

An aerial photograph showing a winding asphalt road that curves through a dense, vibrant green forest. The trees are tall and appear to be conifers or similar evergreens. The lighting is bright, suggesting a sunny day.

HANZA

An aerial photograph of a forest in winter. The ground is covered in a thick layer of snow, and the trees are heavily laden with snow, appearing in shades of white and light blue. The overall scene is serene and quiet.

Sustainability Report

2025

Sustainability Report 2025

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As we present our first CSRD report, we do so with an understanding of the extensive work and learning behind it. Over the past year, we have learned a great deal — about our impacts, our strengths and the areas where we need to improve. Through a comprehensive double materiality assessment, we have gained an overall understanding of the issues that truly matter, both for HANZA and for our stakeholders.

We operate in an industry where material selections, transportation and energy are key concerns. An important insight that shapes our work going forward is that 97 percent of our emissions occur within our value chain. At the same time, our customer dialogues clearly show that we can make a difference — through better data, more sustainable material solutions and more efficient production close to our customers.

I would like to extend my sincere thanks to all colleagues who contributed to this year's report. Their commitment makes it possible to raise sustainability even higher on the agenda. In 2026, we will continue to develop our working methods, particularly on climate and the systems needed to make our efforts more robust.

This report marks the beginning of a new phase in our sustainability work — and I look forward to continuing the journey together.



Pasi Pöyry,
Head of Sustainability

GENERAL DISCLOSURES

General disclosures

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SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	DR ESRS 2_SBM-3_48e Anticipated financial effects from material risks and opportunities	13, and in the following topical sections
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities		23, and 31 in E1 Climate change
IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement		26, 74

ESRS 2 Basis for preparation

HANZA's sustainability report has been prepared in accordance with the CSRD (Corporate Sustainability Reporting Directive) and the ESRS (European Sustainability Reporting Standards). The report meets current requirements under the Swedish Annual Accounts Act. The structure and several disclosures differ from previous reports. The report addresses all material topics identified in HANZA's double materiality assessment. Forward-looking statements are preliminary. HANZA actively monitors the ongoing development of the EU's omnibus proposals, as these may lead to adjustments of future reporting requirements.

BP-1 General basis for preparation of sustainability statements Basis of consolidation

The sustainability report generally covers HANZA's consolidated operations in accordance with the financial reporting. However, recently completed acquisitions are not always included. In 2025, the acquisition of Milectria was completed in October, which is reflected in the financial reporting but not in the sustainability report. The acquisition of BMK was completed in 2026 and is therefore also not included. Year-on-year KPI comparisons are not adjusted for acquisitions. [BP1_5a, 5b(i)]

Upstream and downstream value chain

HANZA's entire value chain was taken into account in the materiality assessment and, where relevant, in the definition of policies, actions, milestones and metrics. [BP1_5c]

Omission of information

No exemptions were applied regarding information related to intellectual property rights, know-how or innovations (ESRS 1, section 7.7) or disclosure requirements 19a.3 and 29a.3 in Directive 2013/34/EU. [BP1_5d,5e]

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Incorporation by reference

ESRS	Disclosure Requirement	Datapoints	Information	Section
ESRS 2	GOV-1	21	Information on the composition and diversity of the members of the administrative, management and supervisory bodies of the undertaking.	Corporate Governance Report
ESRS 2	GOV-1	23b	Skills and expertise relevant to the undertaking's material impacts, risks and opportunities.	Corporate Governance Report
G1	GOV-1	5b	Expertise of the administrative, management and supervisory bodies of the undertaking relating to business conduct.	Corporate Governance Report
ESRS 2	GOV-3	29	Remuneration policies.	Management Report
E1	E1-3 E1-4 E1-5 E1-6	29 MDR-T 43 55	Relationship between investments and net revenues with information in the financial statements.	Management Report, financial statements
E5	E5-2 E5-3	MDR-A 50f	Relationship between personnel costs and net revenues with information in the financial statements.	Management Report, financial statements
S1	S1-4 S1-6	50f	Relationship between personnel costs and the information in the financial statements.	Management Report, financial statements
	Entity-specific	MDR-A	Relationship between costs and the information in the financial statements.	Management Report, financial statements

BP-2 Disclosures in relation to specific circumstances

Time horizons

HANZA has applied the forward-looking time horizons as defined in ESRS 1. [BP2_9a,9b]

- Short-term: One reporting period
- Medium-term: From one reporting period to 5 years
- Long term: > 5 years

Value chain estimations

HANZA recognizes that measurement uncertainty may arise from various factors, such as measurement techniques and data quality across its value chain. Examples include indirect sources

such as emission factors and distance estimates for deliveries used to calculate Scope 3 greenhouse gas (GHG) emissions. [BP2_10a,10b,10c]

Sources of estimation and outcome uncertainty

The fundamental principle is to base information on actual data. In certain cases where actual data is not available, measurements are based on well-founded assumptions or estimates and are therefore subject to uncertainty. In the topical sections, the methodology used is stated for all metrics. The table on the right lists some of the approximations used. [BP2_11a,11b(i),11b(ii)]

METRICS	SOURCE OF ESTIMATION
E1 Climate change	
E1-5 Energy consumption, energy mix	As a rule, energy consumption and energy mix are based on actual data from invoices. In cases where data is missing, calculations are based on rolling 12-month figures or the national energy mix.
E1-6 Gross Scopes 1, 2, 3 and total GHG emissions	For market-based Scope 2 emission factors, a combination of actual and estimated emission factors is used. For Scope 3 emissions, a combination of methods is used: calculation methods at the product and supplier levels.
E5 Resource use and circular economy	
E5-4 Resource inflows	For certain purchased materials, the weight is based on cost multiplied by a conversion factor. The consumption of recycled materials corresponds to EU/industry-specific factors.
E5-5 Total amount of waste generated, weight	As a rule, the amount of waste generated is based on actual weight from invoices. If data is missing for the last months of the year, calculations are based on rolling 12-month figures. In certain factories lacking information on general waste, the weight is assumed to correspond to the average container weight.
S1 Own workforce	
S1-6 Characteristics of the Undertaking's Employees	The number of employees, based on the number of permanent and temporary employees at year-end, is partly an overestimate of employment since some employees work part-time, and may also be an underestimate of the number of employees as temporary staff are hired during production peaks.
S1-8 – Collective bargaining coverage and social dialogue	Social dialogue is assumed to take place with all workplace representatives. HANZA's workplace representation in countries outside Sweden and Finland is assumed to be consistent with local industry practice.

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DISCLOSURE REQUIREMENTS FOR PHASE-IN	COMMENTS
DR ESRS 2_SBM-3_48e Anticipated financial effects from material risks and opportunities	Some qualitative information is presented in the topical section.
DR E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Some qualitative information is presented in the topical section.
DR E2-6 – Anticipated financial effects from pollution-related risks and opportunities	Some qualitative information is presented in the topical section.
DR E5-6 Anticipated financial effects from resource use and circular economy-related risks and opportunities	Some qualitative information is presented in the topical section.
DR S1-7 Characteristics of non-employees in HANZA's own workforce	No metrics are reported.
DR S1-13 Training and skills development metrics	No metrics are reported.
DR S1-14 Health and safety metrics	Health and safety metrics exclude non-employees. No metrics are reported for 88 (d) and (e).
DR S1-15 Work-life balance metrics	No metrics are reported.
ESRS S2 Workers in the value chain	Quick-fix phase-in provision. A brief description of how HANZA's business model and strategy address the impacts, as well as the company's relevant policies, actions and tracking of effectiveness, is presented in the topical section.

HANZA maintains an active dialogue with stakeholders throughout the value chain to collect information for sustainability reporting. At the same time, several challenges remain, including the early development stage, high information costs, and variations in data quality. Limited digitalization also entails risks of errors due to human factors, for example in the manual calculation of recycled raw materials. HANZA is working to improve and strengthen information collection primarily through digital solutions. In 2026, HANZA will implement a system-based data collection process to reduce risks, improve data quality and also enhance the ability to replace estimates with actual data. [BP2_10d]

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

This sustainability report does not include information stemming from other legislation or generally accepted standards and frameworks for sustainability reporting. [BP2_15]

Incorporation by reference

Certain information in this sustainability report refers to other audited sections in HANZA's annual report. See table for more information. [BP2-16]

Phase-in provisions

HANZA has applied the phase-in provisions in accordance with Appendix C of ESRS 1. A brief description of policies, actions, targets and developments related to the phase-in provisions can be found in sections S1 Own workforce and S2 Workers in the value chain. [BP2_17a,17b,17c,17d,17e]

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Governance

GOV-1 The role of HANZA's Board of Directors and management

The Board of Directors has the overall responsibility for sustainability. As part of its annual planning cycle, the Board of Directors reviews and decides on material impacts, risks and opportunities. It sets out strategies for addressing the identified material impacts, risks and opportunities by reviewing and approving sustainability policies, targets and milestones. The Board has established two committees that serve as preparatory bodies without independent decision-making authority, unless the Board expressly delegates such authority to them: the Audit Committee and the Remuneration Committee.

The HANZA Leadership Team (HLT) is HANZA's executive management, to which various responsibilities have been delegated to ensure that sustainability is integrated into its strategy, risk management and acquisitions. The HLT consists of the CEO, CFO, COO, CSO and CHRO. The CEO has the overall responsibility, while responsibility has been delegated to various key roles as illustrated. In addition to the HLT, the Head of Information Security, who reports directly to the CEO, is responsible for implementation of information security matters.

The Operational Leadership Team reports directly to the HLT and consists of Cluster Presidents as well as the Head of Global Strategic Sourcing, Head of IT and Head of Sales. Key performance indicators (KPIs) within management systems, such as employee health and safety, as well as waste management, GHG emissions and energy consumption, are monitored within the clusters and reported back to the Operational Leadership Team. Developments within the management systems and monitoring of procurement, IT, business ethics and equal opportunities for the company's own workforce are reported to the HLT. [GOV-1_22a,22b,22c(i),22c(ii),22d]

Controls and procedures for addressing impacts, risks and opportunities

HANZA's Sustainability Policy guides the company in systematically addressing impacts, risks and opportunities. Several controls and procedures form integral parts of other applied frameworks, including:

- The commitment to the UN Global Compact and to reporting progress in accordance with it.
- Certified management systems, which include procedures for relevant material impacts, risks and opportunities. These are addressed and monitored by quality managers at each HANZA plant as well as at Group level. The systems include ISO 9001 Quality, ISO 14001 Environment (see section E1-3), ISO 45001 Occupational Health and Safety (see sections S1-4, S1-5), ISO 27001 Information Security (see section Entity-specific)
- HANZA's framework for sustainability governance and reporting
- ESG risk management system, which HANZA intends to integrate into the Group-wide risk management framework in 2026 (see section IRO-1)
- Annual review of the materiality assessment (see section IRO-1)

Based on the results from these systems, sustainability-related policies and priorities are updated and improved. HANZA has no internal audit function. [GOV-1_22c(iii)]

Mandate

Responsibility for sustainability is reflected in HANZA's policies and function descriptions. [GOV-1_22b]

Skills and expertise

The Board of Directors and the HLT have expertise in key sustainability matters related to HANZA's material impacts, risks and opportunities. Their profiles can be found in the Corporate Governance Report. [GOV-1_21] Board members have expertise in business operations, management functions at operational and executive levels, and board experience in listed companies with strong engagement in responsible business conduct, environmental responsibility and social responsibility. Members of the HLT and the Operational Leadership Team possess expertise in human resources, occupational health and safety, environmental risk management, responsible sourcing, quality assurance and sustainability compliance, which together cover all of HANZA's material sustainability matters.

HANZA uses internal resources in environmental and social matters, such as the Head of Sustainability, the Quality function, HR and the Procurement function. External experts and consul-

tants are also engaged for guidance, particularly in areas such as reporting and in calculating and evaluating the company's environmental and climate impacts. [GOV-1_23a,23b]

Business conduct

The Board of Directors has overall responsibility for HANZA's business conduct strategy. This includes policies such as the Code of Conduct, actions to address ethics, anti-corruption, conflicts of interest and compliance with legal frameworks. The outcomes of business ethics and corporate culture are regularly reported to the Board of Directors and include the employee survey's findings on perceived corporate culture, incidents of corruption and conflicts of interest, whistleblowing reports and significant incidents of non-compliance. The Audit Committee prepares Board decisions related to business ethics and reviews the effectiveness of HANZA's Code of Conduct, conducts regular risk reviews concerning business ethics and monitors the development of new reporting requirements to ensure compliance.

The CEO ensures that appropriate measures are taken to safeguard business ethics within HANZA and that business ethics is included as part of the risk assessment in acquisitions. The CEO is accountable to the Board of Directors for the outcomes of internal business ethics processes such as risk management and compliance. [GOV-1_5a]

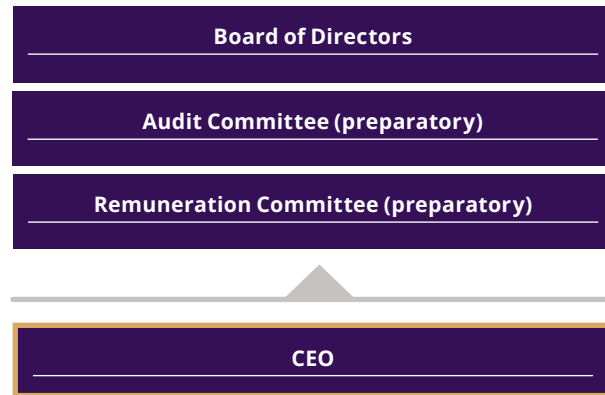
The expertise of the Board of Directors, the Audit Committee and executive management relating to business conduct is presented in the Corporate Governance Report. [G1_GOV-1_5b]

GOV-2 Information provided to and sustainability matters addressed by HANZA's Board of Directors and management

The CEO regularly reports the results of internal sustainability processes to the Board of Directors, such as the management of sustainability-related risks, impacts on employees, suppliers, the environment and regulatory compliance. The CEO receives updates on the company's policies, targets and milestones from the development of specific KPIs for the entire company, which are presented by other members of the HLT or their direct reports. The KPIs include monthly monitoring of the working environment as well as annual monitoring of environmental

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Allocation of responsibility for sustainability-related matters



- Overall responsibility for impacts, risks and opportunities, including establishing strategies to address identified material topics (IROs).
 - Annually determines HANZA's impacts, risks and opportunities based on the materiality assessment, in the event of any changes such as sudden risks, force majeure or business development.
 - Monitors defined sustainability targets, milestones and outcomes.
 - Establishes sustainability policies, milestones and outcomes set out in the company's strategy.
 - Ensures integration of sustainability targets and milestones into the business strategy. Monitoring is conducted quarterly and annually by management and is also addressed in the annual report.
 - Ensures reliable sustainability reporting.
- The Audit Committee is responsible for preparing and monitoring matters related to sustainability, including sustainability reporting, internal control, compliance with the Code of Conduct and review of sustainability risks in relation to impacts, risks and opportunities.
 - Supports the Board of Directors in preparing sustainability-related information in the annual report and monitors the application of the guidelines for remuneration to senior executives as adopted by the Annual General Meeting.
- The Remuneration Committee is responsible for preparing and monitoring matters related to sustainability, including sustainability reporting, internal control, risk management and the assessment of sustainability matters. It reviews internal control and risk management related to material KPIs.
- It ensures that sustainability is integrated into HANZA's strategy and business objectives.
 - It ensures that sustainability risks are integrated into the overall strategy.
 - It makes decisions regarding operations, risk management, resources, delegated policies, milestones and targets related to sustainability within the company.
 - It receives regular sustainability updates from the Cluster Presidents.
 - It ensures implementation of sustainability processes in the operations, such as resource management, production management, supplier management, environmental processes and compliance.

Reports and compiles data for sustainability disclosures.

CFO

Ensures reliable reporting, risk management and processes.
Responsible for control and compliance frameworks, including updating assessments when necessary.
Monitoring of compliance and reporting procedures.

Implementation of sustainability

COO

Ensures implementation of sustainability targets in processes and procedures.

CSO

Receives the annual sustainability plan.

Head of Global Strategic Sourcing

Ensures compliance with sustainability in the supply chain.
Responsible for evaluating and selecting suppliers.

Head of Information Security

Ensures data security within HANZA. Certifications (information security).

CHRO

Leadership development including development of key competencies (including sustainability-related matters).
Ensures skills development related to sustainability.

Yellow frame = HANZA Leadership Team

Sustainability function/ external expertise

Head of Sustainability

Coordinates sustainability activities.
Sustainability reporting.
Stakeholder dialogue.
Develops sustainability policies, guidelines and annual targets and milestones.
Sustainability trainings.
Conducts sustainability audits.
Collects analyses and monitors sustainability-related data.

Cluster Presidents

Development of annual plans for each region.
Defines roles, responsibilities and resources.
Performs internal sustainability audits.
Ensures implementation of sustainability processes and activities.

Head of Quality

Management system certifications.
Carries out internal quality control.
Assesses legal requirements.
Maintains management systems.

Head of Sales

Customer dialogue.
Manages customer-specific sustainability requirements.
Sustainable business planning.

Head of IT

Maintains and is responsible for tools that support sustainability data.

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matters and developments within certified management systems. [GOV-2_26a]

The Board of Directors and HLT consider sustainability impacts, risks and opportunities as part of their ongoing oversight of HANZA's strategy. This includes assessments in connection with acquisitions and the company's overall risk management process. In its work, the Board also analyzes potential trade-offs between short-term operational needs and long-term sustainability targets and milestones to ensure well-balanced decision-making. [GOV-2_26b] In addition, the Board considers material impacts, risks and opportunities as part of the annual review of the materiality assessment. In 2025, the Board of Directors specifically addressed HANZA's ability to reduce CO₂ emissions and the possibility of setting climate targets. The Audit Committee enhanced its expertise in the CSRD's sustainability reporting requirements. [GOV-2_26c]

GOV-3 Integration of sustainability-related performance in incentive schemes

HANZA's variable remuneration system for senior executives and Cluster Presidents in 2025 was linked to earnings performance and working capital. The system is not tied to any sustainability-related targets or climate-related matters. [E1.GOV-3_13] The terms of the incentive scheme comply with the remuneration guidelines and have been approved by the Board of Directors. Information about the remuneration guidelines is provided in the Management Report. [GOV-3_29]

GOV-4 Statement on due diligence

Information about HANZA's due diligence is presented in the table. It shows where the key aspects and steps of the due diligence process are reflected in HANZA's sustainability reporting. [GOV-4_30,32]

GOV-5 Risk management and internal control over sustainability reporting

HANZA has several processes for risk management and internal control of sustainability reporting, such as identifying and minimizing inaccuracies resulting from human error, incompleteness or other potential sources. [GOV-5_36a]

Core elements of due diligence	Reference to section in the sustainability report	Relates to people and/or the environment
Embedding due diligence in governance, strategy and business model	GOV-2, SBM-3	People and the environment
Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, SBM-2, IRO-1	People and the environment
	S1-2	People
Identifying and assessing adverse impacts	SBM-3, IRO-1	People and the environment
	E1.SBM-3, E2.SBM-3, E4.SBM-3, E5.SBM-3	Environment
	S1.SBM-3, S2.SBM-3	People
Taking actions to address those adverse impacts	E1-1, E1-3, E2-2, E4-3, E5-2	Environment
	S1-4	People
	G1-1, Entity-specific	People and the environment
Tracking the effectiveness of these efforts and communicating	E1-4, E1-5, E1-6, E2-5, E5-4, E5-5	Environment
	S1-5, S1-6, S1-8, S1-9, S1-14, S1-16, S1-17	People
	G1-4, G1-6, Entity-specific	People and the environment

Internal control and review

Developments within individual clusters regarding occupational health and safety, corruption, whistleblowing, information security and environmental matters at the cluster level are aggregated at the Group level. Certain monthly and annual reporting related to ISO-certified management systems has been ongoing for several years. Control activities are carried out by the Head of Quality, CFO, CHRO and CSO, and consist of reviews of data quality and completeness, comparisons with previous periods and industry peers, as well as spot checks. Deviations from targets, milestones and previous years are analyzed and reconciled. The Audit Committee, which reviews the sustainability report before it is approved by the Board of Directors, also focuses on the quality and accuracy of the disclosures. The auditors present their observations from the audit together with their analysis of the company's internal control processes. [GOV-5_36a]

Risk assessment

HANZA has implemented a risk management process for sustainability reporting that systematically identifies potential risks of reporting errors in the sustainability report based on their likelihood and impact. [GOV-5_36b] The main risks consist of inaccurate and incomplete data, as some collection and compilation are carried out by a limited number of individuals and within internal reporting systems that lack systematic control functions. As HANZA grows and the volume of data and disclosure requirements increase, new internal quality processes are needed. Enhanced system support and control activities will therefore be introduced starting in 2026. [GOV-5_36c] The new processes will better integrate outcomes from risk assessment and internal control than before. [GOV-5_36d] Currently, HANZA lacks processes for regular reporting to the Board of Directors on the results of risk assessment and internal control related to sustainability reporting. [GOV-5_36e]

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Strategy and business model

SBM-1 Strategy, business model and value chain

As a contract manufacturer, HANZA is engaged to produce clearly specified products based on customers' drawings and material selections, designed for their specific use and life cycle. These components are then integrated into the customers' end products.

Manufacturing takes place in HANZA's 19 production units and one business development unit, which are organized into geographic clusters close to customers. Each production unit consists of one or more factories, enabling efficient operations and a customer-oriented approach.

In addition to manufacturing, HANZA offers expertise in processes that enhance product sustainability. For example, the use of certain materials may be recommended to reduce chemical use, or HANZA's support in design projects may improve resource efficiency, such as reducing a product's steel content while maintaining quality and performance. [SBM-1_40a(i)] The company has no operations in fossil fuels, chemical production, controversial weapons or tobacco. [SBM-1_40d]

Products and factories are organized into two manufacturing area:

- **Mechanics** – automated processes such as sheet metal fabrication, machining and heavy mechanics.
- **Electronics** – assembly of electronic equipment using advanced technology.

HANZA manufactures approximately 50 million units for its customers annually. The company's production processes involve a high proportion of input materials. HANZA sources these materials from around 3,000 suppliers worldwide.

HANZA has a well-diversified customer base consisting of approximately 250 customers, with the ten largest customers accounting for less than half of total sales. Customers include industry-leading companies across a wide range of manufacturing sectors, such as 3M, ABB, Epiroc, GE, Getinge, John Deere, Mitsubishi, SAAB, Sandvik, Siemens and Tomra. [SBM-1_40a(ii)]

Sustainability impacts and strategy

Contributing to a resilient society is a guiding principle for HANZA's sustainability work. This commitment aligns with the

Revenue distribution by manufacturing area [SBM-1_40b]	Total revenue, SEKm	
	2025	2024
Electronics	2,520	2,616
Mechanics	3,494	2,221
Total	6,014	4,837

Region [SBM-1_40a(ii), 40a(iii)]	Number of employees (average)		Sales, SEKm	
	2025	2024	2025	2024
Nordics + Germany	1,529	1,177	4,674	3,806
Other Europe	1,614	1,323	1,120	803
North America	0	0	141	126
Rest of the world	137	80	90	116
Total	3,280	2,578	6,025	4,851

company's customer value strategy, encompassing quality and sustainability across multiple dimensions.

HANZA's customers share a common characteristic: they continuously adapt their business models to minimize negative impacts on people and the environment while maximizing positive outcomes. Most customers have ambitious sustainability goals related to product quality and end-user safety, social responsibility toward employees and key environmental aspects – such as climate impact, circular resource use and environmentally sound production processes.

Customers' product designs generally consist of detailed drawings adapted for the intended use and product life cycle, as well as precise material specifications. When customers engage HANZA for outsourced manufacturing, they apply the same high

standards for manufacturing processes and procurement as for their own operations. Several customers are market leaders in ecodesign, and HANZA integrates their advanced product specifications into its manufacturing processes. Products manufactured by HANZA are assembled into end products used in the defense industry, medical technology, consumer goods recycling equipment, forestry and agricultural machinery, and several other sectors. End users comprise both professionals across various sectors and consumers. When products are delivered to customers and used as components in their end products, HANZA has no downstream social influence, including in relation to product safety or information-related impacts.

