

NOTE's sustainability work

In a rapidly changing world, NOTE strives to offer sustainable electronics manufacturing. Together with its stakeholder, NOTE drives this development forward.

NOTE's context

NOTE's role includes being a collaborative partner for its customers, but not a product owner. This means that material selection and manufacture is to the customer's specification.

Unlike many other sectors, such as heavy industry and commodities, NOTE's business has fairly limited environmental impact.

Sustainability strategy

NOTE's strategy is designed to manage sustainable production through the responsible consumption of materials and energy in a safe and secure working environment with high transparency. NOTE's view is that its sustainability work is an integrated part of the value chain that enables closer partnerships with customers and helps them achieve their own sustainability goals. NOTE's strategy is to be perceived as a leader in sustainable production, focusing on:

- Low carbon impact
- A safe and secure working environment

Objective

NOTE's operations should work to reduce their overall CO2 emissions (scope 1-2 as defined by the Greenhouse Gas Protocol). To achieve this, our focuses include the following:

- Energy efficiency in current and new plants
- Investing in electricity generation (solar panels) where possible
- Energy consumption in our operations from renewable or fossil-free sources where possible
- CO2 emissions that cannot be eliminated by our own actions (within scope 1 and 2) to be offset by investing in sustainability projects including total carbon footprint in scope 3 in our performance indicators.

All NOTE plants to be ISO 45001 occupational health & safety certified.

- Continued health & safety certification of plants, new facilities to be certified within two years

Sustainability management

NOTE will comply with applicable laws and regulations, respect human rights and act responsibly. Its business is managed with high integrity and the clear ambition of conducting itself ethically and legally in all parts of its value chain.

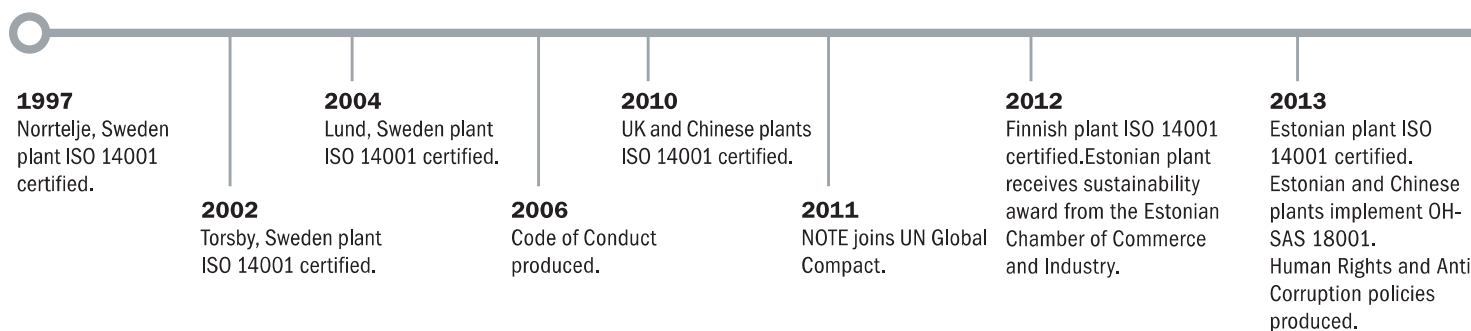
NOTE's corporate governance structure ensures a systematic approach to sustainability and the company's accountability in climate and the environment, human rights, labour law and business ethics. Its management strategy is formulated from the Ten Principles of the UN Global Compact, and reflected in the company's control documents such as policies, targets and monitoring key performance indicators.

The Board of Directors bears ultimate responsibility for NOTE's sustainability work. The company's yearly Sustainability Report and Code of Conduct are approved by the Board of Directors. Group Management executes the group's strategy and drives the progress of day-to-day work.

