
- **Scope 3.3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2**
  - Calculated on energy used and use of emission factors from DEFRA WTT: factors from T&D and generation (2021)
- **Scope 3.4 Upstream Transportation and Distribution**
  - Calculated on spend method of inbound transport and use of emission factors from Exiobase 3.9. Reported by site.
- **Resource inflows - purchased goods**
  - Reference to E5-4 32

### Own operation metrics:

- **Scope 1**
  - Calculation of direct emissions that are owned or controlled by Scanfil. Combustion and Fugitive emissions (refrigerants): DEFRA (2023),
- **Scope 2**
  - Purchased electricity includes indirect greenhouse gas (GHG) emissions from the generation of purchased electricity. Emission factor AIB (2022)
  - Emission factor - Scope 3 Source: DEFRA WTT: factors from T&D and generation
- **Scope 3.5 Waste Generated in Operations**
  - Calculated by waste-type specific method, tonnes of waste. Reported per site. DEFRA (2023) emission factor
- **Scope 3.6 Business Travel**
  - Calculated on a spend-based method and estimates emissions from the cost associated with each travel segment, using cost as a proxy for emissions and applying spend-based emission factors. Reported per site. Emission factor from Exiobase 3.9
- **Scope 3.7 Employee commuting**
  - Employee commuting includes emissions from employee travel between their homes and their workplace. This includes various modes of transportation such as personal vehicles, public transportation, carpooling, and cycling. The average-data method uses industry-standard emission factors and averages to estimate emissions when specific commute data is not available.
  - The following emmision factor sources have been used:
    - Petrol car commuting: NTM (2018)
    - Diesel car commuting: NTM (2018)
    - Battery Electric Average Car: DEFRA (2022)
    - Plug-in Hybrid: DEFRA (2022)
    - Bicycle: ZERO
    - Electric bike: AIB (2020)
    - Bus: NTM (2018)
    - Electric scooter: Severengiz, Semih & Finke, Sebastian & Schelte, Nora & Wendt, Norman. (2020). Life Cycle Assessment on the Mobility Service E-Scooter Sharing. 1-6. 10.1109/E-TEMS46250.2020.9111817. All emissions assigned to Scope 3.
    - Motorbike, average: DEFRA (2022)
    - Subway/Metro: NTM (2018)
    - Regional train: NTM (2018)
- **Energy consumption and combination of energy sources**
  - Reporting in the Position Green sustainability system. Reporting per site
- **GHG intensity**
  - GHG intensity based on turnover, Scopes 1, 2, 3 (market-based), tCO2e / euros
- **Resource inflows - Water consumption**
  - Calculated on reported measured water consumption per site
- **Waste generated in the company's own operations**
  - Tons of waste types reported per site

### Downstream metrics:

- **Scope 3.9 Downstream transportation and distribution**
  - Calculated on spend method and use of emission factors from Exiobase 3.9. **Reported by site.**
- **Scope 3.11 Use of sold products**
  - Calculated on estimated usage of delivered products. Average electricity emission factor
- **Substances of very high concern**
  - Number of reports in the SCIP database

Scanfil's Sustainability Statement contains disclosures related to the company's own operations, and the upstream and downstream value chains including suppliers, customers, and other business partners. There are inherent uncertainties about the completeness, availability, quality, and accuracy of this information as it relates to performance and activities that are beyond Scanfil's direct influence and control.

In appendix, the level of accuracy for activity data and environmental data is presented with respect to metrics that include upstream and/or downstream value chain data based on indirect sources. The level of accuracy has been qualitatively assessed and categorized as:

1. High: Minimal margin of error or uncertainty.

2. Medium: Some uncertainty exists due to limitations in data collection or methodology.

3. Low: High level of uncertainty due to limitations in methdology or lack of verification.

The level of accuracy for environmental data has been assessed as "Medium" in all cases as the data is based on third-party data.

Scanfil has a goal to continuously improve the level of accuracy in its value chain data. The company has implemented a specific software that gathers and provides the necessary data for its own operations, as well as downstream and upstream value chain data relevant to Scanfil. The plan is to continuously raise the level of digitalization and data accuracy by improving the conditions for this software to provide the metrics that are needed and in case where estimates still are needed, improve the accuracy of the estimations.

When primary data cannot be used, Scanfil uses the method of spend analysis. Spend analysis is a method used for collecting, cleansing, classifying and analyzing expenditure data. By using the expenditure data, the data is multiplied with suitable equivalent factors. All spend data is taken out of Scanfil's ERP system.

Some measurements are associated with inherent uncertainties due to limitations in the availability and quality of primary data, which is why the reported figures should not be regarded as exact measurements. At the moment, Scanfil has not identified or assessed future events that provide measurement uncertainties.

Scanfil uses the same assumptions, approximations, and judgments that are presented by the databases and software used for retrieving the data. There have not been any other assumptions, approximations , or judgments.

The Sustainability Statement reported for 2023 was based on the Non-financial Reporting Directive (NFRD). Since the CSRD requires both more qualitative and quantitative data, changes in comparison to last year's report are inevitable. Moreover, Scanfil has integrated the Position Green system this year which has enhanced the collection process and data structure, as well as enabled us to refine and validate the actual data. As a result of these factors, there has been one change in comparison to last year, directly related to metrics. 'Occupational accidents which resulted in sick leave' was measured as the percentage of accidents vs active workforce in 2023. The measurement in this report is provided under section the Own workforce.

At the beginning of Q4 this year, two new entities in Australia and Malaysia were acquired by Scanfil and are included in this report. Although the available data provided by these new entities follow a clear structure for data collection, the volume and quality of the data are at relatively lower levels in comparison to the rest of the Group.

The metric occupational accidents which resulted in sick leave' will not be recalculated as the metric includes different parameters.

As per Scanfil's recalculation policy for GHG reporting, if the acquisition of these units will increase Scanfil's GHG emissions by more than 5%, the baseline, as well as the target, will be recalculated, and the updated figures will be reported in 2025.

No changes or errors in comparison to reports delivered in prior periods have been identified in the preparation of this report. Therefore, Scanfil is not presenting any corrections, circumstances, or the nature of such errors.

# 2. Environmental information

## 2.1 Taxonomy report outline

The EU Taxonomy (EU 2020/852) is a classification system established to determine whether an economic activity is environmentally sustainable. It aims to provide companies, investors, and policymakers with appropriate definitions to help navigate the transition to a low-carbon, resilient, and resource-efficient economy.

It is important to clarify that alignment with the EU Taxonomy does not necessarily mean that an activity is sustainable in all aspects, or vice versa, but rather that it meets specific criteria set out by the taxonomy.

In the reporting period, Scanfil has conducted a wide screening to identify taxonomy-eligible economic activities. The screening process was conducted for all six environmental objectives in the EU taxonomy regulation.

### 2.1.1 How Scanfil is affected by the EU Taxonomy

Scanfil is an electronics manufacturing service ("EMS") company that almost exclusively produces according to customer specifications, with little control over how the specifications are developed. Most of its operations fall under NACE code 26 (Manufacturing of computers and electronic and optical products), and its products are primarily sold as components for further assembly and manufacturing by clients. Despite these constraints, Scanfil remains committed to aligning its operations with the EU Taxonomy to the greatest extent possible, ensuring that its contributions to the supply chain support the transition to a sustainable economy.

**Updates to the reporting methodology**

Previously, the reporting of alignment with the EU Taxonomy followed a fully customer-centered approach which presented difficulties since Scanfil cannot always know what the produced components are used for by the customer in the final product or application. Components may be used for taxonomy eligible or non-eligible, aligned, and non-aligned economic activities, complicating the assessment and influencing usage in detail.

In 2024, Scanfil has refined its methodology to better align with the latest guidelines and standards. Scanfil has implemented a more systematic approach to its reporting, ensuring consistency and accuracy across all activities. Activities are assessed strictly on how they conform to the technical screenings without reference to the customer's operations. As such both the substantial contribution and the Do No Significant Harm (DNSH) criteria are assessed based solely on Scanfil's own processes. Henceforth, Scanfil has more insight and control over the data collection process which will uncomplicate the assessment and influence usage in detail.

Furthermore, despite improvements, there are still areas where data is missing or incomplete. Scanfil is actively working to address these gaps. Scanfil has decided to take a conservative and systematic approach, opting for ineligibility whenever there is any uncertainty. Therefore, taxonomy-eligible activities will be reduced during reporting period 2024.

In reviewing the 2023 KPIs for Turnover, CapEx, and OpEx, two major changes were made. Firstly, all amounts for CCM 3.4 and 3.5, which were previously classified as aligned, were reclassified as eligible but non-aligned due to not meeting all DNSH criteria. Secondly, amounts related to CCM 3.1 were changed to non-eligible following a reassessment of the group's activities. The updated amounts now exclude amounts from CCM 3.1 and concern those reclassified from aligned to eligible. These amounts are more reliable and consistent with the 2024 methodology:

- Turnover: 95.1 MEUR (19 MEUR from CCM 3.4, 76.1 MEUR from CCM 3.5)
- CapEx: 2.5 MEUR (0.5 MEUR from CCM 3.4, 2 MEUR from CCM 3.5)
- OpEx: 1 MEUR (0.2 MEUR from CCM 3.4, 0.8 MEUR from CCM 3.5)

### 2.1.2 Eligibility assessment

Not all activities that can make a substantial contribution to the climate and environmental objectives are yet part of the EU Taxonomy, and activities will be added over time. For instance, the Manufacture of automotive and mobility components was added to the Commission Delegated Regulation (EU) 2023/2485. Additionally, the EU Commission has stated that: "The treatment of key components for manufacturing activities, for example, in the low carbon transport sector, covered by the Climate Delegated Act will be addressed in future revisions of the delegated act". As such, much of Scanfil's core business related to the manufacture of key components for renewable energy technologies can be expected to be amended in due time.

For 2024, Scanfil has conducted a thorough review of each listed activity to determine its eligibility under the EU Taxonomy. The initial screening

was done by cross-checking all Scanfil's activities with a complete list of all economic activities for each environmental objective covered by the EU Taxonomy. After the initial screening, the relevant activities were identified for further assessment. It was found that Scanfil's most substantial contributions were all towards the first environmental objective, Climate Change Mitigation (CCM). Based on screening of eligible activities, Scanfil has identified the following financial activities to be relevant for 2024 reporting period:

Eligible manufacturing activities related to Turnover, Capex, and Opex within the objective "Climate Change Mitigation":

- CCM 3.5. "Manufacture of energy efficiency equipment for buildings": Scanfil manufactures a series of products and key components fulfilling the substantial contribution criteria for a selection of valid subsections. Those subsections are: (i) cooling and ventilation; (k.) heat pumps; (m.) energy-efficient building automation and control systems; (n) zoned thermostats and devices for the smart monitoring of the main electricity loads or heat loads for buildings, and sensoring equipment; (o.) products for heat metering and thermostatic controls; (q.) products for smart monitoring and regulating of heating systems, and sensoring equipment.
- CCM 3.20. "Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation": Scanfil manufactures a number of products fulfilling the substantial contribution criteria for a selection of valid subsections. Those subsections are: a) electric vehicle charging stations and supporting electric infrastructure for the electrification of transport that is installed primarily to enable electric vehicle charging; e) low voltage electrical products, equipment and systems, that increase the controllability of the electricity system, and contribute to increasing the proportion of renewable energy or improve energy efficiency.

Eligible energy activities related to Capex and Opex within the objective "Climate Change Mitigation":

- CCM 4.1. "Electricity generation using solar photovoltaic technology": Scanfil has installed roof solar generator systems on one of its manufacturing sites, constituting a capital investment to generate renewable energy in the service of climate change mitigation.

One difference from last year's reporting is that activity 3.4 "Manufacture of batteries" has been excluded since no manufacturing of battery components has taken place this year. As such, this activity is no longer eligible.

### 2.1.3 Alignment assessment

To be taxonomy-aligned, the economic activity must contribute significantly to a climate or environmental objective, whilst also not causing significant harm (DNSH) to any of the other objectives. In addition, corporate operations must be carried out in accordance with Minimum safeguards.

Scanfil has assessed eligible activities against these technical screening criteria in the Commission Delegated Regulation (EU) 2021/2139 and has identified no activities as currently taxonomy-aligned.

For manufacturing activities (CCM 3.5 & CCM 3.20), each eligible product/component was assessed for alignment according to its substantial contribution criteria. Since manufacturing activities share the same factory facilities, and since their DNSH criteria are identical, all their DNSH criteria were assessed on a factory basis, excluding those facilities with insufficient evidence to confirm compliance. See the following matrix for a breakdown of the alignment assessment of the manufacturing activities:

In October 2024, two more factories were acquired. However, since these have not been involved in the manufacturing of the assessed activities, these are not included in the DNSH assessment. Their contribution will be accounted for in 2025.

| TECHNICAL SCREENING CRITERIA | CRITERIA DESCRIPTION | SCANFIL COMPLIANCE |
|---|---|---|
| Substantial contribution - CCM 3.5, as referred to article 10(3) of Regulation (EU) 2020/852. | Manufacture of energy efficiency equipment for buildings. | For a series of different companies, Scanfil manufactures products and key components that are compliant with subpoints (i), (k), (m), (n) & (o). |
| Substantial contribution - CCM 3.20, as referred to article 10(3) of Regulation (EU) 2020/852. | The economic activity develops, manufactures, installs, maintains or services electrical products, equipment, systems, or software aimed at substantial GHG emission reductions in high, medium and low voltage electrical transmission and distribution systems through electrification, energy efficiency, integration of renewable energy or efficient power conversion. | Scanfil manufactures high-power charging stations for electric vehicles, compliant with subpoint 1(a), as well as active dynamic filtering, compliant with subpoint 1(e). Furthermore, in accordance with subpoint 4, the products manufactured comply with mandatory energy and material efficiency performance requirements laid down in Directive 2009/125/EC. No other subpoints are applicable. |
| DNSH – Climate adaptation, as referred to article 11(3) of Regulation (EU) 2020/852. | The activities comply with the criteria set out in Appendix A to Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021. | Non-compliant. Scanfil has completed hazard assessments using its Disaster Evaluation Matrix, which is designed to identify and assess climate-related physical risks. However, a detailed physical risk assessment, specifically for climate change adaptation according to the EU Taxonomy requirements, has not yet been conducted. |
| DNSH – Water, as referred to article 12(2) of Regulation (EU) 2020/852. | The activities comply with the criteria set out in Appendix B to Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021. | An assessment of all Scanfil's applicable factories shows that all but one are compliant, either having completed an EIA or meeting the national requirements of an EU member-state. |
| DNSH – Circular Economy, as referred to article 13(2) of Regulation (EU) 2020/852. | The activity assesses the availability of and, where feasible, adopts techniques that support:<br>a. reuse and use of secondary raw materials and reused components in products manufactured.<br>b. design for high durability, recyclability, easy disassembly and adaptability of products manufactured.<br>c. waste management that prioritizes recycling over disposal, in the manufacturing process.<br>d. information on and traceability of substances of concern throughout the life cycle of the manufactured products. | An assessment of all Scanfil's applicable factories shows that all are compliant, actively implementing strategies to reuse materials on the factory floor, including the return of some materials to suppliers for reuse, such as packaging materials. |
| DNSH – Pollution prevention, as referred to article 14(2) of Regulation (EU) 2020/852. | The activities comply with the criteria set out in Appendix C to Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021. | An assessment of all Scanfil's applicable factories shows that all are compliant, either by not manufacturing, placing on the market, or using the listed substances, or by ensuring compliance with the relevant substance directive. |
| DNSH – Biodiversity, as referred to article 15(2) of Regulation (EU) 2020/852. | The activities comply with the criteria set out in Appendix D to Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021. | An assessment of all Scanfil's applicable factories shows that all but one are compliant, either having completed an EIA or meeting the national requirements of an EU member-state. |

For the eligible energy activity (CCM 4.1), the investment was assessed for alignment according to its substantial contribution and DNSH criteria. See the following matrix for a breakdown of the alignment assessment of the activity:

| TECHNICAL SCREENING CRITERIA | CRITERIA DESCRIPTION | SCANFIL COMPLIANCE |
|---|---|---|
| Substantial contribution - CCM 4.1, as referred to article 10(3) of Regulation (EU) 2020/852. | The activity generates electricity using solar PV technology. | Compliant. Scanfil has installed and now operates a roof solar generator system on one of its manufacturing sites thus complying with the criteria. |
| DNSH – Climate adaptation, as referred to article 11(3) of Regulation (EU) 2020/852. | The activity complies with the criteria set out in Appendix A to Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021. | Non-compliant. Although Scanfil has completed hazard assessments using its Disaster Evaluation Matrix, a detailed physical risk assessment, specifically for climate change adaptation according to the EU Taxonomy's requirements, has not yet been conducted. |
| DNSH – Water, as referred to article 12(2) of Regulation (EU) 2020/852. | N/A | N/A |
| DNSH – Circular Economy, as referred to article 13(2) of Regulation (EU) 2020/852. | The activity assesses the availability of and, where feasible, uses equipment and components of high durability and recyclability that are easy to dismantle and refurbish. | Compliant. Scanfil conducts regular maintenance inspections of its roof solar generator system where high durability and recyclability of all feasible components are mandated (including panels, bolts, welds, support connections, junction box, inverter structure, etc.) |
| DNSH – Pollution prevention, as referred to article 14(2) of Regulation (EU) 2020/852. | N/A | N/A |
| DNSH – Biodiversity, as referred to article 15(2) of Regulation (EU) 2020/852. | The activity complies with the criteria set out in Appendix D to Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021. | Compliant. Scanfil adheres to national laws in the countries where it operates. The location and connection of the solar generator system required government approval which Scanfil attained. EIAs are not required for rooftop solar cells, as they are considered to not cause significant harm to biodiversity. |

## 2.1.4 Minimum safeguards

The minimum safeguard criteria require procedures to be in place regarding anti-corruption, fair competition, taxation, and human rights. These criteria have been assessed at the company level where it has been concluded that all economic activities identified as potentially taxonomy-aligned are covered by our company-wide policies and procedures. Scanfil is dedicated to upholding human rights as outlined in the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, the ILO Fundamental Conventions on Human Rights at Work, and the International Bill of Human Rights. This commitment is embedded in Scanfil's Code of Conduct (CoC) and is communicated through mandatory training for all employees and requirements for Scanfil suppliers.

### Anti-corruption and fair competition

Scanfil is dedicated to upholding the highest standards of integrity and fair competition. Scanfil strictly adheres to all applicable competition laws, avoiding anti-competitive practices such as price-fixing and market division. Scanfil employees receive comprehensive training to ensure they understand and comply with these laws.

Scanfil's CoC strictly prohibits all forms of corruption, with a whistleblowing channel through which any observed or suspected misconduct can be reported. No such deviations were identified in 2024. Additionally, Scanfil is in the planning stage of implementing robust, company-wide anti-corruption measures, including internal control tools and regular risk assessments to identify and mitigate corruption risks. These measures are scheduled to be fully implemented within the next couple of years.

### Human rights

Scanfil upholds human rights as outlined in international declarations and conventions, embedding this commitment in our Code of Conduct (CoC). All employees undergo mandatory training to align their behaviors with Scanfil's values. Human rights performance is integrated into Scanfil's management system, which includes risk assessments and audits for suppliers. Scanfil engages with stakeholders to consider their views in Scanfil risk management processes. New suppliers must sign Scanfil's Supplier Code of Conduct and undergo a risk assessment process. Scanfil uses EcoVadis to assess the sustainability performance of its suppliers and implement corrective measures for those who do not meet Scanfil's standards. The effectiveness of Scanfil's human rights efforts is tracked through regular audits and stakeholder feedback. A whistleblower service allows reporting of human rights violations, handled by an internal council with monthly assessments and follow-ups.

### Taxation

Scanfil complies with tax laws and regulations in all countries where Scanfil operates, ensuring taxes are paid where value is created. Scanfil adheres to applicable transfer pricing rules and guidelines developed by the OECD and other regulatory bodies. Relevant and accurate information is provided to tax authorities in a timely manner. Transactions between related companies follow the arm's length principle to ensure market-based pricing.

### Sustainable development and corporate governance

Scanfil contributes to economic, environmental, and social development through compliance with Scanfil's Code of Conduct and sustainability practices. Scanfil supports local capacity building, promotes education, and creates employment opportunities. Good corporate governance principles are supported and applied, with effective self-regulatory practices developed. Transparency in lobbying activities is ensured, avoiding exceptions not prescribed by law. Risk-based due diligence is conducted to identify, prevent, and mitigate negative impacts. Scanfil engages meaningfully with stakeholders, considering their views in decision-making processes.

### Environmental responsibility

Scanfil identifies and manages negative environmental impacts, establishing and maintaining an environmental management system. Scanfil sets measurable goals and strategies to improve environmental performance, with transparency in reporting progress. Employees are educated about environmental, health, and safety issues, promoting awareness among customers and stakeholders. Scanfil cooperates with authorities and other actors to address negative environmental impacts and promote environmental protection.

### Employment and industrial relations

Scanfil respects workers' rights to form or join trade unions and recognizes these for collective bargaining. Scanfil contributes to the abolition of child and forced labor and promotes equal opportunities and treatment in employment without discrimination. A safe and healthy working environment is provided in line with the ILO's declaration on fundamental principles and rights at work. Scanfil employs local workers and offers training to improve their skills, giving reasonable notice to worker representatives in the event of major changes affecting employment.

### Information disclosure

Scanfil provides regular, reliable, clear, and complete information on all material matters in Scanfil's yearly and quarterly reports. The disclosure includes financial and operational results, corporate goals, sustainability-related information, capital structures, major shareholdings, board composition and remuneration, related-party transactions, foreseeable risk factors, and governance structures. Scanfil follows internationally recognized accounting and information standards and conducts annual external audits to ensure financial reports are accurate and reliable.

### Access to grievance mechanisms

Scanfil establishes or participates in effective grievance mechanisms at the operational level for individuals and communities that may be negatively affected. Scanfil emphasizes that any grievance activities, including state-based mechanisms, are not impeded by the company. All participations in human rights grievance or mediation processes are protected and will not be subject to any negative after-effects.

## 2.1.5 2024 assessment summary

As a result of the revised reporting methodology, where activities are assessed strictly on how they conform to the technical screenings without reference to the customer's operations, the distribution of eligible activities has changed from last year's reporting results. Furthermore, the 2024 assessment finds that whilst Scanfil currently has eligible activities through climate change mitigation related to its manufacturing process (CCM 3.5 & CCM 3.20) and from its energy investments (CCM 4.1), none of the economic activities were identified as taxonomy-aligned. This is mainly due to the DNSH criteria regarding climate change adaptation. Scanfil will investigate the potential of further aligning its activities in the future.

Scanfil Taxonomy KPIs for the year 2024 are presented in the tables of the following pages.

Double counting has been avoided by classifying external revenue streams into taxonomy-eligible economic activities only once. The shares of eligible and aligned net sales have been used as a key to calculate eligible and aligned Opex and Capex. The risk of double counting is further reduced because Scanfil only reports compliance with the first environmental objective, climate change mitigation.

Scanfil Taxonomy KPIs for the year 2024 are presented in the tables of the following pages.

## 2.1.6 Turnover

Scanfil operates as an electronics manufacturing services (EMS) provider, specializing in the production of components and products for its customers. The bulk of Scanfil's operations are classified under NACE code 26 (Manufacturing of computers and electronic and optical products), which is not currently addressed in the initial Delegated Act on Climate. Scanfil serves roughly 160 active customers and produces about 10,000 different products annually. The end products of its customers include medical devices, heat pumps, recycling systems, elevators, industrial pumps, and frequency converters. Scanfil's taxonomy-eligible activities are primarily within the Energy & Cleantech sector, while other business areas are not yet covered by the Taxonomy Regulation. The revenue is based on Scanfil's revenue as recognized per IFRS 15. The numerator is determined by the revenue from factories responsible for the sale of products or components related to the associated eligible activities.