HANZA's business model limits its ability to influence the environmental impact of products, as design specifications are determined by customers. Consequently, HANZA's primary responsibility is to apply production processes that minimize environmental impact and to provide advisory services and support to customers, thereby contributing to more sustainable product design. [SBM-1_40e,40f]

With regard to the environment, HANZA is firmly committed to minimizing the negative impacts of its production processes and, where possible, promoting the use of sustainable raw materials. The company's risks and opportunities stem from new policies related to the green transition and changing customer preferences. To strengthen the resilience of its business model, HANZA has taken several strategic actions, including establishing a regional cluster model to minimize transport, implementing environmental management systems in all factories, assessing the possibility of setting climate targets in line with the Paris Agreement and SBTi, and conducting joint pilot projects with customers on ecodesign. [SBM-1_40e,40g; SBM-2_45c]

When it comes to people, HANZA recognizes that its innovation and profitability rely entirely on the contributions of its employees. HANZA's workforce of approximately 3,200 people is primarily employed in factory environments. HANZA strives to provide them with safe and healthy workplaces, as well as opportunities for development and a sound set of values, as these are essential for increasing employee motivation and trust. To address challenges related to occupational health and

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safety, HANZA implements preventive measures within its occupational health and safety management systems with the goal of achieving zero work-related accidents. In addition, HANZA has introduced several processes related to employer branding, leadership, development, inclusion and equal opportunities. This commitment also extends to employees of suppliers and subcontractors, which is why HANZA has established clear procurement processes. [SBM-1_40e,40g; SBM-2_45c]
 With regard to business ethics, HANZA is strongly committed

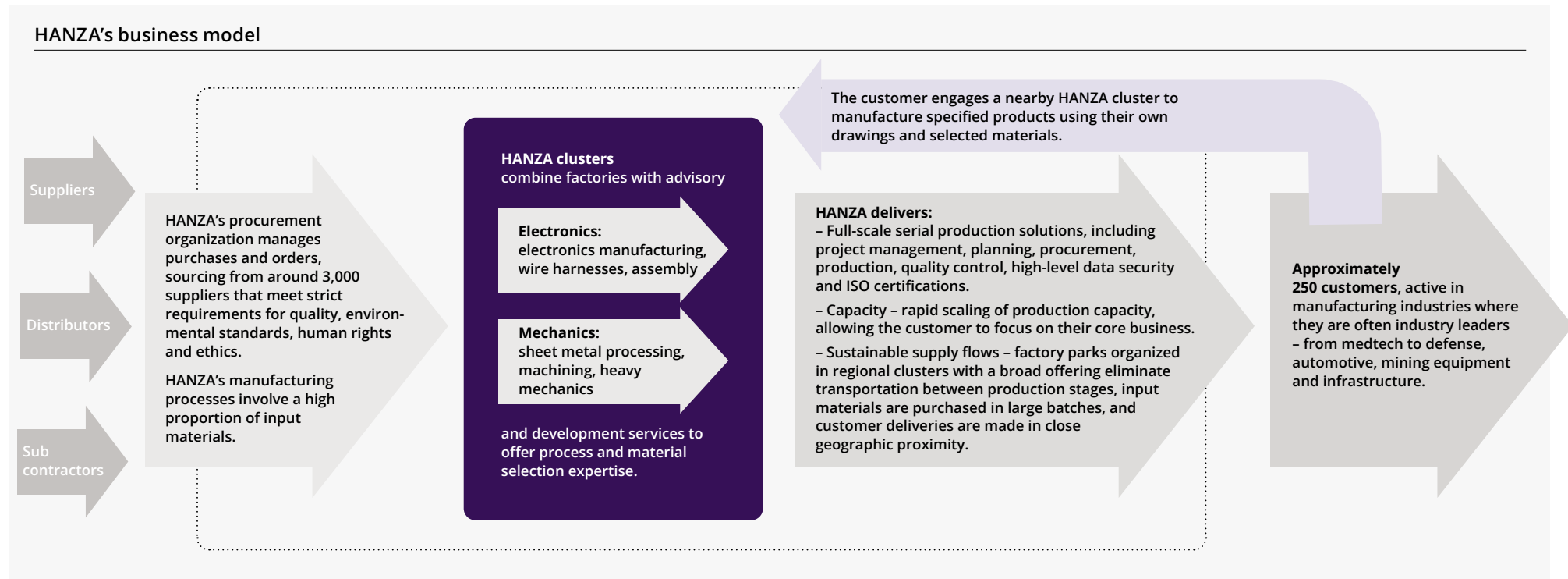
to maintaining a business culture founded on trust, integrity and transparency. The company prioritizes information security to protect customers' intellectual property rights and to support its own business operations. [SBM-1_40e,40g]

Value chain

The illustrations below and on the next page present HANZA's business model and the key parts of the value chain. HANZA's value chain extends from the extraction and production of

input materials, through its own manufacturing, to customer deliveries, customers' integration of HANZA's products into their end products and ultimately the use of these end products. Upstream are the actors involved in raw material extraction and component manufacturing. Downstream are large companies, their customers and end users. Each step in the value chain has different types of impacts on people, the environment and society.

HANZA's business model and sustainability commitment



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signal to investors, employees and other stakeholders the social and environmental responsibility that can provide a stable market position and long-term revenue growth.

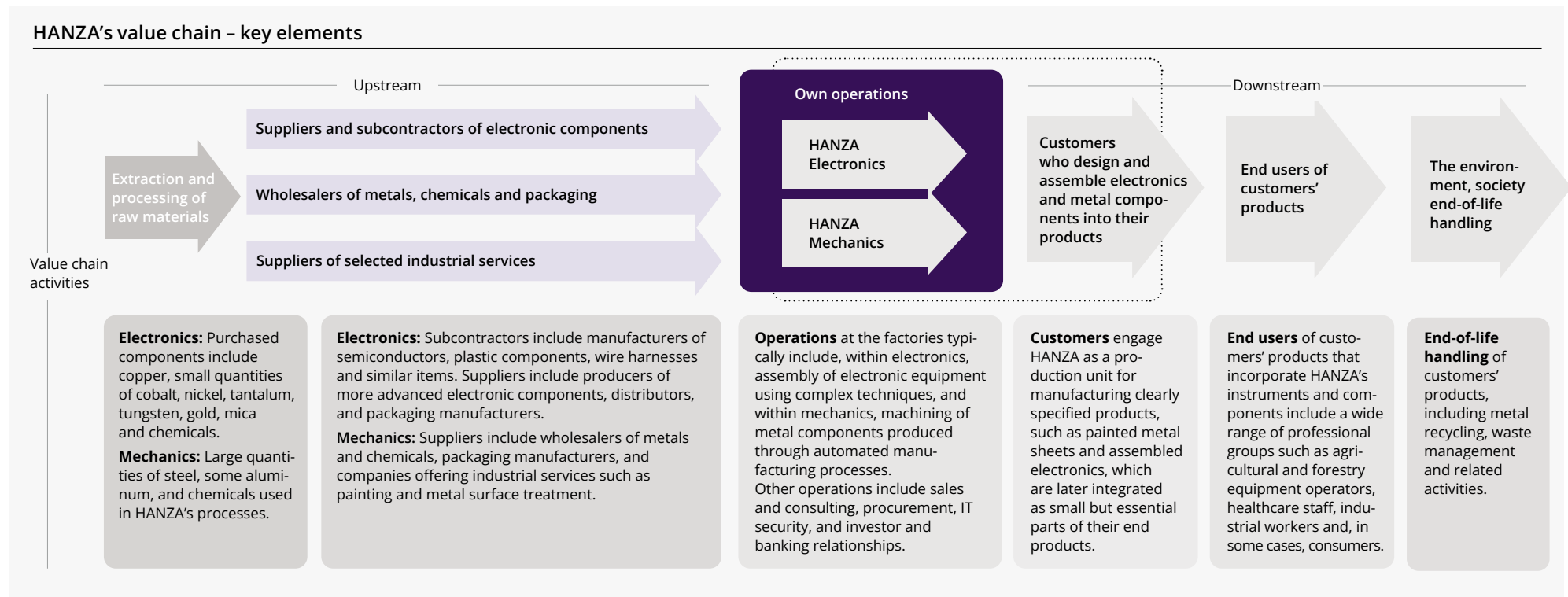
SBM-2 Interests and views of stakeholders

Stakeholders contribute valuable insights to HANZA's sustainability and strategy work. Their perspectives help assess the severity or benefits of HANZA's impacts on people and the environment and to evaluate sustainability-related risks and

opportunities. [SBM-2_45a(iv)] Stakeholders can be divided into two main groups. The first group consists of those directly or indirectly affected by the company's operations in the value chain, or those who can influence HANZA's ability to achieve its goals, such as employees, customers and the environment. The second group includes stakeholders who depend on the company's sustainability reporting. These consist of primary users of general financial reporting and mainly comprise customers, investors and lenders, as well

as other users of HANZA's sustainability reporting, such as trade unions, partners, authorities, analysts, academia and communities.

Based on HANZA's value chain, primary and secondary stakeholders have been identified. The primary stakeholders have also been compared with those of industry peers. Stakeholders share their insights either through direct dialogue or indirectly through representatives. The company communicates its sustainability priorities and actions during these dialogues and



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Overview of HANZA's stakeholders, engagement opportunities and influence on its strategy and business model [SBM-1_45a(i),45a(ii),45a(iii),45a(v)]

Primary stakeholder	Their interests and views, purpose of the engagement	Trend	Key dialogue opportunities	Impact on HANZA's strategy and business model
Customers	Interested in product quality and sustainable procurement, including social responsibility, reduced environmental impact, assured ethical business ethics, and protected intellectual property.	To achieve the EU's environmental objectives, demand is increasing for: <ul style="list-style-type: none"> • sustainable raw materials with a low carbon footprint or recycled content, although availability remains limited. • traceability of input materials. • suppliers' commitments to climate neutrality and SBTi. • improved procurement processes, including audits, evaluations and transparency. • evidence of diversity and gender equality in the supply chain. • suppliers' support in the design phase to reduce resource use and environmental pollution. 	<ul style="list-style-type: none"> • Customer survey, annual. • Customer meetings, regular. • Interviews with customers on sustainability, formalized in 2024 and thereafter ad hoc. • Customer audits of HANZA, ad hoc. 	The insights lead HANZA toward a cluster strategy built around a broad regional offering, focusing on quality and environmental and social impacts in production processes and procurement, and on innovation to offer services that meet customers' demand for quality and sustainability.
Employees	Seek a safe and healthy work environment with opportunities for development and social engagement, including benefits, equal opportunities, and inclusion.	<ul style="list-style-type: none"> • Employees need support with: <ul style="list-style-type: none"> • managing stress during production peaks. • improved communication and feedback to reduce uncertainty during expansion. They are satisfied with: <ul style="list-style-type: none"> • the work environment. • development opportunities. 	<ul style="list-style-type: none"> • Annual employee survey. • Trade union negotiations and dialogue, annual and ad hoc. • Career development meetings, annual. 	The insights lead HANZA to provide safe and healthy workplaces and improve employee well-being. In addition, the results are integrated into leadership training, dialogues, and employer branding, as well as skills and corporate culture processes.
Investors and owners, banks	Strive for customer satisfaction and competitiveness while maintaining environmental, social, and ethical standards to ensure HANZA's financial performance. Expect transparent reporting and communication as well as compliance with laws and regulations.	Expects focus on: <ul style="list-style-type: none"> • climate-related impact and risk management. • ensuring respect for human rights in all input materials and customer value chains, prohibiting violations such as child labor, the use of conflict minerals, and the production of weapons such as cluster bombs and landmines. 	<ul style="list-style-type: none"> • Investor meetings, ad hoc, often in connection with reporting occasions. • Annual General Meeting, annually. 	The insights lead HANZA to implement competitive strategies that follow sustainability principles and to transparently report on performance.
The environment	Strives for minimal environmental impact from emissions and resource use.	Aims to protect the environment through: <ul style="list-style-type: none"> • -reduced consumption of primary natural resources. • -reduced climate impact throughout the value chain. • -protection of biodiversity and ecosystems. 	<ul style="list-style-type: none"> • Collaboration with sustainability initiatives such as the Responsible Minerals Initiative. • Regular evaluation and auditing of suppliers. 	The insights lead HANZA to a cluster strategy that reduces climate impact from transport and decreases environmental impact in operations by reducing pollution and emissions. These requirements are also applied to suppliers, who are required to take full responsibility for their own supply chains. The strategy further develops an offering that reduces environmental impact.
People in the supply chain	Strive for safe and fair working conditions, fair treatment, equal opportunities, a healthy living environment, and respect for human rights.	Focus on: <ul style="list-style-type: none"> • guaranteed respect for human rights in production processes. • guaranteed working conditions and opportunities. • monitoring of conflict minerals. 	<ul style="list-style-type: none"> • Collaboration with organizations such as the Responsible Minerals Initiative and Human Rights Watch. • Regular evaluation and auditing of suppliers. 	The insights lead HANZA to impose requirements on suppliers to provide and take full responsibility for their supply chains to ensure safe and healthy workplaces, fair working conditions, respect for human and labor rights, and equal opportunities.

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through other communication channels, such as quarterly and annual reporting. [SBM-1_45a(iii)]

In 2024, HANZA began conducting in-depth interviews with customers about their sustainability priorities. The results of these customer dialogues show that environmental matters are a high priority, particularly regarding suppliers' ability to maintain low CO₂ emissions in their operations. Under regulations such as CSRD and the Ecodesign Directive, customers are required to impose the same requirements on HANZA as on their own operations. As a result of regulatory compliance, customers are requesting support in ecodesign, increased use of recycled materials and improved transparency in the supply chain. Key social aspects include working conditions and equal opportunities, such as gender equality. Employee feedback is collected through annual employee surveys, career development meetings and direct dialogue with local managers, as well as through trade union representatives. The company communicates through managers who share the results and develop action plans for their teams, as well as in dialogues with trade union representatives and, where there are no collective agreements, with representatives from works councils or locally elected employee representative committees. (See also S1-2). [S1.SBM-2] Investors raise questions about carbon footprints and procurement processes to ensure that human rights are respected.

During regular supplier dialogues, HANZA reviews suppliers' procurement practices to confirm alignment on environmental and social commitments (see also G1-2). [S2.SBM-2] Feedback and insights from the environment, as well as from employees and communities in the supply chain, are considered through reports from organizations such as Human Rights Watch, scientific studies, and similar sources.

Insights from stakeholder dialogues are regularly communicated to HANZA's executive management and Board of Directors. [SBM-2_45d] These result in continuous strategic adaptations and new processes in the business model. (See examples in section SBM-1). The sustainability dialogue with customers strengthens HANZA's relationship with its customers

while also increasing HANZA's commitments. [SBM-2_45c(iii)] An example of strategic adaptation is HANZA's improved systematic procurement processes. Future adaptations in the coming years include enhanced and standardized traceability of input materials. [SBM-2_45b,45c(i),45c(ii)]

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

HANZA has conducted a double materiality assessment (DMA) to identify material impacts, risks and opportunities. The results are presented in the table on the following pages. The overview illustrates:

- **IRO category.** (Impact, risk, opportunity, IRO) Whether it concerns an actual or potential, positive or negative impact, or whether it represents a risk or an opportunity for HANZA. The colors in the table indicate red = negative impacts or risks, green = positive impacts or opportunities.
- **Description of material IRO.** A brief description of the impacts, risks and opportunities. A more detailed explanation of each material IRO is provided in the respective topical section (see sections E1 Climate change, E2 Pollution, E4 Biodiversity and ecosystems, E5 Resource use and circular economy, S1 Own workforce, S2 Workers in the value chain and G1 Business conduct).
- **Type of operation or business relationship.** A description of how impacts arise from or are related to HANZA's business model.
- **Time horizon.** Details on the earliest expected timing of each identified impact, risk or opportunity.
- **Position in the value chain.** Where these impacts, risks and opportunities occur in the operation and value chain. [SBM-3_48a; 48c(i); 48c(ii); 48c(iii);48c(iv);48h]

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IRO Category							Position in the value chain		
Actual impact	Potential impact	Risk and opportunity	Description of material IRO	Type of operation or business relationship	Time horizon	Up-stream	HANZA	Down-stream	
ESRS E1 Climate change									
E1:1 Climate Change Adaptation									
		Climate-related acute physical risks	Climate-related storms and floods. May impact transport or suppliers, potentially causing logistics disruptions, particularly in product areas where HANZA has only one or a few suppliers, which may result in revenue losses. Storms may also lead to temporary production stoppages in HANZA's operations and to reduced customer orders.		Short-term	X	X	X	
E1:2 Climate Change Mitigation									
			GHG emissions impacting the environment are generated mainly from the production of input materials (Scope 3), but also from HANZA's manufacturing processes (Scopes 1 and 2).	Own operations: GHG emissions arise from HANZA's procurement of goods, its own energy consumption, and delivery of finished products. Business relationships: GHG emissions originate from suppliers' processes and transport	Short-term	X	X	X	
		Transition risk	Requirements for net zero emissions and increased climate reporting to meet future customer needs may lead to higher investments in renewable energy and greater transparency, particularly regarding input materials.		Medium-term	X	X		
		Transition opportunity	Customer requirements for net zero emissions may enhance HANZA's competitive advantages over smaller competitors, given its stronger ability to meet these requirements.		Medium-term	X	X		
		Transition risk	Potential new climate taxes may contribute to increased transport costs for HANZA in the short term.		Medium-term	X		X	
		Transition opportunity	Potential new climate taxes may increase HANZA's competitive advantages, given its regional cluster model.		Medium-term	X		X	
E1:3 Energy									
			Purchased energy for manufacturing processes contributes to CO ₂ emissions.	Own operations: Energy requirements of the manufacturing processes.	Short-term		X		

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IRO Category			Description of material IRO	Type of operation or business relationship	Time horizon	Position in the value chain		
Actual impact	Potential impact	Risk and opportunity				Up-stream	HANZA	Down-stream
ESRS E2 Pollution								
E2:1 Pollution of air								
			Upstream metal production leads to air pollution.	Own operations: Procurement. Business relationships: Customers' product specifications drive the purchase of large volumes of metals, which suppliers produce using polluting processes.	Short-term	X		
E2:5 Substances of very high concern								
			Some purchased electronic components may contain small quantities of substances of very high concern (SVHC), posing a risk of harm to the environment and people when the product is used.	Business relationships: Customers' product specifications drive the need for and purchase of components containing SVHC.	Medium-term	X		X
		Risk	Poor supply chain management may lead to compliance costs (fines, fees), supply chain disruptions, reputational damage and even product recalls.		Short-term	X		X
ESRS E4 Biodiversity and ecosystems								
E4:1 Direct impact drivers of biodiversity loss								
E4:1:1 Climate change								
			The impact of GHG emissions in HANZA's value chain leads to loss of biodiversity and degradation of ecosystems. Own operations and business relationships: GHG emissions from HANZA's business model have a direct negative impact on biodiversity and ecosystems.	Own operations and business relationships: GHG emissions from HANZA's business model have a direct negative impact on biodiversity and ecosystems.	Short-term	X	X	X
ESRS E5 Resource use and circular economy								
E5:1 Resource inflows, including resource use								
			HANZA's production processes are input material-intensive, with input materials accounting for 60–70 percent of manufacturing costs in electronics and 40–50 percent in mechanics. These materials include non-renewable resources that pose an environmental risk.	Business relationships: Customers' product specifications drive the procurement of large volumes of metals and components, including non-renewable resources.	Medium-term	X	X	X
			HANZA promotes a circular economy by supplying its customers with recycled and sustainable raw materials (particularly in mechanics where steel is used).	Own operations: Procurement (mainly in mechanics).	Medium-term	X	X	X

GENERAL DISCLOSURES

IRO Category			Description of material IRO	Type of operation or business relationship	Time horizon	Position in the value chain		
Actual impact	Potential impact	Risk and opportunity				Up-stream	HANZA	Down-stream
ESRS E5 Resource use and circular economy								
E5:1 Resource inflows, including resource use								
		Opportunity	Green customer projects and a focus on customers with sustainable business models can strengthen customer relations and HANZA's long-term revenue streams.		Medium-term		X	X
		Opportunity	HANZA can be perceived as a sustainable company and strengthen its long-term customer relationships by using recycled and more sustainable raw materials in mechanics, where HANZA is to some extent free to choose materials.		Short-term		X	X
E5:3 Waste								
			HANZA's manufacturing processes generate non-hazardous and hazardous waste, representing a waste of resources and causing additional environmental impacts during handling.	Own operations: Manufacturing that generates hazardous and non-hazardous waste.	Medium-term		X	
		Risk	Tighter regulations on hazardous waste management may lead to higher costs for HANZA.		Medium-term		X	
ESRS S1 Own workforce								
S1:1 Working conditions								
S1:1:4 Social dialogue								
			If HANZA's management does not maintain social dialogue with its employees, they may experience confusion, a lack of influence, and a sense that their commitment is not rewarded.	Own activities: With a large workforce employed at manufacturing sites in Northern Europe.	Short-term		X	
S1:1:7 Work-life balance								
			Employees benefit from opportunities for flexible working hours, such as hybrid work arrangements for parents, work schedules adapted to childcare, and day shifts where feasible within HANZA.	Own activities: With a large workforce employed at manufacturing sites in Northern Europe.	Short-term		X	
S1:1:8 Occupational health and safety								
			Employment in factories with temporary production increases exposes employees to health and safety risks and a potentially negative work environment due to stress and overtime work.	Own activities: With a large workforce employed at manufacturing sites in Northern Europe, sometimes under stressful working conditions.	Short-term		X	
		Risk	Serious occupational accidents can damage the company's reputation and business opportunities, as well as increase the costs of new procedures.		Medium-term		X	

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IRO Category							Position in the value chain		
Actual impact	Potential impact	Risk and opportunity	Description of material IRO	Type of operation or business relationship	Time horizon	Up-stream	HANZA	Down-stream	
ESRS S1 Own workers									
S1:2 Equal treatment and opportunities for all									
S1:2: 1 Gender equality and equal pay for work of equal value									
			Equal opportunities and equal pay for equal work benefit employees who find the workplace inspiring and rewarding, where all contributions are valued.	Own activities: With a highly gender-diverse workforce employed at manufacturing sites in Northern Europe.	Short-term		X		
S1:2:2 Training and advancement									
			Training and advancement opportunities benefit employees who may experience increased motivation.	Own activities: With a large workforce employed at manufacturing sites in Northern Europe, with a need for continuous training.	Medium-term		X		
		Opportunity	Skills development and training can enhance HANZA's efficiency and attractiveness to customers, as well as deliver margin improvements and business opportunities.		Short-term		X		
		Risk	Difficulties in attracting the right employees and competencies may lead to loss of capacity and missed business opportunities.		Medium-term		X		
S1:2:4 Measures against violence and harassment in the workplace									
			In addition to harming individuals, harassment also undermines employee trust and the corporate culture.	Own activities: With a large workforce employed at manufacturing sites in Northern Europe.	Medium-term		X		
S1:2:5 Diversity									
			A work environment that promotes diversity benefits employees, who find the workplace inspiring and rewarding, knowing that all contributions are valued.	Own activities: With a large and diverse workforce employed at manufacturing sites in Northern Europe.	Medium-term		X		
ESRS S2 Workers in the value chain									
S2:1 Working conditions									
If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...									
S2:1:2 Working time									
			...being exposed to unregulated working hours, which may lead to stress and health issues.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X			
S2:1:3 Adequate wages									
			...receiving insufficient pay for their work or unpaid overtime, and living under precarious conditions.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X			

GENERAL DISCLOSURES

IRO Category			Description of material IRO	Type of operation or business relationship	Time horizon	Position in the value chain		
Actual impact	Potential impact	Risk and opportunity				Up-stream	HANZA	Down-stream
ESRS S2 Workers in the value chain								
S2:1 Working conditions								
If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...								
S2:1:5 Freedom of association								
			...being prevented from joining trade unions.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:1:6 Collective bargaining								
			...being negatively impacted by compensation determined without collective agreements.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:1:7 Occupational health and safety								
			...being exposed to workplaces with inadequate safety systems and training, which may subject them to excessive health and safety risks involving a high risk of injury or fatal accidents.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:2 Equal treatment and opportunities for all								
If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...								
S2:2:1 Gender equality and equal pay for work of equal value								
			...being exposed to inequalities in career progression and compensation.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:2:4 Measures against violence, harassment and victimization in the workplace								
			...being exposed to workplaces where violence, harassment and victimization are tolerated and people are harmed.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:2:5 Diversity								
			...being exposed to workplaces where diversity and inclusion are not prioritized, which may lead to an exclusionary work environment where vulnerable individuals are harmed.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X		

GENERAL DISCLOSURES

IRO Category			Description of material IRO	Type of operation or business relationship	Time horizon	Position in the value chain		
Actual impact	Potential impact	Risk and opportunity				Up-stream	HANZA	Down-stream
ESRS S2 Workers in the value chain								
S2:3 Other work-related rights								
If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...								
S2:3:1 Child labor								
			...in upstream activities involving mineral extraction and component manufacturing in high-risk countries, being exposed to instances of child labor and violations of workers' rights.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:3:2 Forced labor								
			...in upstream activities involving mineral extraction and component manufacturing in high-risk countries, being exposed to instances of forced labor and violations of workers' rights.	Business relationships: Within HANZA's relationships with its suppliers.	Medium-term	X		
		Risk	For HANZA, human rights violations linked to certain key input materials, individual suppliers or their subcontractors risk leading to costs or lost business opportunities, as such incidents require actions to eliminate any suspicion of deficient procurement processes.			X		
ESRS G1 Business conduct								
G1:1 Corporate culture								
			High standard of business ethics contributes to strong relationships with employees, customers, and the broader community.	Own operations and business relationships: In business activities conducted within the company, as well as between HANZA and its customers and suppliers.	Short-term	X	X	X
		Risk	Damaged trust, in the event of a violation of business ethics standards or internal rules, may impair HANZA's relationships with customers, employees, the capital market and the broader community, potentially resulting in significant revenue losses and increased financing costs.		Medium-term		X	
G1:2 Protection of whistleblowers								
			Instances of non-compliance (regarding whistleblower protection) may harm not only individual people, but also trust in the entire business.	Own activities: Provide a whistleblower channel to uphold HANZA's corporate culture.	Short-term	X	X	X

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IRO Category			Description of material IRO	Type of operation or business relationship	Time horizon	Position in the value chain		
Actual impact	Potential impact	Risk and opportunity				Up-stream	HANZA	Down-stream
ESRS G1 Business conduct								
G1:5 Management of relationships with suppliers including payment practices								
			Reasonable payment terms benefit smaller local suppliers where HANZA is a major customer and contractual partner.	Own operations: Procurement.	Short-term	X	X	
		Risk	Procurement standards that do not meet customer requirements may pose a risk to business opportunities.		Medium-term	X	X	
G1:6 Corruption and bribery								
G1:6 :1 Prevention and detection including training								
			Inadequate prevention and detection of corruption or bribery can damage trust within the organization and among stakeholders.	Own activities: Within HANZA's collaboration with customers, suppliers and partners.	Short-term	X	X	X
Entity-specific: Information security								
			Potential data breaches involving sensitive customer information may pose financial risks for both HANZA and its customers, including their employees and owners.	Own activities: In the handling of sensitive information and internal information systems that may be exposed to cybersecurity breaches.	Short-term		X	
		Risk	Data breaches resulting in lost data or extortion may damage customers' trust in HANZA, which in turn could lead to lost revenue. Breaches also contribute to internal costs from production downtime.		Medium-term		X	X

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Material topics	2024						2025					
	Impact materiality				Financial materiality		Impact materiality				Financial materiality	
	+ actual	+ potential	+ actual	+ potential	+ opportunity	- risk	+ actual	+ potential	+ actual	+ potential	+ opportunity	- risk
E1 Climate change												
E2 Pollution												
E3 Water and marine resources												
E4 Biodiversity and ecosystems												
E5 Resource use and circular economy												
S1 Own workforce												
S2 Workers in the value chain												
S3 Affected communities												
S4 Consumers and end-users												
G1 Business conduct												
Entity-specific: Information security												

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Changes in material impacts, risks and opportunities compared with the previous period

HANZA completed its first double materiality assessment in 2024. In 2025, an annual review was conducted, influenced by a major acquisition the previous year, new insights regarding the industry and customers, and feedback on the previous sustainability report. The results from 2024 and 2025 are illustrated on the preceding page. Key changes at the subtopic level include: [SBM-3_48g]

E2 Pollution:

- Subtopic Air pollution. Material from 2025.
- Subtopic Water pollution. No longer material from 2025.

S2 Workers in the value chain:

- Subtopic Equal treatment and opportunities. Material from 2025.

S3 Affected communities:

- The topic is no longer material from 2025.