Policy documents

- | | |
|---------------------------------|------------------------|
| • Anti Corruption Policy | • Quality Policy |
| • Health & Safety Policy | • Environmental Policy |
| • Purchasing Policy | • Human Rights Policy |
| • Privacy Policy | • REACH Declaration |
| • Equality Policy | • RoHS Directive |
| • Conflict Minerals Declaration | • Code of Conduct |
| • Continuity Plan | • Whistleblower Policy |

Timeline of NOTE's sustainability work



Responsibilities of subsidiaries

Individual subsidiaries, led by their Presidents, are responsible for implementing and complying with applicable laws, policies and other regulations in their daily business. They report regular KPIs and performance. Subsidiaries are supported by management systems created in compliance with international ISO standards, which are regularly audited. These management systems cover segments like legal compliance, quality, the environment, health & safety, risk assessment and work on continuous improvement.

Management systems include a structured basis for updating policies, procedures and other policy documents.

Policies and methodologies were developed in the year, a process involving all group companies.

Stakeholder engagement

Sustainability topics have been important to NOTE for a long time, and the Group received its first environmental certification back in 1997. NOTE conducts its work and encourages new initiatives in dialogue with owners and communities. Communication with NOTE's stakeholders enhances its capability to identify and deal with any risks that may arise in its business. NOTE engages in dialogue and data collection with its different stakeholder groups through business meetings, interviews and audits, as well as yearly satisfaction surveys.

Material sustainability topics

NOTE's material impact on people and planet and its financial impact on its operations based on sustainability-related risks and opportunities are assessed each year in accordance with the new CSRD (Corporate Sustainability Reporting Directive). The material sustainability topics identified in the DMA (double materiality analysis) are climate impact, social issues related to NOTE's own workforce, workers in the value chain and management of sustainability issues. NOTE is not applying CSRD prospectively.

Key performance indicators— Financial, SEK m

	2024	2023	2022
Net revenue	3,901	4,243	3,687
Profit for the year	248	320	254
Total current tax	-57	-62	-49
Salaries and benefits	-531	-509	-419
Pension expenses, defined contribution plans	-41	-33	-26
Social security contributions	-125	-117	-95

The UN's global Sustainable Development Goals (SDGs)

On 25 September 2015, the UN General Assembly adopted Agenda 2030 for Sustainable Development. The Agenda means all UN member states undertaking to work to achieve a socially, environmentally and economically sustainable world by 2030. The Agenda contains 17 goals and 169 associated targets. NOTE's business has the biggest impact on 7 of the 17 goals, and its links to them are reviewed in the following sections.



THE GLOBAL GOALS

2015
Finnish plant OHSAS 18001 certified.

2017
Equality Policy produced.

2018
Privacy Policy for managing personal data in accordance with GDPR produced.

2020
NOTE Components and Windsor ISO 14001 certified. Norrtelje, Sweden ISO 45001 certified.

2021
New sustainability goals formulated in climate and occupational health & safety.

2022
Signing of UN CEO Statement of Support for the Women's Empowerment Principles.

2023–2024
NOTE Components and the plants in Windsor, Torsby, Herrljunga and Haddenham ISO 45001 certified.

Climate and environment



Climate and environment

NOTE endeavours to achieve long-term, sustainable development with the ambition of manufacturing with the minimum possible environmental impact. NOTE should comply with, or exceed, applicable environmental legislation, and adopt the precautionary approach to minimise the generation of waste and avoid emissions.

In its contacts with suppliers and customers, NOTE maintains a dialogue on various environmental aspects to encourage progress on environmental and climate issues.

Carbon footprint

As an EMS partner, it is the production process where NOTE has the greatest possibility of influencing its carbon footprint. NOTE is accountable for minimising the direct and indirect carbon emissions. Its ambition also covers emissions related to shipping of purchased material and sold products that are under NOTE's control.

Shipping is coordinated, and low carbon-footprint freighting methods should take preference where justifiable.

NOTE's total indirect carbon footprint in scope 3 was mapped in the year, as well as any gaps in the relevant data. This is part of preparations to enable reporting in accordance with the GHG Protocol for scopes 1-3.



Energy consumption and climate compensation

A high share of NOTE's CO₂ emissions are sourced from energy consumption at plants. Accordingly, energy should be consumed responsibly, with renewable and/or fossil-free energy purchased when available on the market. Energy mapping was conducted at all Swedish plants in the year and energy improvement measures were identified, with implementation plans formulated.