## 2.1.7 Capital Expenditure

In the context of the EU Taxonomy, CapEx (Capital Expenditure) is categorized into three types of investments in sustainable activities:

1. CapEx A: This includes expenditures related to assets or processes that are already aligned with the EU Taxonomy. These are investments in activities that meet the criteria for substantial contribution to climate and environmental objectives and do no significant harm (DNSH) to other objectives.

2. CapEx B: This covers expenditures aimed at upgrading or transforming existing assets or processes to become aligned with the EU Taxonomy. These investments are intended to bring non-aligned activities into compliance with the taxonomy criteria.

3. CapEx C: This includes expenditures related to the acquisition of new assets or processes that will be aligned with the EU Taxonomy. These are forward-looking investments in new projects or technologies that meet the taxonomy's sustainability criteria.

In the context of Scanfils manufacturing activities, all capital expenditures can be categorized as CapEx A. Scanfil, as an EMS company, is involved in the sharing of production assets among various customers. For example, SMT lines are utilized for multiple customers, making it impossible to identify or separate investments in these assets based on taxonomy eligibility or alignment. As such, the eligible CapEx has been calculated as the share of total CapEx, proportionate to the eligible turnover. To avoid double-counting, the CapEx from all other eligible activities is first subtracted. For this year, these activities constituted one energy-related investment. It includes purchases of property, plant, and equipment, intangible assets, and right-of-use assets.

The CapEx for Scanfil's energy investment for a roof solar generator system is directly attributable to a single cost and categorized as CapEx C.

| CapEx KPI | MEUR |
|---|---|
| Additions to property, plant and equipment | 17.70 |
| Additions to intangible assets | 13.11 |
| Additions to capitalized right-of-use assets | 8.45 |
| **Total** | **39.25** |

## 2.1.8 Operating Expenditure

The Taxonomy regulation defines OpEx as expenses related to assets and economic activities that generate taxonomy-eligible net sales. This includes costs directly associated with the maintenance and servicing of assets, such as facility improvements.

The method for calculating OpEx is the same as with CapEx for manufacturing activities with regard to the share of total CapEx, being proportionate to the eligible turnover. Again, to avoid double-counting, the OpEx from all other eligible activities is first subtracted. For this year, those activities comprised the energy-related investment.

The OpEx for Scanfil's energy investment for a roof solar generator system is directly attributable to a single set of costs.

| OpEx KPI | MEUR |
|---|---|
| Cost of short-term leases | 1.56 |
| Costs of maintenance, repair and equipment | 11.57 |
| **Total** | **13.13** |

## Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

| Financial year 2024 | | 2024 | | Substantial contribution criteria | | | | | | DNSH criteria (Does Not Significantly Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities (1) | Code (2) | Turnover (3) | Proportion of turnover, year 2024 (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | MEUR | % | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| **Of which enabling** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | E | |
| **Of which transitional** | | - | - | - | | | | | | - | - | - | - | - | - | - | - | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activites)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| *Manufacture of batteries* | CCM 3.4 | 0 | 0.00 % | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 2.11 % | | |
| *Manufacturer of energy efficiency equipment for buildings* | CCM 3.5 | 39.09 | 5.01 % | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 8.44 % | | |
| *Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation* | CCM 3.20 | 13.49 | 1.73 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.00 % | | |
| **Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2)** | | **52.58** | **6.74 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** | | | | | | | | **10.54 %** | | |
| **Total (A.1+A.2)** | | **52.58** | **6.74 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** | | | | | | | | **10.54 %** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **Turnover of Taxonomy-non-eligible activities** | | **727.33** | **93.26 %** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **779.91** | **100 %** | | | | | | | | | | | | | | | | |

**Legends of the tables**

**A.1.**
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

**A.2**
EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

Scanfil plc's principles for defining turnover, capital expenditure and operating expenditure can be found in notes 1.1., 1.5., 3.2., 3.3. and 3.4. in the Financial Statements.

## Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

| Financial year 2024 | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria (Does Not Significantly Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities (1) | Code (2) | CapEx (3) | Proportion of CapEx, year 2024 (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | MEUR | % | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| **Of which enabling** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | E | |
| **Of which transitional** | | - | - | - | | | | | | - | - | - | - | - | - | - | - | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activites)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| *Manufacture of batteries* | CCM 3.4 | 0 | 0.00 % | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 2.11 % | | |
| *Manufacturer of energy efficiency equipment for buildings* | CCM 3.5 | 1.97 | 5.01 % | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 8.44 % | | |
| *Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation* | CCM 3.20 | 0.68 | 1.73 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.00 % | | |
| *Electricity generation using solar photovoltaic technology* | CCM 4.1 | 0.97 | 2.46 % | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.00 % | | |
| **CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2)** | | **3.61** | **9.21 %** | **9.21 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** | | | | | | | | **10.54 %** | | |
| **Total (A.1+A.2)** | | **3.61** | **9.21 %** | **9.21 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** | | | | | | | | **10.54 %** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy-non-eligible activities** | | **35.64** | **90.79 %** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **39.25** | **100 %** | | | | | | | | | | | | | | | | |

## Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

| Financial year 2024 | | 2024 | | Substantial contribution criteria | | | | | | DNSH criteria (Does Not Significantly Harm) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities (1) | Code (2) | OpEx (3) | Proportion of OpEx, year 2024 (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | MEUR | % | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y;N;N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| **Of which enabling** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | E | |
| **Of which transitional** | | - | - | - | | | | | | - | - | - | - | - | - | - | - | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activites)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| *Manufacture of batteries* | CCM 3.4 | 0 | 0.00 % | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 2.11 % | | |
| *Manufacturer of energy efficiency equipment for buildings* | CCM 3.5 | 0.66 | 5.01 % | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 8.44 % | | |
| *Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation* | CCM 3.20 | 0.23 | 1.73 % | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.00 % | | |
| *Electricity generation using solar photovoltaic technology* | CCM 4.1 | 0.01 | 0.10 % | EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.00 % | | |
| **OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2)** | | **0.90** | **6.84 %** | **6.84 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** | | | | | | | | **10.54 %** | | |
| **Total (A.1+A.2)** | | **0.90** | **6.84 %** | **6.84 %** | **0 %** | **0 %** | **0 %** | **0 %** | **0 %** | | | | | | | | **10.54 %** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **OpEx of Taxonomy-non-eligible activities** | | **12.23** | **93.16 %** | | | | | | | | | | | | | | | | |
| **Total (A+B)** | | **13.13** | **100 %** | | | | | | | | | | | | | | | | |

## 2.1.9 Delegated regulations 2022/1214

Most of Scanfil's operations fall under NACE code 26, Manufacturer of computer, electronic and optical products, in accordance with the statistical classification of economic activities established by regulation (EC) no 1893/2006. As an electronics manufacturing service ("EMS") Scanfil has customers in the Energy & Cleantech segment but rarely with knowledge of in-depth energy related activities.

| NUCLEAR ENERGY RELATED ACTIVITIES | | YES/NO |
|---|---|---|
| 1. | The undertaking carries out, funds, or has exposure to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| 2. | The undertaking carries out, funds, or has exposure to the construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best the available technologies. | NO |
| 3 | The undertaking carries out, funds, or has exposures to the safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | NO |
| **FOSSIL GAS RELATED ACTIVITIES** | | |
| 4. | The undertaking carries out, funds, or has exposure to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| 5. | The undertaking carries out, funds, or has exposure to the construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6. | The undertaking carries out, funds, or has exposure to the construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | NO |

# 2.2 Climate change

## 2.2.1 Transition plan for climate change mitigation

Scanfil has not yet developed a transition plan for climate change mitigation in accordance with the disclosure requirements outlined. The company aims to decide on when it will adopt a transition plan by 2025.

Scanfil is committed to a 55.8% reduction in absolute scope 1 and 2 Greenhouse Gas (GHG) emissions by 2030 with 2020 as the baseline year.* Scanfil is also committed to reducing absolute scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, and employee commuting by 25% by 2030 with 2022 as the baseline year.

*The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

In 2024, the company reported a 48% decrease in scope 1+2 GHG emissions compared to the 2020 baseline and a 26% decrease in scope 3 GHG emissions compared to 2022. However, the targets for scope 1+2 and scope 3 present challenges, particularly considering the anticipated annual organic turnover growth rate of 5-7%.

As a global enterprise, business travel for employees is essential, but Scanfil is actively working to minimize it by leveraging advanced technology and promoting virtual meetings. Employees are consistently encouraged to select the most environmentally sustainable options for travel and meetings. All business travels are measured at the site level and categorized into different types of transport, such as car, train, and flight.

The absolute biggest factor for Scanfil's GHG emissions is scope 3.1, Purchased goods and services. Purchased goods and services account for 61 % of Scanfil's total GHG emissions and are, therefore the focus of activities. An important activity that already started in 2024 is to update the business system with data on GHG emissions per component. It provides the opportunity to measure and understand the GHG emissions of delivered products as well as the opportunity to compare components from different manufacturers.

By having the information in Scanfil's ERP system, any improvement data can be entered, and a direct update of the GHG emissions can be perceived. The objective is to have data on GHG emissions for each purchased goods and services as well as to have GHG emissions as a purchase criterion in the same way as cost, quality and delivery ability.

To address GHG emissions from daily commuting, Scanfil has implemented bus transportation for staff at several of its factories. In addition, the company's revised vehicle policy prioritizes low-emission vehicles, including hybrids and electric cars. All Scanfil sites calculate their employees' commuting based on a careful assessment of transport patterns as a basis for finding improvement opportunities and being able to offer the employees attractive opportunities for environmentally friendly alternatives.

Scanfil's GHG emission reduction targets (scope 1-3) have received validation from the Science Based Targets initiative (SBTi) in September 2024, adhering to the stringent criteria of the Paris Agreement, which aims to limit global warming to 1.5 degrees Celsius. The scope 3 target also relates to Scanfil's suppliers meeting the rigorous standards set by the SBTi and aligns with best practices.

Furthermore, Scanfil has committed to ensuring that 60% of its total energy consumption is fossil-free by 2030, which is an increase from the previous target of 50% set in 2020. As of 2024, the proportion of fossil-free energy rose to 50%, up from a baseline of 28% in 2020. For electricity, Scanfil has set up a target to achieve 100% renewable electricity sourcing by 2030 with 2020 as the baseline year. In 2024, the proportion of fossil-free electricity amounted to 54% of the total electricity consumption, which is an increase of 31% in comparison to the baseline. Scanfil works actively to negotiate fossil-free electricity, and the factories in Poland, Sweden, Finland, and Germany have fossil-free electricity.

## 2.2.2 Policies related to climate change mitigation and adaptations

Scanfil's policies related to climate change mitigation and adaptations consist of 1) Environmental Policy, 2) Code of Conduct, and 3) Supplier Code of Conduct.

Scanfil's policies encompass all areas of operations and upstream activities and are applied across all geographical locations where business is conducted. The policies strive to manage identified risks and opportunities relating to reducing the environmental impact.

### Environmental Policy

Scanfil's Environmental Policy is a comprehensive declaration of the commitment to using renewable resources, streamlining processes, and continuously improving environmental efforts.

The Environmental Policy is governed by the requirements of the

quality and environmental managements system, ISO 9001 and 14001, respectively.

Scanfil states in the Environmental Policy its aim to mitigate climate change by striving for fossil-free energy consumption.

Specific actions for achieving this are not currently mentioned in the Environmental Policy but it includes purchasing energy from renewable resources for its production facilities. In addition, Scanfil has started to develop its own energy production to adapt to climate change.

The person responsible for implementing and following up on the Environmental Policy is the Director Global Sustainability at Scanfil.

### Internal Code of Conduct

The internal Code of Conduct states that Scanfil works with continuous improvements by taking environmental aspects and the demands from customers into account, acknowledging the effects of production on the environment as well as trying to minimize environmental risks.

All Scanfil employees receive regular training regarding the Code of Conduct. In addition, it is also mandatory training for new employees and part of the onboarding process. Employees must be aware of Scanfil's commitment to environmental issues and this commitment is encouraged in daily work.

Environmental principles stated in the Code of Conduct are aligned with Scanfil's ambitions related to reducing GHG emissions, renewable energy consumption and production, and waste.

The person responsible for implementing and following up on the Internal Code of Conduct is the Director Global Sustainability at Scanfil.

### Supplier Code of Conduct

A major challenge for Scanfil is related to GHG emissions for purchased goods and services in scope 3.1.

The purpose of Scanfil's Supplier Code of Conduct is to align supplier efforts with the company's overarching targets relating to climate change mitigation and adaptation. Scanfil is engaged in several activities to reduce GHG emissions in the upstream value chain, including monitoring GHG emissions on a material and product level. This enables Scanfil to assess the GHG performance of its suppliers.

The Supplier Code of Conduct is also an important tool in aligning Scanfil's procurement strategy with climate change adaptation measures in the future. Taking geographical aspects into consideration reduces the risk of disruptions in the value chain.

The Supplier Code of Conduct states that energy consumption and greenhouse gas emissions are to be tracked and documented, at supplier facilities and/or at the corporate level. Participants are to look for cost-effective methods to improve energy efficiency and minimize their energy consumption and greenhouse gas emissions.

The person responsible for implementing and following up the Supplier Code of Conduct is the Director Global Sustainability at Scanfil.

Information regarding the participants' environmental practices and performance is to be disclosed following the applicable regulations and prevailing industry practices. The table below presents the company's policies concerning these topics.

| Policy | Description of policy | Scope of policy |
|---|---|---|
| Environmental Policy | Scanfil's Environmental Policy aims to position the company as a reliable partner through exceptional performance, integrating environmental considerations into all business strategies. It commits to compliance with all relevant laws and standards, actively working to minimize the environmental impact, reduce greenhouse gas emissions, and pursue the implementation of renewable energy sources. According to the environmental policy, Scanfil will continuously work to prevent environmental impact by reducing air and water pollution, conserving natural resources, and continuously enhancing practices to meet stakeholder expectations. | • Environmental integration in strategy<br>• Regulatory compliance<br>• Impact prevention and reduction<br>• Resource conservation<br>• Stakeholder engagement and continuous improvement |
| Code of Conduct | The environmental section of Scanfil's Code of Conduct emphasizes continuous improvement and accountability in minimizing environmental impact. It outlines the key principles, such as compliance with environmental legislation, efficient use of natural resources, and reduction of GHG emissions. Scanfil commits to transparency in environmental reporting, providing regular updates to authorities. Employee training is also prioritized to foster a culture of environmental responsibility, while ongoing technological and procedural advancements support resource efficiency and sustainable practices throughout Scanfil's own operations. | The environmental scope in Scanfil's Code of Conduct emphasizes a commitment to continuous improvement in environmental sustainability. Scanfil recognizes the impact of its production on the environment and is dedicated to minimizing environmental hazards through various initiatives. These include reducing carbon footprint, minimizing fossil fuel consumption, managing water usage, and waste reduction. Compliance with local environmental laws and efficient use of global natural resources are prioritized. Scanfil also aims to reduce industrial emissions and enhance recycling efforts, regularly informing authorities of environmental impact and providing training to ensure employee commitment to these sustainable practices. |
| Supplier Code of Conduct | The environmental section of Scanfil's Supplier Code of Conduct emphasizes the importance of sustainable practices and pollution prevention. Key points include:<br>• Resource responsibility: Suppliers are expected to use resources responsibly and work toward minimizing their environmental impact.<br>• Energy efficiency: According to the Supplier Code of Conduct, energy consumption and greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level.<br>• Transparency: Suppliers should disclose their environmental practices and performance according to the applicable regulations and industry standards, as well as their GHG emissions.<br>Overall, Scanfil expects its suppliers to commit to environmentally responsible operations that align with the principles of the UN Global Compact initiative. | The environmental scope of the Scanfil Supplier Code of Conduct emphasizes pollution prevention, resource reduction, and responsible handling of hazardous substances. Suppliers are expected to actively minimize environmental impact by reducing emissions, waste, and energy consumption. They must ensure the safe management of hazardous materials and disclose energy and emissions data in alignment with industry standards.<br>Suppliers are encouraged to improve energy efficiency and reduce greenhouse gas emissions while maintaining transparency about their environmental practices. This aligns with Scanfil's commitment to sustainability and environmental responsibility throughout its supply chain. |

## 2.2.3 Actions and resources in relation to climate change policies

### Greenhouse gas emissions and energy in the company's operations

Scanfil is developing a comprehensive plan to mitigate climate change in its own operations. The plan includes investments and measures to replace fossil fuels with renewable fuels and fossil-free electricity across all the Scanfil's factories to lower GHG emissions.

One of Scanfil's key actions for each production unit in its own operations is developing a long-term strategy to achieve fossil-free operations. These measures apply to the electricity and fuels used for heating at the production facilities. Moreover, Scanfil continues its transition to fully renewable or fossil-free alternatives for its purchased energy.

Furthermore, Scanfil continuously improves the efficiency of its energy and water use in its own operations through ongoing development and investment. Reducing water use is an important part of climate change mitigation, as the energy required to process water and wastewater treatment generates greenhouse gas emissions.

To improve the overall quality of Scanfil, long-term 2-3% of yearly revenue is invested in the development of factories. There is an investment plan for each factory initiated. During the reporting year, the implementation of solar cells at the Suzhou facility was the single largest initiative to reduce fossil fuel emissions and improve energy efficiency, resulting in a 20% improvement in electricity consumption and an increase in the fossil-free share of the Suzhou factory to 30%, together with 10% renewable electricity sources. As of 2024, the investment is only measured on an overarching level, and specific investments used, like the solar cells in Suzhou cannot be disclosed.

### Greenhouse gas emissions in the value chain

In 2024, Scanfil continued its long-term efforts to reduce greenhouse gas emissions across the value chain. This year, Scanfil expanded its tracking and reporting of indirect emissions from the value chain. This included emissions from purchased goods and services, upstream suppliers, upstream transportation, business travel, and employee commuting.

Scanfil Group encourages suppliers to set emission reduction targets to mitigate climate change. Scanfil has also requested that all key and preferred suppliers make an EcoVadis assessment, and this recommendation is part of the Supplier Code of Conduct. The supplier's achievement is monitored in supplier assessments and audits.

### Climate change adaptation

Adaptation to climate change requires handling acute threats, such as extreme weather events, and chronic risks arising from climate change's effects on electricity, water, and other critical resources. For Scanfil, the biggest risk is in the availability of purchased material, which can affect the business negatively if supply is disrupted. To mitigate this, Scanfil's purchasing team closely monitors the situation and uses risk assessment and redundancy strategies.

Currently, Scanfil has no defined scope or time horizon for this key action. During 2025, Scanfil will decide on when this will be implemented.

### Developing a net zero strategy and targets

Scanfil's short-term 2030 program started in September 2023 with a central team of people, with the support of all units' designated managers, to drive the scope 3 reduction and further improve the performance of Scanfil's scope 1 & 2 GHG emissions.

An external consultant has provided guidance since the program's inception. After the initial analysis of Scanfil's carbon footprint, scope 1 & 2 emissions have been continuously monitored. A full carbon footprint analysis across the entire value chain has been carried out, and as of March 2024, scope 3 GHG emissions are now also in scope.

At present, Scanfil has not yet established a net-zero target for 2050. However, Scanfil is commited to setting a net-zero target within the next few years through the SBTi.

### Developing the process for sustainability reporting

Having acquired the Position Green reporting tool in 2023, Scanfil obtained direct reporting from all the sites and offices from January 2024. The intervals for reporting depend on the availability of data, but the main rule is that all quantitative data must be reported as frequently as possible (quarterly or semi-annually), while qualitative data is reported at longer intervals.

As the implementation of Position Green is new, Scanfil has no defined scope or time horizon for this key action. During 2025, Scanfil will decide when this will be implemented and how the key actions can be expanded.

### Outcome of climate change mitigation actions

For scope 1 and 2 GHG emissions, Scanfil has achieved 48% reduction by 2024. These are some of the long-term actions and reduction is expected to continue. By 2030, Scanfil aims to reduce scope 1 and 2 GHG emissions by 55.8%. For scope 3 GHG emissions, Scanfil has achieved a reduction of 26% by 2024. For the target year 2030, the scope 3 GHG emissions must have been reduced by 25.0%.

| Action | Scope of action |
|---|---|
| Mitigate climate change in its operations | Scanfil is committed to reducing its absolute greenhouse gas (GHG) emissions significantly by 2030, with specific targets set for scope 1, 2, and 3 emissions:<br>• Scope 1 and 2 emissions: Scanfil aims for a 55.8% reduction from 2020 levels by 2030.<br>• Scope 3 emissions: Scanfil targets a 25% reduction in scope 3 emissions from the baseline year of 2022, which includes emissions from purchased goods and services, capital goods, fuel-related activities, and more.<br>• Sustainable travel: While business travel is necessary for operations, Scanfil is working to minimize it by promoting virtual meetings and encouraging employees to choose environmentally friendly travel options. Travel emissions are tracked and categorized.<br>• Commuting solutions: To reduce emissions from employee commuting, Scanfil provides bus transportation and has adopted a vehicle policy favoring low-emission vehicles. Commuting patterns are assessed to identify opportunities for more sustainable transport options.<br>• Energy consumption: Scanfil uses energy for heating, cooling, lighting, and production, consuming a significant amount of electricity and total energy. Scanfil is actively negotiating for fossil-free electricity supply, and the factories in Poland, Sweden, Finland, and Germany are already using such energy sources. |
| Mitigate climate change in the value chain | Purchased goods and services represent the largest portion of Scanfil's GHG emissions. Scanfil is updating its business system to incorporate GHG emissions data per component, enabling better measurement and comparison of the carbon footprint associated with different suppliers. |

## Capital and operational expenditures related to EU Taxonomy-eligible activities

**Scanfil's CapEx relevant line items in the financial statements are detailed as follows:**

1. Additions to property, plant, and equipment
   A value of 1.19 MEUR stems from all type A capital expenditures related to the physical assets required for the manufacturing of products and components contributing to Climate Change Mitigation [CCM] (EU Taxonomy activities 3.5 & 3.20). Energy-related investments are type C capital expenditures contributing to CCM (EU Taxonomy activity 4.1). Its value is 0.97 MEUR, which stems from an investment in rooftop solar cells.

2. Additions to intangible assets
   A value of 0.88 MEUR stems from all type A capital expenditures related to the non-physical assets required for the manufacturing of products and components of contributing to CCM (EU Taxonomy activities 3.5 & 3.20), including patents, trademarks and software.

3. Additions to capitalized right-of-use assets
   A value of 0.57 MEUR stems from all type A capital expenditures related to the lease agreements required for the manufacturing of products and components of contributing to CCM (EU Taxonomy activities 3.5 & 3.20).

**Scanfil's OpEx KPIs are detailed as follows:**

1. Costs of short-term leases
   A value of 0.11 MEUR stems from all operating expenditures required for the continuation of climate change mitigation contributions for manufacturing to CCM (EU Taxonomy activities 3.5, 3.20).

2. Costs of maintenance, repair and equipment
   A value of 0.78 MEUR stems from all operating expenditures required for the continuation of climate change mitigation contributions for manufacturing to CCM (EU Taxonomy activities 3.5, 3.20). For energy-related activities contributing to CCM (EU Taxonomy activity 4.1), a value of 0.01 MEUR stems from the OpEx of the rooftop solar cells.

**Scanfil's KPIs for CapEx and OpEx have been calculated with the following methodology:**

1. CapEx and OpEx related to manufacturing for CCM (EU Taxonomy activities 3.5 & 3.20)
   Since Scanfil's existing CapEx is used for both taxonomy-eligible and non-eligible activities without a clear separation, the CapEx value is calculated based on the proportion of taxonomy-eligible and aligned turnover. For example, if 7 % of total turnover is taxonomy-eligible, then 7 % of CapEx is allocated accordingly. The same method applies to OpEx related to manufacturing.