Resilience of the strategy and business model and the effects of material impacts, risks and opportunities on HANZA's business model, value chain, strategy and decision-making

HANZA's business model and strategy are designed to ensure a resilient and long-term sustainable business. Key environmental, social and business conduct considerations are integrated into operations, providing HANZA with favorable conditions for stable growth and increased value creation.

The company has not conducted an in-depth assessment of the resilience of its strategy and business model to evaluate their capacity to address its material impacts and risks and to leverage its material opportunities. [SBM-3_48f] See also section E1 Climate change resilience analysis.

In accordance with the description in HANZA's sustainability strategy (see section SBM-1), the company's sustainability commitment aligns with its customer value strategy, which involves offering quality and responsible conduct across several areas.

These quality and sustainability initiatives are continuously evaluated by customers, and both sales and customer relationships are highly dependent on HANZA's performance. Through regular customer dialogues, HANZA stays informed about changing requirements and expectations. In addition, HANZA conducts risk assessments to identify relevant risks and opportunities and to facilitate prompt action.

A detailed description of material impacts, risks and opportunities within each topic, as well as HANZA's changes to its strategy or business model in response to these, can be found in the introduction to each topical section under the headings 'Material impacts, risks and opportunities and their interaction with strategy and business model' or 'HANZA's strategy'. [SBM-3_48a,48b,48c(i),48f; E1.SBM-3_18]. In the topical sections, HANZA also reports on the management of material topics, progress and areas for improvement.

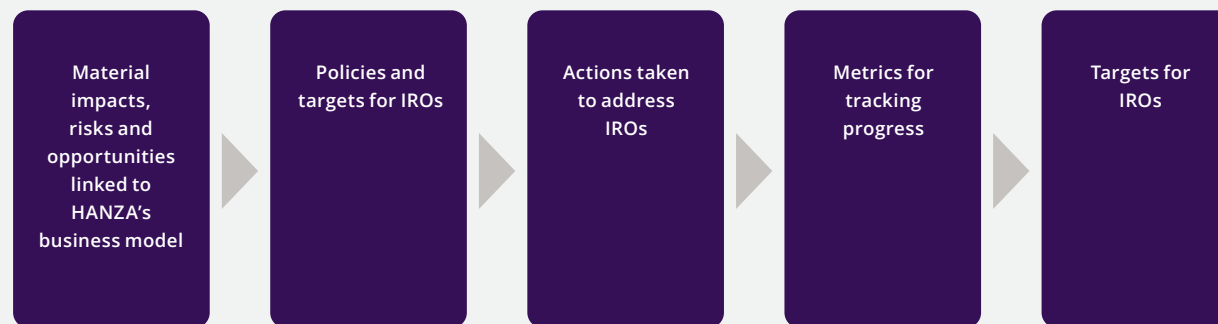
Financial effects

HANZA's environmental and social impacts entail direct and indirect financial consequences for the company, its customers and investors.

Current financial effects – As stated in the summary above, HANZA has identified several risks that may affect the reported earnings during the next reporting period ('short term'). No individual risk is considered to have a material impact. [SBM-3_48d]

Future financial effects – HANZA has not yet estimated the magnitude of future financial effects. Phase-in provisions are applied for this disclosure.

How to read the topical sections



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IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

HANZA conducted its first double materiality assessment (DMA) in 2024, in accordance with the ESRS and EFRAG guidance. The materiality assessment identifies the sustainability matters most relevant to HANZA and its stakeholders—whether as impacts on society, the environment or business conduct ('impact materiality') or as sustainability-related risks and opportunities for HANZA ('financial materiality'). A structured methodology was applied to identify, assess and prioritize material impacts, risks and opportunities within HANZA's operations.

Following an acquisition in 2024 and HANZA's commitment to review the materiality assessment annually, it was updated during the second quarter of 2025 using the same methodology. The process included the following steps: [IRO-1_53a, 53b,53h]

Initiation

The entire process was managed by a team appointed for this purpose under the leadership of the Head of Sustainability. The team drew on internal expertise, external specialists and stakeholders' insights.

Context and value chain

As a starting point, HANZA's business model, value chain and strategy were analyzed (see sections SBM-1 and GOV-4). The analysis considered key market trends, upcoming regulations and other external factors.

Several distinguishing features were identified in HANZA's business model.

- **Customer-driven product specifications that also include sustainability requirements.** Customers provide detailed drawings and material selections, along with requirements regarding product use and life cycle. These specifications also include sustainability-related requirements for the supply chain.
- **High material intensity.** HANZA's products have a significant proportion of input materials in their manufacturing costs.
- **Cluster-based production.** HANZA's production units are organized into geographic clusters, enabling efficient manage-

ment of large material deliveries and ensuring short transport distances for product deliveries to customers.

Based on these, several main themes were defined in the analysis. One main theme concerned purchased input materials, focusing on volume, origin, impacts on people and the environment throughout the value chain, and how purchasing decisions are made. Another important theme concerned HANZA's manufacturing processes and their impact on people and the environment, the location of factories and how business transactions are conducted. A third theme was HANZA's downstream impacts to clarify the company's product liability and effects on end customers. [IRO-1_53b(i)]

Areas and activities that impact the environment, people and business conduct—whether directly caused by HANZA or otherwise linked to its operations—were identified in the short, medium and long term. Each identified impact, risk and opportunity was assessed in terms of geography and value chain stage (upstream, own operations and downstream). [IRO-1_53b(ii)] Some assumptions were made regarding the origin and manufacturing processes of input materials, where generalizations were applied concerning methods of mineral extraction and metal production, together with countries of origin and the composition of electronic components. Other generalizations include customers' ordering and design processes. [IRO-1_53g]

Stakeholder dialogue

Stakeholders' perspectives were central to the materiality assessment. HANZA mapped business relationships and key stakeholder groups based on sustainability priorities, business processes and industry knowledge. Due diligence processes provided additional insights. Stakeholders' insights—such as customer and investor requirements, reports and employee surveys—were analyzed (see section SBM-2). Certain stakeholders, such as workers in the supply chain and affected communities, were not consulted directly; instead, HANZA relied on external reports. [IRO-1_53b(iii)]

Identification of impacts, risks and opportunities

All relevant impacts in the value chain were identified, mapped and evaluated across different time horizons, where HANZA applied the forward-looking time horizons defined in ESRS 1 (see section BP-2). The materiality assessment covered all ESRS topics and subtopics, with relevant sub-subtopics selected where applicable. HANZA also included relevant entity-specific topics.

For each identified impact, the following criteria were analyzed:

- Whether the impact is actual or potential
- Whether the impact is negative or positive
- Whether the impact is direct or indirect, where a direct impact is caused by HANZA's operations and an indirect impact arises from activities through HANZA's business relationships.

The analysis also included potential dependencies on environmental and human resources and how sustainability impacts result in risks and opportunities that may affect the company's financial position over different time periods. [IRO-1_53c(i)]

Materiality assessment of impacts, risks and opportunities

Several criteria were used to assess the materiality of the identified impacts, risks and opportunities. [IRO-1_53b,53c]

Impact materiality

Each impact was assessed and assigned a score. Negative impacts were assessed based on their scale, scope and irreparable character, each scored from 1 to 5 with equal weighting. A score of 1 corresponds to a barely perceptible scale, limited scope and easily reversible impact, while 5 corresponds to a highly significant scale, global scope and irreversible, i.e., permanent impact. Positive impacts were assessed based on their scale and scope, scored from 1 to 5 with equal weighting. For potential impacts, the likelihood of occurrence was also considered, expressed as a percentage.

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IMPACT SCORE				LIKELIHOOD	
Score	Scale	Scope Environmental/Social	Irremediable character	Likelihood, if not 100%, i.e. actual	
1	Imperceptible	Isolated location/few individuals	Easily reversible	<10	Rare
2	Limited	Multiple locations/groups	Remediable at low cost	10–25	Low
3	Noticeable	Multiple large areas/ large groups	Remediable at significant cost	25–50	Possible
4	Significant	Entire region/majority	Very difficult to remediate	50–75	Likely
5	Very significant	Global environment/entire population	Permanent	>75	Very likely

Two exceptions were applied for negative potential impacts where severity – defined as scale, scope and irremediable character – was prioritized over likelihood. The first exception concerned potential human rights violations. The second concerned potential negative impacts with very high severity. The exceptions reflect HANZA's commitment to integrating sustainability into its operations and business strategy. Prioritizing severity over likelihood for issues assessed as highly severe ensures that HANZA's risk system highlights areas that could cause significant harm to stakeholders, even if the likelihood of occurrence is low. [IRO-1_53b(iv)].

Scoring was based on objective information wherever possible, using data from internal systems such as HR systems, actual consumption and supplier data, as well as from external sources, scientific consensus and stakeholder feedback. Internal estimates and calculations were used where data was missing, such as for GHG emissions, or benchmark figures from industry peers, customers or industry sources were applied. Impacts were assessed, as far as possible, before any actions were taken to mitigate their effects.

A quantitative threshold was applied, with a benchmark of 50 percent. This meant that all negative actual impacts with a severity level of 2.5 or higher were classified as material

impacts. Material impacts as well as non-material topics and subtopics were validated through stakeholder insights, industry peers' impact materiality and HANZA's ISO-certified management systems for environment, occupational health and safety, and information security. The threshold was assessed as well-balanced and consistent with HANZA's goal to focus on the most material sustainability matters while ensuring that important stakeholder perspectives are not overlooked.

Financial materiality

Risks and opportunities have been assessed based on their estimated annual financial effect in SEK, using HANZA's EBITDA as a reference point, and the likelihood of occurrence expressed as a percentage (see likelihood of impact). A value in SEK has been determined as a threshold for identifying financially material risks and opportunities. In 2025, this value was set low to avoid overlooking important risks. [IRO-1_53c(ii)] The threshold is independent of those used in HANZA's standard risk management processes. Material risks and opportunities were then validated by the CFO and also cross-checked against previously identified risks and opportunities within HANZA's operational risk management framework. [IRO-1_53c(iii)]

Approval and review

The outcome of the final and validated materiality assessment was reviewed and approved by the HLT and subsequently submitted to the Board of Directors for approval (see section GOV-1). HANZA is committed to conducting an annual review in accordance with the process described above, which may be further developed in the future. Regular review is a necessary consequence of ongoing acquisitions, development, and new insights from stakeholders, as well as environmental and social information. [IRO-1_53d, 53h]

Managing material impacts, risks and opportunities

Material impacts are addressed in action plans based on targets and priorities. These are presented in each topical section of this report. [IRO-1_53e, 53f] Material opportunities are integrated into relevant internal processes, business planning and strategic initiatives. Material risks are managed through HANZA's ESG risk management process, which is aligned with the company's existing management systems, where environmental risks are handled within the environmental management system; social risks concerning HANZA's employees are managed within the occupational health and safety management system and workforce planning; certain risks within business conduct are managed within HANZA's quality management system. [IRO-1_53c(iii)] In 2026, HANZA plans to integrate ESG risk management into its Group-wide risk management framework.

Process for identifying and assessing impacts, risks and opportunities within the topics

HANZA applies a structured process to review business activities across the entire value chain. Insights from internal sustainability experts, such as the Head of Sustainability, quality and environmental specialists, procurement and sales experts, the HR manager, as well as reviews of each cluster's management systems, form the basis for identification and assessment. Consultations have been held with stakeholders such as customers, employees and investors. Specific procedures and

GENERAL DISCLOSURES

considerations related to certain topics are described on the following page.

E1 Climate change

See section E1.IRO-1 under Climate change.

E2 Pollution

In addition to HANZA's process for reviewing business operations and consulting experts and stakeholders, HANZA specifically examined the key processes within its two business areas, mechanics and electronics. Examples of factories with these processes were then studied, resulting in a list of potential emissions and hazardous substances originating from both input materials and operations. Any dependencies on surrounding ecosystems were taken into account. Individual factory sites were not reviewed. No consultation took place with affected communities. [E2.IRO-1_11a,11b, AR9] Uninterrupted production and compliance are important elements of HANZA's risk management process. In the process, air pollution from upstream metal production and substances of very high concern were identified as material impacts. Substances of very high concern were also assessed as a material risk.

E4 Biodiversity and ecosystems

A qualitative assessment was conducted to identify potential impacts, risks and opportunities throughout the value chain based on internal knowledge and customer feedback. No consultation took place with affected communities. The assessment included due diligence of HANZA's factory sites to determine whether any are located in or near biodiversity-sensitive areas that could be adversely affected by operations. [E4.IRO-1_19a]. An investigation was also conducted into how input materials contribute to biodiversity loss, for example in relation to the EU Deforestation Regulation (EUDR) regarding the use of natural rubber.

Based on these insights, it was concluded that HANZA's operational sites are not located in or near biodiversity-sensitive areas and therefore do not impact biodiversity or ecosystems,

based on effects on species status, the extent and condition of ecosystems, and dependence on ecosystem services. It was also concluded that no operations are conducted that affect forests, grasslands, wetlands or agricultural areas. Land use is limited to factory expansions in controlled zones, pollution from operations is minor and has a low impact on water. Freshwater environments such as rivers, lakes and wetlands remain unaffected, and the company conducts no direct activities in mining, oil drilling or deep-sea mining that could affect the marine ecosystem. [E4.SBM-3_16a,16b,16c] [E4.IRO-1_17a]

Upstream, the minerals and metals used in HANZA's manufacturing may be extracted through methods that can cause biodiversity loss, but to an extent not considered material. It was therefore concluded that no direct actions to mitigate impacts on biodiversity are necessary. [E4.IRO-1_17e, 19b]

One of HANZA's material topics, climate change, was considered to have an impact on biodiversity. Climate change also depends on biodiversity and ecosystems and their services. [E4.IRO-1_17b,17d] Based on qualitative assessments and the fact that HANZA's operations throughout the value chain contribute to significant climate impacts, biodiversity and ecosystems constitute a material topic. The impacts are managed within the framework of climate change. Based on current information, no other impacts related to biodiversity are deemed material. Consequently, no scenario analysis of identified and assessed material risks and opportunities related to biodiversity was conducted across different time horizons. [E4.IRO-1_17c]

E5 Resource use and circular economy

In addition to HANZA's process for reviewing business operations and consulting experts and stakeholders, data from the company's ERP system was analyzed. This data contains detailed information on resource use within the clusters—such as raw materials, chemicals, packaging materials—as well as production volume, sales of metal scrap, and waste generated during operations. The information was then cross-checked against customers' design specifications and interest in sustainable sourcing, including material traceability, recycled input

materials, and considerations of availability and cost. Based on the analysis, HANZA drew quantitative and qualitative conclusions regarding current and future requirements for sustainable input materials, as well as its ability to influence the use of renewable materials. HANZA did not review its assets. [E5.IRO-1_11a] No consultation took place with affected communities. [E5.IRO-1_11b]

Ensuring continued production and compliance with laws and regulations is an important aspect of HANZA's risk management process. Leveraging opportunities to strengthen customer relations is a cornerstone of HANZA's business model and strategy. In the materiality assessment, HANZA's high proportion of input materials and generation of waste were considered material impacts. Material risks arise due to increasing legal requirements for managing hazardous waste, while material opportunities stem from the introduction of sustainable materials that can enhance customer relationships.

G1 Business conduct

In addition to HANZA's process for reviewing business operations and consulting experts and stakeholders, internal finance experts were also consulted. HANZA carried out a high-level risk assessment based on its industry knowledge, public information on corruption, and internal procurement data. HANZA also took stakeholder expectations and compliance with laws and regulations into account. Transaction types and sizes, as well as risks across different sites and positions, were reviewed. Sector-specific risks, such as suppliers of conflict minerals through procurement systems, were also examined. The areas identified as relevant and material are corporate culture, whistle-blower protection, corruption and bribery, management of supplier relationships, and information security. [G1.IRO-1_6]

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IRO-2 Disclosure Requirements in ESRS covered by HANZA's sustainability statement

Page 74 presents a list of disclosure requirements and datapoints under the ESRS, based on HANZA's completed DMA. [IRO-2_56] To assess the materiality of the information to be disclosed, a qualitative assessment was carried out instead of applying quantitative thresholds. This assessment focused on evaluating whether the information is relevant based on its significance to the matter it represents or its ability to meet users' decision-making needs. [IRO-2_59] If a specific requirement was not deemed consistent with a material IRO, the related datapoint or disclosure requirement has not been disclosed. [IRO-2_56]. A list of datapoints derived from other EU legislation is also included.

Topics not assessed as material [IRO-2_58]

E3 Water and marine resources

HANZA has examined water consumption in individual factories, in addition to the process of reviewing business operations and consulting experts and stakeholders. A qualitative assessment was conducted at the subtopic level. No consultation took place with affected communities.

HANZA uses moderate water volumes, mainly for galvanization in Tartu Mechanics as well as for cooling, drilling and painting. The water is sourced from local suppliers and treated before discharge. The larger facilities (Narva, Tartu, Joensuu) remain within withdrawal limits. The marine impact is minimal – no industrial discharges, spills or plastic production. HANZA conducts no mining or deep-sea activities. Upstream suppliers, particularly semiconductor and mineral producers, consume larger volumes of water, which are not included in HANZA's monitoring.

Overall, the water impact is considered low and identified as non-material. [E3.IRO-1_8a, 8b]

S3 Affected communities

HANZA respects human rights and supports local communities through sponsorships and school partnerships. The location of the factories has limited social impact, and recent acquisitions have further reduced communities' dependence on HANZA as an employer. Indirect impacts arise upstream, where mineral extraction may affect access to land and water in high-risk areas. As a contract manufacturer, HANZA has no direct influence on civil rights or indigenous peoples.

S4 Consumers and end users

As a contract manufacturer, HANZA is engaged by customers as a production unit to manufacture clearly specified products according to customers' drawings and material selections adapted to use and life cycle. These products are later integrated as components in the customers' end products. HANZA has very limited influence over product design, durability and recyclability. Approximately 50 million units produced annually by HANZA on behalf of customers are integrated into end products in industries such as defense, medical technology, recycling equipment, and forest and agricultural machinery. End customers include a wide range of professional users and, in some cases, consumers. HANZA bears product liability, and any safety risks identified are communicated to customers, who in turn take the necessary actions to ensure the safety of individuals. Once the products are delivered to customers and incorporated into their end products, HANZA has no downstream social influence, including product safety, information-related impacts or social inclusion.

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Environmental information

Table of Contents	Phase-in disclosure requirements not reported	Pages
Taxonomy reporting		23
E1 Climate change	DR E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	31
E2 Pollution	DR E2-6 Anticipated financial effects from pollution-related risks and opportunities	40
E4 Biodiversity		43
E5 Resource use and circular economy	DR E5-6 Anticipated financial effects from resource use and circular economy-related risks and opportunities	44

Taxonomy reporting

1. Taxonomy Regulation – accounting policies

The EU Taxonomy (EU 2020/852) is a classification system established to determine whether an economic activity is environmentally sustainable. The purpose is to provide companies, investors and policymakers with clear definitions that facilitate 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 every respect—or vice versa—but only that it meets the specific criteria set out under the EU Taxonomy.

HANZA is subject to the reporting requirements of the EU Taxonomy Regulation. Taxonomy reporting is governed by a separate EU regulation, but some of the information disclosed may be linked to the sustainability disclosures required under the CSRD. HANZA has applied the simplified reporting templates introduced through the Omnibus Regulation, adopted in July 2025. The simplified framework means that companies are required to report fewer datapoints, that materiality thresholds have been introduced allowing exclusion of non-material information, and that the “Do No Significant Harm” (DNSH) criteria have been simplified in relation to pollution.

HANZA applied a three-step process to determine the taxonomy classification for the 2024 Annual Report:

1. Identified the economic activities conducted within the Group.
2. Assessed whether these activities are covered by the EU Taxonomy’s technical screening criteria.
3. Allocated revenue, CapEx and OpEx based on whether or not the activities were taxonomy-eligible.

During 2025, HANZA carried out a structured review using the three-step process to identify taxonomy-eligible economic activities in the 2025 Annual Report. The review of taxonomy-eligible economic activities reported in the 2024 Annual Report served as the basis for the work carried out in 2025.

As HANZA’s assessment shows that the identified activities do not meet the technical screening criteria, no taxonomy-aligned KPIs are disclosed for 2025. Only taxonomy-eligible KPIs are disclosed.

The key performance indicators (KPIs) have been calculated by determining the share of revenue, CapEx and OpEx that is taxonomy-eligible in relation to the respective totals. The key performance indicators are based on the Group’s consolidated IFRS figures, with intra-Group transactions eliminated.

Calculation principles:

- Revenue: The taxonomy-eligible revenue share is calculated as taxonomy-eligible revenue divided by total Group revenue. The reported total sales include revenue recognized in Notes 5 and 6 and comprise revenue from HANZA’s sale of goods and services. HANZA’s sales from electronics manufacturing is classified as a taxonomy-eligible activity.
- CapEx: The taxonomy-eligible CapEx share is based on taxonomy-eligible investments in relation to total investments, excluding non-eligible items such as investments in goodwill and customer relationships. Total CapEx is presented in Notes 15 and 28.
- OpEx: The taxonomy-eligible OpEx share includes costs for repair and maintenance of both eligible and non-eligible assets.

2. Analysis of HANZA’s economic activities

2.1 Identification of economic activities covered by the Taxonomy (Eligibility assessment)

To assess which economic activities are covered (taxonomy-eligible), it has been necessary to interpret the Taxonomy Regulation and the Delegated Acts. HANZA conducts manufacturing-related economic activities. When assessing taxonomy-eligible activities, the Group’s operations have been assessed in relation to the environmental objectives in the EU Taxonomy where manufacturing activities are defined in the Delegated Acts. These include: “Climate change mitigation,” “Climate change adaptation,” “Sustainable use and protection of water and marine resources,” “Transition to a circular economy” and “Pollution prevention and control.” No relevant manufacturing activities have been identified under the environmental objective “Protection and restoration of biodiversity and ecosystems.”

Ahead of the 2024 taxonomy reporting, HANZA carried out a thorough review of each listed activity to determine which activities were covered under the EU Taxonomy. The initial review was performed by comparing all of HANZA’s activities with a complete list of all economic activities for each of the environmental objectives included in the EU Taxonomy. Following the initial review, the relevant activities were identified for further

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assessment. It was concluded in the 2024 Taxonomy Report that HANZA's most significant contribution related to the fourth environmental objective, Transition to a circular economy.

During 2025, a review was conducted of the identified economic activities covered by the taxonomy in 2024. HANZA has assessed its activities against the EU Taxonomy's technical screening criteria through a structured analysis of the Group's own manufacturing processes, while incorporating the most recent updates to the technical screening criteria and new relevant interpretations from the European Commission. As a contract manufacturer, HANZA evaluates only its own production and not the end product's use or the customer's operations.

Conclusion

Following the review and analysis of the Group's economic activities during 2025, one area of operations continues to be identified in the Delegated Acts, concerning manufacturing-related economic activities, that is relevant for HANZA to consider for the 2025 reporting period:

CE 1.2 Manufacture of electronic equipment (Delegated Act (EU) 2023/2486)

The assessment is based on HANZA being a European manufacturing Group producing electronic equipment on behalf of product-owning customers. The electronic equipment manufactured according to the brand owner's specifications typically constitutes components of larger products, but in some cases HANZA assembles a finished product ready for delivery to the end customer.

Mechanical manufacturing does not correspond to any of the economic activities listed in the EU Taxonomy Delegated Acts and is therefore classified as a non-taxonomy-eligible activity.

2. Activities aligned with the EU Taxonomy requirements (Alignment)

2.1 HANZA's alignment status

For an economic activity to comply with the taxonomy, it must: contribute substantially to a climate or environmental objective,

while not causing significant harm (DNSH) to any of the climate or environmental objectives. In addition, business operations must be conducted in accordance with the requirements for minimum safeguards. All three of these requirements must be met for an activity to comply with the taxonomy.

The potentially taxonomy-aligned activities have been identified based on HANZA's processes, after which the criteria for substantial contribution and DNSH have been assessed using internal governance documents, environmental data and actual operating conditions. The assessment also includes minimum requirements related to governance and social aspects.

During 2025, HANZA assessed the taxonomy-eligible activities against the technical screening criteria in the Commission's Delegated Regulation (EU) 2021/2139 and the amended Climate Delegated Act ((EU) 2023/2485) and Environmental Delegated Act (EU) 2023/2486) issued under the EU Taxonomy. A limited share of the Group's manufacturing of electronic components still consists of the production of electronic equipment integrated into reverse vending machines. However, following a reassessment, HANZA concluded that this activity does not meet the technical screening criteria and therefore is not classified as taxonomy-aligned in relation to the circular economy for 2025. Sales from other electronics production has been classified as non-taxonomy-aligned, as it does not meet the technical screening criteria in relation to the circular economy for 2025.

Analysis of HANZA's procurement of products and services from suppliers with taxonomy-eligible operations

In addition to HANZA's core business, the company also reports company cars and facility lease agreements under activities 6.5 for company cars and 7.1 and 7.7 for leased premises, according to the Commission's Delegated Regulation (EU) 2021/2800.

HANZA is considered taxonomy-eligible under economic activity 7.1 Construction of new buildings and 7.7 Acquisition and ownership of buildings under the environmental objective Climate change mitigation, with respect to the procurement of taxonomy-eligible products and services. More specifically, this refers to capital expenditures (CapEx) for the acquisition and

leasing of buildings and premises, as well as operating expenditures (OpEx) related to their maintenance and repairs. HANZA is also considered taxonomy-eligible under economic activity 6.5 Transport by motorcycles, passenger cars and light commercial vehicles under the environmental objective Climate change mitigation, with respect to the procurement of taxonomy-eligible products and services. More specifically, this refers to CapEx for the leasing of passenger and company cars, as well as OpEx related to their maintenance and repairs.

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Financial year	2025	Breakdown by environmental objectives of Taxonomy-aligned activities													
		Proportion of Taxonomy-eligible activities (3)	Taxonomy-aligned activities (4)	Proportion of taxonomy-aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activities (12)	Transitional activity (13)	Non-assessed activities considered non-material (14)	Taxonomy-aligned activities in the previous financial year (15)	Proportion of Taxonomy-aligned activities in 2024 (16/2024) (15)
KPI	Code (2)	SEK	%	SEK	%	%	%	%	%	%	%	%	%	SEK	%
Turnover	6,025	42	-	-	-	-	-	-	-	-	-	-	-	-	-
CapEx	519	32	-	-	-	-	-	-	-	-	-	-	-	-	-
OpEx	75	13	-	-	-	-	-	-	-	-	-	-	-	-	-

Overview I: Proportion of turnover, CapEx and OpEx derived from products or services associated with economic activities – disclosures covering 2025 (summary KPIs)

Turnover

Financial year	Turnover 2025	Breakdown by environmental objectives of Taxonomy-aligned activities												
		Proportion of taxonomy-aligned activities (3)	Taxonomy-aligned activities (4)	Proportion of taxonomy-aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activities (12)	Transitional activity (13)	Non-assessed activities considered non-material (14)	
Economic activities (1)	Code (2)	%	SEK	%	%	%	%	%	%	%	E	T	%	
Manufacture of electronic equipment (Delegated Act II, Chapter 1.2)	CE 1.2	42												
Total alignment per objective														
Total KPI (turnover)		6,025	-	-	-	-	-	-	-	-	-	-	-	

Overview 2: Proportion of turnover, CapEx and OpEx derived from products or services associated with economic activities – disclosures covering 2025 (activity breakdown)

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ESRS E1 Climate change

E1.IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities

For a general description of HANZA's process, see section IRO-1.

