

# MELECS ESG POLICY

**Melecs Group**  
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# EXECUTIVE SUMMERY

**Melecs is dedicated to integrating Environmental, Social, and Governance (ESG) principles into the fundamental tenets of our corporate values.** We recognize our responsibility to our employees, business partners, and the broader community. This policy sets out our strategic approach to sustainability which is based on the recognition that a thriving business is inextricably linked to a healthy planet and a just society.

In light of the growing importance of sustainability considerations in the context of evolving regulatory requirements, evolving investor and customer expectations, and societal demands, we recognize the need to integrate ESG considerations into our long-term business strategy. We are committed to effectively managing ESG risks and opportunities, enhancing our reputation, and contributing positively to the world.

In establishing our ESG objectives, we have given due consideration to **stakeholder** expectations, in conjunction with our own corporate values. Our ESG policy has been designed with these in mind and, by constantly monitoring changes in the landscape, we seek to adapt flexibly to ensure the highest possible level of compliance.

**OUR AIM IS TO LEAD,  
NOT TO FOLLOW.**



**making electronics sustainable**

# ENVIRONMENT

GHG emission, energy management, water management, air pollution, waste management, chemicals/substances of concern, biodiversity protection, product lifecycle, business travel

**Melecs is deeply enthusiastic to environmental excellence and the pursuit of a sustainable future.** We put great emphasis on environmental responsibility in all our operations and strive to minimize our ecological footprint. To underscore this responsibility, all of our plants are ISO 14001 certified.

## OUR COMMITMENT, OUR RESPONSIBILITY:

### - Minimizing environmental impacts:

We aim to minimize the environmental impacts of our activities, products, and services across the whole value chain, including upstream and downstream activities. We ensure a framework for setting and reviewing environmental objectives and targets.

### FOR THIS PURPOSE:

#### - Compliance with legal and other requirements:

We comply with all applicable environmental laws, regulations, and other stakeholder requirements to which we subscribe. We maintain internal processes, including regular audits and training programs, to ensure ongoing compliance.

#### - Prevention of pollution:

We actively prevent pollution through proactive environmental management practices.

- o We aim to minimise the emissions of greenhouse gases (according to GHG protocol for Scope 1,2 & 3), energy consumption, noise, substances of concern, waste – circular economy, air and water pollution from our manufacturing processes and the environmental impact of business travels.

#### - Continual improvement:

We strive for systematic improvement in our environmental performance by setting and reviewing environmental objectives and targets. We work together with our partners to reduce total GHG emissions.

#### - Leadership and accountability:

Our management team is committed to providing leadership and ensuring accountability for environmental performance throughout the organization.

To underline this ambition, we are striving to reduce CO2 emissions by adopting our commitment - see the dedicated CO2 statement on our website.

# SOCIAL

Working conditions, labor relations, human rights, DEI, EHS, career management

**At Melecs, we believe that every employee deserves a safe and healthy work environment where their human rights and diversity are respected, their working conditions and wages are fair.**

## OUR COMMITMENT, OUR RESPONSIBILITY:

### - Fostering a positive social impact:

We are committed to providing a workplace that ensures the well-being of our staff, fosters a culture of safety, diversity and ensures that all employees and stakeholders are treated with dignity and respect.

## FOR THIS PURPOSE:

### - Compliance with legal and other requirements:

We comply with all applicable social laws, regulations, and other stakeholder requirements to which we subscribe. We maintain internal processes, including regular audits and training programs, to ensure ongoing compliance.

### - Making a positive impact:

For this purpose, we prioritize **Environmental Health & Safety (EHS)** practices, investing in healthy working conditions, in comprehensive **education** and in ethical company culture. We pay attention to providing decent **working conditions** by taking care of working hours and offering fair remuneration.

### - Continual improvement:

By continuously improving our Human Resources processes, EHS procedures and social performance, we aim to create a safer, healthier and more sustainable workplace that benefits our employees and stakeholders.

### - Leadership and accountability:

Our leadership is committed to fostering a culture of transparency, accountability, and **employee participation**. We actively consult with workers and their representatives to ensure their voices are heard and their concerns are addressed.

Our stakeholders' voices matter, therefore we provide a platform for open communication and feedback.

# GOVERNANCE

Corruption, business ethics, information security, whistle-blower protection, transparency, compliance

Melecs is committed to the principles of corporate governance which form the foundation for a sustainable and successful business. **We are dedicated to upholding the highest standards of ethical practice, data security, transparency, and accountability in all our business activities.**

## OUR COMMITMENT, OUR RESPONSIBILITY:

### - Upholding high ethical standards in all operations:

We believe that fostering a culture of integrity is essential for building trust with our stakeholders and ensuring long-term sustainability.