In 2024, 69% of energy consumed was from renewable sources such as solar, wind, hydro and biofuels. In addition to using as much renewable energy as possible, NOTE conducts local initiatives to minimise each plant's carbon footprint.

NOTE is working to reduce its emissions and minimise the negative climate impact that the company has not yet been able to avoid. Monitoring KPIs in this segment is reviewed in the table on page 17. New knowledge and information is captured and disseminated through the group to build overall competence in climate-affecting factors and NOTE's impact.

Standardised environmental work

International ISO guidelines, under the ISO 14000 family of standards, are a stable foundation for NOTE's environmental work. Despite differences in legislation between countries, all NOTE's plants should comply with a consistent standard. The group's manufacturing units and purchasing companies are ISO 14001 environmentally certified and audited by internal and external resources. New group companies are to be certified within two years.

Group companies exchange best practice, best-in-class actions and proposals for improvement on different forums. NOTE conducts yearly analyses to identify environmental and climate risks and formulates action-plans to identify the risks identified.

NOTE also considers environmental aspects in other parts of its business, such as discussions with customers on purchasing materials and production setups.

NOTE takes a positive view of developing environmental technology and seeks new production methods and production materials that are environmentally friendly. NOTE conducts environmental risk assessments when introducing new equipment, technology and logistics solutions.



Local initiatives

Local initiatives are ongoing to reduce energy consumption. LED lighting is used to save energy.

Using selective soldering machines reduces the slag from tin in the soldering process. In 2024, 97% of waste generated was recycled. Consumables waste is sorted at source, and improvement projects are conducted to reduce waste, water and energy consumption. Corrugated board is compacted to minimise the number of waste transports, which affect the environment. Chemicals are handled in accordance with predetermined procedures and legislation.

Company vehicles like cars and forklift trucks are exchanged for electric or electric hybrid vehicles when their leases or useful lives expire. Several plants have electric vehicle charging stations for staff and visitors. Some use electricity sourced from NOTE's solar panels. Staff are encouraged to minimise paper consumption, switch off lighting and shut off equipment after use. Installed timers help shut off machinery and equipment when not in use. NOTE holds many of its meetings digitally, which reduces travel, and processing functions within ERP systems minimises paper consumption.

Supplier environmental audits

NOTE environmentally audits its strategic suppliers and maintains continuous dialogue with suppliers on other environmental issues such as consolidating transports, manufacturing methodologies and quality performance. NOTE's objective is to increase the share of sourcing from strategic and other contracted suppliers. NOTE has a good understanding of these suppliers' environmental work and can help them to develop and improve in the environmental segment.

Key performance indicators— Climate and Environment	2024 ¹⁾	2023 ⁵⁾	2022 ³⁾
Share of renewable electricity consumption (%) ¹⁾	69	64	62
Energy, renewable electricity (MWh)	10,223	6,621	5,667
Energy, total electricity consumption (MWh)	14,742	10,284	9,118
Tonnes CO2, Scope 1 and 2 (t CO2e)	1,991	2,055	2,376
Tonnes CO2, Scope 3 freight, (t CO2e)	1,069	1,007	1,409
Total CO2 (t CO2e) ²⁾	3,060	3,062	3,785
Energy efficiency factor (t CO2e scope 1-2/revenue SEK m)	0.51	0.48	0.64
Water consumption (m3)	62,232	66,364	72,852
Tonnes of waste (recycled and non-recycled)	580	612	509
Share of waste recycled (%) ⁶⁾	97	77	70
ISO14001 environmental certified NOTE plants (%)	92	100	100
Quality performance (ppm) ⁷⁾	893	1,069	542

Key:

1) Share of purchased available renewable (wind, hydro, solar or biomass) electricity for 2023 and 2022. For 2024 total energy is reported, previous years, electricity.

2) Tons CO2 as defined by GHG Protocol and available emission factors.