Assessment of climate-related impacts

HANZA's analysis is based on internal risk assessments, monitoring within the clusters' environmental management systems, consultations with internal experts such as the Head of Sustainability, environmental specialists and management, customer dialogues, and energy and GHG emissions data. GHG emissions were identified as the most significant impact based on emissions information from HANZA's own operations and relevant parts of the value chain. [E1.IRO-1_20a]

Climate-related risk and opportunity assessment and scenario analysis

No comprehensive climate scenario analysis of HANZA's overall strategy and business model in relation to climate change has been carried out. In the materiality assessment, climate-related risks and opportunities were assessed at an overall level across the entire value chain. The assessment considered both internal risk evaluations and HANZA's customers' collective climate ambitions. The analysis identified two key drivers of climate-related risks and opportunities: [E1.SBM-3_18]

- **Acute physical risks.** Climate events such as storms pose a significant threat to HANZA's operations, as they can disrupt logistics and halt production. The financial impacts may include delayed revenue, lost sales and fewer incoming orders. A particularly vulnerable area is the company's exposure to so-called single source suppliers, where no alternative suppliers exist.
- **Transition risks and opportunities.** As customers' and regulators' climate ambitions increase, HANZA's challenges and potential opportunities grow. Customers are increasingly demanding climate-conscious suppliers, which requires greater investment in sustainable practices to avoid losing business. Regulations such as climate taxes may also impose financial burdens. HANZA's size and flexible business model enable the

company to capitalize on the growing demand for sustainable solutions, potentially creating new business opportunities.

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

As a contract manufacturer, HANZA acts as a production unit for customers' specified products, including material specifications. GHG emissions were assessed as the main impact, with 97 percent of emissions occurring within Scope 3, primarily from the production and transport of input materials. HANZA's operations account for less than 5 percent of CO₂ emissions.

Resilience analysis related to climate change

No resilience analysis of HANZA's strategy and business model in relation to climate change has yet been carried out.

However, a strategy has been established to address the impacts, risks and opportunities identified in the materiality assessment. [E1.SBM-3_19a]

- **Current climate strategy:** The strategy includes gradual annual reductions in CO₂ emissions and energy consumption within Scopes 1 and 2 in relation to sales, as well as a regional cluster model designed to minimize transport-related emissions within Scope 3. These actions address HANZA's carbon footprint and transition risks and opportunities related to potential climate taxes. The strategy is described in detail in E1-3 and progress is monitored annually in E1-4.
- **Physical climate risks:** Extreme weather events pose risks to both HANZA and its business partners through logistics disruptions with financial consequences. The risks are partly mitigated by efforts to reduce HANZA's dependence on single source suppliers. HANZA's cluster model also helps prevent production stoppages.
- **SBTi targets:** HANZA's ongoing evaluation of climate targets in line with the Paris Agreement and the Science Based Targets initiative (SBTi) is an important step toward managing transition risks and opportunities and meeting customer requirements. Two key factors influence this matter:

- HANZA's internal transition depends on the availability of financial resources. At the same time, this long-term commitment can create business opportunities and strengthen the company, as most customers aim for climate neutrality in their value chains.
- The overall climate transition largely depends on HANZA's customers and other major industrial companies' ability to reduce their CO₂ emissions, as they control HANZA's largest source of emissions – input materials. Collaboration with customers pursuing ambitious long-term sustainability goals is therefore important for HANZA.

The next page provides an overview of HANZA's climate-related impacts, risks and opportunities and how these are managed. [E1.SBM-3_AR8b]

Acquisitions delay HANZA's new climate targets and transition plan

HANZA is committed to prioritizing reduced GHG emissions. This commitment aligns with the interests of key stakeholders and is therefore part of the company's value proposition to customers. In 2025, HANZA began evaluating the possibility of setting climate targets in accordance with the Paris Agreement, approved by SBTi. A decision was planned for later in the year.

The new climate strategy involved developing a transition plan for emissions within Scopes 1 and 2, with the aim of reducing emissions from HANZA's own operations by 42 percent. This was an important step toward adopting science-based climate targets approved by SBTi, clarifying that HANZA has further climate ambitions under the current strategy. As part of this work, a comprehensive climate scenario analysis was planned.

The acquisitions of Milectria and BMK Group in the second half of 2025 had a significant impact on HANZA's operations, rendering the transition plan outdated. In 2026, HANZA aims to include these acquisitions in an updated transition plan for Scopes 1 and 2, as well as to internally decide on a climate target and secure its funding. HANZA then plans to develop a transition plan for Scope 3 as well. The actions also aim to address the

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IRO Category							
Actual impact	Potential impact	Risks and opportunities	Description of impacts, risks and opportunities	Policies and targets	Actions	Metrics	Targets
E1:1 Climate Change Adaptation							
		Climate-related acute physical risk	Extreme weather events such as climate-related storms and floods. These may affect transport or suppliers, cause logistics disruptions—particularly in product areas where HANZA has only one or a few suppliers—which can lead to revenue losses. Storms may also result in temporary production stoppages in HANZA's operations and reduced customer orders.	<ul style="list-style-type: none"> Environmental Policy. HANZA will manage climate-related risks and opportunities 	Risks are managed by: <ul style="list-style-type: none"> HANZA minimizing the use of single source suppliers. General climate actions within HANZA's own operations and in Scope 3. 	No metric set	No target set
E1:2 Climate change mitigation							
			GHG emissions impacting the environment are generated mainly from the production of input materials (Scope 3), but also from HANZA's manufacturing processes (Scopes 1 and 2).	<ul style="list-style-type: none"> Environmental Policy. Supplier Code of Conduct. HANZA shall integrate environmental aspects into operations and planning, use environmentally friendly technology, reduce GHG emissions, manage climate-related risks and opportunities, use energy efficiently, and promote the use of renewable energy.	Lower emissions in Scope 2 through: <ul style="list-style-type: none"> Reduced energy consumption through environmental management systems implemented in all factories, which gradually improve energy efficiency and savings, renewable energy consumption, and investments in solar panels. Lower emissions in Scope 3 through: <ul style="list-style-type: none"> A regional cluster model that minimizes transport. Advisory support to customers on low-emission materials. Collaboration with customers that have climate ambitions. 	E1-5 Energy use, energy mix E1-6 Gross GHG emissions	No target set, Milestones set
		Transition risk	Requirements for net zero emissions and increased climate reporting to meet future customer needs may lead to higher investments in renewable energy and greater transparency, particularly regarding input materials.	Suppliers shall reduce environmental impact, particularly in the areas of energy consumption and the use of renewable energy sources. Suppliers are also responsible for their own supply chains.	Risks and opportunities are managed through <ul style="list-style-type: none"> Evaluation of the possibility of setting climate targets aligned with climate neutrality and approved by SBTi. 		
			Customer requirements for net zero emissions may enhance HANZA's competitive advantages over smaller competitors, given its stronger ability to meet these requirements.				
			Potential new climate taxes may increase HANZA's competitive advantages, given its regional cluster model.		Risks and opportunities are managed through: <ul style="list-style-type: none"> A regional cluster model that minimizes transport. 		
		Transition risk	Potential new climate taxes may contribute to increased transport costs for HANZA in the short term.		<ul style="list-style-type: none"> Efficient energy consumption and investments in renewable energy. 		
E1:3 Energy							
			Purchased energy for manufacturing processes contributes to CO ₂ emissions.	<ul style="list-style-type: none"> Environmental Policy. HANZA shall use energy efficiently and promote the use of renewable energy. 	The impact is managed through: <ul style="list-style-type: none"> Reduced energy consumption (see above) Use of renewable energy sources (see above) 	E1-5 Energy use, energy mix	No target set, Milestones set

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company's transition risks and leverage opportunities related to customer and investor net zero requirements. [E1-1_17]

E1-1 Transition plan for climate change mitigation

HANZA does not yet have a climate strategy and transition plan to ensure that its strategy and business model align with the Paris Agreement's 1.5°C target (see Acquisitions delay HANZA's climate targets and transition plan above). The decision regarding the climate target and a detailed transition plan has been postponed until 2026. [E1-1_17]

To ensure a gradual reduction of CO₂ emissions from its own operations (Scopes 1 and 2), HANZA's current climate strategy and actions are evaluated against annual milestones for energy mix, energy consumption and CO₂ emissions.

E1-2 Policies related to climate change mitigation and adaptation

The HANZA Code of Conduct states that HANZA shall work proactively to manage and reduce its environmental impact.

The Environmental Policy clarifies that HANZA, in its planning and operations, shall integrate environmental aspects, use environmentally friendly technology and processes, and maintain structured management systems. The company shall reduce GHG emissions, manage climate-related impacts, risks and opportunities, and use energy efficiently [E1-2_25a,25b,25c], as well as promote renewable energy consumption. [E1-2_25d]

The Supplier Code of Conduct clarifies that suppliers shall work to reduce environmental impacts, particularly in the areas of energy consumption, air and water pollution, promote renewable energy [E1-2_25d], have management systems that at least prevent, reduce and control environmental impact, and pursue certified environmental management systems. Suppliers are responsible for all parts of their supply chain.

The policies were established to meet the interests of customers and investors. All policies are available on HANZA's website.



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POLICIES related to climate change

Background	Contents	Scope/key stakeholders	Responsibility
HANZA Code of Conduct (see section S1-1)			
Supplier Code of Conduct			
<p>HANZA strives to be a sustainable link in the value chain and seeks suppliers whose policies on ethical, social and environmental matters align with HANZA's.</p> <p>The Supplier Code of Conduct refers to HANZA's Code of Conduct, international standards and the principles of the UN Global Compact.</p> <p>The principles stated set out minimum requirements. If international and national laws and regulations are stricter, these shall take precedence.</p>	<p>Suppliers shall:</p> <ul style="list-style-type: none"> • share HANZA's and its customers' views on sustainability, • regarding the environment: hold all necessary environmental permits, work to reduce environmental impact, particularly in the areas of use of natural resources, energy, air and water pollution, risks of soil contamination, waste management, promote renewable energy, [E1-2_25c] recycle and responsibly manage waste through proper handling, have systems that at a minimum prevent, reduce and control environmental impact, and pursue certified environmental management processes, comply with laws that prohibit or restrict specific substances, comply with material restrictions (RoHS, REACH) and maintain records of relevant raw material declarations. [E2-1_15a,15b,15c] • Regarding people: suppliers must share HANZA's and its customers' views on human rights and labor law, including non-discrimination, child labor and forced labor such as human trafficking, as well as fair working conditions, including occupational health and safety, and wages that at least meet national or industry minimum standards. Safe and healthy working conditions require established policies, procedures and monitoring, as well as preventive measures. [E2-1_15c] • have compliance processes in place and be available for audits. Non-compliance by the supplier or any part of its value chain may lead to termination of the business relationship. [E2-1_15c] 	<p>Applies to all HANZA's counterparties, including suppliers, subcontractors, joint venture partners, agents, distributors and their employees.</p>	<p>The COO is responsible for implementing the policy.</p>
Environmental Policy			
<p>HANZA's purpose is to proactively manage environmental impacts and risks, ensure compliance with laws and regulations, and support environmental objectives.</p>	<p>The commitments include the following principles:</p> <ul style="list-style-type: none"> • integrate environmental aspects into planning, operations and decision-making. • promote the principles of a circular economy, including resource efficiency, reuse and recycling. • use environmentally friendly technology and processes in manufacturing. • apply the cluster model to reduce transport emissions and optimize resource use. • Climate and biodiversity: reduce GHG emissions, assess and mitigate climate-related opportunities and risks, promote the use of renewable energy; minimize negative impacts on biodiversity and ecosystems. [E1-2_25a,25b,25d] • Pollution: prevent pollution and minimize emissions to air, water and soil. • Resource use: efficient use of raw materials, water and energy; [E1-2_25c] manage and reduce waste through responsible handling, reuse and recycling. • comply with laws, regulations and industry standards, and respond to stakeholder interests. • measure, monitor and report results transparently. 	<p>Applies to HANZA, its employees and its counterparties such as temporary staff, consultants and subcontractors.</p>	<p>The CEO is responsible for ensuring that this is integrated into the business strategy.</p> <p>The Head of Quality is responsible for implementation.</p> <p>HANZA undertakes to comply with environmental laws and regulations, including CSRD, and to maintain an ISO 14001-certified environmental management system.</p>

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E1-3 – Actions and resources related to climate change mitigation and adaptation

Actions and resources related to reducing emissions within Scopes 1 and 2

HANZA's current climate ambition is to gradually reduce Scope 1 and Scope 2 emissions as well as total energy consumption, reflecting its commitment to both the environment and its customers. Given the company's business model, where production and energy consumption are directly driven by customer orders, and its history of continuous acquisitions and growth, the commitment is linked to the company's sales. HANZA's actions, presented below, are ongoing and primarily focused on the phase-out of fossil fuels. [E1-3_29a] They reflect the ambition to achieve annual improvements relative to sales; therefore, no result-oriented targets have been set. (See section E1-4)

Fossil free energy sources. HANZA's primary action to reduce CO₂ emissions is to use renewable energy across all clusters. All clusters will continuously invest in renewable energy through purchased electricity mixes or solar energy systems in the factories. This gradual transition has reduced HANZA's emissions in recent years.

HANZA's factories have solar panels with a capacity of 1,291 kWp.

Energy efficiency and reduced energy consumption.

Across all of the Group's production lines, machines are gradually being replaced with more energy-efficient alternatives. This also includes factory upgrades. For the Group as a whole, capital expenditures for investments in machinery and equipment amounted to SEK 124 million in 2025 (see Annual Report, Note 15, page 126). [E1-3_29c(i)]

In addition, several on-site measures are being implemented to improve energy efficiency. HANZA's environmental management system monitors energy consumption in each cluster, with a focus on heating factories and offices as well as powering machinery. Regular inspections are carried out to detect and minimize energy leakage. Employee engagement initiatives and information campaigns about energy losses and savings contribute to raising energy awareness across the Group.

ISO 14001:2015 at HANZA

Seventeen of nineteen factory parks are certified under the system, which includes measurements and targets for energy consumption and waste management. At each individual factory, specific environmental matters are identified, such as activities requiring permits, toxic emissions and environmental risks. Opportunities to reduce or recycle materials and replace hazardous materials with more environmentally friendly alternatives are considered.

HANZA's LEAN initiative, Operational Excellence, helps reduce internal transport using electric vehicles. At the Narva site, all factories use sensors on machines and air compressors combined with AI-driven analysis to identify the main sources of energy waste. These ongoing measures are well integrated into HANZA's business model, which is why operating costs cannot be estimated. [E1-3_29c(i)]

Investments in improved CO₂ emissions calculation and similar systems aim to increase the efficiency of climate actions by providing a better basis for actual and potential emission reductions.

The results of investments and actions are monitored annually at the Group level. Energy consumption, CO₂ emissions, and progress on milestones regarding relative energy consumption and emissions are measured and reported annually. [E1-3_29b] Investment plans for renewable energy and machine replacements are developed within the clusters and subsequently approved at the Group level. The implementation of planned emission reductions depends on the availability and allocation of resources. [E1-3_AR21] No future financial costs have been allocated to these measures.

Operational Excellence

HANZA's LEAN initiative aims to create added value for customers through improved process efficiency and waste elimination. When production flows without interruptions or delays, unnecessary internal transport and employee movements are eliminated. The initiative is based on knowledge sharing in various forums and clear allocation of responsibilities to drive change.

Actions and resources related to reducing emissions within Scope 3

HANZA has not yet set a target for Scope 3 emissions, which account for 97 percent of HANZA's total CO₂ emissions, mainly driven by the production and transport of input materials. Indirect emission reductions mainly relate to the following ongoing actions:

Minimize transport. HANZA's cluster strategy, in which complete products are manufactured in factories located geographically close to customers, reduces transport emissions. Total transport to the clusters is minimized through large-scale purchasing from a limited number of suppliers. HANZA's efficient procurement system also places requirements on suppliers.

Minimize emissions from manufactured input materials.

Customers specify the material content of the products. However, HANZA's advisory services provide support regarding supply chains, low-carbon materials, and resource efficiency.

- **Customers are encouraged to use low-carbon input materials.** HANZA provides information on the carbon footprint of materials and increases transparency regarding input materials, enabled by structured procurement processes (see section G1-2).
- **Customers are encouraged to reduce material use.** Pilot projects in design may result in solutions that reduce the product's total carbon footprint. One example is reduced

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steel content while maintaining quality and capacity, which also lowers the product’s weight.

- HANZA's selection of low-carbon materials applies in areas where HANZA is free to decide on material procurement. These ongoing initiatives, based on expertise and global advisory services, form part of HANZA's business model, which is why current operating costs cannot be estimated. In addition to emission reductions, they help prevent risks and seize opportunities arising from potential future climate taxes. No significant future operating or capital expenditures have been allocated for these initiatives.

E1-4 Targets for climate change mitigation and adaptation

HANZA has no targets; see page 31. To ensure energy-efficient operations and accelerate the transition to renewable energy sources [E1-4_33], the Board of Directors in 2023 established annual milestones for relative energy consumption and CO₂ emissions within Scopes 1 and 2.

CLIMATE AND ENERGY MILESTONES For Scopes 1 and 2	Milestone achievement	
	2025	2024
Annual increase in the share of renewable energy (%)	Not achieved	Achieved
Annual reduction in energy consumption relative to sales (MWh/SEKm).	Not achieved	Achieved

MILESTONE DEFINITIONS: CLIMATE AND ENERGY

Annual increase in the share of renewable energy is stated as the percentage of the Group's energy consumption from renewable sources MWh (renewable + nuclear sources) divided by the Group's total energy consumption MWh. To achieve the milestone, the share for the current year must increase compared with the previous year.

Annual reduction in energy consumption relative to sales is stated as MWh/SEKm, based on total Scope 1 and 2 energy consumption in the Group divided by the Group's total revenue. To achieve the milestone, MWh/SEKm for the current year must be lower than the figure for the previous year.

CO₂- and energy data are reported in E1-5 and E1-6, revenue on page 104 of the Annual Report.

The milestones are relative, established to achieve annual improvements, and not results-oriented. They are not based on scientific evidence. The milestones apply to the Group.

The milestones and corresponding metrics and methods remain unchanged compared with the previous period.

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E1-5 Energy consumption, energy mix

ENERGY USE AND ENERGY MIX [E1-5_37a, 37b, 37c, 38a, 38b, 38c, 38d, 38e, 39, 40]		
	2025	2024
(1) Fuel consumption from coal and coal products (MWh)	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	9,066	1,369
(3) Fuel consumption from natural gas (MWh)	8,956	4,451
(4) Fuel consumption from other fossil sources (MWh)	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	19,280	19,141
6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	37,306	24,961
Share of fossil sources in total energy consumption (%)	55	54
7. Consumption from nuclear sources (MWh)	11,642	7,543
Share of consumption from nuclear sources in total energy consumption (%)	17	16
8. Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen and similar sources.)	0	0
9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	19,094	12,682
10. Consumption of self-generated non-fuel renewable energy (MWh)	1,385	841
11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	20,478	13,523
Share of renewable sources in total energy consumption (%)	29	29
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	69,423	46,027
HANZA KPI: Mechanics - share of energy consumption %	82	75
HANZA KPI: Electronics - share of energy consumption %	18	25

ENERGY PRODUCTION [E1-5_39]		
	2025	2024
Production of renewable energy (MWh)	1,385	841
Production of non-renewable energy (MWh)	0	0
ENERGY INTENSITY BASED ON NET REVENUE [E1-5_41]		
	2025	2024
Total energy consumption from operations in sectors with high climate impact per net revenue from operations in sectors with high climate impact (MWh/SEKm)	11.5	9.5
LINK BETWEEN ENERGY INTENSITY AND INFORMATION IN THE FINANCIAL STATEMENTS [E1-5_43]		
	2025	
Net revenue from operations in sectors with high climate impact used to calculate energy intensity (SEK million)	6,025	
Other net revenue (SEKm)	0	
Total net revenue (SEKm)	6,025	

ACCOUNTING POLICIES: ENERGY

Energy consumption and energy mix 99 percent consists of actual energy consumption based on the energy suppliers' invoices and specifications. The remaining consumption consists of an estimate based either on rolling 12-month figures of actual consumption or on the national energy mix.

Renewable energy generation refers to actual solar energy production based on the energy suppliers' specifications.

The scope of energy consumption increased in 2025 compared with the previous year due to the acquisition of Leden with manufacturing units in Finland and Estonia, as well as the closure of the electronics production unit in Stockholm.

Energy intensity refers to total energy consumption MWh divided by revenue (SEKm).

All operations within HANZA are considered to belong to sectors with high climate impact. HANZA's operations 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. [E1-5_42]

The data has not been validated by a third party.

The metrics and methods remain unchanged compared with the previous period.

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E1-6 Gross Scopes 1, 2, 3 and total GHG emissions

The Group's GHG emissions (tCO ₂ e) [E1-6_44,48a,49a,49b,51,52a,52b]	
	2025
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions	3,998
Percentage of Scope 1 GHG emissions from regulated emission trading systems %	0
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions	8,408
Gross market-based Scope 2 GHG emissions	8,079
Significant Scope 3 GHG emissions	
Total gross (Scope 3) GHG emissions	348,175
1 Purchased goods and services	332,136
2 Capital goods	4,985
3 Fuel- and energy-related activities	3,352
4 Upstream transportation and distribution	2,385
5 Waste generated in operations	1,064
6 Business travel	665
7 Employee commuting	3,574
8 Upstream leased assets	15
Total GHG emissions	
Total GHG emissions (location-based)	360,580
Total GHG emissions (market-based)	359,798

GHG INTENSITY PER NET REVENUE [E1-6_53]	
	2025
Total GHG emissions per net revenue (tCO ₂ e/SEKm) – location-based	60
Total GHG emissions per net revenue (tCO ₂ e/SEKm) – market-based	60

LINK BETWEEN GHG INTENSITY PER NET REVENUE AND INFORMATION IN FINANCIAL STATEMENTS [E1-6_55]	
	2025
Net revenue used to calculate GHG intensity (SEKm)	6,025
Other net revenue (SEKm)	0
Total net revenue (SEKm)	6,025

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ACCOUNTING POLICIES: GHG EMISSIONS

Method: HANZA's reporting of GHG emissions follows the Greenhouse Gas Protocol. [E1-6_AR46]. HANZA reports its emissions annually within Scope 1, Scope 2 (market-based and location-based) and Scope 3. Scopes 1 and 2 include emissions from all HANZA operations within the consolidated Group. [E1-6_50a,50b]

Calculations for Scope 1 include emissions from owned and leased vehicles, based on kilometers driven and fuel consumption, as well as refrigerant leakage and biogenic emissions. The gross amount includes no emissions from regulated trading systems. [E1-6_AR44b]

Calculations for Scope 2 are based on the company's own energy consumption. [E1-6_AR45b]. In efforts to reduce GHG emissions, HANZA is exploring possibilities to transition to renewable district heating, partly through the use of biogenic resources. At certain facilities, a transition to renewable district heating has taken place. The data is included in the "Energy" table. [E1-AR45e]

Calculations for Scope 3 are based on activities across the entire value chain. [E1-6_AR46h] They exclude categories 10–12 due to HANZA's business model, and 13–15 as they are not relevant. [E1-6_AR46i] The material categories for HANZA are:

- Purchased goods and services (category 1), which include emissions from extraction and production of input materials.
- Upstream transport and distribution (category 4), which include emissions from fuel used in transporting input materials from suppliers to HANZA. [E1-6_AR46d]

For these, HANZA uses the following calculation methods: [E1-6-AR46g]

For category 1, emissions for raw materials, which dominate total emissions, are mainly based on volume-based emission factors (expressed in kg CO₂e/weight). Other purchased goods and services are based on expenditure-based emission factors (kg CO₂e/SEK). Assumptions have been made regarding product categories for raw materials.

For category 4, transport emissions are based on a combination of country averages and supplier-level data derived from transport companies' own summaries. Distances for transported input materials are based on assumptions about the value chain.

Emission factors used: Scope 2: For market-based emissions, actual electricity emission factors from suppliers are used, primarily through the purchase of guarantees of origin linked to contractual instruments, followed by estimates based on geography and AIB's residual mix. For location-based emissions, emission factors from AIB's production mix are used. [E1-6_AR45d]

Scope 3: For expenditure-based emissions, factors are primarily sourced from EXIOBASE3; for volume-based emissions, factors are primarily sourced from DESNZ. [E1-6_AR39b]

Material changes in 2025 compared with the previous reporting period: [E1-6_47]

Increased emissions in Scope 3, category 1, are mainly due to improved reporting and the acquisition of Leden.

- Updated emission factors – for greater accuracy, certain factors used in 2024 have been replaced with more precise factors from a broader dataset provided by the emission calculation software Sweep.
- Reporting boundary – increased electricity use and emissions in Scope 2 are a result of expanded operations following the acquisition of Leden. [E1-6_50b, AR42c]

For purchases related to electronics, the emission factors for 2025 are based on the manufacturing country rather than the purchasing country, resulting in materially higher emissions.

Due to these significant changes, figures for 2024 are not reported as they are not comparable.

For 2025, emission data for all Scope 3 categories, except category 5, excludes the factory in Seinäjoki.

Biogenic emissions from combustion or biological decomposition of biomass, separate from Scope 1, 2, and 3 GHG emissions, but including emissions of other types of GHGs (particularly CH₄ and N₂O), are not reported.

The data has not been verified by a third party.