2. CapEx and OpEx related to energy-related investments for CCM (EU Taxonomy activity 4.1)
   For energy-related investments, CapEx and OpEx are clearly distinguished. As such, their value is directly attributed to the specific projects and initiatives that are taxonomy eligible. These expenditures are fully allocated to the relevant line items in the financial statements, ensuring transparency and compliance with the EU Taxonomy Regulation.

**Scanfil's planned significant CapEx and OpEx investments are focused on renewable energy and energy storage.**
As of yet, Scanfil has no 'CapEx plan' related to the expansion of Taxonomy-aligned economic activities or the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.
This will be a prioritized undertaking for 2025.

## 2.2.4 Targets related to climate change mitigation and adaptation

Scanfil's reporting of scope 1, 2, and 3 emissions, covers all factories, warehouses, and offices. Scope 1 and 2 have a baseline from 2020 and scope 3 has a baseline from 2022.

In May 2015, Scanfil announced the acquisition of the company PartnerTech AB. During the time leading up to 2020, the company has successfully been integrated into Scanfil's operations leading to minimal effects on the results of the baseline year 2020. The Covid-19 pandemic that occurred in 2020 has had minimal effects on the company's turnover as the business operations were minimally impacted which can be seen through minimal deviations in comparison to other year's turnovers.

The baseline year for scope 3 is set to 2022 and there are no great deviations in terms of turnover for the baseline year in comparison to previous years.

For total GHG emissions, Scanfil uses the market-based method to track progress towards its targets for scope 1 and 2 as well as scope 3.

In 2025, Scanfil will decide on when a climate scenario will be carried out to detect relevant environmental, societal, technology, market, and policy developments to determine its decarbonization levers.

The consistency of GHG emission reduction targets with the GHG inventory boundaries has been ensured by aligning the scope and boundaries of the targets with those defined in the inventory methodology. In addition, Scanfil performed a comprehensive review between 2023-2024 of the scope 3 GHG emissions. As of 2024, all factories and offices report in an environmental reporting system, Position Green, which ensures continuity, adaptation, and enhanced data quality. This also applies to scope 1 and 2 GHG emissions.

Scanfil has validated short-term targets for 2030 via SBTi. Targets approved by the SBTi are scientifically based because they are built on the latest climate research and are designed to align with the goals of the Paris Agreement.

Currently, Scanfil does not have a net-zero target for 2050 but is committed to setting up a net-zero target within a few years via SBTi.

For Scanfil's SBTi short-term targets, the expected outcome for 2030, and the progress until 2025 are presented below:

Scope 1 and 2 GHG emissions:

- Target: Reduce absolute GHG emissions by 55.8% by 2030 with 2020 as the baseline year, equating to a 5.58% yearly reduction.
- Progress: After 2024, the GHG emissions in scope 1 and 2 have been reduced from 16,901 tCO2e to 8,774 tCO2e, equating to a reduction of 48%.

Scope 3 GHG emissions (category 1-7):

- Target: Reduce the absolute GHG emissions by 25% by 2030 with 2022 as the baseline year, equating to a 3.13% yearly reduction.
- Progress: After 2024, the GHG emissions have been reduced from 653,454 tCO2e to 482,319 tCO2e, equating to a reduction of 26%.

Scanfil's renewable energy sourcing target and progress are presented below:

- Target: Achieve 100% fossil-free electricity sourcing by 2030 with 2020 as the baseline year equating to a 7.7% yearly increase.
- Progress: The sourcing of fossil-free electricity has been increased from 23% to 54%.
- Target: Achieve 60% fossil-free energy sourcing by 2030 with 2020 as the baseline year, equating to a 3.2% yearly increase.
- Progress: The sourcing of fossil-free energy has been increased from 28% to 50%.

| Scope | Baseline year | Baseline | Target 2030 |
|---|---|---|---|
| **Scope 1 GHG emissions** | | | |
| Move to district heating, biofuel heating, geothermal heating, energy reduction of air conditioning, electric cars | 2020 | 1,507 | 874 |
| **Scope 2 GHG emissions** | | | |
| Energy reduction activities, green electricity, solar cells | 2020 | 15,394 | 6,600 |
| **Significant scope 3 GHG emissions** | | | |
| 1. Purchased goods and services | | | |
| Supplier engagement to improve data quality and reduce emissions | 2022 | 616,438 | 462,329 |
| 2. Capital goods | | | |
| Supplier engagement to improve data quality and reduce emissions | 2022 | 16,322 | 12,242 |
| 3. Fuel and energy-related activities (not included in scope 1 or scope 2) | | | |
| Fuel and energy supplier base management | 2022 | 4,554 | 3,416 |
| 4. Upstream transportation and distribution | | | |
| Transport and distribution supplier base management | 2022 | 12,959 | 9,719 |
| 5. Waste generated in operations | | | |
| No planned actions | 2022 | 60 | 45 |
| 6. Business traveling | | | |
| No planned actions | 2022 | 263 | 197 |
| 7. Employee commuting | | | |
| Offer environmentally friendly alternatives for employee commuting such as carpooling, bus transport, and company bicycles | 2022 | 2,858 | 2,144 |

## 2.2.5 Energy consumption and mix

Scanfil tracks the final energy consumption across all its production facilities. Final energy consumption refers to the total fuel, electricity, and heat consumed, without accounting for the efficiency factors of those energy sources. To calculate the final energy consumption, Scanfil sums up the fuel used at its factories, warehouses, and offices as well as the amount of electricity and heat purchased.

### Energy consumption and combination of energy sources

The table presents Scanfil's energy consumption and mix including fossil, nuclear and renewable sources.

Scanfil has invested in solar panels for its production facility in Suzhou, China. These solar panels will provide the facility with self-produced renewable energy. For 2024, the solar panels have resulted in a production of 324 MWh from September to the end of 2024.

The self-produced energy from the solar panels has been deducted from the total renewable energy consumption to avoid double counting.

Scanfil does not produce any non-renewable energy within its operations.

Scanfil purchases certificates of fossil-free electricity. Suppliers are trusted by Scanfil, as recognized suppliers from the respective areas where Scanfil has business.

| Energy consumption and mix | 2024 |
|---|---|
| 1. Fuel consumption from coal and coal products (MWh) | 0 |
| 2. Fuel consumption from crude oil and petroleum products (MWh) | 4,976 |
| 3. Fuel consumption from natural gas (MWh) | 1,779 |
| 4. Fuel consumption from other fossil sources (MWh) | 0.39 |
| 5. Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh) | 12,834 |
| **6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)** | 19,589 |
| **Share of fossil sources in total energy consumption (%)** | 50 |
| **7. Consumption from nuclear sources (MWh)** | 2,291 |
| **Share of consumption from nuclear sources in total energy consumption (%)** | 6 |
| 8. Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh) | 184 |
| 9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh) | 16,922 |
| 10. The consumption of self-generated non-fuel renewable energy (MWh) | 324 |
| **11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)** | 17,431 |
| **Share of renewable sources in total energy consumption (%)** | 44 |
| **12. Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)** | 39,311 |

### Energy intensity based on net revenue

Scanfil's energy intensity is 50.4 MWh/MEUR. This is the first time that Scanfil is reporting the energy intensity. Consequently, there are no comparative figures available for benchmarking the energy intensity.

| Energy intensity per net revenue | 2024 |
|---|---|
| Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/MEUR) | 50.4 |

All activities within Scanfil are considered to belong to sectors with high climate impact. Scanfil's activities as a manufacturing service provider belong to category C Manufacturing of electronic components in Regulation (EC) No 1893/2006 of the European Parliament and of the Council.

### Connectivity of energy intensity on net revenue with financial reporting information

The table below outlines Scanfil's net revenue in 2024 used to determine the energy intensity. See the financial report for the reconciliation of net revenue in Notes to the financial statements 1.1.

| | |
|---|---|
| Net revenue from activities in high climate impact sectors used to calculate energy intensity (MEUR) | 780 |
| Other net revenue (MEUR) | 0 |
| **Total net revenue (MEUR)** | 780 |

## 2.2.6 Gross scope 1, 2, 3 and total GHG emissions

### Gross scope 1, 2, 3 and total GHG emissions

In 2024, Scanfil started to utilize the Position Green sustainability reporting system to report the company's scope 1, 2, and 3 GHG emissions. The transition to Position Green secures the data quality, both in terms of activity data and environmental data. However, a comparison of GHG emissions in scope 1 and 2 shows that the transition has had a negligible impact on Scanfil's climate footprint. This means that Scanfil is confident in the accuracy of its previously communicated GHG emissions.

The GHG emission reporting has considered the GHG Protocol Corporate Standard, the GHG Protocol Scope 2 Guidance, and the GHG Protocol Corporate Value Chain Accounting and Reporting Standard.

Scanfil has used operational control as a consolidation approach to define the organizational boundary. Scope 1 includes direct GHG emissions from sources owned or controlled by Scanfil. The scope 1 GHG emissions have been calculated from the fuels used by production units, where all production facilities at Scanfil have reported activity data in Position Green. The calculation is based on supplier-specific emission factors for fuels or national emission factors.

Scope 2 includes indirect GHG emissions from the production of purchased electricity and heat consumed by Scanfil. Two different methods are used for scope 2 GHG emissions. The market-based method uses supplier-specific emission factors, supplemented with national residual mix emission factors for untracked purchased electricity. In the location-based method, country-specific average emission factors for electricity are used. The residual mix factors and country-specific factors have been obtained from the AIB (Association of Issuing Bodies) report on emission factors. Currently, Scanfil purchases certificates on fossil free electricity. The suppliers are trusted by Scanfil, as recognized suppliers from the respective areas where Scanfil has business.

All factories have contractual instruments; however, the contractual instruments do not cover 100% of the purchased energy. Therefore, the contractual instruments equal a total of 56%. Out of these contractual instruments used for the sale and purchase of energy, 100% are bundled with attributes, meaning 0% are unbundled energy attribute claims. The types of bundled contractual instruments used are Guarantees of origin (GO), Renewable electricity Certificates and Certificates of own electricity production (Suzhou).

For scope 3 categories, the materiality was determined with respect to Scanfil Group's business areas. The GHG emission calculations used spend-based and activity-based methods. For scope 3.11, the calculations are limited to the usage of small and large PCBAs, and the GHG emissions only cover direct emissions. In addition, the GHG emissions from Scanfil's offices are based on approximations.

Scope 3.8 to 3.10 and scope 3.12 to 3.15 were excluded from the calculations, as they were deemed non-material with neglected impact on the GHG emissions. In addition, Scanfil does not have significant leased assets under scope 3 that are not already accounted for in scope 1 and scope 2, nor does Scanfil engage in franchising. The operational data used in the calculation is obtained from Scanfil's internal systems. In the absence of accurate data, assumptions have been used. The emission factors used are mainly from global databases, including Ecoinvent 3.9.1, EXIOBASE 3, DEFRA's GHG conversion factors (full set 2022), and IEA's Life Cycle Upstream Emission Factors (2023).

Scanfil does not have emissions from investees nor joint arrangements not structured through an entity.

In October 2024, Scanfil acquired SRXGlobal Pty Ltd. (SRX) to expand its business in Asia-Pacific. The acquisition includes SRX factories in Melbourne, Australia, and Johor Bahru, Malaysia, with 8 automated SMT lines and about 300 employees. Financially, SRX's had a turnover of EUR 42.0 million and EUR 39.0 million for the years ending June 30, 2023, and June 30, 2024, respectively. Taking this into account, it will

trigger a recalculation of the base years for scope 1 and 2 as well as scope 3 according to Scanfil's recalculation policy. The recalculations are planned for 2025, and revised baselines will be reported in the next reporting period. SRX's fourth quarter data has been included in Scanfil's GHG reporting.

In total, Scanfil used 40% primary data and 60% secondary data in scope 3 with respect to the GHG emissions.

For some data in scope 3, it was unknown whether the data type was primary or secondary data. In these cases, it has been assumed that the data type is secondary data.

The table below presents the scope 3 categories included in Scanfil's GHG reporting and the reasons why certain categories have been excluded. Additionally, it includes information on the ratio of primary to secondary data for each category.

| Scope 3 category | Scope | Motivation to exclusion | Primary data (%) | Secondary data (%) |
|---|---|---|---|---|
| 1. Purchased goods and services | x | - | 0 | 100 |
| 2. Capital goods | x | - | 0 | 100 |
| 3. Fuel and energy-related activities (not included in scope 1 or scope 2) | x | | 35 | 65 |
| 4. Upstream transportation and distribution | x | - | 43 | 57 |
| 5. Waste generated in operations | x | - | 61 | 39 |
| 6. Business travel | x | - | 64 | 36 |
| 7. Employee commuting | x | - | 35 | 65 |
| 8. Upstream leased assets | - | All upstream leased assets are reported in scope 1 and 2 | - | - |
| 9. Downstream transportation | - | Neglected impact on GHG emissions | - | - |
| 10. Processing of sold products | - | Neglected impact on GHG emissions | - | - |
| 11. Use of sold products | x | - | 100 | 0 |
| 12. End-of-life treatment of sold products | - | Neglected impact on GHG emissions | - | - |
| 13. Downstream leased assets | - | Scanfil does not have any downstream leased assets | - | - |
| 14. Franchises | - | Scanfil does not have any franchise activities | - | - |
| 15. Investments | - | Scanfil does not have any investment activities outside its core business | - | - |

For scope 1, Scanfil emits 58 tons of biogenic CO2 emissions due to the combustion of wood logs.

Furthermore, Scanfil is required to disclose biogenic emissions from the combustion or biodegradation of biomass separately from the scope 2 GHG emissions as well scope 3 GHG emissions. Currently, Scanfil uses Position Green to report on the GHG emissions in scope 2 and 3. However, there are no fallback emission factors for biogenic emissions in scope 2 and 3. Taking this into account, Scanfil has estimated the biogenic emissions.

The emission factors for biogenic emissions are based on datasets from Ecoinvent version 3.11. The net biogenic emissions have been approximated as the difference between the impact category Climate Change: Biogenic Emissions (incl. CO2) in LCIA IPCC 2021 (incl. biogenic CO2) and the impact category Climate Change: biogenic (excl. CO2) in LCIA IPCC 2021. The datasets used are considered as fair representations of the areas and processes concerned

For the scope 3 biogenic emission calculations, scopes 3.1-3.7 and 3.11 are included, where the contribution from scope 3.7 has been assumed to be neglected.

Taking this methodology into account, the biogenic emissions for scope 2 were estimated to be 814 tons of CO2, and for scope 3: 30,891 tons of CO2. The results are subject to uncertainty; however, moving forward Scanfil will improve the data quality and calculation methodology for more representative results.

The following table discloses the results of Scanfil's GHG reporting. The base year for reporting in scope 1 and 2 is 2020, while the base year for scope 3 is 2022. Data reported during Scanfil's base years represent the GHG emissions for the different base years, 2020 and 2022, respectively. As a result, the total GHG emissions for location-based and market-based methods contain summarized data from both base years.

The "Comparative" column is missing data for all scope 3 categories. This is due to Scanfil starting the data collection for monitoring GHG emissions in 2024.

As the table below describes, Scanfil has not set up any targets for 2025 and 2050. Additionally, Scanfil's target for scope 3 GHG emissions does not include category 3.11. Consequently, GHG emissions from scope 3.11 are not included in the annual % target / base year.

Scanfil is not part of any regulated emission trading schemes.

| | Retrospective | | | | Milestones and target years | | | |
|---|---|---|---|---|---|---|---|---|
| **Scope 1 GHG emissions** | **Base year** | **Comparative 2023** | **2024** | **% N / N-1** | **2025** | **2030** | **(2050)** | **Annual % target / Base year** |
| Gross scope 1 GHG emissions (tCO2eq) | 1,507 | 1,227 | 1,706 | 39 % | - | 874 | - | 4.20 % |
| Percentage of scope 1 GHG emissions from regulated emission trading schemes (%) | - | - | - | - | - | - | - | - |
| **Scope 2 GHG emissions** | | | | | | | | |
| Gross location-based scope 2 GHG emissions (tCO2eq) | 13,254 | - | 15,112 | - | - | - | - | - |
| Gross market-based scope 2 GHG emissions (tCO2eq) | 15,394 | 7,618 | 7,068 | -7 % | - | 6,600 | - | 5.71 % |
| **Significant scope 3 GHG emissions** | | | | | | | | |
| Total Gross indirect (scope 3) GHG emissions (tCOeq) | 935,492 | - | 737,128 | - | - | 490,091 | - | 3.13 % |
| 1. Purchased goods and services | 616,438 | - | 452,389 | - | - | 462,329 | - | 3.13 % |
| 2. Capital goods | 16,322 | - | 11,697 | - | - | 12,242 | - | 3.13 % |
| 3. Fuel and energy-related activities (not included in scope 1 or scope 2) | 4,554 | - | 4,504 | - | - | 3,416 | - | 3.13 % |
| 4. Upstream transportation and distribution | 12,959 | - | 9,706 | - | - | 9,719 | - | 3.13 % |
| 5. Waste generated in operations | 60 | - | 134 | - | - | 45 | - | 3.13 % |
| 6. Business traveling | 263 | - | 386 | - | - | 197 | - | 3.13 % |
| 7. Employee commuting | 2,858 | - | 3,503 | - | - | 2,144 | - | 3.13 % |
| 8. Upstream leased assets | - | - | - | - | - | - | - | - |
| 9. Downstream transportation | - | - | - | - | - | - | - | - |
| 10. Processing of sold products | - | - | - | - | - | - | - | - |
| 11. Use of sold products* | 282,038 | - | 254,809 | - | - | - | - | - |
| 12. End-of-life treatment of sold products | - | - | - | - | - | - | - | - |
| 13. Downstream leased assets | - | - | - | - | - | - | - | - |
| 14. Franchises | - | - | - | - | - | - | - | - |
| 15. Investments | - | - | - | - | - | - | - | - |
| **Total GHG emissions** | | | | | | | | |
| Total GHG emissions (location-based) (tCO2eq) | 950,253 | - | 753,947 | - | - | - | - | - |
| Total GHG emissions (market-based) (tCO2eq) | 952,393 | - | 745,903 | - | - | 497,565 | - | 3.22 % |

*All rows marked with " – " indicate that there is no data to be reported.*

** The total GHG emissions (location-based) and (market-based) sums up two different base years: 2020 for scope 1 and 2, and 2022 for scope 3 * Note that 11. Use of sold products is not included in the annual % target / base year.*

### GHG intensity based on net revenue

Scanfil's GHG intensity is 967 tCO2eq/MEUR using the location-based method and 956 tCO2eq/MEUR using the market-based method. The GHG emissions for both the location-based and market-based methods are the same as those reported in the table above.

This is the first time that Scanfil is reporting on GHG intensity based on net revenue. Consequently, there are no comparative figures available for benchmarking.

| GHG intensity per net revenue | 2024 |
|---|---|
| Total GHG emissions (location-based) per net revenue (tCO2eq/MEUR) | 967 |
| Total GHG emissions (market-based per net revenue (tCO2eq/MEUR) | 956 |

### Connectivity of GHG intensity on net revenue with financial reporting information

The table below outlines Scanfil's net revenue in 2024 which was used to determine the intensity of GHG emissions. See the financial report for the reconciliation of net revenue in Notes to the financial statements 1.1.

| | |
|---|---|
| Net revenue used to calculate GHG intensity (MEUR) | 780 |
| Other net revenue (MEUR) | 0 |
| **Total net revenue (MEUR)** | 780 |

## 2.2.7 GHG removals and GHG mitigation projects financed through carbon credits

Scanfil does not finance any GHG removals and GHG mitigation projects through carbon credits.

## 2.2.8 Internal carbon pricing

Scanfil does not apply any internal carbon pricing schemes. Thus, the subtopic is considered non-material.

# 2.3 Pollution

## 2.3.1 Policies related to pollution

In the Environmental Policy, Scanfil has committed to being a reliable partner for customers and to complying with the laws, regulations, and other requirements, which the company follows and relates to in environmental aspects.

Environmental management and continued environmental performance are governed by the requirements of the production units' certified quality and environmental management systems. Emissions and waste of all types are to be minimized or eliminated at the source or by practices such as the use of pollution control equipment, modifying production, maintenance, and facility processes. Chemicals, waste, and other materials posing a hazard to humans, or the environment are to be identified, labeled, and managed to ensure safe handling, movement, storage, use, recycling, reuse, and disposal. The Environmental Policy is an internal Scanfil policy related to its own operation activities.

Through the selection, use, and development of technological and economical solutions in Scanfil's production processes, the Group aims to reduce environmentally harmful industrial emissions classified as Substances of very high concern (SVHC).

The Scanfil Supplier Code of Conduct states resources shall be used responsibly and carefully. Suppliers' efforts shall focus on reducing any environmental burden associated with their business activities and operational practices. Developments that lessen the environmental and social effects of Scanfil's business shall be supported. The Supplier Code of Conduct mandates requirements for the value chain operations. Usually, the material impact regarding information on SVHC to customers is handled either by request or in the Scanfil customer contract. The information to the Environmental Chemical Agency (ECHA) is handled through mandatory Substances of concern inproduct (SCIP)-reports.

Scanfil's Director Global Sustainability is accountable for the implementation of both policies mentioned above.

Scanfil has policies in place relating to SVHC, however, these policies do not fulfil the full requirements for policies adopted to manage material sustainability matters. During 2025, Scanfil aims to decide when to start working on aligning the policies with the requirements.

Since Scanfil is a contract manufacturing company, it produces outputs based on its customer's product specifications. Before signing any agreements with new customers, Scanfil makes sure to thoroughly assess and evaluate the customer's operations and value chain activities to make sure they are aligned with Scanfil's policies and Code of Conduct. Scanfil has no other authorities to decide what substances are used, substituted, or phased out.

Scanfil's Code of Conduct provides sufficient information, instructions, training, and supervision to enable all employees to avoid hazards and contribute to their own health and safety at work. Scanfil's employees are involved in health and safety decisions through consultation and cooperation.

Scanfil complies with legal requirements, developing and implementing appropriate health and safety procedures and working practices. Local sites have instructions to be compliant with the Code of Conduct and risk analyses are conducted per legal requirement.

Each substance used has its own risk instruction and safety data sheet (SDS) with instructions on what to do if accidents occur.

## 2.3.2 Actions and resources related to pollution

Scanfil has not currently adopted any actions relating to SVHC. During 2025, the company plans to decide on when to implement the action plan. The key actions, with specified time horizons, will align with the company's policies and aim to mitigate negative impacts from SVHC, where possible, in own operations and its value chain.

## 2.3.3 Targets related to pollution

At Scanfil, mandatory regulatory requirements and legislations of SVHC are applied but the company has no specific targets. The reason is that all product specifications are provided by customers.

Scanfil anticipates setting initial targets during 2025 as its data collection and impact assessment processes are advanced. The targets that will be set, are to be developed over time including measurable, timebound, outcome-oriented targets with a baseline year in line with policies that cover Scanfil's own operations and handling of SVHC.

## 2.3.4 Pollution of air, water and soil

Scanfil does not consider pollution of air, water and soil as a material topic. Thus, no information is disclosed.

## 2.3.5 Substances of concern and substances of very high concern

Scanfil has implemented procedures to meet legislation based on EU Directives such as, but not limited to, REACH and RoHS. The RoHS and REACH Directives set obligations for companies working within the EU to implement procedures that will identify and control the use of any

restricted or forbidden material or chemicals.

As Scanfil is not a manufacturer of chemicals, the focus in compliance work is on the incoming material. There are mainly two groups of materials that need to be controlled.

A. The material used in Scanfil factories and needed for manufacturing processes. This can be materials like tin, glue, oil, paint, chemicals, etc.

B. The components or products used in final products (acc. bill of material).

Scanfil manufacturing sites do control the chemicals or substances used in the factories, but these are not included in the customer-owned specification. This material is always controlled and handled according to the RoHS and REACH Directives.