## FOR THIS PURPOSE:

### - Compliance with legal and other requirements:

We are committed to complying with all applicable laws and regulations in the countries where we operate. We maintain a zero-tolerance principle for money laundering and counterfeiting, ensuring the integrity of our business operations.

### - Prevention of unethical business practices:

We adhere to a stringent **Code of Conduct** that mandates honesty, integrity, and fairness in all business operations. This addresses critical areas such as corruption prevention, anti-trust compliance, business ethics, information security, conflict of interest, and reporting mechanisms for misconduct.

### - Continual improvement:

We prioritize ethical standards, conduct regular reviews, provide training, and engage stakeholders to ensure trust and compliance. We have implemented internal processes for managing ESG issues and holding regular meetings to discuss our progress.

### - Leadership and accountability:

We have a well-defined **governance structure** with clear responsibilities for the board, management, and employees. This structure ensures effective decision making, oversight, and risk management.

We review our ESG performance and quantifiable indicators to ensure that our stakeholders' needs are met.

# VALUE CHAIN RESPONSIBILITY

## as a driver of the circular economy

Responsible purchasing, conflict minerals, supply chain management, product end-of-life, end users and consumers

### SUSTAINABLE PROCUREMENT

Our procurement process emphasizes a holistic evaluation of suppliers and is among other criteria based on **sustainability aspects**, while upholding strict adherence to **legal and ethical standards**.

We ask a thorough ESG self-assessment from suppliers which encompasses a wide range of factors, including **environmental performance** (environmental protection, energy management, , material compliance, conflict minerals, carbon footprint, CBAM), **social responsibility** (labor practices, human rights, DEI, EHS, living wages, anti-bribery, anti-corruption) and **governance practices** (CoC, business continuity, data- and quality management, conflict of interest, anti-bribery and anti-corruption, supply chain responsibility).

We prefer suppliers who demonstrate a strong commitment to ESG principles and who are aligned with our own values. As outlined in **Melecs' regulations**, partners must comply with the applicable laws and requirements. We have a **Conflict Minerals Policy** in place to aim that we do not source materials from conflict-affected regions or that contribute to human rights abuses. In cooperation with our suppliers we aim to trace the origin of the materials to avoid any sources that are linked to conflict or human rights violations.

### PRODUCT RESPONSIBILITY

As a company operating within the Electronic Manufacturing Services (EMS) industry, we specialize in producing intermediate electronic components that are integral to a wide range of applications. Our products find their way into automotive control systems, automotive lighting and interior systems, home appliance systems, and various industrial applications. This positions us as suppliers within complex **value chains**, where our visibility into the ultimate **end-users of our products** may be limited.

Despite this, we recognize our profound responsibility for the products we manufacture. **Material compliance** is a cornerstone of our operations, ensuring that our components adhere to strict regulations regarding substances of concern and other hazardous materials. **Traceability** is another crucial aspect, allowing us to track our products throughout the value chain and respond effectively to any issues that may arise. We are aware of the European Union Taxonomy that helps businesses identify and evaluate environmentally sustainable economic activities. By staying informed about these regulations and standards, we can contribute to a more sustainable and responsible supply chain.

We believe that the implementation of a circular economy can make a significant contribution to the conservation of natural resources. This transition offers remarkable opportunities, which we are actively pursuing. According to our possibilities we do our utmost to use Best Available Technologies and to meet industry standards to achieve positive impact.



# INTEGRATING ESG INTO OUR BUSINESS & COMMUNICATION

By integrating ESG principles throughout our business and utilizing this comprehensive approach, we are confident in creating long-term value for our shareholders, customers, employees, and the environment. We believe that this commitment to ESG will not only ensure our continued success but also contribute to a more sustainable future for all. Melecs commits to full compliance with the ESG Policy across all locations and employees.

Through a comprehensive **Double Materiality Assessment**, we identify key ESG factors material to our business and **stakeholders**. Based on these findings, we establish ambitious, time-bound ESG targets and develop procedures to achieve them. To ensure successful implementation, we invest in employee training and establish a monitoring and measurement framework. We will communicate our ESG performance transparently through a **CSRD & ESRS compliant report**.

For further information on our company's ESG efforts and related initiatives, please visit our website at [www.melecs.com](http://www.melecs.com). There, you can explore the „**sustainability**“ tab for detailed information or access certificates and other relevant documents in the „**downloads**“ section.

## OUR CERTIFICATES:

ISO 9001

IATF 16949

ISO 14001

AS9100D

This policy was issued in 2025 and is subject to regular review by the board to ensure its continued relevance and effectiveness.

## On behalf of the Melecs Management Board



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