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ESRS E2 Pollution

HANZA's strategy

Each year, HANZA uses more than 40,000 tons of steel and various other metals and components in its manufacturing processes to produce products according to customers' specifications and material selections. Extracting and refining these materials require processes such as metal extraction, high-temperature furnaces and other steelmaking processes, which release pollutants like particulates, sulfur dioxide and nitrogen oxides that affect air quality. The components may contain substances of very high concern. HANZA complies with the REACH Regulation and is committed to ensuring product safety, environmental protection and customer confidence. Weak links in the supply chain may lead to non-compliance costs such as fines, supply chain disruptions, reputational damage and even product recalls.

To protect the planet's ecosystems, manufacturing using materials that contribute to pollution and emissions must be avoided. HANZA therefore strives to gradually increase transparency regarding the materials and components purchased and to support its customers in improving their ecodesign. This is reflected in the actions HANZA takes.

E2-1 Policies related to pollution

HANZA's Code of Conduct clarifies a proactive approach to managing and reducing the company's environmental impact.

The Environmental Policy clarifies that HANZA shall integrate environmental aspects and use environmentally friendly technology and processes in its planning and operations, and maintain structured management systems. [E2-1_15c] The company shall prevent pollution and minimize emissions to air, water and soil. [E2-1_15a] Applicable regulations must also be followed, which means that the requirements of REACH and RoHS must be met.

The Supplier Code of Conduct clarifies that suppliers must work to reduce environmental impact, particularly regarding emissions to air and water, risks of soil contamination, and must have management systems in place that at least prevent, reduce and control environmental impact, as well as strive for certified

environmental management processes. They must comply with laws that prohibit or restrict specific substances, comply with material restrictions (RoHS, REACH) and maintain records of relevant raw material declarations. They are responsible for all parts of their supply chain. [E2-1_15a,15c]

The policies were established to meet the interests of customers. All policies are available on HANZA's website. The policies lack specifications regarding pollution and substances, as these depend on customer design encompassing a wide range of materials. [E2-1_AR11] They also do not specifically address the phase-out of substances of very high concern (SVHC), since lead is the primary SVHC present in purchased components. [E2-1_15b] The use of lead is currently exempt under RoHS due to the lack of suitable alternatives for the intended applications. However, it is listed as an SVHC under REACH. Therefore, products containing lead must meet the requirements of REACH Article 33, which requires that information be provided to customers if the SVHC concentration exceeds 0.1 percent by weight.

E2-2 Actions and resources related to pollution

To minimize pollution from input materials and products and to prevent the risk of costs arising from non-compliance, a number of measures have been implemented as part of the business model, meaning that costs cannot be estimated separately. At present, HANZA has no process for evaluating the effectiveness of these actions.

- Increased transparency regarding the origin and content of raw materials is achieved by applying structured procurement processes that impose requirements on suppliers (for more information on procurement, see section G1-2 Managing relationships with suppliers).
- Encouraging customers to choose ecodesign and materials in the products manufactured by HANZA through transparency regarding component and material content. HANZA leverages its expertise and advisory services to share best practices for sustainable production options. For example, material selections that minimize the use of chemicals while maintaining product quality and performance may be recommended.

POLICIES related to pollution

HANZA Code of Conduct (see section S1-1)

Supplier Code of Conduct (see section E1-2)

Environmental Policy (see Section E1-2)

Furthermore, customers are informed about which components contain SVHCs. The process is ensured through a robust environmental management system. [E2-2_AR13] (for more information about the environmental management system, see section E1-3 Actions and resources regarding climate change mitigation and adaptation).

- The acquisition of BMK Group in 2025 has initiated an internal Group-wide project aimed at improving due diligence procedures across the Group to identify and report SVHCs.

E2-3 Targets related to pollution

HANZA has not established any targets to prevent or control air pollution from input materials or for the use of products containing SVHCs (substances of very high concern). [E2-3_23a] For SVHCs, the commitment is to comply with the RoHS and REACH regulations. [E2-3_23d,25] No cases of non-compliance were reported in 2025. There are no plans to introduce voluntary targets for air pollution or SVHCs, as HANZA can only encourage customers' design and material specifications and lacks the ability to restrict them. Apart from complying with RoHS and REACH, no processes have so far been established to monitor the effectiveness of HANZA's actions.

E2-5 Substances of very high concern

HANZA has implemented procedures to comply with legislation based on EU directives such as, but not limited to, REACH and RoHS. The RoHS and REACH directives set out obligations for companies operating within the EU to establish procedures to identify and control the use of restricted or prohibited materials or chemicals.

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IRO Category			Description of impacts, risks and opportunities	Policies and targets	Actions	Metrics	Targets
Actual impact	Potential impact	Risks and opportunities					
E2:1 Pollution of air							
			Upstream metal production used in HANZA's manufacturing processes leads to air pollution.	<ul style="list-style-type: none"> • HANZA Code of Conduct • Environmental Policy • Supplier Code of Conduct. <p>HANZA shall reduce its environmental impact and use environmentally friendly technology and processes. Suppliers shall reduce their environmental impact and take responsibility for all parts of their supply chain.</p>	<ul style="list-style-type: none"> • Increase transparency regarding the origin and content of raw materials. • Encourage customers to adopt ecode-sign and material selections by providing transparency regarding input materials and leveraging HANZA's expertise and advisory services to share best practices for sustainable production options. 	No metric set	No target set
E2:5 Substances of very high concern							
			Certain purchased electronic components may contain substances of very high concern (SVHC) in small quantities, posing a risk of harm to the environment and people when the product is used.	<ul style="list-style-type: none"> • HANZA Code of Conduct • Supplier Code of Conduct. <p>Suppliers shall reduce their environmental impact, comply with laws that prohibit or restrict specific substances, comply with material restrictions, and maintain records of relevant raw material declarations</p>	<ul style="list-style-type: none"> • Processes are in place to fulfill REACH and RoHS requirements. • Increase transparency regarding the origin and content of input materials. • Encourage customers to adopt ecode-sign and material selections by providing transparency regarding input materials and leveraging HANZA's expertise and advisory services to share best practices for sustainable production options. 	No metric set	No target set
			Weak supply chain management may lead to compliance costs (fines, fees), supply chain disruptions, reputational damage and even product recalls.				

Since HANZA 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, adhesives, oil, paint and other chemicals used in production.
- Components in end products: These are materials listed in the bill of materials for the products manufactured by HANZA.

HANZA ensures that all materials used in its factories meet the REACH requirements and, where applicable, the RoHS requirements. Regarding the REACH requirements, HANZA applies Article 33: Duty to communicate information on substances in articles. Therefore, information is provided to upstream and downstream stakeholders upon request. Suppliers of articles containing substances identified in accordance with Article 57

and Article 59.1 in concentrations above 0.1 percent by weight (w/w) must, upon request, provide recipients and consumers 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-specific components, HANZA collects information on any reporting requirements primarily from suppliers

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but also uses publicly available material safety data sheets. HANZA keeps customers informed about compliance status and expects them to report any deviations. Given this, HANZA cannot report total quantities of SVHCs.

Furthermore, suppliers must understand and comply with these provisions regardless of geography. They are regularly informed of changes to the directives. [E2-2_AR13]

The Supplier Code of Conduct includes a section on compliance regarding materials, describing the company's compliance with EU legislation, particularly the REACH and RoHS directives. These regulations require suppliers to identify and manage the use of restricted or prohibited materials and chemicals.

Based on the components containing SVHCs that HANZA has identified in its manufacturing, the total amount of SVHCs is estimated at 0.7 tons, of which approximately 0.6 tons consist of lead.

In 2026, HANZA, together with the newly acquired BMK, will establish improved procedures and systems for reporting SVHCs and SCIP databases.



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ESRS E4 Biodiversity and ecosystems

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

With nature in crisis, it is crucial to support its systems, such as biodiversity, which provides carbon sequestration, water regulation and fertile soil. These services help mitigate the effects of climate change. If ecosystems deteriorate, climate change accelerates. Although HANZA's factories do not directly affect biodiversity or ecosystems (see section IRO-1 Process for identifying and assessing material impacts, risks and opportunities) [E4.SBM-3_16a,16b,16c], this occurs via GHG emissions in HANZA's value chain. The disruptions caused by GHG emissions and their impact on ecosystems, species and biodiversity are among today's greatest environmental challenges and represent a systemic risk to ecosystem stability. Climate change and biodiversity are interlinked. Therefore, HANZA has integrated its biodiversity initiatives into its broader climate strategies. [E4.SBM-3_48]

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

HANZA has not developed a transition plan or carried out a resilience analysis specifically regarding biodiversity and ecosystems. [E4-1_13]

E4-2 Policies related to biodiversity and ecosystems

The Environmental Policy clarifies that HANZA shall minimize negative impacts on biodiversity and ecosystems. [E4-2_23b,23c] As the initiatives for biodiversity have been integrated into HANZA's broader climate strategies, there is no specific biodiversity policy (see section E1-2)

E4-3 Actions and resources related to biodiversity and ecosystems

For the same reason, there are no specific actions or resources for biodiversity and ecosystems beyond the transition plan to address climate change (see section E1 Climate change).

E4-4 Targets related to biodiversity and ecosystems

HANZA also has no targets relating to biodiversity and ecosystems. The effectiveness of policies and actions is monitored within the framework of E1 Climate change.

IRO Category			Description of impacts, risks and opportunities	Policies and targets	Actions	Metrics	Targets
Actual impact	Potential impact	Risks and opportunities					
			GHG emissions impact in HANZA's value chain leads to loss of biodiversity and degradation of ecosystems.	* Environmental Policy Minimize negative impact on biodiversity.	No specific actions for biodiversity. (See section E1-3)	No metric set for biodiversity.	No target set for biodiversity.

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ESRS E5 Resource use and circular economy

HANZA's strategy

The transition from a linear to a circular economy, and with it a more efficient use of natural resources, is crucial to mitigating climate change and keeping the world within the boundaries of a healthy planet.

When customers engage HANZA as a production unit, their design and material selections lead to significant consumption of raw materials and other input materials, resulting in extraction and processing of materials upstream. Key input materials include steel, copper, aluminum, plastic, rubber, packaging materials, and minerals such as tin, tantalum, tungsten, gold, cobalt and mica. HANZA's manufacturing processes generate hazardous and non-hazardous waste, representing a waste of resources that requires handling, which in turn causes environmental impacts and costs. Stricter regulations for the management of hazardous waste may further increase these costs.

The shift to recycled and renewable material selections must be initiated by customers, as they largely make the material decisions. However, HANZA has some flexibility in sourcing within mechanics, where the use of recycled or environmentally friendly materials supports a more circular economy. Green procurement combined with collaboration with sustainable customers to replace and reduce the use of primary materials in design can strengthen customer relations and improve HANZA's long-term revenue streams.

To address material impacts, risks and opportunities, HANZA promotes circular economy principles primarily by using raw materials efficiently through accurate production, thereby preventing waste. In addition, HANZA continues to develop its procurement framework to increase transparency of input materials and, where possible, replace primary materials with recycled ones. The commitments are reflected in the actions described below.

E5-1 Policies related to resource use and circular economy

The HANZA Code of Conduct commits the company to proactively manage and reduce its environmental impact.

POLICIES related to resource use and circular economy			
Background	Contents	Scope/key stakeholders	Responsibility
Quality Policy			
The purpose is to offer customers high-quality products and services by ensuring continuous improvements to HANZA's quality management system.	<ul style="list-style-type: none"> To continuously improve the quality management systems, HANZA must meet customer requirements, comply with legal requirements and achieve selected KPIs in several areas. In the environmental area, HANZA aims to reduce the number of partial deliveries from cluster manufacturing and advisory services, as well as reduce consumption and emissions from factories through structured actions to minimize waste. 	The HANZA Group, its employees and its subsidiaries.	<ul style="list-style-type: none"> The CEO is responsible for implementing the policy. HANZA is committed to fully complying with legal requirements and maintaining an ISO 9001-certified quality management system.
HANZA Code of Conduct (see section S1-1)			
Supplier Code of Conduct (see section E1-2)			
Environmental Policy (see Section E1-2)			

The Environmental Policy clarifies that environmental aspects must be integrated into planning and operations through structured management systems and the use of environmentally friendly technology and processes. HANZA strives for efficient use of raw materials, water and energy, while waste must be minimized and managed responsibly through reuse and recycling.

The Quality Policy reinforces this by focusing on minimizing waste and resource use.

The Supplier Code of Conduct requires suppliers to work to reduce environmental impact, particularly concerning the use of natural resources, waste management, recycling and responsible waste handling. Suppliers must have management systems in place to prevent, reduce and control environmental impact

and are encouraged to implement certified environmental management systems.

As customers' designs and material selections largely determine resource consumption, product design for sustainability, repairability and recyclability, HANZA lacks a comprehensive strategy for implementing a circular business model across the Group. Consequently, the current policies do not address any shift from new to sustainable or renewable resources. To meet customer interests, HANZA's role is to promote responsible procurement or to propose alternative materials and improve traceability. [E5-1_15a,15b]

All policies are available on HANZA's website.

ENVIRONMENTAL INFORMATION

IRO Category			Description of impacts, risks and opportunities	Policies and targets	Actions	Metrics	Targets
Actual impact	Potential impact	Risks and opportunities					
E5:1 Resource inflows, including resource use							
			HANZA's production processes have a high proportion of input materials, which in electronics account for 60–70 percent and in mechanics 40–50 percent of manufacturing costs, and include non-renewable materials that pose an environmental risk.	<ul style="list-style-type: none"> • HANZA Code of Conduct • Environmental Policy • Supplier Code of Conduct • Quality Policy <p>HANZA shall reduce its environmental impact and use environmentally friendly processes, use raw materials and water efficiently, and minimize and manage waste responsibly. This also applies to its suppliers.</p>	<p>For efficient use of raw materials:</p> <ul style="list-style-type: none"> • Waste prevention processes • Recycling processes to increase the use of recycled materials: • Procurement of recycled input materials by encouraging customers and choosing when HANZA can decide. 	<i>E5-4 Resource inflows</i>	No target set Milestones set
		HANZA contributes to promoting a circular economy by supplying its customers with recycled and sustainable raw materials (particularly in mechanics where steel is used).					
		Green customer projects and a focus on customers with sustainable business models can strengthen customer relations and HANZA's long-term revenue streams.	No metric set				
		HANZA can be perceived as a sustainable company and strengthen its long-term customer relationships by using recycled and more sustainable raw materials in mechanics, where HANZA is to some extent free to choose materials.	No target set				
E5:3 Waste							
			HANZA's manufacturing processes generate non-hazardous and hazardous waste, which is a waste of resources and causes additional environmental impacts during handling.	<ul style="list-style-type: none"> • HANZA Code of Conduct • Environmental Policy • Supplier Code of Conduct • Quality Policy <p>HANZA shall reduce its environmental impact and use environmentally friendly processes, use raw materials and water efficiently, and minimize and manage waste responsibly. This also applies to its suppliers.</p>	<p>To prevent waste:</p> <ul style="list-style-type: none"> • Processes for waste prevention • Recycling processes 	<i>E5-5 Resource outflows</i>	No target set Milestones set
		Increased legal requirements for the management of hazardous waste may lead to higher costs for HANZA.					

ENVIRONMENTAL INFORMATION

E5-2 – Actions and resources related to resource use and circular economy

HANZA's business model means that the main efforts for sustainable resource use focus on managing and reducing waste in operations. The effectiveness of the efforts is evaluated in annual reviews within the management systems, as well as in annual milestone reviews for waste prevention. [E5-2_19]

- **Waste prevention processes** – ensuring correct production and efficient use of input materials from the start is HANZA's most important strategy for saving resources and reducing waste. Quality and environmental management systems implemented throughout the Group improve resource efficiency in manufacturing processes. HANZA's LEAN initiative Operational Excellence (see E1-3) also helps eliminate waste.
- **Recycling processes** – recycling covers both non-hazardous and hazardous materials. Metal scrap from mechanical manufacturing processes is sold to recycling companies, remaining non-hazardous waste is sent to recycling companies that in turn recycle what can be recycled, and hazardous substances from processes are separated and sent to recycling companies. Some of the packaging material is also reused within HANZA's operations.

HANZA can also encourage customers to choose specific materials, thereby increasing the use of recycled materials.

- **Increased transparency regarding the origin and content of raw materials** through structured procurement processes impose information requirements on suppliers (for more information on procurement, see section G1-2)
- **Encouraging customers to choose recycled materials** as part of HANZA's ongoing customer advisory services. By providing information about component and material content, participating in pilot projects on product design with a greater circular focus—such as design projects resulting in products with reduced steel content while maintaining quality and performance, or where primary materials are replaced with recycled ones, and similar initiatives—circular flows increase and resource use is minimized.

WASTE MILESTONES	The milestone's relevance to HANZA's material impacts, risks and opportunities, and targets.	Milestone achievement	
		2025	2024
Annual reduction of non-hazardous waste in relation to sales within electronics (tons of waste/SEKm)	An annual reduction in the amount of non-hazardous waste gradually improves internal resource efficiency and recycling, reduces waste, contributes to promoting a circular economy and strengthens HANZA's sustainability reputation.	Not achieved	Achieved
Annual reduction of non-hazardous waste in relation to sales within mechanics (tons of waste/SEKm)		Not achieved	Achieved
Annual reduction of hazardous waste in relation to sales within electronics (tons of waste/SEKm)	An annual reduction in the amount of hazardous waste gradually improves internal resource efficiency and recycling, reduces waste from polluting processes and decreases the risk of increased handling costs due to stricter legal requirements.	Achieved	Not achieved
Annual reduction of hazardous waste in relation to sales within mechanics (tons of hazardous waste/SEKm)		Achieved	Not achieved

In addition, HANZA can select recycled raw materials in areas where the company makes purchasing decisions, such as steel within mechanics.

Effectiveness is ensured through annual performance reviews and customer feedback. [E5-2_19] The actions are ongoing and take place within the implemented quality and environmental management systems, as well as within procurement processes and HANZA's global expertise and advisory services. Furthermore, the actions prevent risks of cost increases for hazardous waste management due to potentially stricter legal requirements. As they are well-integrated parts of HANZA's business model, current operating costs cannot be estimated. The resources mainly comprise personnel expenses (see Note 8 on page 121 in the Annual Report). No other significant operating or capital costs have been allocated to the actions or to the implementation of ISO 9001 and ISO 14001 in new factories.

**MILESTONE DEFINITIONS:
RESOURCE USE AND CIRCULAR ECONOMY**

The annual reduction of non-hazardous/hazardous waste in relation to sales is based on tons of non-hazardous/hazardous waste within electronics and mechanics respectively, divided by revenue in SEK million within each electronics and mechanics area. For the milestone to be achieved, the result for the current year must be lower than the result for the previous year.

The milestones were established to achieve annual improvements in relative waste management within each business area. They are not results-oriented or based on definitive scientific evidence.

The methodology has changed compared with the previous period. In 2025, metals sold for recycling are included, which has led to an increase in non-hazardous waste.

ENVIRONMENTAL INFORMATION

E5-3 Targets related to resource use and circular economy

HANZA has no targets related to resource use and the circular economy. The effectiveness of policies and actions is monitored through milestones established by the Board of Directors in 2023, aimed at reducing waste and improving resource efficiency within the company. For operations in mechanics and electronics, the milestones are linked to sales to reflect HANZA's business model and waste management costs. HANZA also monitors water consumption in relation to revenue.

E5-4 Resource inflows

HANZA's production processes involve a high proportion of input materials, which entails the extraction and processing of resources upstream. The input materials in electronics consist of electronic components, which in turn contain plastic, metals, chemicals and minerals. In mechanics, large quantities of metals are used, primarily steel by weight, along with various chemicals. Packaging materials are also used.

The manufacturing processes in HANZA's nineteen factory parks mainly involve sheet metal fabrication and assembly of electronic equipment using complex techniques. For these purposes, the factories are primarily equipped with light machinery and, in some cases, medium-sized machinery. Transportation within the factory parks is mainly carried out using forklifts. Certain amounts of water are used in two facilities for galvanization. Electricity is used to power machinery and for transport within the factory parks.

There is no paper certification system in place. Therefore, the weight percentage of biological material is reported as zero. [E5-4_31b]

Recycled material used in HANZA's manufacturing is estimated to represent 28.1 percent of all purchased material excluding water. [E5-4_31c]

MATERIALS AND PRODUCTS [E5-4_31]	Weight, tons	
	2025	2024
Total materials	176,634	-
of which water	49,427	48,646
Materials, excluding water	127,207	-
Biological material		
Paper, cardboard	1,074	-
Wood, packaging	1,432	-
Total biological material	2,526	-
Recycled, reused materials		
Recycled metal	35,664	-
Recycled packaging, plastic	123	-
Reused components	0	-
Total technical material	35,787	-

ACCOUNTING POLICIES: RESOURCE INFLOWS

All raw materials (i.e. metals and water) are reported at actual weight. For other materials, the weight is based on the purchase cost multiplied by a conversion factor derived from DESNZ, assuming that all purchased material was used in production during the reporting period. Information on materials, products and goods is based on delivered volumes, supplier specifications and HANZA's ERP system (Enterprise Resource Planning), which eliminates the risk of significant double counting. [E5-4_32, AR25].

The estimated weight of recycled metals, packaging and other recycled materials is determined to the best of the company's ability, where HANZA's consumption within the various product groups corresponds to EU/industry-specific estimates. Calculations are based on actual delivered volumes multiplied by these factors. [E5-4_32, AR25]

Measurement and methodology have changed for 2025, and therefore data is not available for 2024.

The data has not been validated by a third party.

ENVIRONMENTAL INFORMATION

E5-5 Resource outflows

Waste

HANZA's waste composition is divided into non-hazardous and hazardous waste. The table alongside shows the main waste composition from the production processes.

Non-hazardous waste consists of metal scrap, plastic, glass, packaging materials and other waste from the manufacturing processes, which is sorted and sent for recycling.

Hazardous waste mainly arises when chemicals are used in painting or surface treatment within mechanics and consists of heavy metals whose use is subject to permit requirements. After separation, hazardous waste is handled by certified recycling companies. [E5-5_38a]

MAIN WASTE CATEGORY [E5-5_38b]	WASTE MATERIAL
Chemical products	Heavy metals used in painting and surface treatment
Construction waste	Stone, gravel, concrete
Electronic waste	Electronic equipment, optical fiber cables
Metal waste	Metal scrap from cutting and trimming processes
Non-metallic waste	Plastic, glass from manufacturing
Packaging materials	Paper, cardboard, wood

WASTE GENERATED IN HANZA'S OPERATIONS [E5-5_37c] and sent for disposal, tons	
2025	
Non-hazardous waste sent for incineration	286.8
Non-hazardous waste sent to landfill	177.9
Non-hazardous waste sent to other disposal operations	21.4
Total non-hazardous waste sent for disposal	486.1
Hazardous waste sent for incineration	44.2
Hazardous waste sent to landfill	115.5
Hazardous waste sent to other disposal operations	92.8
Total hazardous waste sent for disposal	252.6

WASTE GENERATED IN HANZA'S OPERATIONS [E5-5_37b] and sent for recycling, tons	
2025	
Non-hazardous waste sent for preparation for reuse	9.4
Non-hazardous waste sent for material recycling	11,260.0
Non-hazardous waste sent for other recovery operations	1,509.9
Total non-hazardous waste sent for recycling	12,779.3
Hazardous waste sent for preparation for reuse	1.0
Hazardous waste sent for material recycling	220.6
Hazardous waste sent for other recovery operations	210.8
Total hazardous waste sent for recycling	432.5

TOTAL WASTE GENERATED IN HANZA'S OPERATIONS, tons [E5-5_37a, 37d, 39]	
2025	
Total amount of radioactive waste	0.0
Total amount of waste generated	13,950.4
Total amount of hazardous waste	685.0
Total amount of non-hazardous waste	13,265.4
Total amount of non-recycled waste	2,469.8
Total amount of recycled waste	11,480.6
Proportion of non-recycled waste (%)	17.7
Proportion of recycled waste (%)	82.3

ACCOUNTING POLICIES: WASTE

Waste flows are documented based on predefined waste categories.

Information on waste quantities and handling methods is compiled by the waste management and recycling companies contracted by HANZA's factories. The information is partly based on the companies' best available estimates.

Estimates and assumptions: In some factories lacking information on general waste, the weight is assumed to correspond to the average container weight. In cases where data is missing for the final months of the year, for example due to delayed reporting from waste management companies, calculations are based on rolling 12-month figures. [E5-5_40]

Information on non-hazardous waste excludes the sale of recycled metals from HANZA's manufacturing operations and certain packaging materials that have been reused. Certain prior-year data is not reported, as earlier calculations are not comparable with the ESRS reporting categorization.

The data has not been validated by a third party.

SOCIAL INFORMATION

Social information

Table of Contents	Phase-in provisions	Pages
S1 Own workforce	<ul style="list-style-type: none"> • DR S1-7 Characteristics of non-employees in HANZA's own workforce • Training and skills development, including DR S1-13 Metrics for training and skills development. • Work-life balance, including DR S1-15 Metrics for work-life balance. • DR S1-14 Metrics for employees in relation to non-employees, as well as metrics for 88(d) and (e). 	49
S2 Workers in the value chain	<ul style="list-style-type: none"> • ESRS S2 subject to Quick-fix. • A brief description of how HANZA's business model and strategy take into account the related impacts, as well as the related policies, actions and tracking of effectiveness, is presented. 	63

HANZA's strategy

Material impacts, risks and employees relate to HANZA's operations [S1.SBM-3_14] and apply to all personnel, including employees and non-employees (see section S1-6 Employee characteristics). [S1.SBM-3_14a] Negative impacts exist across the organization, regardless of country, while positive impacts benefit all employees. [S1.SBM-3_14b(i),14c] They underscore the importance of promoting safe and respectful workplaces globally within HANZA, which in turn influences decision-making. Potential effects on employees must be considered in HANZA's strategy and business model during changes, for example due to market conditions or acquisitions. This demonstrates the importance of ongoing contact and dialogue with employees. These are commitments reflected in HANZA's employee initiatives.

The risk of human rights violations, including child labor and forced labor, is considered very low within HANZA's operations. Most of the workforce is based in Northern Europe, with a strong social security system, high social oversight and a legal framework that protects workers' rights. [S1.SBM-3_14f,14g] No material impacts or risks have been identified related to HANZA's transition plans to reduce negative environmental impact and achieve climate-neutral operations. [S1.SBM-3_14e]

ESRS S1 Own workforce

Material impacts, risks and opportunities and their interaction with strategy and business model Working conditions

Two negative material impacts, one positive material impact and one risk related to working conditions have been identified.