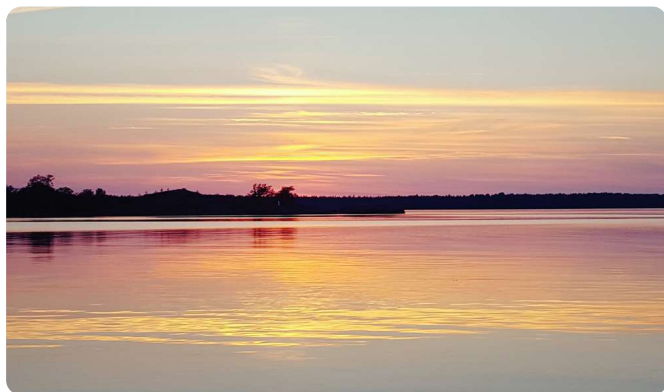
3) Acquisition of NOTE Herrljunga in July 2022, whose environmental KPIs are not reported for 2022.

4) Total energy reported for 2024, previous years, electricity.

5) Acquisition of NOTE Sofia in March 2023 and NOTE Basildon in July 2023 not reported for 2023.

6) 2024 includes recycling of combustion energy.

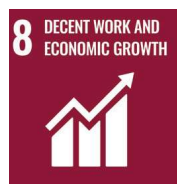
7) Measurement method for quality performance (ppm) amended effective July 2023.



NOTE as an employer

A global partnership

NOTE's employees are the key to our success. NOTE has plants in Sweden, Finland, the UK, Estonia, Bulgaria and China, and developing collaboration between them is critical. This is achieved through channels including a number of functional forums, in segments including quality, sourcing, sustainability, accounting and sales.



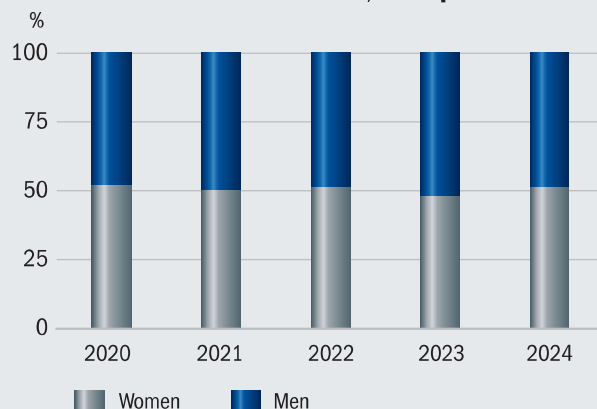
Social conditions and human resources

NOTE strives to be an attractive employer that offers its staff a secure and safe working environment. Ten of NOTE's twelve plants use ISO 45001 to guide their efforts. New group companies should be certified within two years. ISO 45001 is a far-reaching, global and verifiable occupational health & safety standard with external auditing and certification. The Herrljunga and Haddenham plants were ISO 45001 certified in the year. 16 work-related incidents and 3 work injuries resulting in a total of 22 days' sickness absence were reported in 2024. Remedial measures were taken to prevent similar incidents recurring.

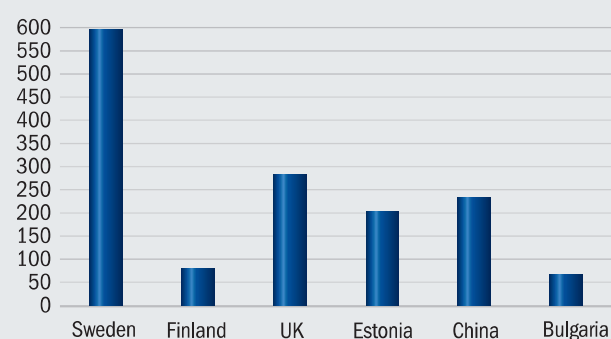
NOTE will be a company that offers everyone the same opportunity to work and progress. Employees' specific competences, regardless of sex, ethnicity, sexual orientation, disability, age and social background are an asset and help move the company forward. NOTE's Equality Policy states the company's principles governing equal opportunities and diversity, which are encouraged in all parts of its business.

The company endeavours to achieve equal opportunities in terms of employment and working conditions, as well as developmental opportunities. Its working climate should feature respect and tolerance. If any instances of harassment or bullying are reported, the group will take action immediately. The company's Diversity Policy states how new Board members are to be appointed from a diversity perspective. 50% or more of the company's board and management are women. In the group overall, the share of women is 51%. NOTE is opposed to all forms of discrimination.