For the components and products specified by the customer that are used in manufactured products, the information is obtained if the content is under-reporting requirements. The information comes primarily from Scanfil's suppliers, but data can also be obtained through publicly available material declarations.

Scanfil always informs its customers if the RoHS and REACH content of the material is over the threshold value and mandated by legal requirements, and in return, expects the customers to report any deviations back to Scanfil. Scanfil always specifies in its purchase orders and supplier agreements that suppliers must be aware of and understand these requirements regardless of whether the supplier is located within or outside the EU. In addition to this, an information letter about changes in the directive is regularly sent to all Scanfil's suppliers.

The SCIP database (Substances of very high concern in articles, as such or in objects (Products)) is a vital tool established by the ECHA as part of the European Union's Waste Framework Directive. Its primary objective is to improve transparency regarding the presence of substances of very high concern in products and promote a circular economy by ensuring safer recycling and disposal practices.

In alignment with the Waste Framework Directive, companies supplying articles containing substances of very high concern must submit detailed information to the SCIP database. These SVHCs are listed in the EU REACH regulation's Candidate List, and their inclusion in the SCIP database ensures that waste operators, consumers, and other stakeholders are informed of potentially harmful substances.

As part of Scanfil's sustainability strategy, the Group is fully compliant with SCIP reporting requirements. This commitment underscores the dedication to responsible sourcing, product safety, and transparency in managing substances of very high concern.

During 2024, 72 and 27 SCIP reports have been issued in Pärnu and Sieradz, respectively.

The material compliance section of Scanfil's Supplier Code of Conduct outlines the company's adherence to EU legislation, particularly the REACH and RoHS Directives. These regulations mandate that companies identify and manage the use of restricted or forbidden materials and chemicals. Given that Scanfil is not a chemical manufacturer, its compliance efforts focus on two main categories of incoming materials:

- Materials for manufacturing processes: This includes substances such as tin, glue, oil, paint, and other chemicals used in production.
- Components in final products: These are materials specified in the bill of materials for the products that Scanfil manufactures.

Scanfil ensures that all the materials used in its factories comply with the RoHS and REACH requirements, especially those not specified by customers. For REACH requirements, Scanfil applies article 33: Duty to communicate substances in articles. Therefore, information is supplied to stakeholders upstream and downstream upon request. Suppliers of articles containing substances identified under Article 57 and Article 59(1) at concentrations above 0.1% weight by weight (w/w) must provide recipients and consumers, upon request, with sufficient information to ensure safe use of the article, including the name of the substance. This information must be provided free of charge within 45 days of the request.

For customer-specified components, Scanfil collects information on any reporting requirements primarily from suppliers, while also using publicly available material declarations. Scanfil keeps customers informed about the compliance status and expects them to report any discrepancies. Taking this into account, Scanfil is not able to disclose information regarding the total amounts of SVHC.

Furthermore, suppliers are required to understand and comply with these regulations, regardless of their location, and they are regularly updated about changes in the directives. The SCIP database plays a crucial role in this compliance framework by enhancing transparency regarding substances of very high concern in products and supporting responsible recycling practices. Scanfil's commitment to SCIP reporting reflects its dedication to product safety and responsible sourcing, contributing to its overall sustainability strategy.

The estimation of the total amount of SVHC leaving Scanfil's production facilities used the assessment of resource inflows of materials and products as a basis for data. For further information on the methodology, see 2.4.4 Resource inflows.

It was presumed that electrical machinery and apparatus is the only material and product category subject to SVHC. This category includes

several subcategories, some of which are relevant to SVHC while others are not. The total weight of material and product categories relevant to SVHC amounted to 12,013 tons out of 15,368 tons, i.e., approximately 78% of all subcategories.

The estimation assumed that 10% of all materials and products in these subcategories are subject to SVHC. In addition, it was assumed that each unit contain in average 0.05% of SVHC of the total weight. The total SVHC content was estimated to 0.60 tons for the entire Scanfil Group.

| Policy | Description of policy | Scope of policy |
|---|---|---|
| Environmental policy | In Scanfil's Environmental Policy, pollution mitigation is a key focus. The Group is committed to preventing environmental impacts by reducing greenhouse gas emissions and striving for fossil-free energy consumption. Scanfil will continuously work to prevent environmental impacts by reducing air and water pollution, conserving natural resources, and continuously enhancing practices to meet stakeholder expectations. Scanfil ensures compliance with the relevant laws and regulations. Scanfil integrates environmental considerations into business strategies and initiatives by updating processes and instructions in Scanfil's Management System. The Group aims for continuous improvement to meet the stakeholder requirements and enhance its environmental performance, thereby reinforcing its vision as a trusted partner for customers. | Scanfil's Environmental Policy emphasizes a comprehensive approach to pollution management as part of its vision to be a trusted partner for customers. The Group integrates environmental considerations into all business strategies and initiatives, ensuring compliance with relevant laws and regulations. A key focus is on continuously preventing environmental impacts by reducing greenhouse gas emissions and striving for fossil-free energy consumption. Scanfil also aims to mitigate air and water pollution while minimizing the consumption of natural resources. In addition, the Group is committed to meeting stakeholder requirements through ongoing improvements in its practices and processes, reinforcing its dedication to sustainable and responsible operations. |
| Code of Conduct | In Scanfil's Code of Conduct, the pollution-related principles are designed to minimize the environmental impact of its operations. The Group recognizes the significance of addressing environmental issues, aiming to reduce harmful emissions affecting air, water, and soil resources. Key commitments include adhering to environmental legislation and utilizing natural resources efficiently through improved production processes. Scanfil emphasizes the importance of minimizing waste, enhancing recycling efforts, and reusing packaging materials. Moreover, the Group commits to ongoing employee training and systematic environmental management practices, ensuring continuous improvement and technical development in its environmental programs. | In Scanfil's Code of Conduct, the pollution aspect is addressed through a commitment to minimizing the environmental impact of its operations. The Group aims to continuously improve its practices related to environmental aspects and recognizes the importance of reducing water, air, and soil pollution. Scanfil emphasizes compliance with environmental legislation and seeks to use global natural resources efficiently. The Group focuses on diminishing the effects of its industrial activities by selecting and developing technological solutions that lower harmful emissions. Moreover, Scanfil promotes recycling and waste reduction while ensuring employees are trained and guided in responsible environmental management. This proactive approach underscores the Group's dedication to sustainable practices and reducing its environmental footprint. |
| Supplier Code of Conduct | The pollution aspect of Scanfil's Supplier Code of Conduct focuses on environmental responsibility and the commitment to reducing environmental impacts associated with business operations. Suppliers are expected to use resources responsibly and minimize any environmental burden through effective operational practices. Key components include:<br>• Pollution prevention and resource reduction: Scanfil's Supplier Code of Conduct encourages suppliers to engage in practices that reduce environmental impacts, promoting developments that minimize social and environmental effects.<br>• Waste management: Emissions and all types of waste should be minimized or eliminated at the source. Suppliers are encouraged to implement pollution control measures and adjust their production and maintenance processes to achieve these goals.<br>• Hazardous substances: According to Scanfil's Supplier Code of Conduct, suppliers must identify and manage hazardous materials, such as chemicals and waste, to ensure safe handling, storage, and disposal.<br>• Energy consumption and greenhouse gas emissions: According to Scanfil's Supplier Code of Conduct, suppliers shall track and document energy use and greenhouse gas emissions. Suppliers should seek cost-effective ways to enhance energy efficiency and reduce emissions.<br>• Transparency in environmental practices: According to Scanfil's Supplier Code of Conduct, suppliers are obligated to disclose information regarding their environmental practices and performance in line with applicable regulations and industry standards.<br>Through these guidelines, Scanfil aims to foster sustainable practices among its suppliers, contributing to a more environmentally friendly supply chain. | The "Pollution prevention and resource reduction" section of Scanfil's Supplier Code of Conduct emphasizes the importance of responsible resource management and environmental stewardship among suppliers. This includes a commitment to minimizing environmental burdens linked to business activities through conscientious operational practices. Suppliers are expected to adopt measures that reduce or eliminate emissions and waste at their source, employing pollution control equipment and modifying production processes to achieve these goals.<br><br>Furthermore, the section outlines the necessity for identifying, labeling, and managing hazardous substances to ensure safe handling, storage, use, recycling, and disposal. Suppliers are also encouraged to track and document energy consumption and greenhouse gas emissions, with a focus on finding cost-effective ways to enhance energy efficiency and decrease overall emissions. Transparency is key, and suppliers must disclose their environmental practices and performance in accordance with the applicable regulations and industry standards, ensuring accountability and fostering continuous improvement in environmental performance. |

| Category | Amount (ton) |
|---|---|
| Total amount of substances of very high concern that are generated or used during production or that are procured by main hazard classes of substances of concern | 0 |
| Total amount of substances of very high concern that leave facilities as emissions, as products, or as part of products or services by main hazard classes of substances of concern | 0.60 |
| Amount of substances of very high concern that leave facilities as emissions by main hazard classes of substances of concern | 0 |
| Amount of substances of very high concern that leave facilities as products by main hazard classes of substances of concern | 0 |
| Amount of substances of very high concern that leave facilities as part of products by main hazard classes of substances of concern | 0.60 |
| Amount of substances of very high concern that leave facilities as services by main hazard classes of substances of concern | 0 |

# 2.4 Resource use and the circular economy

## 2.4.1 Policies related to resource use and the circular economy

Scanfil's Environmental Policy and global Code of Conduct state that the Group shall continuously work to prevent environmental impacts, reduce emissions of greenhouse gases, and strive for fossil-free energy consumption as well as reduce air and water pollution and consumption of natural resources.

Scanfil uses global natural resources economically and efficiently by streamlining manufacturing processes. The Group strives for improvement when recycling industrial waste and tries to reuse packaging materials and minimize waste. In Scanfil's organization, the Director Global Sustainability is considered accountable for the policy.

The environmental policy ISO 14001 certification is mandatory for all factories globally and monitored by a global function. Factories need to carry out independent and high-quality internal audits.

Scanfil's Supplier Code of Conduct states that suppliers must comply with all the applicable laws and regulations. Resources must be used responsibly and carefully. Work must be carried out to reduce possible environmental impacts in connection with business activities and operational practices must reflect this.

Development that reduces the environmental and social effects of operations must be supported. Emissions and waste of all kinds must be minimized or eliminated at the source or through practices such as the use of pollution control equipment, modification of production, maintenance, and plant processes.

In the table on the next page, Scanfil's Environmental Policy is described in detail. As presented, Scanfil has policies in place that relate to resource use and the circular economy, however, the Environmental Policy needs a closer alignment with both of these. Scanfil will decide when this will be carried out in 2025.

## 2.4.2 Actions and resources related to resource use and the circular economy

Scanfil has not yet determined a comprehensive strategy to implement a circular business model across the company. However, Scanfil recognizes the potential of a circular economy to improve its footprint on people, the planet, and prosperity.

Scanfil has little opportunity to influence the design and intended use of the products that are manufactured. The use of sold goods and end-of-life treatment is outside the company's scope. Therefore, the focus is on purchased goods and materials, efficient use of resources as well as reducing waste and increasing recycling.

Scanfil is not a large consumer of water but believes that taking responsibility for its water consumption is important. Water is not considered material in the DMA, but by recognizing the impact of Scanfil's water consumption and taking proactive measures, the company can move toward a more sustainable future where water resources are managed responsibly for the benefit of all.

Scanfil will refine the appropriate data over time and start in 2025 to establish an overarching strategy and measurable, time-oriented key actions to establish a circular business model for the entire company.

## 2.4.3 Targets related to resource use and the circular economy

Scanfil tracks the effectiveness of its policies and actions concerning resource use and the circular economy via the global monitoring function and internal audits, see 2.4.1 Policies related to resource use and the circular economy.

Scanfil sources most of the purchased goods and services in the form of materials and components that are used in the manufacturing of customer-designed products and sub-assemblies. These include system integration, printed circuit board assembly (PCBA), and box builds. The company's production is based on customer specifications, but customers also request Scanfil to align with their set sustainability goals, particularly regarding transparency in lifecycle emissions and carbon reduction targets.

Scanfil has also committed to voluntary targets for energy and water consumption, as well as waste generation, see Performance measurement in 2.4.3. During 2025, Scanfil will decide on when to evolve its current targets to align better with tracking the effectiveness of policies and actions through targets. The targets will be reformulated and made measurable, timebound and outcome-oriented with a set baseline year to make sure that they relate more specifically to the identified impacts of resource use and the circular economy and fulfill the disclosure requirements.

## Sustainability governance and policies

Environmental responsibility is embedded in Scanfil's operational strategy. The Group focuses on:

- Efficient use of resources.
- Circular economy promotion.
- Control and reduction of energy and water consumption.
- Waste management and recycling.
- Minimization of carbon footprint across the value chain.
- Scanfil has voluntarily set a clear target to reduce its energy and water consumption as well as waste generation. These targets align with broader sustainability and circular economy goals.

## Primary emissions sources in value chain

Scanfil's environmental efforts center on addressing both upstream and its own operation emissions:

- Upstream emissions: Linked to the sourcing of raw materials and components.
- Own operations: Linked to the manufacturing of customer-specified products.

## Performance measurement

Scanfil voluntarily measures its environmental performance with the following metrics:

- 3% annual reduction in energy and water consumption, normalized by added value.
- 3% annual reduction in waste generation, normalized by added value.

These performance indicators enable Scanfil to track its progress in resource efficiency and waste management, directly reflecting its environmental commitment to circular economy by reducing the company's negative impact related to resource depletion and climate change.

| Policy | Description of policy | Scope of policy |
|---|---|---|
| Environmental Policy | The part of Scanfil's Environmental Policy relating to resource use and the circular economy emphasizes a commitment to sustainability in its operations. It highlights Scanfil's intent to incorporate environmental considerations into all business strategies and initiatives. This includes:<br>• Compliance and responsibility: Scanfil pledges to adhere to relevant laws, regulations, and other requirements concerning environmental aspects, ensuring responsible resource use.<br>• Impact prevention: Scanfil actively seeks to prevent environmental impact through continuous improvement, which suggests a focus on minimizing resource consumption and waste generation.<br>• Emission reduction: There is a clear goal to reduce greenhouse gas emissions, indicating an effort to transition towards more sustainable energy sources and practices.<br>• Resource conservation: The policy mentions a commitment to reducing air and water pollution, as well as minimizing the consumption of natural resources, which aligns with circular economy principles by aiming for more efficient and sustainable resource use.<br>• Stakeholder engagement: By meeting stakeholder requirements and continuously improving operations, Scanfil aims to enhance its resource management practices and contribute to a circular economy where resources are reused, recycled, and maintained within the production cycle. | The scope of Scanfil's Environmental Policy regarding resource use and the circular economy emphasizes a commitment to sustainable practices that minimizes environmental impacts while optimizing resource efficiency. Key elements include:<br>• Integration of environmental considerations: Scanfil incorporates environmental issues into all business strategies and initiatives. This holistic approach ensures that resource use is aligned with sustainability goals and contributes to a circular economy.<br>• Compliance and commitment: Scanfil adheres to laws, regulations, and other environmental requirements, which guides its practices in resource management and waste reduction. This compliance underscores their dedication to responsible resource use.<br>• Impact prevention and reduction: Scanfil is committed to continuously working on preventing negative environmental impacts, specifically aiming to reduce greenhouse gas emissions and transitioning towards fossil-free energy consumption. This commitment contributes to a reduction in resource depletion and aligns with circular economy principles.<br>• Pollution reduction: The policy highlights efforts to minimize air and water pollution, which indirectly supports more efficient resource use by promoting cleaner production processes and reducing waste.<br>• Natural resource conservation: By striving to reduce the consumption of natural resources, Scanfil actively participates in circular economy principles, focusing on reusing and recycling materials to extend their lifecycle.<br>• Stakeholder engagement: The policy emphasizes meeting stakeholder requirements through continuous improvement in working practices, fostering collaboration that supports sustainable resource use and circular economy initiatives. |

### Stakeholder engagement

Scanfil's customers play a crucial role in shaping its sustainability agenda.

Customers often require full transparency into the lifecycle emissions of Scanfil's products and services and expect support in achieving their own carbon reduction goals. This collaboration drives Scanfil to improve both upstream and downstream emissions, benefiting both parties in the effort to meet shared sustainability objectives.

Scanfil's supply chain sustainability efforts drive environmental, social, and ethical performance. Purchased products and components account for the absolute largest part of Scanfil's total climate impact. Therefore, Scanfil requests its suppliers to participate in EcoVadis's program Sustainable Procurement and this program covers supplier participation with almost 45% of Scanfil's total purchase spend.

### Principal adverse impacts and mitigation

The key adverse environmental impacts that Scanfil faces are tied to the emissions and resource use within its operations and supply chain.

### Forward-looking information

Scanfil is committed to continually improving its environmental performance by further reducing resource consumption and emissions across its value chain. Future strategies include maintaining and potentially expanding its voluntary targets and deepening collaboration with customers to align our shared sustainability goals.

## 2.4.4 Resource inflows

Scanfil has a global category sourcing organization to develop and maintain an optimally global and regional supply base to ensure long-term competitiveness throughout the whole product life cycle. All purchases are recorded in Scanfil's Enterprise Resource Planning system (ERP).

Currently, an ongoing project aims to integrate data on weight, constituent materials, and CO2 emissions per component. This initiative will enable detailed calculations of Scanfil's inflows and outflows at both the component and delivered product levels. The system is expected to be ready for CO2 calculations by 2025, with comprehensive material declarations as the subsequent step.

### Purchased goods

As Scanfil is a manufacturing service provider, the resource inflow includes a variety of purchased goods and materials used in its core manufacturing process. Due to this, the resource inflows cannot be specified in detail as they are outside of Scanfil's own operations, except for water consumption presented below.

The data for resource inflows of purchased materials and products was obtained from Scanfil's purchasing system and included all article purchases during the reporting period. The articles were categorized into purchasing categories, and the number of articles was summed up. For each purchasing category, a weight was estimated. The purchasing categories were then sorted into material and product categories according to suggestions from Exiobase: aluminum, basic iron, steel, ferro-alloys, chemicals, electrical machinery, apparatus, glass, paper, and plastics. Subsequently, the total weight for each material and product group was calculated, representing Scanfil's resource inflow. Aluminum, basic iron, steel, ferro-alloys, glass, and plastics are exceptions to this method and are based on the expert judgment of Scanfil, including assumptions about commodity price, and proportions between raw material and value-adding activities.

For resource inflows of capital goods, the data was obtained through Scanfil's purchase system and compiled for capital goods relating to machinery and equipment, computer and related services, construction work, and motor vehicles that have been purchased during the reporting period. The data presented is based on direct measurement items.

The perception is that the methodology for determining the resource inflows does not result in any significant double counting as the data was obtained from Scanfil's purchasing system.

The table below presents resource inflows of products and materials including packaging materials (paper and plastics).

| Purchased materials and products | Weight [ton] |
|---|---|
| Aluminum | 2,533 |
| Basic iron, steel, and ferro-alloys | 16,326 |
| Chemicals | 3,313 |
| Electrical machinery and apparatus | 16,189 |
| Glass | 1,621 |
| Other | 757 |
| Paper | 6,594 |
| Plastics | 2,659 |
| **Total [ton]** | **49,993** |

The table below presents resource inflows of capital goods.

| Capital goods | Spend | Unit |
|---|---|---|
| Computer and related services | 2.97 | MEUR |
| Construction work | 5.64 | MEUR |
| Other manufactured goods | 1.97 | MEUR |
| Machinery and equipment | 27.9 | MEUR |
| Motor vehicles, trailers and semi-trailers | 0.15 | MEUR |
| **Total** | **38.6** | **MEUR** |

No certification scheme exists for paper and plastics. Therefore, the weight percentage of biological material is disclosed as zero.

The total weight and percentage of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture Scanfil's products correspond to an absolute of 7,622 tons and 15%, respectively.

The proportion of recycled material has been assumed as 0% for aluminum, 18% for basic iron, steel and ferro-alloys and 70% for paper based on certification letters and supplier-specific data. All other materials and products, have been assumed to not contain any recycled material. Note that the aluminum has been assumed to not contain any secondary material. It is reasonable to assume that the purchased aluminum contains some secondary material, but Scanfil cannot verify this via certificates at present.

The table below presents the total water consumption in core manufacturing processes.

**Water consumption in core manufacturing processes - $M^3$**

| 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|
| 68,382 | 66,985 | 55,065 | 46,227 |

## 2.4.5 Resource outflows

The products Scanfil manufactures are developed and released to the market by Scanfil's customers. Scanfil has little opportunity to influence the specification and focuses on sustainable material supply, efficient production processes, efficient equipment, and sustainable utilization of resources.

Scanfil utilizes all purchased materials in its manufacturing processes. Any leftover materials are returned, and scrapped materials are reported as "Total waste generated in the company's own operations".

### Products and materials

Scanfil is a manufacturing service provider for industrial and B2B. The products and materials that come out of Scanfil's core manufacturing processes are:

- Electronics: Printed circuit boards (PCBs), electronic assemblies, integrated electronic systems
- Mechanical assemblies: Sheet metal fabrication
- System integration: System and module assembly
- Medtech & Life Science: Technical medical equipment
- Energy & Cleantech Solutions: Energy saving, electrification, renewable energy products and circular economy products
- Packaging materials: Carton and ESD bags

As a result of Scanfil's business model, the ownership of the design and the products belongs to the customer. Therefore, Scanfil is not able to disclose the expected durability and reparability of the products in addition to the rates of recyclable content in the products and their packaging. Scanfil guarantees to its customers that the company has delivered according to their specifications, however, this does not necessarily guarantee that the product will function as intended.

### Waste

The table on the right discloses waste management and disposal based on data from Scanfil's environmental reporting system in Position Green.

| Waste generated in Scanfil Group's own operations and sent to recovery [tons] | 2024 |
|---|---|
| Non-hazardous waste sent to reuse | 386 |
| Non-hazardous waste sent to recycling | 4,196 |
| Non-hazardous waste sent to other recovery operations | 389 |
| Total non-hazardous waste sent to recovery | 4,971 |
| Hazardous waste sent to reuse | 3.53 |
| Hazardous waste sent to recycling | 27.3 |
| Hazardous waste sent to other recovery operations | 35.6 |
| Total hazardous waste sent to recovery | 66.3 |

| Waste generated in Scanfil Group's own operations and sent to disposal [tons] | |
|---|---|
| Non-hazardous waste sent to incineration | 162 |
| Non-hazardous waste sent to landfill | 370 |
| Non-hazardous waste sent to other disposal operations | 1.0 |
| Total non-hazardous waste sent to disposal | 533 |
| Hazardous waste sent to incineration | 40.2 |
| Hazardous waste sent to landfill | 8.35 |
| Hazardous waste sent to other disposal operations | 0.27 |
| Total hazardous waste sent to disposal | 48.8 |

| Total waste generated in Scanfil Group's own operations | |
|---|---|
| Total amount of radioactive waste | 37.0 |
| Total amount of waste generated | 5,619 |
| Total amount of hazardous waste | 115 |
| Total amount of non-hazardous waste | 5,504 |
| Total amount of non-recycled waste | 581 |
| Total amount of recycled waste | 5,037 |
| Percentage of non-recycled waste (%) | 10% |
| Percentage of recycled waste (%) | 90% |

The data captures the total volume of waste generated by Scanfil's operations during the reporting period and highlights its efforts to reduce waste, promote recycling, and minimize environmental impacts.

The data is specific and provided by the factories' contracted waste collectors and directly reported into Position Green.

The waste data is presented in categories based on origin, composition, and waste management methods. This includes both hazardous and non-hazardous waste as well as the proportion of waste directed to recovery, recycling, or landfill.

The table also allows for future year-on-year comparisons to show progress and areas that require further improvement in Scanfil's waste reduction initiatives.

The table on the right presents the outgoing waste composition and material from Scanfil's core manufacturing processes.