- **Social dialogue.** If social dialogue does not function, employees may feel powerless and confused. As HANZA expands through increased sales and factory acquisitions, management must ensure clear communication in the workplace and create opportunities for negotiation and information exchange between the company and employee representatives.
- **Occupational health and safety.** All employees are exposed to health and safety risks that may lead to physical accidents, stress and a negative perception of the work environment. Workers, particularly in mechanics-related factories, are generally more exposed to serious health incidents than office staff. [S1.SBM-3_14b(i);15] A serious workplace accident could damage HANZA's reputation and lead to additional costs for implementing new procedures. [S1.SBM-3_16]
- **Work-life balance.** Employee satisfaction with work-life balance

is a result of HANZA's benefits enjoyed by employees and their ability to effectively manage their workload. [S1.SBM-3_14c]

Equal treatment and opportunities for all

One negative material impact, three positive material impacts, one risk and one opportunity have been identified in the area.

- **Violence, harassment and victimization within the organization** can harm individuals and undermine employee trust and the corporate culture.
- **Diversity, gender equality and equal pay for equal work** benefit employees who experience the workplace as inspiring and fulfilling, where everyone's contributions are valued. Training and development initiatives, including career development meetings and knowledge exchange between factories, increase employee motivation and development. [S1.SBM-3_14c]
- **Risks and opportunities related to employees.** The risk of losing capacity and business opportunities may arise due to difficulties in attracting the right talent and skills. HANZA can enhance efficiency and competitiveness by leveraging its collective workforce and expertise. [S1.SBM-3_14d,16]

SOCIAL INFORMATION

IRO Category			Description of impacts, risks and opportunities	Policies and targets	Actions	Metrics	Targets
Actual impact	Potential impact	Risks and opportunities					
			If HANZA's management fails to maintain social dialogue with its employees, they may experience confusion, a lack of influence and a sense that their engagement is not sufficiently rewarded.	<ul style="list-style-type: none"> HANZA Code of Conduct: Promote dialogue in the workplace. HR Policy: Communication to foster dialogue. 	<ul style="list-style-type: none"> Negotiations and consultations with trade union or works council representatives. Annual employee engagement survey to evaluate communication and feedback from management. [S1-2_27] 	<i>S1-8 Collective bargaining coverage and social dialogue</i>	No target set
			Employees benefit from HANZA's flexible working hour arrangements, such as hybrid work options for parents, work schedules adapted to childcare, and day shifts where possible, enabling work-life balance.	<ul style="list-style-type: none"> Diversity Policy: Provide flexible work solutions. 	<ul style="list-style-type: none"> Flexible workplaces and various local initiatives offering work arrangements that meet individual needs. Annual employee engagement survey to evaluate work-life balance. [S1-2_27] 	No metric set	No target set
			<p>Employment in factories with temporary production increases exposes employees to health and safety risks and a potentially negative work environment due to stress and overtime work.</p> <p>Serious workplace accidents can damage HANZA's reputation and business prospects, as well as increase costs for new procedures.</p>	<ul style="list-style-type: none"> HANZA Code of Conduct: Provide safe and healthy workplaces. Health and Safety Policy: Ensure that workplaces are safe. Policy for anonymous whistleblowing: Reporting of irregularities. 	<ul style="list-style-type: none"> Actions related to ISO 45001, with monthly KPI reviews. Operational excellence. Health and safety checks during acquisitions. Annual employee engagement survey to evaluate occupational health and safety. Access to HANZA Hotline via mobile-friendly intranet and internal information campaigns. 	<ul style="list-style-type: none"> <i>S1-14 Occupational health and safety metrics</i> Near misses, incidents where a situation could have resulted in a workplace accident. 	No target set, Milestones set

SOCIAL INFORMATION

IRO Category			Description of impacts, risks and opportunities	Policies and targets	Actions	Metrics	Targets
Actual impact	Potential impact	Risks and opportunities					
			<p>Equal opportunities and equal pay for equal work benefit employees who can experience inspiring and fulfilling workplaces where every contribution is valued.</p>	<ul style="list-style-type: none"> Diversity Policy: Embrace diversity, promote inclusion, promote fair practices. 	<ul style="list-style-type: none"> Processes for inclusion and equal opportunities. Leadership training. 	<ul style="list-style-type: none"> S1-16 Remuneration metrics Gender distribution as a percentage at management level. S1-9 Diversity metrics 	No target set, Milestones set
			<p>Training and development opportunities benefit employees who may experience increased motivation.</p> <p>Skills and expertise can enhance efficiency and customer appeal, as well as generate margin improvements and business opportunities.</p>	<ul style="list-style-type: none"> HR Policy: Employee development, clear leadership. 	<ul style="list-style-type: none"> Processes for training and development Annual employee engagement survey evaluating employees' perception of development opportunities within HANZA. [S1-2_27] 	No metric set	No target set
			<p>Difficulties in attracting the right people and skills may lead to loss of capacity and missed business opportunities.</p>				
			<p>In addition to harming individuals, incidents of harassment and victimization undermine employee trust and the corporate culture.</p>	<ul style="list-style-type: none"> HANZA Code of Conduct: Ensure equal treatment, zero tolerance for discrimination. Diversity Policy: Ensure respect and safety, promote inclusion. 	<ul style="list-style-type: none"> Processes against victimization and harassment. Leadership training. Annual employee engagement surveys evaluating the internal collaboration climate and the level of respect from colleagues and managers. [S1-2_27] 	<ul style="list-style-type: none"> Number of confirmed cases of discrimination and harassment. DR S1-17 Incidents, complaints and severe human rights impacts 	No target set, Milestones set
			<p>A work environment characterized by diversity benefits employees who can experience inspiring and fulfilling workplaces where every contribution is valued.</p>	<ul style="list-style-type: none"> Diversity Policy: Embrace diversity, promote inclusion, promote fairness. 	<ul style="list-style-type: none"> Processes for inclusion and equal opportunities. Processes for handling harassment and bullying. Leadership training. 	<ul style="list-style-type: none"> Proportion of employees in management positions who have completed diversity policy training. S1-9 Diversity metrics 	No target set, Milestones set

SOCIAL INFORMATION

S1-1 Policies related to own workforce

The HANZA Code of Conduct establishes the overarching principles that govern the company’s employee-related policies. HANZA has implemented specific policies to ensure safe and positive work environments, support skills develop-

ment, promote strong values and maintain employee trust and motivation. Together, these policies form HANZA’s framework for providing fair working conditions and equal opportunities for all, aiming to meet the interests of key stakeholders such as employees, customers and investors. For employees, policies

such as the HANZA Code of Conduct, Health and Safety Policy, and Quality and Environmental Policies are available in local languages via the intranet, which is mobile-friendly for convenient access in factory environments.

POLICIES related to own workforce			
Background	Contents	Scope/key stakeholders	Responsibility
HANZA Code of Conduct			
<p>HANZA recognizes that its operations have an impact on social and environmental matters, both locally and globally, and that the business can grow while being a good business partner to its suppliers and customers.</p> <p>The policy describes HANZA’s core principles regarding its impact on people, the environment and business conduct.</p>	<p>Commitments to people. HANZA:</p> <ul style="list-style-type: none"> • Does not support or engage in child labor, forced labor or compulsory labor. [S1-1_20a,22] • Provides a safe and healthy workplace and takes proactive measures to prevent accidents through reporting, training and appropriate equipment. • Recognizes the right to freedom of association and collective bargaining and ensures that employees are protected against retaliation. [S1-1_20a] • Has zero tolerance for discrimination. • Ensures equal treatment regardless of gender or age. • Provides fair working conditions. • Complies with laws and industry standards on working hours and holidays. • Respects the right to a living wage and ensures that wages meet or exceed statutory or industry minimum standards. [S1-1_20a] • Treats all personnel with dignity and respect. • Promotes workplace dialogue as an important part of social responsibility and ensures that all workers have the right to representation for communication with management. <p>Commitments to the environment. HANZA:</p> <ul style="list-style-type: none"> • Works proactively to manage and reduce its environmental impact. <p>Commitments to business ethics. HANZA:</p> <ul style="list-style-type: none"> • Provides a confidential channel for reporting concerns and is committed to investigating and addressing them. [S1-1_20c] • Reports and communicates sustainability performance • Engages in dialogue with stakeholders [S1-1_20b] • Has zero tolerance for bribery • Implements the Code internally through clearly defined responsibilities, training and awareness, and monitors activities and performance to ensure effectiveness. • Actively participates in stakeholder dialogues [S2-1_17b] 	<p>The Code of Conduct applies to HANZA, its subsidiaries and all their employees.</p> <p>It also applies to third parties such as temporary staff, consultants, subcontractors and others working on behalf of HANZA.</p>	<p>The CEO is responsible for implementing the policy.</p> <p>HANZA complies with national and international legislation and industry standards.</p> <p>HANZA respects and adheres to the Ten Principles of the UN Global Compact (including the application of the precautionary principle to environmental challenges in accordance with the Rio Declaration).</p> <p>HANZA also respects and adheres to international instruments such as ILO conventions, the OECD Guidelines for Multinational Enterprises, UN conventions (including the UN Convention against Corruption), and the UN Guiding Principles on Business and Human Rights, which encompass international conventions such as the ILO Convention on Freedom of Association and the UN Conventions on the Rights of the Child and on Non-Discrimination. [S1-1_20a,21] [S2-1_19]</p>

SOCIAL INFORMATION

POLICIES related to own workforce			
Background	Contents	Scope/key stakeholders	Responsibility
Health and Safety Policy [S1-1_23]			
<p>HANZA recognizes that the company's success depends entirely on its employees' contributions and that these efforts are enhanced by creating a healthy, safe and creative work environment.</p> <p>HANZA's goal is to provide healthy and safe workplaces that promote all employees' physical, mental and social well-being and offer an inspiring and stimulating work environment where competence, diversity and ideas are utilized.</p>	<p>HANZA's vision of zero work-related accidents and its commitment to proactively eliminate hazards, reduce risks and improve health are achieved through:</p> <ul style="list-style-type: none"> • Systematic safety activities integrated into daily operations. • Defined objectives and actions in the personnel plan, which are monitored and reviewed annually. • Clear areas of responsibility, with an understanding that safety is a shared concern requiring collaboration among employees, their representatives and management. • Adequate competence and resources to perform tasks and provide relevant training. • Robust onboarding processes and continuous instruction. <p>In addition, HANZA works to:</p> <ul style="list-style-type: none"> • Eliminate risks, investigate accidents and incidents and report them to management. • Encourage reporting without fear of retaliation. • Monitor and follow up on KPIs. • Continuously improve the management system. 	<p>Applies to all HANZA employees.</p> <p>HANZA's employees are key stakeholders</p>	<p>The CHRO is responsible for the implementation of the policy.</p> <p>HANZA complies with national and international legislation.</p> <p>HANZA is committed to fully adhering to laws and regulations and maintaining an occupational health and safety management system in accordance with ISO 45001. [S1-1_23]</p>
HR Policy			
<p>The HR Policy outlines key procedures, objectives and areas of responsibility for people management with the aim of achieving HANZA's long-term goals.</p>	<p>The policy refers to the Code of Conduct, Health and Safety Policy, Diversity Policy and internal employee guidelines, as well as sustainability in HR-related areas.</p> <p>Priorities include:</p> <ul style="list-style-type: none"> • Leadership shall be clear and include training. • Leaders and managers are responsible for introducing core values, work principles, relevant job descriptions and expectations for employees. [S1-1_20b] • Employee development shall include processes in which employees are aware of overall and individual goals. • Employee development in collaboration with HANZA includes the exchange of best practices and the linking of training and development to competencies. • Business ethics means operating in accordance with HANZA's core values and Code of Conduct, with access to a whistleblower function. • Communication shall be used to create dialogue between the company and employees. • Occupational health and safety is a priority. • Employee surveys are an important tool for measuring HR performance. [S1-1_20b] 	<p>Applies to all HR-related functions within HANZA: Executives within the HANZA Group at cluster and facility levels, as well as managers.</p> <p>HANZA's employees are key stakeholders</p>	<p>The CHRO is responsible for implementing the policy.</p> <p>HANZA complies with national and international legislation.</p>

SOCIAL INFORMATION

POLICIES related to own workforce			
Background	Contents	Scope/key stakeholders	Responsibility
Diversity Policy [S1-1_24a,24c]			
<p>The policy reflects HANZA’s commitment to fostering an internal culture of diversity and inclusion throughout the company, helping it grow and thrive, benefit from diverse perspectives to drive innovation, and act as a socially responsible organization.</p>	<p>HANZA is committed to:</p> <ul style="list-style-type: none"> • Embracing diversity and valuing and respecting it in all its forms, including age, gender, disability, race, national or ethnic origin, religion, language, marital or partnership status, political beliefs, sexual orientation [S1-1_24b], as well as different perspectives, skills, and experiences. • Promoting inclusion, providing flexible work solutions that meet the varying needs of employees in different career and life stages, and ensuring equal opportunities [S1-1_24c]. • Going beyond compliance and striving to achieve standards that exceed legal requirements, fostering a supportive and inclusive culture. • Sharing responsibility and clarifying the roles and responsibilities of HANZA, managers, and employees, emphasizing that everyone has an obligation to act and collaborate. • Ensuring respect and safety, and maintaining a workplace free from discrimination, victimization, harassment, or retaliation, where all employees are valued and treated with respect and dignity. • Promoting fair practices and applying this policy in recruitment, promotion, salary review, and compensation – equal pay for equal work and performance-based pay decisions. [S1-1_24d] 	<p>Applies to all employees of HANZA, its subsidiaries, and others working on the company’s behalf.</p>	<p>The CHRO is responsible for implementing the policy.</p>
Policy for Anonymous Whistleblowing			
<p>HANZA provides a channel for employees and others to report observed or suspected misconduct. [S1-1_20c] [S2-1_18]</p>	<p>It clarifies whistleblower anonymity and protection against retaliation and describes the procedures of HANZA’s whistleblower function.</p>	<p>Employees, suppliers and their employees, other stakeholders, or their representatives.</p>	<p>The CHRO is responsible for implementing the policy.</p>

SOCIAL INFORMATION

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

HANZA's employee dialogues have two main purposes: to capture employees' views on their needs and concerns and to provide them with important information. Interactions between the company and employees take place through various channels, stages, and functions. [S1-2_27a,27b]

Direct interactions between employee and manager, such as informal daily meetings and annual career development meetings, where the perceived work environment, employee goals in relation to development, and potential improvement measures are evaluated. In addition, updates are provided regarding operational guidelines.

Indirect interactions take place through meetings with safety committees, trade unions, and employee representatives. This includes regular social dialogue with trade unions and monthly or quarterly discussions with safety committees at each factory, where routine safety matters as well as specific issues are addressed, such as working conditions in factory environments for vulnerable groups as defined by laws and regulations, including pregnant employees and those working in specific production areas. [S1-2_28]

In annual **employee engagement surveys**, employees evaluate how well key issues are managed within the company, such as working conditions related to occupational health and safety, development opportunities, and perceived corporate culture. The surveys also measure employees' motivation and engagement with the organization. HANZA's corporate culture, stability, reliability, and work environment all receive high ratings in these surveys, while communication and feedback are identified as areas for improvement. Ongoing dialogues on these topics are also held with trade unions and, in some countries, with employee representatives. In certain locations where HANZA is a significant employer, continuous dialogue and contact take place with municipal leadership and other community bodies representing employees' local communities. [S1-2_27a,27b]

Results from the employee surveys are presented to employees by their immediate managers, and together the parties

discuss key issues and develop action plans. Plans and developments at the factory or Group level are communicated via the intranet, social media, and other communication channels. An important internal communication channel is the mobile-friendly intranet "HANZA Hub," which facilitates communication in the factory environment. To date, over 1,520 employees have joined the intranet, corresponding to about half of the total workforce. [S1-2_27, AR24]

The effectiveness of these contacts is measured through several methods, such as action plan development, key metrics in occupational health and safety management systems, eNPS score, participation rate, and other significant questions in the employee engagement survey. [S1-2_27e]

The CEO has the operational responsibility for ensuring interactions and that the results contribute to the company's strategy. Results from the employee engagement survey are reported to the Board of Directors. [S1-2_27c]

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

HANZA has established a range of processes within its operations to address negative impacts on employees and to maintain a healthy and sound work environment. The company actively promotes an open and transparent culture and requires that any deviations or breaches of policies, procedures, or rules be reported. Feedback from employees, surveys, and other sources is systematically used to evaluate and improve these processes.

HANZA has established the following reporting channels: [S1-3_32b]

- **HANZA Hotline.** An internal formal reporting mechanism [S1-3_32c] is available for employees to raise concerns. The channel systematically handles employee reports of suspected regulatory violations, misconduct, irregularities, or abuse of trust. Reports in the local language can be made in person to the immediate manager, their superior, or the local HR function. Reports can also be submitted digitally via the intranet "HANZA Hub," which forwards the matter to the external whistleblowing service.

- **External whistleblowing service.** Available to all stakeholders on the company's website. (See also section G1-1).

All cases are handled in accordance with the Policy for Anonymous Whistleblowing, which guarantees the whistleblower anonymity, protection against retaliation, and confidentiality. [S1-3_33]

Reports submitted through the internal channel are managed within the clusters, where actions depend on the nature of the case. Safety-related matters are forwarded to local safety committees and quality functions, while HR-related matters are handled by local HR functions. The "grandparent principle" ensures that employees always have access to the next management level. If a case is identified as a suspected whistleblowing matter, it is reported to the external whistleblowing service, where an initial assessment is conducted by an external independent party. Depending on the nature of the case, an internal investigation may be initiated by a relevant team to ensure objectivity. The team always includes the CEO and CHRO, unless they are the subject of the report.

HANZA's monitoring system tracks all internal and external reports, their resolutions, and actions. The number of reported cases and investigation status are monitored in the CHRO's weekly reporting to the HLT. The CEO and CHRO receive reports and ensure that each case is handled appropriately. [S1-3_32a, 32e]

Non-anonymous cases are discussed and reviewed together with the reporter or affected party. Feedback is provided in accordance with the Policy for Anonymous Whistleblowing, within three months from the date of the report.

All new, re-employed, and temporary employees are informed about the reporting channels, which are included in the annual HANZA Code of Conduct training. The channel is accessible via HANZA's mobile-friendly intranet. Internally, HANZA runs campaigns to raise awareness of the channel. [S1-3_32d] Trust in and awareness of the grievance channel were not specifically monitored in the 2025 employee survey. [S1-3_33] HANZA has set a target to communicate about its anonymous whistleblow-

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ing channel (see section S1-5 Targets for occupational health and safety).

Working conditions

Occupational health and safety

S1-4 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 related to occupational health and safety

Health and well-being are fundamental to a positive employee experience. HANZA shall provide safe and healthy workplaces that promote the physical, mental, and social well-being of all employees. Since most employees work in factory environments where health, safety, and working conditions pose risks, the work environment must meet the highest standards. HANZA's vision is zero workplace accidents across all facilities.

Proactive measures are in place to manage potential incidents. To ensure safe workplaces, observations and preventive actions are handled consistently and systematically through multiple parallel processes in line with the implemented occupational health and safety management systems. If required safety measures fall outside a team's or department's mandate, for example because they require investments, the decision is escalated to the next level in accordance with established principles.

Accident investigation teams with safety specialists investigate incidents and implement preventive measures. Local safety committees monitor accidents, incidents, and lost time injury frequency rate (LTIFR) on a monthly or quarterly basis and share best practices for preventive measures. In addition, the global quality team reviews accidents, incidents, and other safety observations in weekly meetings to follow up on effectiveness, discuss issues, and exchange best practices. Employees also contribute by reporting regulatory violations and irregularities, resulting in continuous improvements and development ideas. [S1-4_39]

By gradually implementing an occupational health and safety management system certified under ISO 45001, the interna-

tional standard for occupational health and safety management systems, in newly acquired factories, employee well-being is ensured across all production units. The goal is to have certified occupational health and safety processes in all factory parks. In 2025, fourteen of HANZA's nineteen factory parks were certified under ISO 45001. The remaining five factory parks operate under alternative occupational health and safety management systems designed to meet relevant local regulations and internal company policies. All factory parks, except the most recently acquired one at the end of 2025, will be certified by 2026. Accident risks are minimized through local initiatives such as fire safety, clearly marked evacuation routes, safety protocols, instructions in local languages, safety videos, and training for supervisors and safety representatives at each workplace. Ongoing training is provided to managers and safety representatives to ensure they have the necessary knowledge, resources, and authority, while employees receive an occupational health and safety orientation. [S1-4_40] Workplace accidents and incidents are reported through HANZA's internal quarterly reporting as well as in accordance with local legislation. Changes in the number of incidents over time may partly be attributable to the Group's acquisitions. [S1-4_38d]

The LEAN initiative, Operational Excellence, promotes employee health and safety by minimizing unnecessary physical movement, thereby reducing the risk of workplace accidents (see also E1-3 Actions and resources related to climate change mitigation and adaptation).

HANZA complies with all country-specific legal requirements to ensure high-quality working conditions. Occupational health and safety are managed in accordance with national regulations and manufacturing standards for the technologies in use.

During acquisitions, HANZA conducts separate due diligence of the organization and employees, assessing, among other things, leadership and recruitment needs. Following the acquisition, HANZA's values, policies, and processes are gradually implemented so that all factories in the Group follow the same monitoring and action system for occupational health and safety. [S1-4_38a,38b,39,40a,40b,43]

In some cases, risk assessments are carried out before taking actions that may cause or contribute to material negative impacts on HANZA's employees, such as redundancies due to efficiency improvements. Assessments are conducted together with trade union representatives and local HR departments in high-risk areas. Based on HANZA's assessment, no material impacts on employees have been identified in connection with the transition to a greener economy. [S1-4_41, AR43]

In addition, the annual employee engagement survey evaluates employees' perception of occupational health and safety. Ongoing health-promoting initiatives are also undertaken, such as providing free menstrual products at all factories and offices, health subsidies in Sweden and Finland, health checks in Sweden and China, as well as annual Health Weeks and daily free soup lunches in Estonia. [S1-4_38a]

The measures are implemented continuously and aim to gradually reduce the number of health incidents for all employees globally. They form an integral part of HANZA's business model, which is why current operating costs cannot be estimated. The resources primarily relate to personnel costs (see Note 8, page 121 of the Annual Report). No other significant operating or capital costs are allocated to these activities or to the implementation of ISO 45001 in new factories.

The effectiveness of the measures is evaluated in monthly follow-ups as part of the management system, and in the event of serious accidents, daily follow-ups are conducted. Results related to occupational health and safety in the employee engagement survey and the targets below are monitored annually. [S1-4_38d]

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities related to occupational health and safety

HANZA has no long-term targets but has established two milestones that reflect the company's ambition to continuously improve the work environment for its employees each year. They were approved by HANZA's Board of Directors in 2023 to address key stakeholders' (employees, customers, investors)

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OCCUPATIONAL HEALTH AND SAFETY MILESTONES	Milestone's relation to HANZA's material impacts, risks, and opportunities	Milestone achievement	
		2025	2024
		Annually reduce the proportion of incidents resulting in absence from work (LTIFR).	By carefully monitoring incidents leading to absence and achieving improvement compared with the previous year, HANZA aims to gradually reduce workplace incidents that pose serious risks to employees' occupational health and safety and prevent such issues from negatively affecting HANZA's business opportunities and financial performance. [S1-5_44a,44c]
All employees shall be informed about HANZA's anonymous whistleblower function.	Ensuring that all employees are informed about the whistleblower function aims to encourage employees to report regulatory violations and other irregularities, thereby reducing the risk of workplace incidents that may jeopardize employees' occupational health and safety. [S1-5_44a]	Not achieved	Achieved

interest in safe workplaces, but without direct consultation or engagement with them. Milestone achievement, along with corrective and preventive actions, is closely monitored and discussed with the local safety committees, which include employee representatives. Regular discussions are also held with trade union representatives to identify areas for improvement and lessons learned (see S1-2).

S1-14 Occupational health and safety metrics

All permanent and contracted employees working at HANZA's facilities are covered by the occupational health and safety management systems implemented at HANZA's workplaces. [S1-14_88a]

In 2025, 40 workplace accidents resulting in absence occurred, compared with 29 in 2024. The increase in the number of accidents is attributable to the acquisition of Leden. In general, more accidents occur in mechanical factories than in electronics. Work-related injuries resulting in lost working time relative to hours worked (Lost Time Injury Frequency Rate, LTIFR) also increased for the same reason. Most workplace accidents involve mechanical processes that have resulted in

lacerations to fingers and hands, or minor burns and crush injuries, often caused by improper handling.

Social dialogue

S1-4 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 related to social dialogue

HANZA promotes a collaborative culture where communication and feedback between employees and management are essential for building trust. Poor communication can result in overlooked issues and uncertainty during organizational changes. HANZA complies with all national legal requirements and industry standards to ensure high-quality working conditions. Negotiations and consultations cover areas such as working conditions, employment terms, compensation, and the effects of expansion and acquisitions. [S1-4_39] Dialogues are conducted with trade union representatives or, where no collective agreements exist, with representatives of works councils or locally elected committees. Additional dialogues take place during local management meetings, EDP discussions, and

MILESTONE DEFINITION: OCCUPATIONAL HEALTH AND SAFETY

The milestones are established to achieve annual improvements in occupational health and safety and apply to all employees (both permanent and temporary).

LTIFR, see Accounting Policies: Occupational health and safety. To be achieved, the result for the current year must be lower than the result for the previous year. The milestone, metric and methodology remain unchanged compared with the previous period.

Employees informed about HANZA's anonymous whistleblower function refers to the proportion of employees logged into the intranet "HANZA Hub," which provides additional information about HANZA's reporting channel and access to the external whistleblower function. For the milestone to be reached, the proportion of logged-in employees must exceed 80 percent. The method was adjusted in 2025 compared with the previous period, when "informed" referred to an information campaign about HANZA's grievance channel through various media directed at all employees (which resulted in 100 percent).

ISO 45001 at HANZA

Within the system, internal key performance indicators are monitored monthly by different levels within HANZA's quality team. Monthly results are reported to the COO and quarterly results to the CFO. Any local deviations in key performance indicators lead to mandatory actions at the local factory. Each factory measures the number of workplace accidents, incidents, absences due to occupational injuries and sickness leave. In addition, occupational health and safety risks are continuously evaluated, as well as any deviations from local laws and regulations. The factory then develops tailored action plans, such as mandatory safety training and directives related to safety procedures and evacuation. [S1-1_23; S1-4_38d]

through suggestion boxes for improvement ideas (see also S1-2). [S1-4_38a] Social dialogues are ongoing globally and involve resources from global and local HR and management functions. Current operating costs cannot be estimated, and no other significant operating costs are allocated to these activities.