Gender division, Group



Average number of employees by country



One tool for working on this and other issues is its whistleblower function, and four cases were reported in the year. While investigation of these cases did not corroborate the reports, some preventative measures were still taken.

Labour law

NOTE's employees are entitled to collective bargaining and to form, and join, trade unions. Collective bargaining agreements are in place at several NOTE plants. NOTE is opposed to all forms of forced labour and slavery. All stakeholder employees regardless of sector, organisation or geography, should join employment and contracts of their own free will. Additionally, work should also be conducted without compulsion or harassment, either physical or psychological.

Improvement and development work

NOTE works continuously on harmonising its working methods and monitoring tools, as well as clarifying guidelines, which involves many of its employees group wide. NOTE continuously monitors business-related key performance indicators such as ongoing central and local improvement projects. Employees' commitment, inventiveness and desire to help customers create the strength of NOTE's global business.

Staff turnover

The workforce was upsized and downsized in the year to cope with demand fluctuations and to implement rationalisation. The average number of employees was 1,465 in 2024. Staff turnover was 11.3% in the group overall, of which 7.1% was in the European plants. To live up to its goal of being the best collaborative partner in its sector, with leading delivery precision and quality for a competitive total cost, requires a great deal from everyone involved. This is why NOTE values nurturing its people and the skills they possess, and endeavouring to offer them a safe and stimulating working environment.



Skills for financial success

Quality education for everyone is the fourth of the UN's SDGs for 2030. One of its targets is to increase the number of people with relevant skills for financial success.

Several NOTE plants have maintained long-term partnerships with external parties in soldering and electronics assembly training to assure quality and skills in electronics assembly. Usually, these programmes involve practical work and the certification of qualified electronic assemblers.

NOTE enables university and college students to write their dissertations and serve internships.

Future planning and development work

NOTE conducts a continuous anonymous employee satisfaction survey. It is important that every employee feels that they can deliver value-added to customers, and that everyone understands how to get there, and why. The response frequency was 80% in 2024 (84% in 2023). The employee satisfaction index is a measure of commitment, demonstrating the balance between leadership and teamwork, commitment to business development and whether the working environment is a contributor to a profitable, healthy and successful organisation. There is more detail on the survey's outcome in the table on page 20.

The responses help plan clear activities and the timing of execution. The outcomes are also used for NOTE's future planning and development work.

For more information on our staff, please refer to page 58 of our formal annual accounts.



Key performance Indicators - social responsibility and human resources

	2024	2023 4)	2022 5)		2024	2023 4)	2022 5)
Attendance rate (%)	96.6	96.2	95.6	Employee index, business ethics (%)	81	78	76
Number of incidents	16	28	55	Employee index, total (%) 2)	79	80	78
Number of work-related injuries 1)	3	1	5	Staff turnover (%)	11.3	10.2	21.8
Number of work-related fatal injuries	0	0	0	Share of female employees (%)	51	48	51
Average number of employees	1,465	1,504	1,366	Share of female managers (%)	35	31	34
Average number, blue collar	1,009	1,054	957	Share of female Group Management (%)	50	50	50
Average number, white collar	456	450	409	Share of female Board members (%)	53	75	60
Employee survey, response rate (%)	80	84	80	Share of strategic spend (%) 3)	48.5	52	51
Employee index, communication, and cooperation (%)	79	81	79	ISO45001 health & safety-certified NOTE plants (%)	83	67	60
Employee index, first-line manager(%)	78	80	79	Whistleblower cases	4	1	1
Employee index, job satisfaction (%)	77	78	78	IT security training (%)	73.3	73.5	68.9
Employee index, improvements & goal orientation (%)	80	79	78	Business ethics training (%) 6)	64.0	88.3	73.6

Key:

1) Incidents causing one day's sickness absence or more

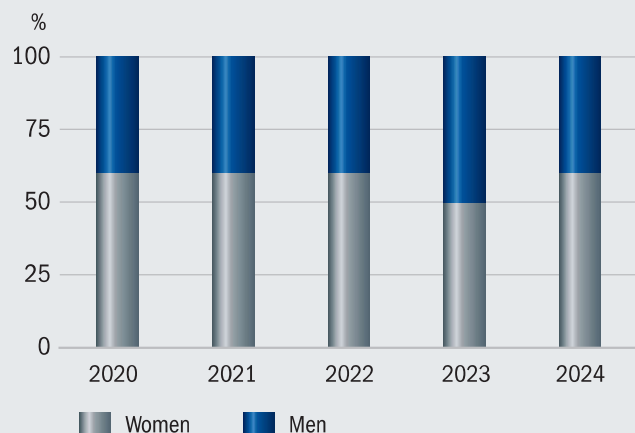
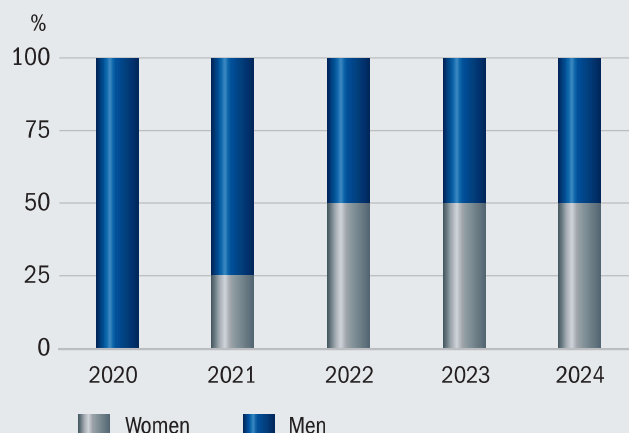
2) Index between 70-100% is considered "on the right track." Industry benchmark is 76% for total index.

3) Share of strategic purchasing in 2024 impacted by acquisitions, market situation and share of customer-supplied components.

4) Acquisitions of NOTE Sofia in April 2023 and NOTE Basildon in July 2023. NOTE Sofia included from from August onwards and NOTE Basildon is not included in 2023.

5) Acquisition of NOTE Herrljunga in July 2022; their KPIs not reported for this year.

6) A new internal training programme on preventing modern slavery was launched in Q4 2024 and is ongoing.

Gender division, Board of Directors of NOTE AB

Gender division, Group Management of NOTE AB


NOTE as a sustainable production partner



Respect for human rights

NOTE respects human rights and its conduct prevents them from being infringed. In addition to responsibility for its own operations, this also implies a responsibility for respecting human rights in business relations with the company's stakeholders. NOTE's Human Rights Policy states principles and attitudes applying to labour law and equality, for example.

NOTE has continued its work on reducing the usage of conflict minerals by assisting customers in material selection so components containing minerals from conflict zones can be eliminated in product design and start-up projects. Additionally, NOTE has zero tolerance of child labour. NOTE does not employ children, and does not collaborate with companies that use children as part of their workforces.

Code of Conduct

NOTE's Code of Conduct formalises how the company expects employees and suppliers to conduct themselves on topics concerning human rights, labour law, child labour, corruption and the environment. NOTE works continuously to ensure compliance with the Code of Conduct through its supply chain. NOTE's global purchasing companies, which manage strategic sustainability work at the supplier level, focus on two segments: supplier engagement through regular business meetings and following up, and evaluating suppliers. These audits review supplier work on human rights in segments including harassment, discrimination and child labour. Supplier management systems are reviewed, as well as how they communicate environmental and sustainability standards with their suppliers. Sustainability work is a recent development for some suppliers, and here, clear potential for improvement and advances have been identified. Others have made more progress, including undertakings on human rights from their subcontractors. Audits did not discover any breaches of human rights. A schematic of the evaluation process follows.

Process flow Supplier Assessment and Approval



Anti corruption

NOTE's Anti Corruption Policy states principles on the group's attitude to corruption.

Staff are encouraged to distance themselves from all forms of extortion and bribery. NOTE expects the same attitude from customers and suppliers, and does not accept any gifts, either to customers or from suppliers, other than of low value. This Policy also reviews the segregation of duties, how internal controls are conducted, and verifies that a whistleblower procedure is in place.

NOTE's Purchasing Policy prohibits bribery and corruption, and stipulates that purchasing must be managed according to ethical guidelines. NOTE has groupwide and local authorisation procedures expedient to its business.