Waste composition and waste material are the same for certain flows due to uncertainties in the data aggregation. The relevance to the sector or activities is assessed based on the European Waste Catalogue 2000/532/EC.

| Waste composition | Waste material | RELEVANT TO SECTOR OR ACTIVITIES |
|---|---|---|
| Batteries | Batteries | x |
| Commerical and industrial waste | Commercial and industrial waste | x |
| Electrical items | Fridges and freezers | - |
| Glass | Glass | - |
| Household residual waste | Household residual waste | - |
| Metal | Cans, foils, scrap metal | x |
| Organic waste | Food and drink waste | - |
| Paper and cardboard | Paper and cardboard | - |
| Plasterboard | Plasterboard | - |

# 3. Social information

## 3.1 Own workforce

### 3.1.1 Policies related to own workforce

Scanfil's collaboration principles with the workforce are guided by the applicable legislation, as well as policies, such as the Code of Conduct, Incidents and Accidents guideline, and the Work Environmental Policy. Additionally, the workforce is impacted by some of the processes described in Scanfil's Management System, such as the competence development process, one-to-one (annual appraisal) process, succession planning process, talent development process, employee engagement monitoring, and others.

Scanfil works to enhance its policies to more widely describe the way in which it manages material risks and opportunities.

Scanfil's Code of Conduct defines the ethical standards and the Group's commitments within its business principles such as compliance with law and culture; and the ways it keeps fairness in all business relations, including elaboration on anti-corruption and anti-competitive practices, handling of confidential information together with external communications rules. It widely addresses the treatment of people and the Respect of human rights. It includes the commitments to the environment and the health and safety of its employees and visitors. The final section guides on reporting channels and remedies for any potential violations. This policy emphasizes Scanfil's commitment to support and respect the United Nations Global Compact principles as well as the International Labour Organization (ILO) core standards: Freedom of associations and the right to collective bargaining, the elimination of forced labor, the effective abolition of child labor and the elimination of discrimination in respect of employment and occupation.

The Code of Conduct policy is mandatory to follow for the whole Scanfil workforce, both for own employees and well as non-employees, in all geographical locations (with the 2024 exception of SRX locations to which the Code of Conduct is planned to be implemented in the first half of 2025). For upstream stakeholders, Scanfil applies the Supplier Code of Conduct. The Code of Conduct demonstrates how Scanfil takes care of the downstream stakeholders, especially in the aspect of the quality of services performed by Scanfil's workforce for the customers as well as the confidentiality of the information related to their business and products. This policy positively impacts also shareholders as well as the workforce, their families and local society. The Code of Conduct is available to the workforce through the company's policy library (Scanfil Management System) and to the external network through Scanfil's webpages. The policy is monitored in the Scanfil Management System and the Global Sustainability and Global HR Directors are responsible for the updates and distribution to Scanfil units as well as external and internal communication channels (webpage and intranet). Any updates to the policy are consulted internally with factories representatives prior to approval by the Group Management Team and implemented through e-learning and training. The CEO is accountable for the Code of Conduct while the implementation and execution of it is the responsibility of Global Sustainability and Global HR functions.

The Work Environmental Policy defines the company's vision and mission as well as the Core Values which shall drive employee behavior. These are widely communicated through internal and external campaigns, both in social media as well as on Scanfil's webpages and at investor events, e.g., the core values that were updated in 2024 were communicated in the Capital Market Day event. The CEO is the accountable for the content of this policy. The policy is monitored in the Scanfil Management System and the Global HR Director is responsible for the updates and distrubution to all Scanfil units.

The Accidents and Incidents Handling Policy, defines the approach for the classification of injuries, near misses and recordable accidents with its reporting channels. It also specifies the serious accident characteristics and reporting rules. There are also guidelines for informing on fatalities. The health and safety country specific rules may differ and thus are stated there as prevailing Scanfil's internal rules. This policy covers both Scanfil's own workforce and any visitors who might be impacted while staying on Scanfil's premises. In each of the factories, the local Managing Director is responsilble for safety measures and globally, the accountability belongs to the CEO. The policy is monitored in the Scanfil Management System and the Global HR Director is responsible for the updates and distribution to Scanfil all units.

#### Working conditions

Scanfil ensures proper working conditions in all its units. The aspects regulated by law in operating countries are followed and monitored well by the local factory management and external audits. To make sure that the working conditions meet employee expectations, Scanfil also includes this area in the annual Employee Engagement Survey. Whenever low scores are observed, the responsible unit is obligated to take improvement actions. The result for working conditions in 2024 was in the green-zone level (75 out of 100 points).

Scanfil has defined particular policies and standards referring to the number of aspects that impact its workforce.

### Secure employment

Scanfil ensures stable and legally proven employment conditions. Any flexibility required by the business periodical fluctuations is addressed with third party agency workers. Scanfil takes good care of the high quality of the lease labor partners to ensure fair and secure employment conditions for the whole workforce performing jobs for Scanfil.

Scanfil sites also follow country regulations, ensuring the well-performing third party employees are getting contracted by Scanfil directly (which is seen as a benefit of higher employment security) after a given period of continuous work, for example, 18 or 24 months.

Employees are covered with the social protection measures to which they are entitled by the local country laws in Scanfil's operating countries, including sick leave, absence resulting from work-related injury, parental leave, and others.

The largest differences vs. European standards are observed in the USA. One example is that coverage for disability resulting from a work-related accident is an option that an employee can decide to purchase additionally. This gives coverage for disability insurance for personal illnesses that may make employees unable to work and result in them being unpaid. Parental leave is possible for up to 12 weeks, but this is unpaid for the employee. Scanfil follows the majority of employers in the USA in this respect. Retirement is offered based on the scheme that an employee can choose to contribute to their retirement and then Scanfil contributes a percentage of what the employee has contributed.

### Working time and work-life balance

Scanfil offers its workforce flexible work hours whenever possible based on the nature of the work and monitors overtime hours closely to make sure it follows the labor law regulations and ensures employee well-being. Hybrid or remote work is offered where required and possible.

Employees at Scanfil can freely use all kinds of leaves ensured by local country legislations, both the ones related to their own personal rest, such as annual leaves as well as family-related leaves, e.g., parental leaves, sick-child-care leaves, and others. Using vacation days is monitored by the local HR team, which supports direct managers in the effective planning of their workforce absences. Scanfil promotes activities that support well-being of employees through internal campaigns. These focus on healthy habits related to effective rest, sleep, physical activities, and eating habits.

### Adequate wages

All Scanfil employees are paid living wages. No salaries are lower than the minimum wage mandated in the country in question which at Scanfil is perceived as an adequate wage. Furthermore, in most of the locations, Scanfil offers performance-driven incentives. Most of them are defined locally by the Factory Management Team to respond to local standards. The ones defined on the Group level refer to global employees and Factory Management Teams. Scanfil practices annual salary reviews to ensure appropriate and competitive wages for its workforce.

### Social dialog

Scanfil employees have the freedom to join any unios or works council-represented community. The regular dialog between Scanfil Factory Management and worker representatives (unions, workers councils, or representative committees) is part of Scanfil's open communication culture.

To enhance the open dialog with its workforce, Scanfil conducts an annual Employee Engagement Survey (EES) which is one of the key tools for gathering employees' feedback. The survey covers several areas that are recognized as crucial for employee satisfaction and loyalty as well as business continuation. These are:

- Satisfaction & motivation
- Loyalty
- Reputation
- Group Management Team
- Immediate Manager
- Cooperation
- Working conditions
- Job content
- Learning and development
- Factory Management Team
- One-to-one dialog
- Our core values
- My employment at Scanfil
- Equality & inclusion

The EES is driven by the HR function that supports managers in reviewing the results and analyzing the development needs. All managers are trained in the process, methods of interpreting the survey results, and the toolbox for working with the results. Managers meet with their teams or representatives to review their unit's report and to define the needed improvements. Based on the discussions, development actions are registered in the EES digital tool. The Group Management Team can monitor the progress of the defined improvements implementation with the digital tool.

Scanfil's Code of Conduct expresses a clear commitment to acting in accordance with the United Nations Global Compact principles. Scanfil respects ILO (International Labour Organization) core standards. Human rights and the fundamental rule for all company specific policies. Respect for the individual is incorporated not only in the Code of Conduct but also expressed in the definitions of our company's core values and, last but not least, monitored in the annual Employee Engagement Survey. All new Scanfil employees are trained in the Code of Conduct during their onboarding and Code of Conduct updates are communicated through e-learning to white collar and blue collar workers depending on local factory practices, e.g., as part of periodical department meetings or via internal communication channels.

Scanfil involves its employees to co-define and co-decide in a number of ways. As expressed in one of Scanfil's core values, the company promotes among others, an achieving together attitude. This is reflected in the

open communication and engagement of the workforce. Employees are involved in the company's Code of Conduct by performing non-managerial consultations before publishing an update. Employees were invited to vote on updated core values visuals and promotional materials. Employee engagement is also monitored in an annual survey. Factories have a routine of regular (monthly and quarterly) meetings between all of the personnel and local management. The Group Management Team is in frequent contact with the workforce through the quarterly virtual town hall meetings where employees can ask questions to be answered by the Group Management Team. A common practice is also holding regular dialog between Scanfil's Factory Management Teams and worker representatives (unions, workers' councils, or representative committees).

The Scanfil workforce as well as any external stakeholders can report any ethical concerns or violations of the Code of Conduct, including any aspect of human rights or applicable legislation.

Scanfil commits to the following in its Code of Conduct:

- Taking all the needed actions to help impacted individuals and remove circumstances in which similar cases could happen in the future,
- no retaliation against any employee making a report in good faith,
- neither tolerate nor contribute to any threats, intimidation, or attacks against human rights defenders in relation to company operations,
- any of the grievance activities, including state-based grievance mechanisms, are not impeded by the company.

Scanfil has enhanced its whistleblowing channel with a digital tool that ensures the anonymity of the reporter. Employees may also report violations by sending emails or placing official claim letters to local or global HR. The number of reported cases is subject to a monthly report to the Group Management Team. The Code of Conduct Forum also gathers quarterly to discuss the cases and lessons learned. The Forum consists of factory's HR Managers, the Global HR Director, and the Global Sustainability Director. All cases are thoroughly investigated, ensuring the anonymity of the reporters, and ensuring the protection of whistleblowers.

Scanfil's Code of Conduct expresses a clear commitment to acting in accordance with the United Nations Global Compact principles. Scanfil respects ILO core standards: Freedom of associations and right to collective bargaining, elimination of forced labor, effective abolition of child labor, and Elimination of discrimination in respect of employment and occupation.

As part of the alignment with ILO, Scanfil is committed to ensuring that no child or forced labor, human trafficking, or other forms of modern slavery occur in its business operations and supply chain.

Scanfil occupational safety is guided by its Safety Management System, and the Incidents and Accidents handling is described in the same called guideline in the Scanfil Management System (SMS). The safety practices adopted locally firstly follow each country's and, secondly, the standards established at Scanfil. In addition to guiding occupational safety, the ISO 45001 standard calls for a Safety Management System. The Scanfil CEO is responsible for the implementation of safety policies in accordance with the requirements.

Occupational safety commitments are defined in the Work Environmental Policy, the Code of Conduct, and the responsibilities stated in the position descriptions for managers.

All employees are entitled to social protection in case of work-related injuries.

Scanfil has created a community consisting of Health and Safety Officers and HR Managers to support the continuous development of safety practices. It is called the Safety Council, and it meets quarterly to review the accidents happening in the recent quarter, together with the corrective and preventive actions resulting from these. The best practice sharing comes from the forum insights and is subject to annual review.

To enhance safety awareness, Scanfil implemented the Safe Scanfil campaign in 2024. The topics tackled are expected to drive reflection on safety and own accountability for the actions taken by each individual.

Scanfil is committed to enhancing diversity, equity, and inclusion (DEI) within its own workforce. Scanfil's Code of Conduct strongly prohibits discrimination against any person in an employment-based relationship based on the person's ethnic origin, color, age, religion, creed, gender, marital status, family status, sexual orientation, disability, or any other prohibited ground of discrimination protected by applicable law.

Moreover, in Scanfil's core values, the benefit of diversity and the importance of respect for individual is emphasized and reinforced.

Awareness of diversity, equity, inclusion, and non-discrimination is promoted through the Code of Conduct courses. These are mandatory for all new employees, including interns and third party workers. To promote the value of these desired behaviors, Scanfil performs internal and external campaigns.

Scanfil's contracted workforce is well differentiated regarding the perspective of age. The majority, 58% (end of 2024) of the workforce, is between 30 and 50 years old. However, there is also a significant number of employees over 50 years old, 25%, and a healthy portion of the youngest less than 30 years old, 17%. This balance enables good knowledge sharing and ensures business continuity.

When joining the UN Global Compact in 2021, Scanfil chose the empowerment of women as the key aspect to be supported which was confirmed in the Letter of Commitment to WEP (Women Empowerment Principles) signed by the CEO of Scanfil. As a result of this, in 2022, Scanfil initiated the SWAT Community.

Scanfil Women Appreciation Team (SWAT), initiated after Scanfil became a WEP Signatory, meets monthly to discuss ideas and define actions that support women's growth in the company's expert and managerial positions. As a next step, in 2023, the DEI Forum was established as a quarterly practice where both women and men join to share solutions

applied in different locations for improved diversity in their workforce. In 2024, Scanfil decided to take the next step and start analyses of the gender pay gap. The company's goal is to eliminate it if it is found.

Scanfil has a strong commitment to equal opportunities for all its employees.

One of the strategic targets became the percentage of women in Senior Management, which is monitored monthly. The analyzed group of managers includes the Group Management Team, Global Functions Heads, and Factory Management Teams. Scanfil's target was set in 2023 to reach 35% of women representation in Senior Management by 2026. However, Scanfil is on a journey to reach 50% with continuous improvement year on year.

DEI is promoted via campaigns done through the local intranet as well as via external channels. The benefits of diversity are emphasized at all stages of employee engagement with Scanfil. It is kept in focus during the recruitment process and in training and development activities. Hiring, promotions, and the voluntary turnover of employees of different genders are monitored quarterly. Diversity is an important aspect of the succession planning process. Scanfil takes all the measures and communicates openly the willingness to see diverse talents accessing the successors' pool.

Equity perception among employees is also measured in the annual Employee Engagement Survey. Whenever gaps are observed there, the affected units are obligated to plan activities to ensure improvement. Among others, these could be DEI awareness trainings, individual development activities with the manager of the affected team, and HR-driven mediation and workshops.

The policy is implemented through the Code of Conduct, which is mandatory to get trained for new employees and non-employees in the company's workforce. All parties involved, both internal and external, can report any violation of the Code of Conduct both locally and globally. The processing of the cases is reported to Group Management Team and monitored closely.

### 3.1.2 Processes for engaging with own workforce and workers' representatives about impacts

Scanfil involves its own employees in co-definition and co-determination in a number of ways, both globally and locally. As expressed in one of Scanfil's core values, the company promotes the Achieving together attitude. This is reflected in the open communication to the employees, with their groups and formal representation bodies as well as in department and individual level.

Employees are invited to share their opinions, requests, or concerns towards the decisions aimed for or taken by the Factory Management Teams.

There are both globally and locally applied practices that involve employees in decisions referring to Scanfil's impact on its workforce.

On the global level, employees are involved in Scanfil's Code of Conduct creation by performing consultations with non-managerial representatives of employees in their units. The comments and suggestions are reported to the global Code of Conduct owners, reviewed, and considered for their global applicability and if accepted, they become subject to the Group Management Team approval process.

On an annual basis, the whole workforce, including both Scanfil's own employees and non-employees, are invited to the Employee Engagement Survey. There, participants give scores on the multiple areas that impact them and express in anonymous open comments their expectations, opinions, concerns or ideas for improvements. Each department with a minimum of four survey participants receives the result report and its leader is obligated to perform a review meeting with the team in order to define development actions in the areas where the lowest satisfaction ratings were achieved. The highest level responsible for the factory results and improvements development process is the Managing Director. On the Group level, it is the CEO.

The Group Management Team is in frequent contact with the workforce through the quarterly Townhall meetings where employees can place questions, which the Group Management Team will answer.

A common practice at Scanfil is also a regular dialog between Scanfil Factory Management Teams and workers' representatives (unions, workers' councils, or representatives' committees). In the meetings which happen on a monthly basis, the employees can rise their requests or suggestions for changes in the aspects which impact them as the workforce. At the same time, in most of the operating countries, the Factory Management Team is obligated to present to these representation bodies any suggestion for changes in the company Handbooks or Regulations that may impact the workforce.

Scanfil's Code of Conduct expresses a clear commitment to acting in accordance with the United Nations Global Compact principles. Scanfil respects ILO core standards: Freedom of Associations and Right to Collective Bargaining; Elimination of Forced Labor; Effective Abolition of Child Labor; Elimination of discrimination in respect of employment and occupation.

When joining the UN Global Compact in 2021, Scanfil chose the empowerment of women as the key aspect to be supported which was confirmed in the Letter of Commitment to WEP (Women Empowerment Principles) signed by the CEO of Scanfil. As a result of this, in 2022 Scanfil initiated the SWAT Community.

The working method with Employee Engagement Survey inputs has proven to be very effective. It is observed that the units that report a high level of follow-up activities as well as define the actions addressing the lowest scored areas, observe improving results in the following year.

Also, regular meetings with workers' representative bodies result in enhanced trust and higher engagement in the co-determinated changes.

In order to enhance gathering insight into the perspectives of all people in own workforce, including those who may be particularly vulnerable, Scanfil has in 2024 upgraded its whistleblowing channel. The digital tool that is accessible through both external company webpage as well as internal intranet interface, ensures complete anonymity, which encourages all groups of employees to share their inputs.

### 3.1.3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Scanfil workforce as well as any external stakeholders can report any ethical concerns or violations of the Code of Conduct or applicable legislation. Scanfil has enhanced its whistleblowing channel to a digital tool that ensures the anonymity of the reporter. Employees may also report violations by sending emails or placing official claim letters to local or global HR. The number of reported cases is subject to a monthly report to the Group Management Team. In addition, the Code of Conduct Forum gathers quarterly to discuss the cases and lessons learned. The Forum consists of factories' HR Managers, the Global HR Director, and the Global Sustainability Director. All the cases are thoroughly investigated, ensuring the anonymity of the reporters, and ensuring protection of whistleblowers.

The newly upgraded digital whistleblowing channel, used for anonymous reporting of violations, enables the company to leave feedback and comments on the actions taken internally to address the reported misconduct and prevent it from happening in the future. The remedy should also be described in the Code of Conduct Violations Register which is subject to a monthly review. The effectiveness assessment of the remedy is, in case of anonymously reported cases, evaluated by the Global HR Director together with the Global Sustainability Director, and in case of non-anonymous cases would also be discussed and reviewed with the impacted victim.

The whistleblowing channel is available both through the external interface, being the company's webpage, which is easily accessible for all stakeholders as well as through the intranet interface accessible for company's employees. The company has trained the personnel authorized to process the reported allegations. Scanfil has also performed a wide communication campaign for the whole workforce on the channel's availability and safety. It is also part of the Code of Conduct training.

Scanfil commits in its Code of Conduct to taking all the needed actions to help impacted individuals and remove circumstances in which similar cases could happen in the future. Scanfil emphasizes that any of the grievance activities, including state-based grievance mechanisms, are not impeded by the company. All participations in human rights grievance or mediation processes are protected and will not be subject to any negative after-effects, and neither will they be requested to waive their legal rights as a condition of participation in the grievance/mediation process.

In 2024, Scanfil registered one harassment case, and 29 cases perceived as misconduct against the company's Code of Conduct or core values. All these cases were reported either through the anonymous whistleblowing channel, or delivered in direct communication to different levels of management or HR professionals. All these are treated as official reporting channels at Scanfil.

Furthermore, Scanfil monitors the number of cases indicated as perceived misbehaviors in the annual Employee Engagement Survey, in the section called Equality. The results of the survey are monitored closely by the Group and Factory Management Teams. In the units where the misbehaviors are reported, they are obligated to take strong immediate actions. The progress of those is monitored closely by the Group Management Team based on the HR monthly report.

### 3.1.4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

All of the material impacts, risks, and opportunities are addressed with the appropriate actions as listed below. The effectiveness of these is evaluated in a mode consistent with the process cycle, for an example the progress on the ones tackled in the Employee Engagement Survey is verified annually and followed up monthly; the ones referring to Health and safety are monitored in standard mode monthly and in case of serious accident daily; the ones related to equality are incorporated in the standard processes, e.g. recruitment or succession planning with their own frequency.

Scanfil follows all the country specific legal requirements to ensure high-quality working conditions seen as opportunity positively impacting its workforce. Additionally, both the development ideas driven from the Employee Engagement Survey as well as from the Safety Council meetings are shared between factories as best practices to continuously enhance company standards, even exceeding the country regulations.

In all Scanfil operating countries, the requirement for minimum required wages is met. Additionally, Scanfil monitors market remuneration to be able to offer attractive salaries and annually adjusts its own workforce's wages.

Scanfil offers flexible or hybrid/remote work schemes for the positions where the nature of the work allows it.

Health and safety aspects are managed in line with the country regulations as well as the manufacturing standards for the used technologies. The Safety Council monitors and enhances the sharing of best practices on preventive measures to enable Scanfil to use the opportunity to offer outstanding safe workplaces.

Competence and skills development are monitored in both the annual

appraisal process and monthly skills matrix reviews.

Training is performed both through internal and external trainers. Development opportunities are equally available for all employees, independent of gender.

Diversity in the management is actively searched through both external recruitment and structured succession planning. The DEI Forum meets on a quarterly basis to promote diversity benefits awareness and enable the best practice sharing between Scanfil organizational units.

Scanfil adapts selected workplaces for disabled persons.

### Actions to prevent or mitigate negative impacts and to provide remedy for actual impacts

Scanfil offers remote work schemes fo positions where the nature of the work allows it, so for white collar workers. In 2024 some units developed solutions, which give even more flexibility than the country regulations, e.g. Poland and Germany, where the home office policies were enhanced. By doing that Scanfil aims to increase the employees satisfaction and motivation, support their personal well-being as well as their possibilities to perform family-related duties. Scanfil also believes that offering this flexibility will positively contribute to reducing health and safety measures, such as work-related accidents or sick leave.

Scanfil set a standard that at least minimal wage (applicable in the country), which is seen as adequate wage, is paid to all employees. In 2024, the same as every year the applicable adjustments of the wages to meet at least the minimal wage. Additionally, many of the higher-paid employees also received salary increases. The levels of the salary regulations are in some countries decided by the collective agreements (Finland, Sweden) and in the other countries, they correspond with the local regional salary inflation trends as well as the factory's budget. Scanfil processes these annual routines in order to ensure adequate living standards of its workforce and thus enhance their satisfaction, motivation and loyalty.

One of the actions taken in 2024 to support continuous development of safe workplace was the annual Health and Safety solutions mapping and the best practice sharing. The Safety Council gathered the inspirations from all sites who then mapped applicability of these to their locations. Local Health and Safety Officers who drive preventive solutions got a solid toolbox to choose from. The goal for this annual practice is to enhance the safety measures and eliminate possibility of accidents and thus limit the negative impact on the workforce. Secondly, the Safety Council initiated the Safe Scanfil 2024 campaign. It consists of periodical inspirational stories shared via company intranet and posters with visualizations of safe solutions which were distributed to factories, and there translated and shared to the workforce. This initiative was driven from the conclusion that number of minor accidents were caused by lack of attention and thus, the mindset and putting safety first is the key to grow health habits in the workplace.

Scanfil's Safety Council will decide at the beginning of the year the topic of the year 2025 campaign.

Scanfil is able to offer a limited number of positions for individuals with disabilities, as the majority of roles require high precision and full mobility. Scanfil has not taken any actions to extend the employment of persons with disabilities in 2024. In order to extend the possibilities for this underrepresented group and to enhance inclusion, Scanfil plans to work on polices related to employment of diasbled persons within 2025.