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ACCOUNTING POLICIES: OCCUPATIONAL HEALTH AND SAFETY

Information on injuries, incidents and LTIFR is reported through HANZA's internal quarterly management system monitoring for ISO 45001, where each factory reports to the cluster and data is aggregated at Group level. The information excludes all non-employees, as well as employees at the administration centers (SSC) in Sweden and Estonia and at HANZA's design center in Germany (Tech Solutions). Data verification includes comparisons with previous periods and spot checks. The data is not validated by a third party.

Number of fatalities resulting from work-related injuries and work-related ill health includes the number of fatalities caused by exposure to hazards in the workplace. This includes business travel.

Number of recordable work-related accidents refers to the number of recorded work-related accidents in HANZA's system. The frequency of recordable work-related accidents refers to the number of recorded work-related accidents per million actual working hours.

Lost Time Injury Frequency Rate (LTIFR) refers to the number of accidents with lost time per million working hours. A lost time accident is a workplace accident that causes an employee to miss at least one full work shift. LTIFR is calculated by taking the total number of lost time accidents during a 12-month period, dividing it by the total number of actual working hours for the same period and then multiplying the result by 1,000,000. Serious accidents with lost time are also reported to local authorities as required by law.

Accident investigations monitor workplace incidents where a situation could have resulted in a workplace accident, known as "near misses." These are summarized in monthly overviews.

The metrics and methodologies remain unchanged compared with the previous period

METRICS RELATED TO OCCUPATIONAL HEALTH AND SAFETY [S1-14_88b,88c]	2025	2024
Number of fatalities caused by work-related injuries and work-related ill health	0	0
- HANZA employees	0	0
- Non-employees	0	0
Number of recordable work-related accidents - HANZA employees	55	29
Frequency of recordable work-related accidents - HANZA employees	10.26	NA
HANZA metric: Lost Time Injury Frequency Rate (LTIFR)	7.46	7.04
HANZA metric: Accident investigations/near misses	676	499

ACCOUNTING POLICIES: SOCIAL DIALOGUE

Workplace representation includes trade union representatives, non-union representatives and locally elected representation committees, with whom HANZA maintains close cooperation to implement operational decisions and coordinate communication between management and employees.

Coverage rate is based on the assumption that dialogues are held with all workplace representatives and that they occur to the same extent within HANZA as is local industry practice. In Sweden and Finland, collective agreements are common and trade union representatives are present at all HANZA workplaces. In Estonia, workplace representation is high, despite collective agreements being less common, since employees, in addition to trade union representatives, also elect non-union representatives for consultation. The situation is similar in Poland. In Germany, it is common for employees to be represented by locally elected representation committees, which is why it is assumed that more than 80 percent of employees are covered by workplace representation. In the Czech Republic, social dialogue is conducted through management, which is why the coverage rate is assumed to be 0 percent.

The metrics have not been validated by a third party.

Coverage rate %	Workplace representation (EEA only, for countries with >50 employees representing >10 percent of the total number of employees) [S1-8_63a]
0-19	Czech Republic
20-39	-
40-59	-
60-79	-
80-100	Finland, Sweden, Poland, Estonia, Germany

The effectiveness of the dialogues is monitored through annual employee engagement surveys, which evaluate employees' perceptions of communication and management feedback. The latest survey showed that dialogue is an area for improvement. [S1-4_38d] No target has been set due to the lack of comparable data.

S1-8 Collective bargaining coverage and social dialogue
HANZA has no agreements with employees regarding representation in a European Works Council or a works council in a European Company (SE) or European Cooperative (SCE). [S1-8_63b]

Work-life balance - subject to phase-in provisions
HANZA strives to create a flexible workplace that values employees' skills, diversity, and ideas by offering working arrangements that meet individual needs. The initiatives vary by location and may include parental leave and other flexible options, such as

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hybrid work for parents, day shifts, or schedules adapted to childcare needs. As a general rule, overtime work is voluntary and must not exceed 12 hours per week or be requested on a regular basis. However, certain collective agreements may permit overtime and deviate from this rule.

No targets have been established for work-life balance. Employees' perception [S1-4_AR42] of work-life balance is evaluated in the employee engagement surveys. In 2025, the company's stability and reliability as an employer, as well as its genuine care for employee well-being, were highlighted, along with employees' appreciation of the flexible working hours and good working conditions that create a positive experience.

Equal treatment and opportunities for all

S1-4 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 related to diversity, gender equality and equal pay, training and skills development, measures against violence, harassment and victimization

HANZA promotes a workplace where employees' skills, diversity, and ideas are fully valued. The company strives to increase gender balance among managers and ensure a safe and inclusive work environment free from discrimination and harassment. Diversity and inclusion strengthen HANZA's ability to grow and deliver strong results. A mix of experiences, perspectives, and backgrounds drives innovation, enhances recruitment opportunities, and helps the company better understand its customers.

HANZA complies with all national legal requirements and provides high-quality working conditions, as this has a positive impact on employees. Development ideas from employee engagement surveys and local safety committee meetings are shared between factories as best practices to continuously improve standards and exceed local regulations. [S1-4_39]

Several ongoing activities support this:

- **Processes for inclusion, diversity, and equal opportunities** ensure that employees feel valued and create inspiring and fulfilling work environments: [S1-4_38c]

- Equal employment terms are provided for equivalent tasks. [AR42]
- When recruiting candidates with equal qualifications, preference is given to the underrepresented gender.
- Reasonable and feasible adjustments are made to support employees with disabilities.
- **Processes against victimization and harassment** prevent employees from being harmed and maintain employee trust in the organization. [S1-4_38a]
 - Internal campaigns are carried out to raise awareness of the reporting channel. [S1-4_38b]
 - Reported and suspected cases of harassment or discrimination are investigated and handled with the utmost confidentiality and care.
 - Perceived victimization is closely monitored. [S1-4_39]
 - Some leadership training programs have included organizational and psychosocial work environment topics, focusing on victimization and harassment.
- **Processes for training** and development increase employees' motivation and satisfaction with the workplace. [S1-4_38c]
 - The annual career development meetings between employees and their managers evaluate the perceived work environment, training needs, employees' goals in relation to development, and potential improvement measures. Updates to operational guidelines are also provided.
 - Internal talents and employees' development needs are identified, and internal opportunities are highlighted to promote internal recruitment before employees seek external positions, followed by a matching process with competency needs in other parts of the company.
 - The internal LEAN initiative, Operational Excellence, includes knowledge sharing through forums.

To complement and strengthen these processes, HANZA also organizes leadership training and employer branding initiatives aimed at reinforcing leadership and establishing a global HANZA culture. This includes an annual leadership conference and, in 2025, a leadership program for managers at executive and

cluster levels focused on communicative leadership. In 2026, HANZA will introduce new leadership programs tailored to local needs, focusing on areas such as communication and feedback, labor law, work environment, and health.

Training sessions in local languages for onboarding and continuing education clarify that employees and managers share responsibility for maintaining an inclusive work environment.

These measures are ongoing and apply to all employees globally. Together, they also help reduce the risk of capacity shortages and lost business opportunities due to the company's inability to attract the right talents and skills. [S1-4_40a]

The processes are well integrated into HANZA's business model and primarily involve resources from global and local HR and management functions, which is why the allocated operating costs cannot be estimated. No other significant operating or capital costs are allocated.

Effectiveness is evaluated and verified annually through performance against targets, metrics, and results from the employee engagement survey below. [S1-4_38d,39,40a,40b]

- **Diversity** – S1-9 Diversity metrics, milestone for diversity and equal opportunities, results from the employee engagement survey showing high scores for internal collaboration and respect.
- **Gender equality and equal pay** – S1-16 Remuneration metrics, milestone for diversity and equal opportunities, results from the employee engagement survey indicating potential for improvement in communication and equal opportunities. No target for equal pay has been set due to the lack of comparable data, as parts of the salaries are based on individual performance and competence.
- **Measures against violence, harassment, and victimization** – milestone for non-discrimination, results from the employee engagement survey showing that the perception of the work environment has improved significantly every year since 2018.
- **Training and development (subject to phase-in provisions)** – Staff turnover is analyzed carefully to address recruitment challenges and ensure that appropriate measures are taken. No targets have been set due to the lack of comparable data.

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S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities related to diversity, gender equality and equal pay, and measures against violence, harassment and victimization

HANZA has no targets. To ensure diversity and inclusion within the organization, HANZA's Board of Directors established three milestones in 2023 aimed at addressing employees' and customers' interest in these matters. In most countries, performance regarding discrimination is monitored and consultations are held with local safety committees, which include employee representatives. Regular discussions are also held with trade union representatives to identify areas for improvement and lessons learned. [S1-5_47b, 47c]

S1-6 Characteristics of the Undertaking's Employees

HANZA's permanent employees represent 92 percent of the total workforce. The remainder consists of temporary agency workers (237 individuals). [S1-6_50a]The agency workers are recruited from staffing companies on short-term contracts during production peaks, enabling scalable production and reasonable working conditions for HANZA's personnel. [S1-6_AR58] During their time at HANZA, the agency workers are covered by the occupational health and safety management systems and certain other employee-related processes, such as the Code of Conduct and development opportunities, with the aim of integrating them as much as possible into HANZA's work standards and corporate culture to deliver high-quality service to customers. In 2025, the acquisition of the Leden Group affected the number of employees. [S1-6_50d,50e, AR60]

In 2026, HANZA will explore the potential for implementing a Group-wide HR system.

S1-9 Diversity metrics

At the end of 2025, women in managerial positions within HANZA accounted for 19 percent. The Group's gender distribution is 34 percent women and 66 percent men. Some occupational categories and clusters show a weaker balance, reflecting

MILESTONES FOR EQUAL OPPORTUNITIES, DIVERSITY AND NON-DISCRIMINATION	The milestone's relation to HANZA's material impacts, risks and opportunities.	Milestone achievement	
		2025	2024
Zero confirmed cases of discrimination.	Through the target of zero confirmed cases of discrimination each year, HANZA strives to prevent all forms of discrimination, harassment and victimization in the workplace and to promote diversity and inclusion. [S1-5_44a]	Not achieved	Achieved
Annually increase the proportion of women in managerial positions.	By monitoring the proportion of women in managerial positions and achieving annual increases, HANZA strives to ensure diversity and equal opportunities throughout the company. [S1-5_44b]	Not achieved	Achieved
All employees in managerial positions must complete HANZA's diversity training course.	By requiring all managers to complete diversity training, HANZA aims to ensure leadership that is trained in and aware of inclusion. [S1-5_44a]	Not achieved	Not achieved

MILESTONE DEFINITIONS: EQUAL OPPORTUNITIES, DIVERSITY AND NON-DISCRIMINATION

Confirmed cases of discrimination are based on all cases of discrimination and harassment handled through the external whistleblowing channel or local HR (including HANZA's internal reporting channel) that have been confirmed as cases of discrimination. The milestone is achieved when there are zero cases.

Women in managerial positions refers to women with "formal managerial responsibility," see S1-9 Diversity metrics. The milestone is achieved when the proportion of women in managerial positions during the current year exceeds that of the previous period.

HANZA's diversity training course for managers refers to a training course that has not yet been completed for individuals with "formal managerial responsibility," see S1-9. The milestone is achieved when 100 percent have completed the training.

The milestone "Confirmed cases of discrimination" was expanded in 2025 to also include internal grievance channels. Other milestones and metrics remain unchanged compared with the previous period.

a broader challenge shared by the global manufacturing industry, where electronics are dominated by women and heavier mechanical work is dominated by men. [S1-9_66a,66b,AR71]

The total annual pay ratio for 2025 cannot be reported because payroll systems are local and data for the median

salary at the Group level is unavailable. The ambition is to report the pay ratio in 2026. [S1-16_97b]

In 2025, HANZA had no system in place to monitor gender pay gaps at the Group level across different job categories. Reporting of gender pay gaps is mandatory in Sweden and Finland,

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EMPLOYEES [S1-6_50a] in countries with more than 50 employees	Unit: number
Sweden	697
Finland	601
Estonia	1,068
Germany	246
Poland	283
Czech Republic	183
China	63
TOTAL	3,141

HANZA employees [S1-6_50b]	2025			2024		
	Women	Men	Total	Women	Men	Total
Number of employees	1,075	2,066	3,141	1,092	1,486	2,578
Number of permanent employees	959	1,942	2,901	NA	NA	NA
Number of temporary employees	116	121	237	NA	NA	NA
Number of employees without guaranteed working hours	2	9	11	NA	NA	NA
Number of full-time employees	995	2,025	3,020	NA	NA	NA
Number of part-time employees	81	42	123	NA	NA	NA

Staff turnover [S1-6_50c] (excl. Leden)	2025	2024
Number of employees who have left HANZA	326	375
Staff turnover, %	13.4	15.6

ACCOUNTING POLICIES: EMPLOYEES

Number of employees – The employee information is derived from the clusters' country-specific payroll or HR systems, from which it is transferred to HANZA's Group reporting system. The number of employees is calculated as the number of employees at the end of the reporting period, with part-time employees counted as one employee. Employees who have been given notice are included until the end of their notice period, regardless of whether they have been released from all or part of their duties during that period. The figures presented do not correspond with the information in the Management Report (see Note 8 on page 121 in Annual Report) for two reasons: The Management Report includes employees in Miletria and presents employees as an average number. [S1-6_50d(i),50d(ii),50f]

Employees by contract type – Permanent employees include all employees with indefinite-term contracts. Temporary employees include all employees with fixed-term contracts, mainly people contracted through third parties.

Employees by gender – represents the gender distribution based on HANZA's classification, where employees are categorized and counted as either women or men; the category "other" gender is not applied.

Staff turnover is calculated as the actual number of permanent employees who voluntarily left the company during the year. The staff turnover figures exclude Leden.

Staff turnover rate is calculated as the number of employees who left in relation to the number of employees at the beginning and end of the period, divided by 2. [S1-6_50d(ii)]

Age distribution is based on the number of permanent employees at year-end.

Assumptions and limitations regarding data quality – Reporting HANZA's workforce as the number of permanent employees at year-end results in an overestimation, since some employees work part-time, and an underestimation, since HANZA hires temporary staff during production peaks. As HANZA continuously makes acquisitions and adjusts its workforce through recruitment and rationalization depending on incoming orders, the total number of employees varies over time.

The metrics have not been validated by a third party.

The methodology is unchanged compared with the previous period.

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AGE DISTRIBUTION AT HANZA employees	2025	
	Number	%
Employees under 30 years	563	18
Employees between 30 and 50 years	1,543	49
Employees over 50 years	1,035	33
Total	3,141	100

but not in other countries where the Group operates. Systems will be implemented to comply with the EU Pay Transparency Directive. The goal is to publish a Group-wide report on gender pay gaps by 2027, including a breakdown by job category within HANZA. [S1-16_97c]

S1-17 Incidents, complaints and severe human rights impacts

HANZA's employees and other stakeholders can report any ethical concerns or breaches of the Code of Conduct or applicable legislation via the HANZA Hotline. The channel has been available to employees for several years to systematically handle reports of suspected policy violations, misconduct, or abuse of trust, or through the whistleblower function on HANZA's external website (see sections S1-3 and G1-1). Feedback to the whistleblower and protection against retaliation in accordance with the law are included in the procedures. [S1-17_103a,103b,103c,103d]

In 2025, there were 7 complaints via internal channels and 1 report via the whistleblowing channel. [S1-17_103b] Following investigation, two cases were confirmed as harassment. Local actions have therefore been taken to promote a consistent and strong culture that ensures a safe and supportive work environment. No fines or damages have been imposed as a result of the incidents. [S1-17_103c]

GENDER DISTRIBUTION AT HANZA Management level	2025				2024			
	Women	Men	Total	% women	Women	Men	Total	% women
Group management (HLT)	1	4	5	20	0	3	3	0
HANZA-specific: Formal managerial responsibility	40	175	215	19	52	136	188	28

REPORTS OF DISCRIMINATION WITHIN HANZA	2025	2024
Total number of incidents of discrimination including harassment [S1-17_103a]	5	0
Number of complaints submitted through channels for individuals in the company's own workforce to raise concerns (including grievance mechanisms) [S1-17_103b]	8	1
Fines and other compensation resulting from discrimination incidents or similar cases, SEK	0	0

No reports related to discrimination or human rights matters were received. No confirmed cases of severe human rights incidents related to HANZA's own workforce were identified in 2025, and no fines, penalties, or compensation related to human rights matters have been imposed. [S1-17_104a,104b]

DEFINITION OF MANAGEMENT LEVEL

Group management is defined as the HANZA Leadership Team (HLT), which consists of the CEO, CFO, COO, CSO and CHRO.

Formal managerial responsibility refers to individuals with direct reports.

ACCOUNTING POLICIES: HUMAN RIGHTS, DISCRIMINATION AND HARASSMENT Human rights refers to all confirmed cases of human rights violations (excluding discrimination) that have been investigated through the external whistleblower process and internal reporting channels.

Number of incidents of discrimination and harassment refers to confirmed cases of discrimination and harassment among HANZA employees, including temporary staff, that have been investigated based on reports submitted through HANZA's reporting channels.

Number of reports refers to the cases submitted through HANZA's reporting channels.

Fines imposed refers to fines, penalties or compensation paid to the victim or imposed through court rulings or as a result of legal violations arising from confirmed cases of discrimination or human rights violations.

The metrics have not been validated by a third party.

SOCIAL INFORMATION

ESRS S2 Workers in the value chain

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

As a contract manufacturer, HANZA affects workers in the value chain engaged in the extraction and processing of raw materials, manufacturing and transport in various parts of the world, working for suppliers of different sizes and significance to HANZA. Purchased goods such as steel and packaging are largely produced within the EU under well-regulated working conditions by suppliers whose labor practices are considered low-risk in terms of inequality and human rights violations compared with the rest of the world. A high-risk area is minerals and components primarily used in parts purchased within electronics, which pass through several supplier tiers, countries and continents before reaching HANZA. If subcontractors fail to comply with the HANZA Code of Conduct, there is a risk of human rights violations, for example people working under poor conditions, in unsafe environments, under coercion or as child laborers. The risks also include unequal pay, violations of labor rights, discrimination and harassment. These risks arise mainly in manufacturing and extraction in high-risk countries where the protection of human rights is weak. [S2.SBM-3_11a (iiii),11b,11c,12] Any evidence of such incidents constitutes a risk for HANZA, as it results in costs or lost business opportunities and requires actions to eliminate suspicions of deficient procurement processes. [S2.SBM-3_11e,13]

HANZA's strategy

HANZA focuses on promoting responsible sourcing and respect for human rights, as well as fair and healthy working conditions, as a key measure related to material impacts and risks. The company therefore conducts regular supplier evaluations, risk-based audits and collaborates with customers to evaluate and monitor suppliers' ability to provide good working conditions and equal treatment throughout the supply chain (see section G1-2). [S2.BP-2_17a]

Policies, processes, actions and tracking of effectiveness related to workers in the value chain – subject to phase-in provisions

Respect for human rights and fair working conditions is fundamental. HANZA is firmly convinced that companies perform better and become more efficient when their employees can carry out their work in a healthy and safe environment that complies with international standards and guidelines. HANZA shall not contribute to violations of human rights or labor rights, neither in its own operations nor in the procurement of goods and services, and shall take decisive action if such cases are identified. Policies have been established to safeguard the interests of customers and investors.

The HANZA Code of Conduct clarifies respect for human rights and labor rights, including the prohibition of child labor and forced labor, freedom of association and collective bargaining. Fair working conditions shall be promoted, including health and safety, zero tolerance for discrimination, reasonable working hours, and the right to a wage that meets or exceeds legal or industry minimum requirements. Equal treatment irrespective of gender or age and ensuring that all employees are treated with dignity and respect shall be guaranteed. HANZA opposes workplace violations such as unpaid overtime, human trafficking, prohibition of trade union rights and discrimination based on race, national or social origin, religion, disability, gender or gender identity, ethnicity, sexual orientation, age, family structure or marital status, trade union membership or political opinion. The rights of people and communities to an adequate standard of living and land rights shall be promoted. HANZA shall also counter violations related to certain minerals, known as conflict minerals. In line with the UN Guiding Principles on Business and Human Rights, HANZA prioritizes actions based on their severity, the ability to prevent them, the likelihood of their occurrence and whether the company contributes to them directly or indirectly through business relationships. HANZA shall engage with stakeholders through open dialogue.

The principles set out in the HANZA Code of Conduct are aligned with international frameworks such as the ILO Conven-

POLICIES related to value chain workers

HANZA Code of Conduct (see section S1-1)

Supplier Code of Conduct (see section E1-2)

Policy for Anonymous Whistleblowing (see section S1-3)

tions, the OECD Guidelines for Multinational Enterprises, UN conventions (including the UN Convention against Corruption) and the UN Guiding Principles on Business and Human Rights, which encompass international conventions such as the ILO Convention on Freedom of Association and the UN Conventions on the Rights of the Child and on non-discrimination.

The Supplier Code of Conduct clarifies that suppliers operate under the same principles of human and labor rights, including anti-discrimination, prohibitions on child labor and forced labor (such as human trafficking) and fair working conditions. This includes health and safety standards and wages that meet or exceed national or industry minimum requirements. Suppliers must have policies, procedures and preventive measures that ensure safe working conditions, legal compliance and availability for audits. Non-compliance by the supplier or its subcontractors may result in termination of the business relationship.

The Policy for Anonymous Whistleblowing governs the external whistleblowing channel and ensures accountability for action. [S2.BP-2_17c]

HANZA's policies are available on the company's website and have been established to meet stakeholder interests.

HANZA has little or no direct contact with workers in the value chain. Contact occurs indirectly during the procurement process, where safe workplaces and fair working conditions are ensured. Feedback from human rights organizations forms the basis for the risk assessment conducted regarding specific markets for input materials.

All reported violations of the Supplier Code of Conduct or applicable regulations through the channels listed below result in immediate contact with the supplier's representatives. The

SOCIAL INFORMATION

IRO Category			Description of material IRO
Actual impact	Potential impact	Risks and opportunities	
If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...			
S2:1 Working conditions			
S2:1:2 Working time			
			...being exposed to unregulated working hours, which may lead to stress and health issues.
S2:1:3 Adequate wages			
			...receiving insufficient pay for their work or unpaid overtime, leading to precarious living conditions.
S2:1:5 Freedom of association			
			...being prevented from joining trade unions.
S2:1:6 Collective bargaining			
			...being negatively impacted by compensation determined without collective bargaining.
S2:1:7 Occupational health and safety			
			...being exposed to workplaces with inadequate safety systems and training, which may subject them to excessive health and safety risks involving a high risk of injury or fatal accidents.
S2:2 Equal treatment and opportunities for all			
S2:2:1 Gender equality and equal pay for work of equal value			
			...being exposed to potential inequalities in career progression and compensation.
S2:2:4 Measures against violence and harassment in the workplace			
			...being exposed to workplaces where violence, harassment and victimization are tolerated and people are harmed.
S2:2:5 Diversity			
			...being exposed to workplaces where diversity and inclusion are not prioritized, which may lead to an exclusionary work environment where vulnerable individuals are harmed.

IRO Category			Description of material IRO
Actual impact	Potential impact	Risks and opportunities	
If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...			
S2:3 Other work-related rights			
S2:3:1 Child labor			
			...in upstream activities involving mineral extraction and component manufacturing in high-risk countries, being exposed to instances of child labor and violations of workers' rights.
S2:3:2 Forced labor			
			...in upstream activities involving mineral extraction and component manufacturing in high-risk countries, being exposed to instances of forced labor and violations of workers' rights.
			For HANZA, human rights violations linked to certain key input materials, individual suppliers or their subcontractors risk leading to costs or lost business opportunities, as such incidents require actions to eliminate suspicions of deficient procurement processes.

The overview lacks policies, actions, metrics and targets as S2 Workers in the value chain is subject to phase-in provisions.

SOCIAL INFORMATION

supplier is expected to take corrective action and provide evidence of doing so. HANZA follows up on the incident until it is deemed resolved. If the supplier is unable to resolve the issue and meet HANZA's requirements, the contract with the supplier is terminated. To prevent negative impacts from unhealthy working conditions, manufacturing suppliers are encouraged to implement certified occupational health and safety management systems that also include necessary training. [S2.BP-2_17d] The effectiveness of these measures is primarily monitored through reported or investigated incidents related to human rights that have resulted in lawsuits, prosecutions or compensation payments, which in 2025 were zero. HANZA has not established any time-bound or specific targets for monitoring workers in the value chain. [S2.BP-2_17b]

For workers in the supply chain, HANZA has the following information channels:

- Engagement with new suppliers.
- Evaluation system (EcoVadis) for HANZA's key suppliers.
- Supplier evaluation in HANZA's internal assessment system, which focuses on workers' human rights and health and safety in workplaces.
- On-site audits.
- HANZA's whistleblowing channel.

HANZA's procurement principles regarding human rights also include the OECD Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, which must be followed by suppliers who are required to have a specific due diligence process to ensure the traceability of minerals. As part of the process, suspected violations are always investigated without delay. If such cases occur in the supply chain, necessary measures must be taken, such as requests for information, investigations and feedback. If no corrective action is taken, the collaboration is terminated (see section G1-2).



Governance information

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ESRS G1 Business conduct

HANZA's strategy

HANZA's relationships with customers, employees and the broader community are built on how it conducts itself internally and in business transactions. Strong business ethics is a prerequisite for sound business practices. In order to maintain confidence in HANZA, it is essential that the business is characterized by an unwavering commitment to maintaining the highest ethical standards, as guided by the HANZA Code of Conduct. Violations may undermine trust, damage relationships with stakeholders and result in lost revenue or increased financing costs. To prevent this, HANZA takes necessary actions, including providing confidential channels through which concerns about unethical behavior or non-compliance can be reported without risk of retaliation, as well as effectively preventing and detecting corruption and bribery, for example through Code of Conduct training.

As a contract manufacturer, HANZA purchases large volumes of raw materials and components, primarily from major distributors who, in turn, source from subcontractors. Regarding HANZA's impacts and risks within procurement, robust supplier evaluations are required, particularly to meet customer demands for product traceability and business conduct. Procurement processes that fail to meet customer requirements risk jeopardizing business opportunities and may result in lost revenue. HANZA also has some local small businesses as suppliers, primarily for services, where the company represents

a significant customer. These suppliers benefit from transparent payment practices in accordance with industry standards.