NOTE has a documented process for assessing risks and compliance with policies within its internal control procedures. In 2025, the intention is to keep working for positive social progress where NOTE is active.

Increased awareness

NOTE launched a targeted internal human rights training programme in the year, as well as further staff training on new sustainability reporting standards, new performance indicators and software. Internal training on cybersecurity and business ethics continued.

These are part of the systematic actions the company takes to increase awareness on IT and corruption risks, and reinforce the company's mental firewall.

Complete versions of NOTE's Code of Conduct, as well as its Human Rights, Equality and Anti Corruption policies are on its website, www.note-ems.com. For more information on the business model and risks, see pages 10-11 and 43-45.

UN Global Compact

NOTE reports its Communication of Progress to the UN each year, and reporting via the UN Global Compact portal was new for 2022. NOTE's CoP is available at <https://www.unglobalcompact.org/>

"The UN Global Compact and its ten principles are a vital foundation for our work in contributing to a more sustainable society alongside our customers. I'm looking forward to seeing what this partnership can contribute now and in the future."

Johannes Lind-Widestam, CEO & President



NOTE's reporting according to the EU taxonomy

NOTE and the EU Taxonomy

The EU Taxonomy is part of the EU Commission's action-plan for sustainable growth. The aim is to satisfy the Paris Agreement and climate neutrality by 2050.

NOTE is subject to the Taxonomy's reporting requirement, which applies for the financial year 2024. An investigation of the company's financial activities has been conducted in consultation with experts in this segment.

Although contract electronics manufacture as managed by NOTE is not a segment currently covered by the directive, electronics manufacture where NOTE is part of the production stage is covered.

Total net turnover is SEK 3,901 million (4,243).

Total net turnover is Taxonomy eligible and divided into four activities. The turnover of these activities has been compiled from sales figures from the company's ERP systems.

- 3.5 "Manufacture of energy efficiency equipment and its key components" under (j) presence and daylight controls for lighting systems and (m) energy efficient building automation and control systems for residential and non-residential buildings, SEK 168 million.
- 3.19 "Manufacture of rail rolling stock constituents," SEK 38 million.
- 3.20 "Manufacture of renewable energy technology," SEK 127 million.
- 1.2 "Manufacture of electrical and electronic equipment," SEK 3,565 million.

These financial activities can be allocated to environmental goal 1 (8.52%), environmental goal 2 (7.55%), and environmental goal 4 (91.48%). SEK 0 million of these activities are Taxonomy aligned. For more information on net turnover, see page 50.

Total CapEx (excluding goodwill) is SEK 159 million (391). For more information, see investments for the year in notes 11, 12 and 13 on pages 60–62. Taxonomy-eligible CapEx is SEK 89 million (189) and consists of investments in lease arrangements

and acquisitions of real estate, which can be allocated to activity 7.7 "Acquisition and ownership of buildings" in environmental goal 1. SEK 0 million of this is Taxonomy aligned. Other CapEx of SEK 70 million is allocated to environmental goal 1.2 "Circular Economy."

Total Taxonomy-eligible OpEx Non-capitalized expenses:

- Expenses for renovating buildings
- Short-term leases
- Maintenance and repair expenses

This definition does not include:

- depreciation and impairment
- expenses for raw materials, etc.

Taxonomy-eligible OpEx is SEK 21 million (10) and applies to short-term and low-value leases in activity 6.6 "Freight transport services by road" and 6.5 "Transport by passenger cars" in environmental goal 1. For 2024, NOTE expanded this scope to also include repair and maintenance expenses associated with non-current assets. SEK 0 million of this is Taxonomy aligned. NOTE was unable to confirm the Taxonomy alignment of suppliers for the investments made and covered by the Taxonomy.

For more information see the tables on pages 78-79.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in NOTE AB (publ)
Corporate identity number 556408-8770

Engagement and responsibility

It is the Board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 14-23 and 78-79 and that it has been prepared in accordance with the Annual Accounts Act as 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 21 March 2025

Öhrlings PricewaterhouseCoopers AB

Andreas Skogh
Authorised Public Accountant