To mitigate the potential negative impact of having a highly homogeneous workplace, which could lead to the isolation of individuals, fostering a lack of understanding and tolerance for alternative views and approaches, Scanfil enhanced practices to promote the diversity and inclusion on all levels of the organization. One of the actions for that during 2024 was quarterly DEI Forum (Diversity Equity Inclusion). It was involving the Group Management Team, Factory Management Teams, Global Functions Heads and all interested in the topic individuals from different parts of the organization. The Forum was an occasion to both share the best practices coming from most diverse units, as well as gather ideas for practical solutions to be implemented at Scanfil. They were initiated by SWAT (Scanfil Women Appreciation Team) as a next level step towards increasing awareness on the benefits of diversity in the organization. The expected outcome of that is first the mindset change which would open consideration for diverse candidates, e.g. female for the functions or positions dominated by male. Secondly, Scanfil believes that these activities will encourage female professionals to apply for managerial roles and grow in the organization. This would directly contribute to the target for women representation in the Senior Management. Scanfil will continue with both these initiatives in 2025. Scanfil upholds high ethical standards in its employment policies, ensuring that neither child labor nor forced labor is tolerated in any locations around the world. Thus, Scanfil has not taken any specific actions addressing these areas.

### Actions to deliver positive impacts

One of the ways how Scanfil positively impacts own workforce is by ensuring secure employment. This is firstly driven by and monitored through holding to the standards of ensuring proper and legally verified work contracts for own employees. Secondly, this is ensured by the collaboration culture and a direct and open communication. It is executed through both need-based meetings as well as through structured processes like Employee Engagement Survey, and regular meetings with unions or Workers' Councils.

In 2024, Scanfil updated its core values and trained the employees on these and their impact on collaboration culture. This initiative covered white collar workers thought the e-learning platform and blue-collar workers through the local communications and training practices. The next action was to implement an advanced anonymous whistleblowing channel which is aimed to ensure a higher safety-standard, while monitoring any misbehaviours or violations. The channel is available since Q2 both through internal and external interfaces to the entire workforce and other stakeholders.

Scanfil observes the opportunity to further improve the own workforce health by supporting employees' mental health. This should deacrease

the sickleave rate and increase empoloyee satisfaction and motivation. Thus, during 2024 Scanfil mapped in all its units the benefits offered to the employees. In 2025, Scanfil plans to enhance the mental health support packages, as appropriate.

The actions for addressing the negative impacts are resulting from subject matter experts forums within Scanfil. These are the Safety Council, Global HR Community meetings, Code of Conduct Forum meetings and Management Review meetings. Scanfil plans to enhance the structure for ESG related development meetings within 2025. In these forums, the potential risks and actual incidents are reviewed and preventive and corrective actions for these are discussed. The impacted organizational unit (e.g. particular factory) is accountable for the implementation of the defined actions, however the whole subject-matter forum benefits from practice sharing regular meetings and lessons learned presentations.

Scanfil performs extended risk analyses on regular basis. The conclusions from these are subject of Management Review and sharing to functional process owners both in global and factories' organisations. Owing to that, any changes in the working methods, processes, instructions or guidelines are firstly considered for its potential impacts which enables Scanfil to prevent from that own practices do not contribute to material negative impact.

During 2025 Scanfil is aiming to develop the targets for tracking the effectiveness of its policies and actions.

Sustainability is a crucial focus area in Scanfil's long term business strategy. Thus, the company has allocated key resources to explore and gain knowledge of the most effective management of its material impacts. Those are including, but not limited to the global subject matter experts, e.g. Global Sustainability Director, Global HR Director, Global Investors Relations and Communications Director, Global Supplier Quality Manager. This core team was gaining insights from the resources allocated to this mission in the factories, e.g. Quality Managers, Sustainability Managers, HR Managers. The Group Management Team involvement was also visible and represented by Chief Financial Officer's, Chief Development Officer's and Chief People Officer's participation. And last, but not least, Scanfil invested in the external consultancy to further develop own practices on addressing its material impacts.

Scanfil is aware of that the transition to greener and climate-neutral operations might require some investments in the production units' infrastructure, changes in the supply chain setup and collaboration practices with remote stakeholders. However, it's of strategic importance to avoid that these changes would negatively impact its own workforce. Thus, Scanfil is continuously enhancing its risk management practices and training the specialists in own workforce on the applicable advanced solutions, e.g. for supply chain optimisation. Additionally, any investment needs driven from the transition are budgeted upfront and well planned, in order to prevent them from negatively impacting operations' profitability. Scanfil aims to contribute to greener operations by the enhancement of travel policy and business meeting guidelines which prioritize virtual collaboration channels. Thus, the employer supports own workforce with advanced virtual communication tools for effective collaboration. Scanfil is supporting managers with coaching and mentoring to help them with the challenges when leading remote teams and having limited possibilities to travel for face-to-face meetings. The actions described in this paragraph refer to Scanfil units excluding new acquired SRX.

## 3.1.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Scanfil is closely monitoring the progress of the following three targets that are related to managing its material negative impacts, risks and opportunities whilst aiming to advance potential positive impacts.

### Workplace accident rate

Workplace accident rate, calculated as ratio of number of accidents versus actual worked hours multiplied with 1,000,000 is one of targets Scanfil regularly monitors. The target is related to Scanfil's Code of Conduct and the Accident & Incident Handling Policy, where Scanfil prioritises the health and safety of its employees and other individuals that may be directly affected by its own operational activities. Having 2023 as a base year, the ambition is to lower the accident rate by 10% in 2024. The scope is global and is set to control for any potential risks or hazards that may be involved in the workforce's daily work at all sites. All Scanfil employees are involved in health and safety decisions through consultation and cooperation. The company implements appropriate health and safety procedures and working practices locally at all sites, where local targets also are defined. Scanfil has formed a Safety Council which monitors all work-related safety aspects and defines the measures to reach the global targets related to health and safety based on the trends and input from the local sites. The Safety Council gathers quarterly to review corrective actions and preventive best practices. In 2023, the target of the annual accident rate was measured as the number of accidents per average active headcount. The measurement was changed this year to comply with the CSRD reporting standards and the 2023 baseline was re-calculated accordingly. In 2024, workplace accident rate reached ratio of 4,5 which means an increase compared to 2023 result which was 4,0.

### Employee Engagement Survey

The Employee Engagement Survey results are closely linked to the Code of Conduct Policy. Although the target is not explicitly mentioned in the policy at the moment, the policy is a reason for setting targets and monitoring collaboration, respect, work engagement and safe working conditions. The global target level to be achieved is to reach 75 points in the main Satisfaction and motivation score by 2030 with 2023 being the baseline year. The level of 75 points is considered a "high level" according to the methodology used by the chosen survey developer. The target is following an increasing trend. On a local level, each factory can set their own targets in line with the global targets, The own workforce at the factories is involved in the results review process, together with setting targets for following year and defining the actions which will contribute to reaching the targets. The targets

or corresponding metrics or methodology have not been changed since 2023. Furthermore, the target does not involve any environmental matters based on conclusive scientific evidence. The result for Employee Engagement Survey, measured as Satisfaction and Motivation was 70 points in 2024, which showed decrease for the first time for past eight years when results were growing. The decrease compared to 2023 baseline is three points. The biggest impact on the Group level result was driven from significantly decreased scores in Scanfil's biggest factory in Poland which owing to the highest number of employees contributed strongly to the aggregated result. The main reasons for the result drop in that unit was workforce reductions and postponed salary increases which were driven from challenging demand situation. Directly after the results were presented to the Factory Management Teams, all sub-units started their work on developing the improvement plans.

### Increase women's representation in the Senior Management

Scanfil emphasizes its commitment to advancing equality between women and men. This is expressed in Scanfil's CEO Statement of Support for the Women's Empowerment Principles. Furthermore, the target is related to the Code of Conduct Policy and is a step toward increasing the inclusivity and diversity at Scanf. The ambition is to reach 35% women in the Senior Management positions globally by the end of 2026. The baseline year for the target was set in 2023, in collaboration with the SWAT (Scanfil Women Appreciation Team) in the own workforce. On a local level, Factory Management Teams set their own targets in line with the overarching goal. The targets or corresponding metrics or methodology have not been changed since 2023. Furthermore, the target does not involve any environmental matters based on conclusive scientific evidence. In the year-end women stood for 27% of senior management which shows an increased ration compared to 2023-end when the result was 20%

Targets are currently being developed for other impacts, risks and opportunities identified as material to Scanfil. For example, Scanfil is currently developing an approach (including targets and policies) for enhancing worktime flexibility and extending employment of persons with disabilities. To address the material risks Scanfil plans to invest in a new salary grading system to monitor the gender pay gap, and if discrepancies are identified, targets for impacted units to eliminate inequalities will be defined. The trend of the sick leave rate is monitored monthly to limit the risk of high absenteeism. As different locations present different levels, locally applicable targets are defined and actions taken.

Monitoring all workforce-related targets is an important part of working towards lowering the risks and managing potential negative impacts that affect Scanfil's own employees. This monitoring process is perceived as an increasing opportunity for Scanfil to improve the health and wellbeing of all employees whilst being transparent towards stakeholders in how it works with health and wellbeing. For example, a safe work environment reduces sick leave for employees, increases productivity and leads to higher satisfaction and wellbeing, helping reduce the rate of future incidents. An increase in the number of female employees in the Senior Management will enhance Scanfil's gender equality work and lead to improved inclusion and diversity making Scanfil an attractive employer and overall benefiting from diverse workforce creativity. Finally, the Employee Engagement Survey results scoring indicate how Scanfil can improve to continue supporting its' employees' motivation, wellbeing and satisfaction from work environment.

Scanfil involves its workforce in the target-setting process. The three most strategic, measurable targets are developed together with the own workforce for example through the functional experts and are considered long-term targets. The workplace accident rate reduction is consulted with the Safety Council participants from all units; similarly, the target for women's representation in the Senior Management was subject to discussion with the SWAT community. Finally, the target for satisfaction and motivation score from the Employee Engagement Survey is perceived as management commitment to further develop the areas impacting employees.

The performance in reaching these targets is monitored monthly within the Human Resources Managers community involving factories' representatives and it is reported to the Group Management Team. Lessons learned and suggestions for improvements are identified with the contribution of the functional experts among employees, e.g. the Health and Safety officers or specialists collaborating with the Area Leaders on site are involved in accident prevention solutions design; similarly, the HR Business Partners and departments' leaders collaborate on the best practices to grow diverse talents in order to increase diversity in all management levels. As it goes for the development of areas impacting employee satisfaction and motivation, all departments have review sessions of the survey scores which result in defining together with the leader the ideas for improvement activities due in the following year. Also, the progress of scores per different survey areas is monitored at the department level. The targets described in this paragraph refer to Scanfil units excluding new acquired SRX.

## 3.1.6 Characteristics of the undertaking's employees

The Scanfil workforce primarily comprises Scanfil contracted employees (3,997 headcount) who total 89% of the total workforce (4,502 headcount) as well as minor group of five persons who hold non-guaranteed hours contracts and work for Scanfil on need base. The remaining workforce is third party contracted employees (495 headcount) and self-employed (five headcount) delivering services to Scanfi. The company goal is to incorporate third party employees to the highest extent to the work standards and company culture in order to provide seamless services to the customers. Therefore, most company policies and standards, like the Code of Conduct, health and safety system, or competence development opportunities are offered to both own employees and non-employees. The total number of employees who left Scanfil (both voluntarily and non-voluntarily) during 2024 was 532, which equals an employee turnover of 14%. This number includes also employees whose leave was intentional, for example summer workers leaving after the pre-defined agreed period. The reported date refers to headcount indicating the number of employees from the last month of the year.

The data is originating from country specific payroll systems, from where they got extracted and reported to Scanfil Group consolidation system Cognos, from which you retrieve monthly reports as well as data to the CSRD Report. The data presented above corresponds with the headcount numbers in the Financial Statement, section 1.4 Employee benefit expenses.

Non-guaranteed hours workers are not treated as employees so not included in Scanfil headcount reporting but included here as part of the workforce. These are classified as part-time workers.

## 3.1.7 Characteristics of non-employees in the undertaking's own workforce

Scanfil has 500 non-employees in own workforce per the end of the year 2024; 495 are employed by a third party and five are self-employed. This means they stand for 11% of the total workforce. Third party workers are provided by undertakings primarily engaged in employment activities. They are monitored on a monthly basis and are a part of the reporting and follow-up in Scanfil's monthly report. The number of reported non-employees, reflect the number of heads who worked in the last month of the reporting period, meaning headcount. Additionally, self-employed workers are included there.

## 3.1.8 Collective bargaining coverage and social dialog

Collective agreements are common practices in Sweden, Finland, and China. There the majority of the employees are covered by collective bargaining agreements. Moreover, part of the employees in Poland are also covered by these. In other countries, it is still widely applicable that employees are represented by their locally chosen representation committees. At the end of year 2024, 1,471 employees were covered by the collective bargaining agreements, which totals 37% of the total employees globally. It is an important part of Scanfil's collaboration

| REPORTING PERIOD 2024<br>Gender | Number of employees (headcount) |
|---|---|
| Male | 2,015 |
| Female | 1,982 |
| Other | n/a |
| Not reported | n/a |
| Total employees | 3,997 |

| REPORTING PERIOD 31ST DECEMBER 2024<br>Country | Number of employees (headcount) |
|---|---|
| Poland | 1,463 |
| China | 589 |
| Sweden | 423 |
| Estonia | 533 |
| Finland | 291 |
| USA | 180 |
| Germany | 227 |
| Malaysia | 162 |
| Australia | 124 |
| Other | 5 |
| Total | 3,997 |

REPORTING PERIOD 2024

| Type of employment | Female | Male | Other* | Not disclosed | Total |
|---|---|---|---|---|---|
| Number of employees (headcount) | 1,983 | 2,019 | 0 | 0 | 4,002 |
| Number of permanent employees (headcount) | 1,783 | 1,884 | 0 | 0 | 3,667 |
| Number of temporary employees (headcount) | 199 | 131 | 0 | 0 | 330 |
| Number of non-guaranteed hours employees (headcount) | 1 | 4 | 0 | 0 | 5 |
| Number of full-time employees (headcount) | 1,933 | 1,993 | 0 | 0 | 3,926 |
| Number of part-time employees (headcount) | 53 | 23 | 0 | 0 | 76 |

(*) GENDER AS SPECIFIED BY THE EMPLOYEES THEMSELVES.

culture between the employees and management, thus even there where collective agreements are not in place, the employees are represented by Works Councils, unions, or internally elected Workers Representation Committees. The areas that are the subject of discussions, alignment, or negotiations between workers representatives refer to a wide range of areas, starting from working conditions, terms and conditions of employment, remuneration schemes, etc. In the table below, percentage of own employees covered by collective bargaining agreements are within coverage rate by country with significant employment in the EEA and outside of the EEA are presented, as well as percentage of employees in country (EEA) covered by workers' representatives. In the European units, majority of employees are covered by workers' representatives, either formulated in Workers Councils or unions or company's internal Workers Representation Committees. There is no existence of any agreement with Scanfil's employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

## 3.1.9 Diversity metrics

At the end of year 2024, Scanfil observed 27% (34 women) of females in the Senior Management. Senior Management is defined as the Group Management Team, Global Functions' Directors and Heads, and Factory Management Teams. This means an increase compared to 2023-end when this ratio was 20%.

The age diversity of Scanfil own workforce indicates balanced split between the middle aged personnel as well as the junior and senior employees.

| | Collective Bargaining Coverage | | Social Dialog |
|---|---|---|---|
| **Coverage Rate** | **Employees - EEA** | **Employees - Non-EEA** | **Workplace Representation ( EEA only)** |
| 0-19% | Poland, Estonia, Germany | USA, Australia, Malaysia | |
| 20-39% | | | |
| 40-59% | | | |
| 60-79% | | | |
| 80-100% | Finland, Sweden | China | Finland, Sweden, Poland, Estonia, Germany |

| Management groups | Female | Male | Total | % female in Senior Management |
|---|---|---|---|---|
| Group Management Team | 2 | 5 | 7 | 29% |
| Global Functions' Directors and Heads | 4 | 12 | 16 | 25% |
| Factory Management Teams | 28 | 77 | 105 | 27% |
| Total | 34 | 94 | 128 | 27% |

| | | |
|---|---|---|
| Employees under 30 years old | 698 | 17% |
| Employees 30-50 years old | 2,307 | 58% |
| Employees over 50 years old | 992 | 25% |
| Total | 3,997 | |

## 3.1.10 Adequate wages

All countries where Scanfil operates have a defined minimum country wage, the company as well as third party providers for non-employees follow these requirements. According to Scanfil, minimum wages are considered adequate wages, and therefore the percentage of employees paid below the adequate wage is 0%.

## 3.1.11 Health and safety metrics

Scanfil's occupational safety is guided by the safety management system, and the incidents and accidents handling is described in the guideline of the same name in the Scanfil Management System (SMS). The safety practices adopted locally firstly follow each country's regulations and, secondly, the standards established at Scanfil. In addition to guiding occupational safety, the ISO 45001 standard calls for a safety management system. The Scanfil CEO is accountable to get responsible Management Teams to implement and execute the safety policies in accordance with the requirements.

Occupational safety commitments are defined in the Work Environmental Policy, the Code of Conduct, and the responsibilities stated in the position descriptions for managers.

All the employees are entitled to social protection in case of work-related injuries.

Scanfil has created a community consisting of Health and Safety Officers and HR Managers to support the continuous development of safety practices. It is called the Safety Council, and it meets quarterly to review the accidents that have happened in the recent quarter, together with the corrective and preventive actions resulting from these. The best practice sharing comes from the forum insights and is subject to an annual review.

To enhance safety awareness Scanfil has implemented a Safe Scanfil campaign in 2024. The topics tackled are expected to drive reflection on safety and own accountability for the actions taken by everyone.

At Scanfil, 100% of the workforce is covered by the health and safety management system. Both the preventive measures taken in Scanfil units as well as continuous safety improvements of the safety are impacting own employees as well as non-employees.

During 2024, there were 34 reported work-related accidents, meaning injuries happening on Scanfil premises that resulted in an employee's or non-employee's sick leave; 30 of these impacted Scanfil employees and four of these impacted third party employees. These result in the accident rate being 4.5 for 2024. It is calculated as the ratio of the number of accidents to the number of hours worked and multiplied by one million. 2024 shows negative development compared to the 2023 rate which was 4.0. On top of the accidents, there were 21 other work-related injuries which have not resulted in days away from work. Seven of these resulted in restricted work or transfer to another job, five resulted in loss of consciousness, nine resulted in medical treatment beyond first aid. Taking into consideration the other 21 injuries, Scanfil calculated the total work-related injury rate using the same methodology as descibed above but including not only 34 accidents but also 21 injuries. The rate totals up to 7.3.

Analysis of the accident categories indicates a decreased number of accidents while operating the machines and during assembly operations, however increased number of accidents while handling of the hand-tools and the ones happening in the company's social facilities.

The accidents resulted in a total of 621 lost working days during 2024, 27 days for non-employees and 594 days for employees.

There was one serious accident, meaning an accident that required an employee's hospitalization. It happened while operating a rivet tool. After 24 days of absence, the employee returned to work. Preventive actions were applied at the factory.

There were no fatalities among either Scanfil employees or non-employees.

## 3.1.12 Remuneration metrics (pay gap and total remuneration)

Scanfil is developing gender pay gap monitoring. The general overview with split per employees' categories indicates in the first analyses significant difference are observed in white collars category. To further investigate it and address with actions, Scanfil plans to introduce Pay Equity software during 2025 to enable accurate conclusions.

| Employee Category | Aggregated gender pay gap, Basic salary [%] |
|---|---|
| Blue Collars | 14.46 |
| Middle Managers | 11.71 |
| Senior Managers | 16.27 |
| White Collars | 19.90 |

The above difference in gender pay was obtained by taking out a spread of data on male and female basic salary, based on factories' payroll system data. Basic salary for all the months of employment during the year 2024 is divided into number of standard work hours during the actual employment period of each employee. This way calculated hourly pays are aggregated per gender and employee category and then divided into hourly rates. The exception is China where the pay and work hours include also overtime due to its significant contribution to basic salary and standard work time.

Total annual remuneration ratio for 2024 is 5%. The calculation is based

on median of actual paid remunerations for all employees during the year 2024 and compared with the annual remuneration of the highest paid individual who was excluded from the median.

## 3.1.13 Incidents, complaints, and severe human rights impacts

The Scanfil workforce as well as any external stakeholder can report any ethical concerns or violations of the Code of Conduct or applicable legislation, as described also in section 3.1.3 of this report.

Scanfil has enhanced its whistleblowing channel with a digital tool that ensures the anonymity of the reporter. Employees may also report violations by sending emails or giving official claim letters to local or global HR. The number of reported cases is subject to a monthly report to Scanfil Management Team. Furthermore, the Code of Conduct Forum gathers quarterly to discuss the cases and lessons learned. The Forum consists of factories' HR Managers, Global HR Director, and Global Sustainability Director. All the cases are thoroughly investigated, ensuring the anonymity of the reporters, and ensuring whistleblowers' protection.

During the reporting period year 2024, there were 30 incidents of misbehavior reported through the official channels. All of them were investigated and interviews were performed with the subjects of the allegations and also with possible witnesses. In ten cases, the situation was not classified as the alleged violation mentioned in the original reporter's statement, but to nevertheless continuously enhance respectful collaboration standards, and verbal reprimands were also issued. The other incidents resulted in corrective actions and at the year-end eight of them still remain open as follow-up of the defined corrective or development activities are planned. Scanfil has not called for any fines or penalties from these allegations.

There were no severe human rights violations.

The table below presents information of the total number of incidents of discrimination, number of complaints filed through channels for the own workforce, to National contact points for OECD multinational enterprises and total amount of fines and penalties as a result of incidents.

| | |
|---|---|
| Number of incidents of discrimination and harassment | 1 |
| Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns (including discrimination and harassment) | 30 |
| Number of complaints filed to National Contact Points for OECD Multinational Enterprises | 0 |
| Total amount of fines and penalties | 0 |

# 3.2 Workers in the value chain

## 3.2.1 Policies related to value chain workers

Scanfil as a global Electronic Manufacturing Service (EMS) company will have an impact on value chain workers in different parts of the world. Following the same commitment as for its workforce, Scanfil believes that companies in Scanfil's value chain will perform better and be more efficient if employees can perform their work in a healthy and safe environment following international standards and guidelines.

During 2023 Scanfil completed a stakeholder survey, where the identified stakeholders, as described in 1. General information, were asked to rank Scanfils's impact (both material and financial) on topics as described by the ESRS standard and its sub-sub topics. Scanfil's stakeholders, which also included representation from the upstream value chain, identified health and safety as a material impact. To address the interests of stakeholders, Scanfil has established a Sustainable Procurement Policy. This policy works together with Scanfil's Supplier Code of Conduct which has been developed following international standards. This policy covers workers in Scanfil's upstream value chain and was introduced in 2024. The Scanfil Supplier Code of Conduct was established in 2023. No changes or updates to these policies have been made during 2024. The Scanfil Sustainable Procurement Policy, together with the Scanfil Supplier Code of Conduct, are stand-alone policies specifically to address the impacts of the upstream value chain. This policy was developed in alignment with OECD Guidelines and Fundamental principles of ILO.

Scanfil has established a Sustainable Procurement Policy that addresses six sustainability areas for suppliers to agree on. These are compliance, transparency, environmental protection, social responsibility, ethical sourcing, and continuous improvements. The purpose of the Scanfil Sustainable Procurement Policy is to express and align Scanfil's expectations and requirements into the supply chain. The same high sustainability standard required for Scanfil, must also be applied by Scanfil's suppliers. The highest ranked person responsible for the policy is Scanfil's Chief Procurement Officer (CPO). Scanfil requests that its suppliers always adhere to all applicable laws, regulations, and international standards related to sustainable procurement, including the UN Global Compact principles and International Labor Organization (ILO) rules. As a complement to ethical sourcing, Scanfil has also developed a Conflict Mineral Policy to ensure responsible sourcing concerning human rights in the mining of minerals.