Business conduct and corporate culture G1-1 Business conduct policies and corporate culture Corporate culture

The corporate culture is based on internal policies, communication and leadership development, as well as HANZA's values. All employees and representatives are expected to reflect this culture in their relationships with customers, colleagues, suppliers and other business partners. The values summarize the expectations employees have of one another in order for HANZA to achieve its vision of becoming a unique and value-creating manufacturing partner. The values are embedded in personnel policies, annual career development meetings and serve as an important starting point in factory acquisitions.

The annual employee engagement surveys measure employees' perceptions of HANZA's corporate culture. In 2025, this received high ratings. The positive atmosphere and team camaraderie that contribute to a good workplace were among the aspects particularly highlighted. Many employees view HANZA as a good employer they would recommend to others. Insights related to corporate culture are discussed at quarterly internal conferences. [G1-1_9]

Mechanisms to ensure business ethics

HANZA has a robust system that ensures business ethics, anti-corruption, ethical behavior and compliance within the Group. The system consists of several functions. A description of some of these functions and their effectiveness is provided below in G1-3.

- **Whistleblower function** for reporting irregularities or non-compliance, including suspected corruption. The channel is available to both external and internal reporters. [G1-1_10c(i)]
- **Training and awareness of HANZA's Code of Conduct** within the company and throughout its value chain.
- **A zero-tolerance policy on bribery** as stated in HANZA's Code of Conduct, in line with the UN Convention against Corruption.

[G1-1_10b]. Employees are not permitted to give or receive gifts intended to influence decisions. The functions most exposed to corruption risk are roles involving contact with suppliers and customers, covering fewer than 100 people within the Group. [G1-1_10h]

- **Commitment to investigate all reports.** Any report of misconduct or non-compliance, including suspected corruption, is always investigated independently and objectively by HANZA.
- **Internal monitoring of reports.** HANZA maintains a monitoring and documentation system for all internal and external issues reported, along with corresponding resolutions and actions. The number of reported cases via grievance channels and their investigation status are followed up in the CHRO's weekly reporting to the HLT. The CEO and CHRO receive notifications and ensure that cases are handled appropriately.
- **Violations and non-compliance** lead to appropriate actions. [G1-1_10a]

G1-3 Prevention and detection of corruption and bribery

Corruption and bribery are prevented through the following actions:

Whistleblower function

HANZA provides a confidential whistleblowing channel for reporting. Reports can be made in local languages, either directly in person (to managers or HR) or anonymously through a digital platform via an external service. The Policy for Anonymous Whistleblowing guarantees anonymity, protection against retaliation and confidentiality. [G1-1_10c(ii)] Reports must be evaluated within seven days. [G1-1_10e]. Initial reviews are carried out by an independent external partner. The internal investigation team operates based on principles of objectivity. [G1-3_18b] Feedback is provided to the reporter on the progress or outcome of the investigation within three months. A whistleblower committee — comprising the CHRO, CEO and local HR managers — collaborates with the independent partner to ensure appropriate follow-up. The number of reported cases via grievance

BUSINESS CONDUCT

IRO Category			Description of impacts, risks and opportunities	Policy and targets	Actions	Metrics	Targets
Actual impact	Potential impact	Risks and opportunities					
			<p>High standard of business ethics contributes to strong relationships with employees, customers, and the broader community.</p> <p>Damaged trust, in the event of any violation of business ethics standards or internal rules, may impair HANZA's relationships with customers, employees, the capital market and external stakeholders, potentially resulting in significant revenue losses and increased financing costs.</p>	<p>HANZA Code of Conduct: HANZA shall implement the Code of Conduct, maintain an active dialogue with stakeholders, uphold zero tolerance for bribery, report and communicate sustainability performance, provide a channel for reporting concerns and commit to investigating them.</p>	<ul style="list-style-type: none"> • Trains, increases awareness of, and ensures employee access to the Code of Conduct. • Conducts annual employee engagement surveys to follow up on employees' perception of HANZA's corporate culture. • Requires suppliers to commit to complying with the Supplier Code of Conduct. • Reports sustainability performance transparently. 	<p>Proportion of employees who have been trained in or are familiar with the HANZA Code of Conduct.</p>	<p>No long-term target set Milestone set</p>
			<p>Deficiencies in preventive work and detection of corruption and bribery may damage trust within the organization and among stakeholders.</p>	<p>HANZA Code of Conduct: HANZA shall implement the Code of Conduct, provide a channel for reporting issues and commit to investigating them.</p>	<ul style="list-style-type: none"> • Trains, increases awareness of and ensures employee access to the Code of Conduct, particularly for risk functions. • Gift prohibition. • Investigates suspected corruption through the whistleblower function. 	<p><i>G1-4 Incidents of corruption or bribery.</i></p>	<p>No long-term target set Milestone set</p>
			<p>Instances of non-compliance regarding whistleblower protection may harm not only individual people, but also trust in the entire business.</p>	<p>Policy for Anonymous Whistleblowing: Ensures the reporter's anonymity and protection against retaliation.</p>	<ul style="list-style-type: none"> • Provides an external whistleblowing service managed by an independent partner. • Maintains a whistleblower committee that performs follow-ups. 	<p>Number of investigated whistleblowing reports.</p>	<p>No target or milestone set</p>
			<p>Reasonable payment terms benefit smaller local suppliers for whom HANZA is an important customer.</p> <p>Procurement processes that fail to meet customer requirements risk jeopardizing business opportunities.</p>	<p>HANZA Code of Conduct: HANZA shall provide a channel for reporting issues and commit to investigating them.</p> <p>Supplier Code of Conduct: Suppliers must share HANZA's and its customers' views on sustainability.</p>	<ul style="list-style-type: none"> • Procurement process with a supplier evaluation system and self-assessment, improved monitoring in high-risk areas, and supplier audits at key suppliers. 	<ul style="list-style-type: none"> • Proportion of suppliers that have confirmed the Supplier Code of Conduct. • Proportion of suppliers evaluated in EcoVadis. • <i>G1-6 Payment practices.</i> 	<p>No long-term target set Milestone set</p>

BUSINESS CONDUCT

POLICIES related to business conduct and business ethics

HANZA Code of Conduct (see section S1-1)

Policy for Anonymous Whistleblowing (see section S1-1)

channels and their investigation status are followed up in the CHRO's weekly reporting to the HLT. The Board of Directors is informed at the appropriate stage [G1-3_18a,18c]. In 2025, one report from the external whistleblowing channel was investigated, with no irregularities found.

Awareness and internal training in the HANZA Code of Conduct

All employees have access to the HANZA Code of Conduct on the mobile-friendly intranet "HANZA Hub." All new, re-employed and temporary employees receive training on the policy upon employment, while existing employees regularly receive instructions, training and information. [G1-1_10c(i)] HANZA's Quality function is responsible for conducting training sessions and communicating updates. In 2025, 100 percent of employees in risk functions within the Group, as well as management and the Board of Directors, had completed training. [G1-3_21b,21c] The training program is conducted every three years, or earlier if the Code is revised. [G1-1_10g; G1-3_21a] Suppliers are familiar with the Code, which the Supplier Code of Conduct – distributed to all suppliers – references. For other external stakeholders, the Code of Conduct is available on HANZA's external website.

Risk assessment

Risk assessments of irregularities and conflicts of interest are conducted regularly by management. To avoid suspicion of irregularities or corruption, HANZA is considering future training programs that include self-assessment of corruption risks, particularly for risk functions and certain managerial positions. [G1-3_18a]

HANZA's values

WE ARE FOCUSED – on ensuring that we can deliver what we have promised, and finish what we have started.

WE COMMUNICATE – which provides the basis for the implementation of our strategies and achievement of our goals.

WE ARE TEAM PLAYERS – we all work toward the same goal.

WE MAKE THINGS EASIER – we are always searching for new ways to improve and simplify what we do.

WE TAKE OWNERSHIP – by assuming responsibility, we can grow and develop.

The actions and mechanisms apply to the entire Group and are integrated into HANZA's business model. Their effectiveness is evaluated annually through milestones and metrics. The actions primarily involve resources from management and quality functions, and their operating costs therefore cannot be separately estimated. No other significant operating or capital costs are allocated. Policies have been established to safeguard stakeholder interests. [G1-3_]

ACCOUNTING POLICIES: CORRUPTION

Identified reports of corruption or other violations = all confirmed cases of corruption or bribery within HANZA have been investigated either through the external whistleblower process or internal whistleblower channels. Whistleblowing reports = a report submitted and investigated through the external whistleblower function.

The metrics have not been validated by a third party.

G1-4 Incidents of corruption or bribery

No cases of corruption or other violations have been identified within the Group. There are no convictions or ongoing legal proceedings regarding corruption or breaches of anti-bribery laws [G1-4_24a,24b], and no fines related to corruption have been imposed.

Targets related to business ethics and anti-corruption

In 2023, HANZA's Board of Directors established two milestones to ensure business conduct within HANZA. See next page.

G1-2 Management of relationships with suppliers

HANZA's procurement mainly consists of raw materials and components. These are primarily supplied by distributors of metals, chemicals and packaging, as well as electronic components, which in turn are purchased from subcontractors. A portion of HANZA's purchases is also delivered directly by manufacturers. In addition, HANZA engages a limited number of local suppliers for surface treatment services such as painting,

BUSINESS CONDUCT

BUSINESS CONDUCT MILESTONES Business ethics and anti-corruption	The milestone in relation to HANZA's material impacts, risks and opportunities	Milestone achievement	
		2025	2024
All employees shall be informed annually about the HANZA Code of Conduct.	Reflects the objective of maintaining ethical business standards throughout the company and providing preventive anti-corruption training. It also helps prevent reputational damage.	Not achieved	Not achieved
Zero corruption incidents.	Reflects HANZA's zero tolerance for bribery and prevention of corruption.	Achieved	Achieved

**MILESTONE DEFINITIONS:
BUSINESS ETHICS AND ANTI-CORRUPTION**

All employees shall be informed annually about the HANZA Code of Conduct refers to the implementation of training on the Code throughout the Group, where all new, re-employed, and temporary employees receive training upon employment and participate in a training program every three years, or earlier if the Code is revised.

Zero corruption incidents refers to the number of identified cases of corruption, bribery, or non-compliance with internal guidelines for expenses related to activities intended to influence decision-making within HANZA.

The metrics and methodology are unchanged compared with the previous period.

passivation and galvanization. A total of approximately 3,000 suppliers deliver goods to HANZA.

HANZA strives for streamlined procurement that consolidates purchases with preferred suppliers while maintaining local distribution to reduce transportation. Heavy materials in mechanics are often purchased locally near the clusters. Raw materials in electronics are procured globally at Group level. HANZA's service purchases are limited, sourced locally and often linked to the clusters.

The Head of Global Strategic Sourcing is responsible for all material purchases in electronics and certain high-volume materials in mechanics, while the individual clusters purchase

the remaining materials, which normally occurs locally and in smaller volumes. Each responsible purchasing organization manages supplier evaluations.

The Supplier Code of Conduct, which is based on the principles of the HANZA Code of Conduct, applies to all suppliers and defines minimum requirements. Suppliers must adhere to sustainability principles regarding the environment, human rights and labor law, fair working conditions and equal treatment. They must comply with national and international laws and regulations, including those on antitrust, bribery, financial crime and intellectual property rights. Suppliers are required to have compliance processes in place and be avail-

able for audits. Suppliers are responsible for all parts of their value chain; non-compliance may result in termination of the business relationship. The Policy on Conflict Minerals requires suppliers to disclose information about products containing conflict minerals. [G1-2_15a,15b]

The HANZA Code of Conduct states that HANZA must act honestly and with integrity in its dealings with other parties, such as suppliers. There are no specific policies addressing late payments, but HANZA complies with national and international legislation as well as industry standards, which also cover payment practices. [G1-2_14]

All the above policies are available on HANZA's website and have been established to safeguard stakeholder interests.

Procurement process [G1-2_15a,15b]

HANZA's largest suppliers undergo extensive evaluations. These evaluations cover policies, required environmental permits and processes related to environmental protection, health and safety, human rights and labor law, fair working conditions and equal treatment, as well as business ethics. Regular monitoring is performed through the supplier evaluation system (EcoVadis), and the results are presented in detailed scorecards.

HANZA has also implemented a process requiring new suppliers to complete a self-assessment regarding sustainability in HANZA's internal evaluation system, Kodiak Hub. The assessment focuses on employees' human rights and health and safety in the workplace. In addition, suppliers must either sign HANZA's Code of Conduct or allow HANZA to review and approve their own Code of Conduct.

Furthermore, HANZA conducts several on-site supplier audits each year to verify compliance with the Supplier Code of Conduct. Audits are performed based on HANZA's risk assessment regarding quality and sustainability management systems.

The procurement framework has been implemented in recent years and has significantly improved the quality of supplier evaluations. It builds on previous systems that assessed certain ESG topics. Going forward, HANZA intends to conduct annual evaluations of selected suppliers to ensure continuous improvements.

BUSINESS CONDUCT

Shortcomings such as weak processes or poor results require corrective actions. If issues persist, the collaboration is terminated.

In certain identified high-risk areas, enhanced monitoring measures are undertaken:

- For the procurement of electronic components containing conflict metals, responsible sourcing from approved metal suppliers and relevant certifications are required. HANZA's due diligence process includes the following steps:
 - Internal identification of goods containing conflict minerals.
 - Requests to suppliers of such goods for Conflict Mineral Reporting Templates (CMRT), including information on the relevant smelters and refiners.
 - An internal process for assessing whether the certifications correspond to responsible sourcing in relation to human rights in mineral extraction (based on high-risk Smelters or Refiners (SORs) under the Responsible Minerals Initiative, and "conflict-affected areas" as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act, July 2010, and the EU Conflict Minerals Regulation).
- In cases of suspected hazardous substances, material safety data sheets are requested from suppliers (see section E2-4 Substances of very high concern).
- Customers may request specific certificates of origin due to international sanctions, trade embargoes, etc., or corrective actions in high-risk areas.

In cases of non-compliance, the supplier is expected to take corrective actions; otherwise, the contract with the supplier is terminated.

No supplier contracts were terminated in 2025 due to non-compliance.

Milestones related to supplier evaluation

In 2023, the Board of Directors established milestones for supplier evaluations, which are followed up annually. See page 71.

G1-6 Payment practices

HANZA strives for fair supplier management and to honor agreed terms with its partners, such as paying suppliers accord-

Policies related to management of relationships with suppliers			
Background	Contents	Scope/key stakeholders	Responsibility
HANZA Code of Conduct (see section S1-1)			
Supplier Code of Conduct (see section E1-2)			
Environmental Policy (see Section E1-2)			
Policy on Conflict Minerals			
Managing obligations regarding conflict minerals is part of HANZA's business conduct and corporate responsibility. HANZA shall comply with and protect the environment, labor rights, human rights, and business ethics, and ensure that these are also upheld by suppliers, consultants, and other representatives.	<p>HANZA is aware of the risks associated with purchasing minerals from conflict and high-risk areas, where such trade often contributes to human rights violations, environmental damage, and conflicts.</p> <p>HANZA is committed to:</p> <ul style="list-style-type: none"> • responsible sourcing of minerals, including 3TG, using the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. • evaluating suppliers through HANZA's Supplier Code of Conduct and responsible sourcing of traceable conflict minerals to ensure that no conflicts are financed in the countries where they are extracted. • using the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT) to collect and exchange supply chain information. HANZA's suppliers shall provide an updated CMRT upon request. If HANZA identifies smelters or refiners that do not meet the requirements within its supply chain, all reasonable measures will be taken to ensure they are removed from the supply chain. 	Applies to all HANZA's counterparties, including suppliers, subcontractors, joint venture partners, agents, distributors and their employees.	The COO is responsible for implementing the policy.

ing to agreed payment terms, which generally follow industry standards and vary depending on sector, supplier and country. For key suppliers, specific agreements are negotiated as part of the business relationship. [G1-2_33b] Currently, HANZA does not track statistics on the proportion of payments made within standard terms or the Group's average payment period. In general, suppliers are paid on time, although delays may occur

due to circumstances such as incorrect invoice information. In 2025, HANZA was not involved in any ongoing legal proceedings related to late payments. [G1-6_33c]

BUSINESS CONDUCT

PAYMENT PRACTICES	
Type of supplier	Payment terms
HANZA's significant suppliers	Generally 90 days
Other suppliers	Industry standard

SUPPLIER RELATIONSHIP MILESTONES	The milestones' relation to HANZA's material impacts, risks and opportunities	Milestone achievement	
		2025	2024
All HANZA's suppliers shall confirm the Supplier Code of Conduct.	Ensures supplier compliance with the Supplier Code of Conduct.	Not achieved	Not achieved
Each year, the proportion of suppliers (in terms of costs) evaluated in EcoVadis shall increase.		Achieved	Not applicable

MILESTONE DEFINITIONS: SUPPLIERS

All HANZA's suppliers shall confirm the Supplier Code of Conduct refers to the proportion of suppliers that have signed the Supplier Code of Conduct or had their own code reviewed and approved by HANZA. 100% for milestone fulfillment. The milestone, metrics and methodology are unchanged compared with the previous period.

Each year, the proportion of suppliers (in terms of expenditures) evaluated in EcoVadis shall increase refers to the percentage of suppliers, in terms of HANZA's costs, that have been evaluated in EcoVadis. To be achieved, the proportion for the current year must exceed that of the previous year. The milestone has been reworded compared with the previous year. It has replaced "Annual audits shall be carried out of significant suppliers via EcoVadis to ensure compliance with the Supplier Code of Conduct" to improve methodology.



BUSINESS CONDUCT

Entity-specific: Information security

HANZA's strategy

As a supplier and contract manufacturer, HANZA's ability to ensure information security is crucial for both trust and competitiveness. HANZA manages information about customers' components in their products, including drawings and other shared documentation. These intangible assets must be protected; otherwise, customers may suffer consequences. A sharp increase in attempted cyber intrusions targeting authorities and large companies has heightened the importance of secure data management. Cyber intrusions that do not involve customers' intangible assets can also cause production stoppages, harming HANZA and its customers. These cyber intrusions also pose a risk to HANZA, as they lead to internal costs from production downtime and lost revenue. To address these risks and potential impacts from cyber intrusions, HANZA has implemented an information security management system that includes several preventive measures.

Information Security Policy

The Information Security Policy aims to protect HANZA's and its customers' intellectual property rights and, indirectly, to meet customer requirements for timely delivery. It refers to approximately 20 internal information security guidelines and is intended to maintain confidentiality and integrity when HANZA's employees handle customer or personal data for purposes other than those agreed upon. The guidelines cover access control to information resources, data backup, incident management, network security, and other related areas. All applications, systems, or services that HANZA purchases or implements must have a security plan and budget for their entire life cycle. Confidentiality of assets and customer security requirements must be ensured. Any exceptions to the policy must be approved by either the CEO or the Head of Information Security, depending on the nature of the exception. HANZA must also be transparent about how information is collected,

used, and secured. The objective is to provide information security that meets high international standards and to comply with the strictest international requirements for information security and customer data protection by adhering to clearly defined responsibilities and roles at all HANZA facilities, among suppliers, and others with access to HANZA's systems.

The Information Security Policy is linked to the ISO-certified management system implemented by HANZA to address increasing risks of cyber intrusions and potential damage. Today, HANZA's customers require a robust information security system. The policy and guidelines, primarily intended for HANZA's employees, are available on the company's intranet.

Actions and metrics related to information security

Systematic information security efforts aim to ensure secure internal procedures and assess risks, including data breaches. The Information Security Management System (ISMS), certified

IRO Category			Description of impacts, risks and opportunities	Policy and targets	Actions	Metrics	Targets
Actual impact	Potential impact	Risks and opportunities					
			<p>Potential data leaks involving sensitive customer information may pose financial risks for both HANZA and its customers, including their employees and owners.</p> <p>Data breaches, data loss or ransomware attacks can undermine customers' trust in HANZA and cause loss of revenue. Intrusions also contribute to internal costs due to production stoppages.</p>	<p>Information Security Policy: Protect the confidentiality and integrity of HANZA's and customers' information.</p> <p>Procedures ensuring the availability of assets/systems for a resilient and continuous manufacturing process.</p>	<ul style="list-style-type: none"> Information Security Management System (ISMS) certified under ISO 27001. Internal training to improve employees' awareness of information security. Maintain the availability of internal servers. 	<p>Proportion of employees who have completed the training.</p> <p>Hours of server availability.</p>	No target set

BUSINESS CONDUCT

POLICIES related to information security			
Information Security Policy			
Background	Contents	Scope/key stakeholders	Responsibility
<p>Covers key principles and procedures for protecting the confidentiality and integrity of HANZA's and customers' information, as well as ensuring the availability of assets and systems for a resilient and continuous manufacturing process. Sets out and refers to several internal guidelines, principles, and procedures for data and information security.</p> <p>The purpose is to define the scope, objectives, and principles of the information security management system.</p>	<p>Scope: All HANZA companies, their physical locations, core and support processes, related people and assets, including HANZA's and its customers' information assets. Fulfilment criteria will be established by HANZA's management and monitored through specific KPIs.</p> <p>Information security shall be:</p> <ul style="list-style-type: none"> integrated throughout the life cycle of information systems, services, and applications, considered in all projects, implemented with a similar approach across all locations. <p>Confidentiality and classification of assets, as well as customers' security requirements, shall be adhered to.</p>	<p>HANZA's employees, HANZA's customers.</p>	<p>The CEO is responsible for implementation.</p>

under ISO 27001 and implemented across the Group in 2021, ensures compliance with procedures and policies and increases employees' awareness of intrusion risks. At the end of 2025, HANZA's head office and administrative offices in Sweden and Estonia, together with three factories in Sweden and the Baltics, had achieved certification.

HANZA therefore conducts continuous internal training to raise employee awareness of information security and phishing attempts, and to ensure that server availability exceeds the levels defined in the SLA. Each activity is followed up with metrics compared to fulfilment criteria to ensure appropriate levels of secure systems. In 2025, the fulfilment criteria were met.

The Group-wide IT function, including the helpdesk, operates at the factory in Tartu, Estonia. Data management routines are integral parts of the existing business model and cannot be estimated separately. Investments in equipment and licenses for more detailed network control and authentication, together with costs for third-party remote access management solutions, exceeded SEK 1 million in 2025 (included in Other external costs on page 104 in the Annual Report). Future financial resources have not been allocated.

Actions and metrics related to information security			
Activity	Metrics	Fulfilment criteria, %	Achievement 2025, %
Maintain server availability above the levels defined in the SLA.	Hours of server availability.	>98	99.99

ACCOUNTING POLICIES: INFORMATION SECURITY
 Server availability time is based on possible downtime automatically reported by the servers.

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E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not relevant
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S1-8	Collective bargaining coverage and social dialogue	Only material for the social dialogue IRO
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Datapoints derived from other EU legislation

The table below contains all datapoints derived from other EU legislation in accordance with ESRS 2 Annex B, indicating where the datapoints can be found in our report and which datapoints are assessed as “not material.”

Disclosure Requirement and related data point			SFDR reference	Pillar 3 reference	Reference to the Benchmarks Regulation	Reference to EU climate legislation	Section or information	Page
ESRS 2 GOV-1	21 (d)	Board’s gender diversity	x		x		Corporate governance report	22
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		Corporate governance report	19
ESRS 2 GOV-4	30	Statement on due diligence	x					8
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		No revenue	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		No revenue	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		No revenue	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		No revenue	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x		31, 33
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		Not exempt	
ESRS E1-4	34	GHG emission reduction targets	x	x	x			36
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x					37
ESRS E1-5	37	Energy consumption and energy mix	x					37
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	x					37
ESRS E1-6	44	Gross Scope 1,2,3 and Total GHG emissions	x	x	x			38-39
ESRS E1-6	53–55	Gross GHG emissions intensity	x	x	x			38-39
ESRS E1-7	56	GHG removals and carbon credits				x	Not relevant	

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Disclosure requirement		Datapoint	SFDR reference	Pillar 3 reference	Reference to the Benchmarks Regulation	Reference to EU climate legislation	Section or information	Page
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Phase-in	
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk. Location of significant assets at material physical risk		x			Phase-in	
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Phase-in	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Phase-in	
ESRS E2-4	28	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	x				Not material	
ESRS E3-1	9	Water and marine resources	x				Not material	
ESRS E3-1	13	Dedicated policy	x				Not material	
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused	x				Not material	
ESRS E3-4	29	Total water consumption in m ³ per net revenue on own operations	x				Not material	
ESRS 2-SBM 3 - E4	16 (a) i		x					25
ESRS 2-SBM 3 - E4	16 (b)		x					25
ESRS 2-SBM 3 - E4	16 (c)		x					25
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				Not material	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation	x				Not material	
ESRS E5-5	37 (d)	Non-recycled waste	x					48

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Disclosure requirement		Datapoint	SFDR reference	Pillar 3 reference	Reference to the Benchmarks Regulation	Reference to EU climate legislation	Section or information	Page
ESRS E5-5	39	Hazardous waste and radioactive waste	x					48
ESRS 2-SBM3 - S1	14 (f)	Risk of incidents of forced labor	x					49
ESRS 2-SBM3 - S1	14 (g)	Risk of incidents of child labor	x					49
ESRS S1-1	20	Human rights policy commitments	x					52-54
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8			x			52
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x					52
ESRS S1-1	23	Workplace accident prevention policy or management system	x					53
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x					55
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	x		x			58
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				Phase-in	
ESRS S1-3	32 (c)	Grievance/complaints handling mechanism	x					55
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x			60, 62
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x					60
ESRS S1-17	103 (a)	Incidents of discrimination	x					62
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	x		Not material	
ESRS 2-SBM3 - S2	11 (b)	Significant risk of child labor or forced labor in the value chain	x					63
ESRS S2-1	17	Human rights policy commitments	x					52
ESRS S2-1	18	Policies related to value chain workers	x				Phase-in	54

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Disclosure requirement		Datapoint	SFDR reference	Pillar 3 reference	Reference to the Benchmarks Regulation	Reference to EU climate legislation	Section or information	Page
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	x		Phase-in	52
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8			x		Phase-in	52
ESRS S2-4	36	Human rights matters and human rights cases linked to the company's upstream and downstream value chain	x				Phase-in	
ESRS S3-1	16	Human rights commitments	x				Not material	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	x		Not material	
ESRS S3-4	36	Human rights matters and incidents	x				Not material	
ESRS S4-1	16	Policies related to consumers and end-users	x				Not material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	x		Not material	
ESRS S4-4	35	Human rights matters and incidents	x				Not material	
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	x					66
ESRS G1-1	§10 (d)	Protection of whistleblowers	x					54, 66
ESRS G1-4	§24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x			68
ESRS G1-4	§24 (b)	Standards of anti-corruption and anti-bribery	x					68

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