Scanfil's Sustainable Procurement Policy is valid for all employees in the upstream value chain as described in section Material impacts, risks and opportunities and their interactions with strategy and business model under 1. General information.

In addition to the Policy, Scanfil has also established a Supplier Code of Conduct. This has been developed following the guidelines from RBA (Responsible Business Association). By following the recommendation from RBA, Scanfil can ensure that the Scanfil Code of Conduct sets commitments in line with the OECD, UN & ILO. As of now, Scanfil has not identified or been informed about any breaches to this commitment in Scanfil's value chain. The provisions of the RBA Code are derived from and respect internationally recognized standards including:

- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Fundamental Conventions
- UN Universal Declaration of Human Rights

The Scanfil Supplier Code of Conduct communicates Scanfil's sustainability expectations to the suppliers. This addresses issues about human trafficking, forced or compulsory labor, and child labor which Scanfil strongly opposes. Scanfil's Supplier Code of Conduct includes:

**Labor rights** (employment rights, human treatment, employment of children, fair employment conditions, and freedom of association)

**Health and safety** (working and living conditions, occupational illness and injury rates, and machine safeguarding)

**Environment** (pollution prevention and resource reduction, hazardous substances, energy consumption, and greenhouse gas emissions)

**Business ethics** (no improper advantage, disclosure of information, fair business, protection of identity, confidential information, responsible sourcing of minerals)

To communicate Scanfil's Policy for Sustainable Procurement, Scanfil has integrated this as part of the procurement processes. More on Scanfil's way of communicating and engaging with value chain workers can be read in 3.2.2 Processes for engaging with value chain workers about impact. In addition to this, Scanfil's Supplier Code of Conduct is available on Scanfil's webpage, www.scanfil.com. Scanfil's Supplier Code of Conduct shall be signed by all Scanfil's suppliers, and Scanfil aims to start measuring the coverage of signatures during 2025. As a start, this is a mandatory evaluation point for a new supplier to Scanfil, and without a signed Supplier Code of Conduct, a new supplier cannot be approved.

## 3.2.2 Processes for engaging with value chain workers about impact

Scanfil's general approach to engaging with workers in the value chain is handled in Scanfil's procurement processes. The most important is the selection of a new supplier, the NPI (new supplier Introduction) process, in which the supplier needs to show its commitment to the requirements stated in the Code of Conduct. By doing this, Scanfil will reduce the risk of introducing new suppliers with weak processes for their workers' well-

being. Scanfil also utilizes a consolidation strategy aiming to address the majority of the spending to suppliers with acceptable and sustainable performance ratings.

Suppliers already in Scanfil's portfolio of suppliers will be reviewed according to the tools below.

Scanfil has four main processes where it can address concerns and engage with value chain workers about impact. Contacts are mainly done via the sales representatives of the suppliers but can also be more direct with the value chain workers during Scanfil's Supplier Audits. The tools to engage with the suppliers are:

**Introduction of a new supplier:** When applying to become a new supplier to Scanfil, the supplier shall commit to the Supplier Code of Conduct.

**Quarterly business review meetings:** These are development meetings held with preferred and key suppliers, and in which sustainability rating is discussed. Poor sustainability performance will lead to suggestions for improvements.

**Audits:** Scanfil visits and audits suppliers at their premises. During the audit sustainability questions about health and safety, child labor, age verification, and discrimination are reviewed.

**EcoVadis:** A third party sustainability assessment of suppliers. This assessment will show if there are areas of improvement that need to be addressed by the suppliers.

More information about Scanfil's methods and tools to engage with its stakeholders can be found in 1.8 Interests and views of stakeholders. For the procurement organization, the assessment tool provided by EcoVadis gives them good information about the sustainability rating of suppliers, and also how well the supplier meets international standards regarding labor and human rights. Unrated or suppliers with poor rating scores shall be avoided, or if not possible, show an improvement plan. As an example, Scanfil has focused on having key- and preferred suppliers assessed by EcoVadis during 2024. By requesting these suppliers to do the EcoVadis assessment, Scanfil ensures that the perspectives of value chain workers are considered according to international standards. If the assessment shows low performance within the topic of labor and human rights, Scanfil can use the EcoVadis platform to request the supplier to improve. Failure to improve might affect business relations.

The highest ranked person responsible for the policy is Scanfil's Chief Procurement Officer (CPO).

Scanfil will continue to investigate methods to engage directly with value chain workers. Scanfil is always seeking ways to improve, and in 2025, the company will look into tools to identify risk areas and collect information about the material impact on value chain workers including workers that might be particularly vulnerable.

### 3.2.3 Processes to remediate negative impacts as well as channels for value chain workers to raise concerns

If Scanfil becomes aware of any breaches of either national laws or the Supplier Code of Conduct, Scanfil will immediately get in contact with the representatives of the company. Scanfil expects corrective action and proof that the upcoming breaches have been adjusted to meet the requirements.

Scanfil can be informed about breaches in different ways. One way is via the EcoVadis 360 view, in which official news that affects companies is scanned. This news can be positive, negative, or neutral. The findings in the 360 view can affect the suppliers' score both positively and negatively.

Scanfil can also be informed directly via whistleblowing channels. Through this channel, anyone, both internal and external employees, can anonymously report any concern to Scanfil.

Results from audits can address breaches, and the supplier will be requested to present a corrective action plan to Scanfil.

Any material impact caused must be corrected and mitigated by the supplier and tracked by Scanfil until it is considered closed. The inability to resolve any problems that have arisen may lead to the termination of the agreement with the supplier. Scanfil does not directly compensate individuals in the supply chain in case of any impact. Scanfil's methods for communicating and developing suppliers are described in chapter 3.2.2 Processes for engaging with value chain workers about impact.

It can be difficult to assess if value chain workers are aware of and trust the channels for raising concerns, and today this can only be done occasionally during supplier audits and in direct contact with the workers. The Supplier Code of Conduct clearly states that programs that ensure the confidentiality and protection of whistleblowers are to be implemented and maintained, accompanied by a process enabling them to raise any concerns. The whistleblowing channels can be accessed at www.scanfil.com and it is communicated to suppliers in the Scanfil Code of Conduct. To protect people using this channel, Scanfil's whistleblowing process offers full anonymity. Read more about the process in 4.1.2 Business conduct policies and corporate culture. Scanfil's Supplier Code of Conduct ensures the confidentiality and protection of whistleblowers and requires suppliers to implement and maintain a process enabling their workers to raise any concerns.

### 3.2.4 Taking action on material impacts on value chain workers' approaches to managing material risks as well as pursuing material opportunities related to value chain workers and the effectiveness of those actions

From Scanfil's Double Materiality Assessment (DMA), health and safety were identified as a material impact for value chain workers. Scanfil's Supplier Code of Conduct addresses these impacts throughout the value

chain. Any negative or positive impact will be managed by processes for supplier development, and EcoVadis can be used as a tool to follow the effectiveness of these actions.

To prevent and mitigate the risk of impact, Scanfil seeks to do business with suppliers that share the company's core values and commit to international standards as outlined in chapter 3.2.1 Policies related to value chain workers. Before approving a new supplier, Scanfil conducts a thorough assessment to ensure that potential new suppliers uphold strong sustainable practices and a commitment to labor and human rights.

The Scanfil Supplier Code of Conduct is a key document for addressing sustainability requirements for suppliers. Scanfil strives to have the Supplier Code of Conduct signed by all suppliers of direct materials. Scanfil is currently investigating tools to simplify the tracking of signed Supplier Code of Conduct documents. Today, Scanfil has this as a mandatory part of its global and local purchase agreement. Currently, Scanfil can only estimate the percentage of signed Supplier Code of Conduct documents.

To achieve a positive material impact for workers in Scanfil value chain, Scanfil continuously works to improve supplier policies and processes. This is done through regular supplier improvement meetings or quarterly business reviews of the preferred suppliers. In these meetings, the supplier's sustainability rating, as assessed by Ecovadis, is reviewed and actions to improve are agreed. These actions are integrated into Scanfil's procurement processes and Scanfil's Global Category Managers are responsible for developing their suppliers to meet Scanfil's requirements as outlined in Sustainable Procurement Policy and Supplier Code of Conduct. Scanfil has 12 people working within global sourcing (Category Managers) along with about 50 local tactical buyers.

Scanfil also conducts regular supplier audits to ensure adherence to ethical, environmental, and social standards. Scanfil collaborates with suppliers to enhance their sustainability efforts, focusing on labor and human rights. In 2024, Scanfil completed 42 supplier audits. This activity is supervised by the Global Supply Chain Quality and Sustainability Manager in cooperation with 10 local Supplier Quality Engineers/ Managers. The key actions planned to minimize risk exposure for value chain workers can be read later in this chapter, but no targets are currently available. The operational costs for the EcoVadis system are included in annual budget plans and do not have any significant impact.

Since 2021, Scanfil has annually participated in the EcoVadis assessment to evaluate the sustainability performance of its procurement practices. This assessment helps us understand how well Scanfil handles sustainability concerns across the value chain. For 2024, Scanfil received a score of 60 points in sustainable procurement and has set a target to achieve 70 points in the 2025 assessment. Scanfil's tools for introducing and developing suppliers help to mitigate the impact risks in its value chain, and processes for remedy are used as explained in chapter 3.2.3 Processes to remediate negative impacts as well as channels for value chain workers to raise concerns.

Today, Scanfil's focus is primarily on key suppliers with whom Scanfil have regular interactions and the ability to influence. Scanfil also works with suppliers that are used less frequently or only for specific, limited needs, which makes it more challenging to have an impact on their sustainability practices. To better assess the risks associated with these suppliers, Scanfil is exploring various screening tools. These tools will help to identify areas of risk, enabling to target the efforts more effectively. Scanfil aims to implement such tools by 2025. In case of any breaches to its commitments, Scanfil will utilize its supplier auditing process to secure that implemented improvements positively affect worker conditions. More of Scanfil's processes can be read in chapter 3.2.3 Processes to remediate negative impacts as well as channels for value chain workers to raise concerns.

In 2023, Scanfil became a "requesting company," meaning that the key suppliers are now required to undergo a sustainability assessment through EcoVadis. This allows Scanfil to better measure the sustainability performance of the supply chain. Scanfil prioritizes key and preferred suppliers and requests that they participate in EcoVadis assessments. If the assessment identifies weaknesses, Scanfil can use the EcoVadis platform to request corrective actions from suppliers. Failure to make

| Key actions during 2024 | How action contributes to policies and target | Scope of key actions | Time horizon | Result and result for value chain workers |
|---|---|---|---|---|
| EcoVadis assessment for preferred and key suppliers. | Scanfil's Policy for Sustainable Procurement is aligned with the EcoVadis assessment which evaluates the supplier according to international sustainability standards (UNGC, GRI, ISO, and more). | This includes all upstream value chain workers independent of geographic location. | Continuously with targets as presented in section 3.2.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities. | Insights from the EcoVadis analysis reveal that Scanfil's supplier base outperforms the industry average while highlighting opportunities for improvement among underperforming suppliers. |
| Mandatory Supplier Code of Conduct for new suppliers. | Scanfil's Supplier Code of Conduct addresses requirements for suppliers regarding environmental, social, and governance. | Upstreams value chain workers. | Continuously with targets as presented in section 3.2.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | This requirement will send a clear message to potential new suppliers and drive suppliers to provide better working conditions for workers. |

these improvements may lead to a re-evaluation of the supplier relationship.

Scanfil has conducted webinars for suppliers twice per year to introduce the suppliers to Scanfil's sustainability work and to provide insights about the EcoVadis platform and the benefits of using a common transparent system to communicate sustainability concerns.

If suppliers do not meet Scanfil's targets for the EcoVadis sustainability rating, and specifically for the topic of labor and human rights, they will be requested to present an action plan on how to deal with this. With this Scanfil can track the development in these areas, and if needed, escalate or support the supplier to improve. Scanfil also has the possibility to audit the suppliers to ensure that actions were efficient.

With a big scope of suppliers that Scanfil will impact and depend on, it needs to have good tools to identify risks. During the coming years, it will be a focus area to find such tools or methods that can help the procurement team minimize risks of workers in the value chain. Currently, Scanfil lacks a robust method to ensure that its actions have a direct positive impact on workers in the value chain. However, Scanfil has observed that suppliers who complete the EcoVadis assessment and begin working on sustainability improvements show rapid progress in their scores.

As a cost-driven company, it is always important for Scanfil to search for supplier relations that give the best-landed cost. This can cause tensions between the choice of low price or low sustainability risks. For this reason, Scanfil does require that all new suppliers must sign the Scanfil Supplier Code of Conduct. With this as a minimum requirement for new suppliers, Scanfil can assure not to introduce suppliers who do not respec international laws in terms of labor and human rights. Further, Scanfil has also set as a minimum that all key and preferred suppliers must have completed an EcoVadis sustainability rating, which will make it possible for Scanfil to address requests for improvement. Not meeting these minimum requirements may lead to a termination of the contract. Scanfil measures the risk quota for sustainability by targeting the spend placed on suppliers with a good sustainability rating. With the implementation of minimum requirements, Scanfil can avoid tension between the prevention or mitigation of material negative impacts and other business pressures.

As of today, Scanfil has not reported any severe human rights incidents in its value chain.

At Scanfil, the Chief Procurement Officer has the overall responsibility to manage any material impacts caused to a worker in the value chain. This is operationally handled by the global and local procurement team with the support of Scanfil's sustainability related roles.

At Scanfil the sourcing organization is responsible for selecting and developing suppliers following the company's sustainability policies. With both global and local buyers Scanfil believes that it can reach out to all suppliers from both perspectives.

The supplier quality and sustainability function supports the buyer with tools and processes to achieve sustainability targets.

## 3.2.5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To manage material negative impacts, advance positive impacts, and manage material risks and opportunities, Scanfil has implemented the following targets.

### Level of preferred and key suppliers with a sustainability rating

A sustainability rating must be issued by a recognized third-party provider. The EcoVadis assessment has been verified to be in line with Scanfil's Supplier Code of Conduct and will enhance supplier commitment to this policy. Scanfil aims to have this share as high as possible and has set a target to be above 90 % by 2030. The target is relative as the total amount of preferred and key suppliers might change over the year. All Scanfil suppliers of direct material (material used in customer products) are included in this target. The baseline for this target was set in January 2024 to 40% as the first reporting year.

| KPI | Result 31.12.2024 | Target 2030 | Baseline (Jan. 2024) |
|---|---|---|---|
| Level of preferred and key suppliers with a sustainability rating | **65%** | >90% | 40% |

Measurement is done monthly based on data from the past three months and Scanfil expects a linear progress until 2030. This target is measured as the share of assessed preferred and key suppliers as part of the total amount of preferred and key suppliers. This KPI shows Scanfil's suppliers the importance of complying with international standards (such as labor and human rights, and health and safety) to become a long-term partner to Scanfil. This target was set by the Scanfil supply chain department together with internal sustainability experts as a method to boost the willingness of preferred and key suppliers' to rate their sustainability work. Since the target was implemented in 2024, no changes related to the targets or methods have been made during 2024. Scanfil can see a strong positive trend and in general, more and more companies do assess their sustainability systems. At this time, Scanfil cannot foresee any major obstacles to meeting this target. The target is part of the monthly report and informed to the Directors of Purchasing and Sustainability.

### Share of spend placed to suppliers with a sustainability rating.

A sustainability rating must be issued by a recognized third-party

provider. The EcoVadis assessment has been verified to be in line with Scanfil's Supplier Code of Conduct and will enhance the ability of Scanfil's procurement departments to address their purchase towards suppliers with a sustainability rating. Scanfil aims to have this share as high as possible and have set a target to be above 80 % by 2030. The target is relative as the total spend will change over the years. Scanfil's spending for direct material (material used in customers' products) is included in this target. The baseline year for this target was 2024 and the value was 40%.

| KPI | Result 2024 | Target 2030 | Baseline (Jan. 2024) |
|---|---|---|---|
| Share of spend to suppliers with a sustainability rating | **47%** | >80% | 40% |

Measurement will be done based on a rolling 3-month period, and Scanfil has projected linear progress until 2030. This target is measured as the share of spend placed on assessed suppliers as part of the total spend for direct material. It does emphasize to Scanfils procurement teams the importance of using sustainable suppliers that comply with international standards for labor and human rights, and health and safety. This target was set by Scanfil's supply chain department together with internal and external sustainability experts as a method to monitor and develop current suppliers or redirect spending to more sustainable sources. Since the target was implemented in 2024, no changes to the targets or methods have been made during 2024. Scanfil can see a positive trend and cannot foresee any major obstacles to meeting this target at this phase. The target is part of the monthly report and informed to the Directors of Purchasing and Sustainability. By the end of 2024, Scanfil had 167 suppliers with a completed EcoVadis assessment, accounting for 47% of the total procurement spend.

By targeting these KPIs, Scanfil will challenge the supply base to implement sustainable practices which will have the opportunity to reduce negative impacts, advance positive impacts, as well as manage risks and opportunities.

Targets are decided together within Scanfil's supply chain departments (supply chain, procurement & supplier development). Scanfil has also been guided by experts from EcoVadis on how to set targets that will be relevant for Scanfils value chain workers.

Once decided as a target the new target is followed as a KPI. Scanfil's supplier quality & sustainability function reports the actual value monthly to the Director of Sustainability who reports it to the Group Management Team. The responsibility to reach the targets is on Scanfil's supplier quality & sustainability function and will be a part of their incentive program.

Scanfil started tracking these KPIs in 2024, and can see a steady improvement in all of them. In relation to Scanfil's impact on health and safety in the value chain, the Group sees that more suppliers have established policies that are aligned with international standards. Based on EcoVadis-assessed suppliers, Scanfil's rated suppliers perform above the industry average, see picture "The average result of suppliers who have completed the EcoVadis assessment".

The average result of Scanfil's supplier who has completed the EcoVadis assessment.

# 4. Governance

## 4.1 Business Conduct

### 4.1.1 The role of the administrative, management and supervisory bodies

The supreme decision-making bodies are the Annual General Meeting (General Meeting) of the parent company Scanfil plc and the Board of Directors (the Board). The Board has an Audit Committee with the purpose to supervise the financial reporting process and the reporting of the financial statements, sustainability statements and interim reports and to monitor the functionality of the company's internal supervision and risk management. It also evaluates the appropriateness of auditing and prepares the proposal for the appointment of an auditor to the General Meeting.

The Shareholders' Nomination Board prepares proposals for General Meetings concerning the election of Board members and the remuneration of the members of the Board and Board Committee members. The Nomination Board is also responsible for ensuring that the Board and its members have a sufficient level of knowledge and experience that corresponds to the needs of the Scanfil e.g. strategy development, sustainability and accounting. The Board appoints the CEO, who is responsible for setting Scanfil's strategic goals, and ensuring that the necessary resources are in place to achieve them. The Group Management Team assists the CEO with expertise in the business code of conduct and sustainability.

The Group's General Counsel reports directly to the CEO and acts as a secretary to the Board. The General Counsel is part of the extended Group Management Team. The area of sustainability is led by the Group's Chief Development Officer with the help from the Director Global Sustainability. All members of the Board have long and comprehensive expertise on ethical business conduct throughout their professional careers. Scanfil's governance model and roles are described in details in sections 1.1 and 1.2.

### 4.1.2 Business conduct policies and corporate culture

In 2024, Scanfil had 27 policies and other guiding principles. These concerned e.g. traveling, financing, quality, and risk management. The CEO has approved Scanfil's key policies: the Code of Conduct and the Supplier Code of Conduct.

The Code of Conduct underscores the principles by which Scanfil conducts its relations with employees, business partners, and other stakeholders. All employees must be aware of and comply with the Code of Conduct, which, together with group policies, form the basis for working at Scanfil. All employees are expected to always act according to it. All managers are accountable for enforcing the Code of Conduct in their organizations. Failure to comply with the Code of Conduct will result in an investigation and can result in disciplinary actions. Scanfil requires suppliers, subcontractors, consultants, and other business partners to adopt and follow the principles of the Code of Conduct.

All new Scanfil employees are required to complete the Code of Conduct e-learning courses or in-person training and acknowledge their commitment to it. The learning materials covers key ethical principles and describes the best practices through examples and exercises. Depending on the employee's duties, some are also required to complete e-learning courses related to other policies such as conflict mineral and supplier contract management policies. Meetings focusing on diversity, equity, and inclusion were arranged quarterly for global and local management (Please see section 3.1 Own workforce).

The Supplier Code of Conduct is a separate policy that all new suppliers need to comply with to become a supplier. Among other recommendations, Scanfil has followed the United Nations Convention against anti-corruption in preparing the Supplier Code of Conduct. Anti-corruption practices and risk assessment are outlined in the Code of Conduct and the Supplier Code of Conduct. The evaluation is performed on a needed basis taking into consideration the local regulations, business performance practices, counterparts, and cultural context. The risk assessment enables Scanfil to undertake required preventive measures to limit exposure to corruption risks. The risk assessment results are presented annually to the Group Management Team as part of the management review. Scanfil aims to implement a policy on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption in 2025.

Scanfil is a signatory of the United Nations Global Compact initiative. All company's suppliers must support and respect the United Nations Global Compact principles. Scanfil and its suppliers ensure that they are not involved in any complicity concerning human rights abuses. Scanfil expects its suppliers to commit to and respect ILO's core labor standards: Freedom of association and right to collective bargaining; elimination of forced fabour; effective abolition of child labour; elimination of discrimination in respect of employment and occupation. The Supplier Code of Conduct describes in details Scanfil's requirements to its business partners in labor, health and safety, environment, business ethics, management systems and communications to all appropriate employees, suppliers or sub-contractors engaged in their supply chain.

Scanfil has a conflict mineral policy to meet international responsible sourcing standards, set by the Organisation for Economic Co-operation and Development (OECD). Conflict minerals are tin, tantalum, tungsten, and gold regardless of their country of origin.

Scanfil's company culture is driven by values which are the foundation for the company's operations. The Group Management Team and the Board review the company's values once a year in connection with the annual strategy process. In 2024, "Proactive" was replaced with "Empowered". Scanfil's values are:

**Customer focused**
We add value for our customers and help customers achieve their goals. We build and nurture long-term partnerships. We treat customers fairly and expect fair treatment.

**Achieving together**
We collaborate across teams and sites and support each other. We benefit from diversity and respect every individual. We celebrate progress and achievements.

**Empowered**
We take ownership of our own performance, behavior and growth. We explore opportunities to improve and learn from our mistakes. We make decisions in our own responsibility area based on data and evidence.

**Engaged to perform**
We keep our promises: deliver on time, with quality, at competitive cost. We proactively detect and solve challenges with a solution focus. We continuously improve our competences and capabilities.

The updated values were published in March 2024 and frequently communicated in connection with the values and strategy implementation process. The process included new value posters in all local languages, an online survey on values and behavior, frequent articles on the Intranet and promotion at the quarterly online meetings open to all employees, as well as an activation section aimed at identifying behaviors in line with the company's values in everyday work. Teams evaluated to have acted in an exemplary manner in line with Scanfil's values received recognition as part of the "Most Wanted Team" activation campaign.

Scanfil employees and all other stakeholders can report any ethical concerns or violations of the Code of Conduct, Supplier Code of Conduct and/or applicable legislation. Scanfil has a digital whistleblowing channel which ensures anonymity of the reporter. Employees may additionally report violations by sending emails or placing official claim letters to local or global HR. The number of reported cases is subject to monthly reporting to the Group Management Team. The Code of Conduct Forum collects quarterly cases and gained experiences for discussion. The Forum consists of factory HR Managers, the Global HR Director, the Director Global Sustainability, and the Chief People Officer. All cases are investigated, ensuring the anonymity of the reporters, and ensuring the protection of whistleblowers. Scanfil is committed to investigating business conduct incidents promptly, independently and objectively. In 2024 there were 30 reported concerns or violations.

Whistleblowers are protected by the local laws in all operating countries. If such a law is missing, the EU law on protection will be applied. Scanfil does not have an active plan to create a policy for extra protection.

## 4.1.3 Management of relationships with suppliers

The suppliers of raw materials and components are handled by global and local sourcing. Global sourcing is led by the Chief Procurement Officer. Global sourcing is responsible for certain key components such as semiconductors and other large volume materials. Local tactical sourcing is responsible for components and materials with local significance and lower volumes. All new suppliers and business partners must sign the Supplier Code of Conduct. Among many other topics, it includes social and environmental aspects of business operations. Audits and supplier reviews are done as part of the initialization process of a new supplier and/or business partner. Assessments and reviews are also done when a concern or doubt of concern have been raised by internal or external stakeholders. The company's target is to know the origin, or at least the country of manufacture, of all the key components and materials.

Scanfil has categorized its suppliers into approved, key suppliers, and preferred. Scanfil evaluates the sustainability of its suppliers in the initial approval process and key supplier follow-up process as one of the key criteria. Guiding documents are supplier basic document and the score card. The score card has 14 selection criteria of which one is sustainability. A supplier needs to have a sustainability measurement system in place. Scanfil recommends its partners to use the EcoVadis platform and should receive over 45 points in the assessment to be selected as a Scanfil business partner. Scanfil has no specific policy to prevent late payments to its suppliers. Payment practices are described in section 4.1.6.

## 4.1.4 Prevention and detection of corruption and bribery

The Code of Conduct, which guides the ethics of Scanfil's operations, prohibits corruption and bribery in all forms. Scanfil is committed to anti-corruption and anti-bribery in its own operations and in relation to its partners. Prohibition is also included in the Supplier Code of Conduct.

Scanfil is assessing the risk of internal and external corruption. The evaluation is performed on a regular basis taking into consideration the local regulations, business performance practices, counterparts, and cultural context. The risk assessment enables Scanfil to undertake the needed preventive measures to limit exposure to corruption risks. The risk assessment results are presented yearly to the Group Management Team as part of the management review.

The following are the main measures for preventing and detecting corruption and bribery:

- Anonymous whistleblowing channel accessible to all stakeholders.
- Online and onsite trainings in the Code of Conduct and other policies guiding Scanfil's operations.
- Assessment to ensure the sustainability of partners, and required background checks defined in supplier basic document and score card.
- Continuous development of ethical operations in the supply chain as part of supplier strategy development.
- Four and six-eye principal in approval processes (Group Authorization Manual)

The key measures in this respect include supplier commitment to the Supplier Code of Conduct in line with the 2030 sustainability targets and supplier audits and assessments. Completing the Code of Conduct e-learning courses and in-person training, together with the anonymous whistleblowing channel, aim to prevent corruption and bribery.

The initial phase of procedures to detect and address allegations and incidents of corruption and bribery follows the same method as the whistleblowing channel. All allegations are investigated as soon as they become known to the company. The company can be made aware of allegations through whistleblowing or other channels, e.g., email, phone, information in the media, etc. Scanfil has a procedure for investigating all allegations. The involvement of independent investigators is assessed case by case. All claims exceeding the threshold of potential criminal charges are reported to the authorities. Financially immaterial and local allegations can be handled locally. Based on the Audit Committee's assessment, the Board of Directors will handle all financially material allegations or allegations concerning the Group. It will make decisions based on the recommendations of the General Counsel and possibly an external advisor.

Neither the person investigated, nor their supervisor participate in the investigation of the breach or suspected breach. If called for by the significance of the breach under investigation, the Chief People Officer involves the General Counsel who reports the incident to the Group Management Team and the Board of Directors at a regular meeting, or immediately if required. The cases are divided into the following categories: 1. Fraud or other criminal behavior 2. Corruption and bribery 3. Competition law 4. Conflicts of interest 5. Employee matters 6. Discrimination 7. Privacy and information security 8. Occupational safety 9. Environment 10. Breaches of the Supplier Code of Conduct, and 11. Other reports.

The Supplier Code of Conduct and all policies are available to all employees on the Scanfil Management System. Scanfil has ensured that all employees understand the implications through online training. Scanfil employees handling business relations with suppliers and customers have been trained to explain to their counterparts the implications of the Supplier Code of Conduct, which is also accessible online.

Scanfil's training activities in 2024 are described in the table. Sales and Procurement are considered at-risk functions and represent 4% of all employees and 16% of white-collar employees.

| | At-risk functions | Managers | Other white-collars |
|---|---|---|---|
| **Training Coverage** | | | |
| Total | 116 | 89 | 1,037 |
| Total receiving training | 70 | 50 | 647 |
| **Delivery method and duration** | | | |
| Computer based training | 1 hour | 1 hour | 1 hour |
| **Frequency** | | | |
| How often training is required | Annually | Annually | Annually |
| **Topics covered** | | | |
| Compliance | X | X | X |
| Conflict of interest | X | X | X |
| Anti-corruption and Anti-competitive | X | X | X |
| Reporting of violations | X | X | X |

### 4.1.5 Incidents of corruption or bribery

In 2024, Scanfil had no incidents of corruption or bribery, so the Group had no related actions or fines.

### 4.1.6 Payment practices

The standard payment term in the new supplier instruction form instructs a minimum of 30 days net. However, this can be reconsidered individually for example if the supplier is a small company or for another reason. In many operating countries e.g. in Poland and Finland local legislation drives to pay invoices on time. Scanfil does not have statistics on the percentage of payments executed according to standard payment terms. In 2024, Scanfil was not a party to any legal proceedings due to late payments.

### 4.1.7 Entity specific - Disclosure for Data Security

Data security is a critical component of Scanfil's operations. The Group is committed to responsible and secure business practices. It prioritizes the protection of customer, partner, and employee data. The Group's approach to data security aligns with industry best practices, regulatory requirements, and the evolving cybersecurity landscape.

Data security is overseen by the ICT Director, who reports to the Chief Development Officer. The Chief Development Officer ensures that data security initiatives are integrated into the Group's development strategy, while oversight and strategic direction are provided by the CEO together with the Group Management Team, which communicates regularly with the Board.

Scanfil's IT/IS Security Policy (Security Policy) aims to guide and increase awareness of the importance of secure practices. The policy is available on the intranet. It is designed to prevent unauthorized access, breaches, and data loss. The policy covers areas such as encryption standards, network security, and incident response. Security Policy is reviewed as needed following emerging threats and legal requirements.

The Group conducts regular assessments of data security risks, both internal and external. These assessments help to identify vulnerabilities and enhance our mitigation strategies. Key areas of focus include protection against cyber-attacks and data breaches as well as ensuring the security of the upstream value chain. In addition, Scanfil uses external 24/7 security service providers to monitor, prevent and control cyber security threats. Other external partners can also be used, if necessary.

Employees across all levels are provided with training in data security practices. This includes phishing prevention, secure data handling, and incident reporting protocols. Our goal is to foster a culture of security awareness, minimizing human error and strengthening our security posture. Scanfil uses an e-learning tool and monthly cyber security bulletin to educate all its employees.

Scanfil maintains an incident response plan, which enables the company to respond rapidly to potential data and security breaches. Possible breaches are detected with continuous screening and reporting. All incidents are tracked, and root-cause analyses are conducted to prevent future occurrences. Relevant incidents and findings are reported to the Group Management Team and the Board of Directors. Depending on the severity of the data security issue, it can also be subject to customer communications or other communications. Scanfil can also report and ask for the assistance of authorities and file a criminal report of a possible issue.

Scanfil adheres to global and regional data protection regulations, including the General Data Protection Regulation (GDPR) and other applicable data privacy laws. Two companies regularly assess Scanfil's data security. Both companies have ranked Scanfil with high scores. Scanfil continuously develops its data security based on recommendations and best practices.

In 2024, Scanfil had four data breach events, all of which were investigated. Impacts were limited to compromised email addresses. When the data breach was detected, all persons and companies whose information was compromised were informed. As a result of these events, no effects have come to the company's attention. The Chief Development Officer leads data breach processes.

Scanfil does not capitalize costs related to data security thus; all its expenses are operational expenses. In 2024, the company had approximately EUR 0.9 million in cyber security costs. Scanfil expects its cyber security costs to increase by approximately 40% in 2025. Over 80% of the costs are related to services and solutions.

# Appendix

## Disclosures incorporated by reference

The following are addressed by incorporated references to other parts of the Board of Directors' report or external documents:

- Statement on due diligence
- Material impacts, risks and opportunities, and their interaction with the strategy and business model

Scanfil has concluded that water and marine resources, biodiversity and ecosystems, affected communities and consumers and end-users are not material topics and therefore omit all the disclosure requirements in the corresponding topical ESRS.

| ESRS Topic | Conclusion of the Double Materiality Assessment |
|---|---|
| Water and marine resources | Scanfil is not a large consumer of water. The manufacturing processes use a moderate amount of water, indicating that water usage is not a significant part of operations. Moreover, Scanfil's operations have a low impact on water discharges into the ocean, suggesting that the activities do not significantly affect marine resources. Upstream suppliers need water in their processes, but Scanfil does not measure this consumption. Although Scanfil believes in taking responsibility for water consumption, the overall impact and usage are relatively low, making it less material compared to other resources or environmental factors.<br><br>Scanfil's operations have a limited impact on marine resources as there are no industrial discharges, chemical spills, or improper waste disposal that can contaminate marine ecosystems. Scanfil has an impact on climate change, but this is handled in other environmental reporting topics. Regarding shipping, Scanfil uses vessels for shipping but has no direct impact on operations. The company has no direct activities in mining, oil drilling, or deep-sea mining that could affect marine ecosystems directly. Since Scanfil does not produce any plastics, it does not contribute to ocean pollution. |
| Biodiversity and ecosystems | Scanfil's operations have a minimal impact on biodiversity and ecosystems. The company does not engage in activities that affect forests, grasslands, wetlands, or agricultural areas. Land use is limited to factory expansions in controlled zones, ensuring minimal disruption, and pollution from operations is minor, resulting in low impact on dams, water diversions, and withdrawals for agriculture and industry. Freshwater habitats such as rivers, lakes, and wetlands remain undisturbed, and there are no activities related to oceans. Emissions from factories are minimal, leading to a low impact on biodiversity |
| Affected communities | Scanfil respects the civiland political rights different communitie by operating in environments where these rights are upheld. The company mitigates legal and reputational risks, avoiding costly litigation and damage control efforts. Although a stable political climates fosters economic growth, and healthier populations and cultures provide the business with more reliable markets and investment opportunities, the topical ESRS does not currently reach the threshold level of materiality for Scanfil. B2B contract manufacturers like Scanfil, without product ownership, typically have limited direct interaction with indigenous communities. Scanfil's focus lies in fulfilling customer orders, often involving indirect supply chains. As such, Scanfil is less directly concerned with specific indigenous rights. While ethical business practices are essential, the specific challenges and opportunities related to indigenous rights are more relevant to companies directly involved in resource extraction, operating in specific regions, or having direct community relationships. For Scanfil as a contract manufacturer, the primary concern is the production of goods according to specific customer requirements. This focus is on the technical aspects of manufacturing, quality control, and timely delivery, rather than broader social and ethical considerations like indigenous rights. |
| Consumers and end-users | Scanfil as a contract manufacturer, produces products according to customer specifications and does not often have direct contact with end users. Scanfil is not involved in the design phase of the manufactured products and has no market monitoring or deeper knowledge of the intended use of the products. Should any safety risks for consumers and end users be discovered based on the information Scanfil has, the company will inform its customers about this. As such, the influence on social inclusion initiatives is limited. |

# List of datapoints in cross-cutting and topical standards that derive from other EU legislation

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Page # |
|---|---|---|---|---|---|
| ESRS 2 GOV-1<br>Board's gender diversity paragraph 21 (d) | Indicator number 13 of Table #1 of Annex 1 | | Commission Delegated Regulation (EU) 2020/1816 ( 27 ) , Annex II | | p. 22 |
| ESRS 2 GOV-1<br>Percentage of board members who are independent paragraph 21 (e) | | | Delegated Regulation (EU) 2020/1816, Annex II | | p. 22 |
| ESRS 2 GOV-4<br>Statement on due diligence paragraph 30 | Indicator number 10 Table #3 of Annex 1 | | | | p. 24 |
| ESRS 2 SBM-1<br>Involvement in activities related to fossil fuel activities paragraph 40 (d) i | Indicators number 4 Table #1 of Annex 1 | Article 449a Regulation (EU) No 575/2013;<br>Commission Implementing Regulation (EU) 2022/2453 ( 28 ) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risk | Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1<br>Involvement in activities related to chemical production paragraph 40 (d) ii | Indicator number 9 Table #2 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1<br>Involvement in activities related to controversial weapons paragraph 40 (d) iii | Indicator number 14 Table #1 of Annex 1 | | Delegated Regulation (EU) 2020/1818 ( 29 ) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1<br>Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | | | Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS E1-1<br>Transition plan to reach climate neutrality by 2050 paragraph 14 | | | | Regulation (EU) 2021/1119, Article 2(1) | p. 63 |
| ESRS E1-1<br>Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) | | Article 449a<br>Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2 | | p. 63 |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Page # |
|---|---|---|---|---|---|
| ESRS E1-4<br>GHG emission reduction targets paragraph 34 | Indicator number 4 Table #2 of Annex 1 | Article 449a<br>Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 6 | | p. 68-69 |
| ESRS E1-5<br>Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | Indicator number 5 Table #1 and indicator number 5 Table #2 of Annex 1 | | | | p. 70-71 |
| ESRS E1-5<br>Energy consumption and mix paragraph 37 | Indicator number 5 Table #1 of Annex 1 | | | | p. 70-71 |
| ESRS E1-5<br>Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | Indicator number 6 Table #1 of Annex 1 | | | | p. 71 |
| ESRS E1-6<br>Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 | Indicators number 1 and 2 Table #1 of Annex 1 | Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1) | | p. 74 |
| ESRS E1-6<br>Gross GHG emissions intensity paragraphs 53 to 55 | Indicators number 3 Table #1 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 8(1) | | p. 75 |
| ESRS E1-7<br>GHG removals and carbon credits paragraph 56 | | | | Regulation (EU) 2021/1119, Article 2(1) | p. 75 |
| ESRS E1-9<br>Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | | | Delegated Regulation (EU) 2020/1818, Annex II<br>Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS E1-9<br>Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk. | | | Not material |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Page # |
|---|---|---|---|---|---|
| ESRS E1-9<br>Location of significant assets at material physical risk paragraph 66 (c). | | | | | Not material |
| ESRS E1-9<br>Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral | | | Not material |
| ESRS E1-9<br>Degree of exposure of the portfolio to climate-related opportunities paragraph 69 | | | Delegated Regulation (EU) 2020/1818, Annex II | | Not material |
| ESRS E2-4<br>Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-1<br>Water and marine resources paragraph 9 | Indicator number 7 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-1<br>Dedicated policy paragraph 13 | Indicator number 8 Table 2 of Annex 1 | | | | Not material |
| ESRS E3-1<br>Sustainable oceans and seas paragraph 14 | Indicator number 12 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-4<br>Total water recycled and reused paragraph 28 (c) | Indicator number 6.2 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-4<br>Total water consumption in m 3 per net revenue on own operations paragraph 29 | Indicator number 6.1 Table #2 of Annex 1 | | | | Not material |
| ESRS 2- SBM 3 - E4 paragraph 16 (a) i | Indicator number 7 Table #1 of Annex 1 | | | | Not material |
| ESRS 2- SBM 3 - E4 paragraph 16 (b) | Indicator number 10 Table #2 of Annex 1 | | | | Not material |
| ESRS 2- SBM 3 - E4 paragraph 16 (c) | Indicator number 14 Table #2 of Annex 1 | | | | Not material |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Page # |
|---|---|---|---|---|---|
| ESRS E4-2<br>Sustainable land / agriculture practices or policies paragraph 24 (b) | Indicator number 11 Table #2 of Annex 1 | | | | Not material |
| ESRS E4-2<br>Sustainable oceans / seas practices or policies paragraph 24 (c) | Indicator number 12 Table #2 of Annex 1 | | | | Not material |
| ESRS E4-2<br>Policies to address deforestation paragraph 24 (d) | Indicator number 15 Table #2 of Annex 1 | | | | Not material |
| ESRS E5-5<br>Non-recycled waste paragraph 37 (d) | Indicator number 13 Table #2 of Annex 1 | | | | p. 83-84 |
| ESRS E5-5<br>Hazardous waste and radioactive waste paragraph 39 | Indicator number 9 Table #1 of Annex 1 | | | | p. 83-84 |
| ESRS 2- SBM3 - S1<br>Risk of incidents of forced labor paragraph 14 (f) | Indicator number 13 Table #3 of Annex I | | | | p. 39-41 |
| ESRS 2- SBM3 - S1<br>Risk of incidents of child labor paragraph 14 (g) | Indicator number 12 Table #3 of Annex I | | | | p. 39-41 |
| ESRS S1-1<br>Human rights policy commitments paragraph 20 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I | | | | p. 85-87 |
| ESRS S1-1<br>Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | Delegated Regulation (EU) 2020/1816, Annex II | | p. 85-87 |
| ESRS S1-1<br>Processes and measures for preventing trafficking in human beings paragraph 22 | Indicator number 11 Table #3 of Annex I | | | | p. 85-87 |
| ESRS S1-1<br>Workplace accident prevention policy or management system paragraph 23 | Indicator number 1 Table #3 of Annex I | | | | p. 85-87 |
| ESRS S1-3<br>Grievance/complaints handling mechanisms paragraph 32 (c) | Indicator number 5 Table #3 of Annex I | | | | p. 89 |

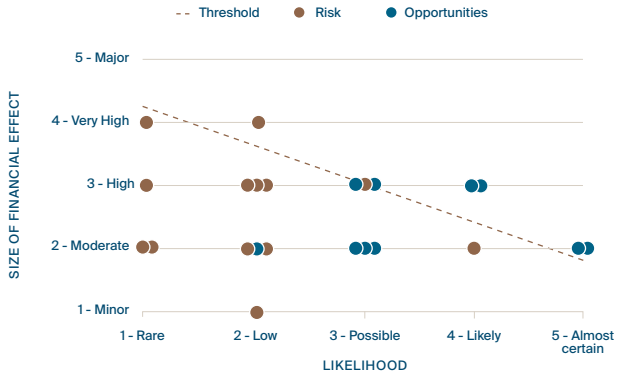
| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Page # |
|---|---|---|---|---|---|
| ESRS S1-14<br>Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | Indicator number 2 Table #3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | p. 95 |
| ESRS S1-14<br>Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) | Indicator number 3 Table #3 of Annex I | | | | p. 95 |
| ESRS S1-16<br>Unadjusted gender pay gap paragraph 97 (a) | Indicator number 12 Table #1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | p. 95 |
| ESRS S1-16<br>Excessive CEO pay ratio paragraph 97 (b) | Indicator number 8 Table #3 of Annex I | | | | p. 95 |
| ESRS S1-17<br>Incidents of discrimination paragraph 103 (a) | Indicator number 7 Table #3 of Annex I | | | | p. 96 |
| ESRS S1-17<br>Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a) | Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II<br>Delegated Regulation (EU) 2020/1818 Art 12 (1) | | p. 96 |
| ESRS 2- SBM3 – S2<br>Significant risk of child labor or forced labor in the value chain paragraph 11 (b) | Indicators number 12 and n. 13 Table #3 of Annex I | | | | p. 41 |
| ESRS S2-1<br>Human rights policy commitments paragraph 17 | Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1 | | | | p. 97 |
| ESRS S2-1<br>Policies related to value chain workers paragraph 18 | Indicator number 11 and n. 4 Table #3 of Annex 1 | | | | p. 97 |
| ESRS S2-1<br>Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | Indicator number 10 Table #1 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II<br>Delegated Regulation (EU) 2020/1818, Art 12 (1) | | p. 97 |
| ESRS S2-1<br>Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | | | Delegated Regulation (EU) 2020/1816, Annex II | | p. 97 |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Page # |
|---|---|---|---|---|---|
| ESRS S2-4<br>Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 | Indicator number 14 Table #3 of Annex 1 | | | | p. 99-100 |
| ESRS S3-1<br>Human rights policy commitments paragraph 16 | Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1 | | | | Not material |
| ESRS S3-1<br>Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17 | Indicator number 10 Table #1 Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II<br>Delegated Regulation (EU) 2020/1818, Art 12 (1) | | Not material |
| ESRS S3-4<br>Human rights issues and incidents paragraph 36 | Indicator number 14 Table #3 of Annex 1 | | | | Not material |
| ESRS S4-1<br>Policies related to consumers and end-users paragraph 16 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1 | | | | Not material |
| ESRS S4-1<br>Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17 | Indicator number 10 Table #1 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II<br>Delegated Regulation (EU) 2020/1818, Art 12 (1) | | Not material |
| ESRS S4-4<br>Human rights issues and incidents paragraph 35 | Indicator number 14 Table #3 of Annex 1 | | | | Not material |
| ESRS G1-1<br>United Nations Convention against Corruption paragraph 10 (b) | Indicator number 15 Table #3 of Annex 1 | | | | p. 102-103 |
| ESRS G1-1<br>Protection of whistle- blowers paragraph 10 (d) | Indicator number 6 Table #3 of Annex 1 | | | | p. 102-103 |
| ESRS G1-4<br>Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | Indicator number 17 Table #3 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II) | | p. 105 |
| ESRS G1-4<br>Standards of anti- corruption and anti- bribery paragraph 24 (b) | Indicator number 16 Table #3 of Annex 1 | | | | p. 105 |

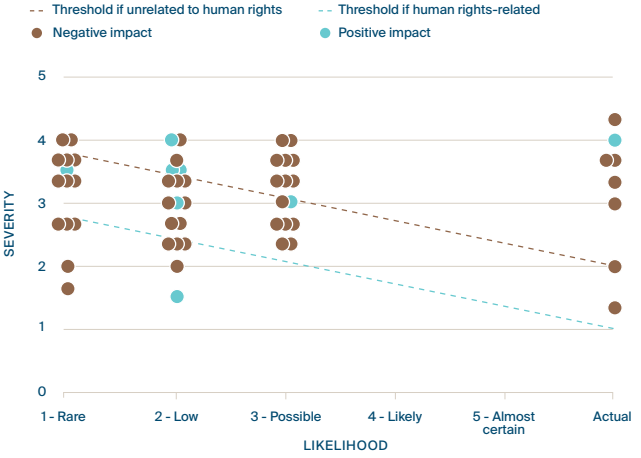
Scanfil has not identified any legislation, standard or framework requiring the company to disclose other information in addition to the requirements prescribed in ESRS.

# Scoring and threshold methodology for financial and impact materiality

## Financial materiality




## Impact materiality



# The level of data accuracy for environmental and social data

| ESRS Topic | Metric | Level of accuracy for activity data | Level of accuracy for environmental data |
|---|---|---|---|
| E1-4 | GHG targets for Scope 3 | High | Medium |
| E1-6 | Scope 3.1 | High | Medium |
| E1-6 | Scope 3.2 | High | Medium |
| E1-6 | Scope 3.3 | High | Medium |
| E1-6 | Scope 3.4 | High | Medium |
| E1-6 | Scope 3.5 | High | Medium |
| E1-6 | Scope 3.6 | High | Medium |
| E1-6 | Scope 3.7 | Medium | Medium |
| E1-6 | Scope 3.11 | Low | Medium |
| E1-6 | GHG intensity | High | Medium |
| E5-4 | Resource inflow | Medium | N/A |
| E5-4 | Secondary material | Low | N/A |
| S2-5 | #No. EcoVadis assessment | High | N/A |
| S2-5 | #No. Signed Supplier Code of Conduct | High | N/A |