

Sustainability Policy

1. Introduction

SIA "Volburg" is committed to conducting its operations in a responsible, sustainable, and ethical manner. As an electronics manufacturing services (EMS) provider operating within the automotive supply chain, the company recognizes its responsibility to minimize environmental impact, support employee well-being, and ensure transparent and responsible business practices.

This Environmental and Sustainability Policy integrates environmental, social, and governance (ESG) principles into company operations and strategic planning. The policy supports the requirements of the company's integrated management system in accordance with **ISO 9001, ISO 14001, and IATF 16949**, while also reflecting internationally recognized frameworks such as the **United Nations Sustainable Development Goals (SDGs)**.

SIA "Volburg" is committed to:

- protecting the environment and preventing pollution
- complying with applicable legal and regulatory requirements
- improving resource efficiency and reducing environmental impact
- ensuring safe and healthy working conditions for employees
- conducting business activities in an ethical and transparent manner
- continuously improving environmental and sustainability performance.

Sustainability principles are integrated into operational decision-making and business strategy to support long-term organizational resilience and competitiveness.

2. Environmental Responsibility

SIA "Volburg" is committed to minimizing the environmental impact of its operations and improving the efficiency of resource usage throughout the manufacturing process. Environmental responsibility is considered an integral part of operational excellence and sustainable business development.

As an electronics manufacturing company, the organization recognizes that its environmental impact primarily relates to:

- electricity consumption of SMT and THT production lines
- use of chemicals such as solder paste, flux, and cleaning agents
- waste generation from packaging materials and electronic components
- consumption of raw materials and electronic components
- logistics and transportation activities.

Environmental management is implemented through the **Environmental Management System in accordance with ISO 14001**, which ensures systematic identification and evaluation of environmental aspects, compliance with environmental legislation, and implementation of improvement measures.

Environmental considerations are integrated into operational decisions including equipment selection, material usage, waste management, and production process optimization.

Environmental Objectives

The key environmental objectives of SIA "Volburg" include:

- improving energy efficiency in manufacturing processes
- reducing waste generation and increasing recycling rates
- ensuring safe handling and disposal of hazardous materials and chemicals
- minimizing environmental impact of production activities

- complying with environmental legislation and customer requirements
- increasing employee awareness of environmental protection.

Environmental performance is monitored through defined environmental indicators that support continuous improvement and responsible resource management.

3. Climate Change Considerations

SIA "Volburg" recognizes climate change as an important global environmental challenge that may influence business operations and supply chains.

In the geographical context of Latvia, the most relevant climate-related risks include increased frequency of **extreme weather conditions**, such as:

- strong winds and storms
- heavy rainfall events
- winter storms and rapid temperature fluctuations.

These events may affect transportation infrastructure, logistics operations, energy supply, and supplier deliveries.

In addition, global climate-related events may disrupt the availability of electronic components and raw materials sourced from international suppliers.

To address these risks, SIA "Volburg" focuses on improving energy efficiency, monitoring energy consumption, and strengthening supply chain resilience. Climate-related considerations are evaluated as part of the company's environmental management processes and organizational context analysis.

4. Social Responsibility

SIA "Volburg" values its employees and is committed to providing a safe, inclusive, and supportive workplace environment.

The company recognizes that employee competence, engagement, and well-being are essential for maintaining high standards of product quality and operational performance. Social responsibility includes compliance with labour legislation, occupational safety requirements, and initiatives aimed at improving employee competence and workplace well-being.

Social Objectives

The main social objectives include:

- ensuring safe and healthy working conditions
- preventing workplace accidents and occupational health risks
- supporting employee training and professional development
- promoting equal opportunities and non-discrimination
- maintaining a stable and motivated workforce
- encouraging employee participation in continuous improvement initiatives.

Employee competence development is particularly important in electronics manufacturing where production processes require technical knowledge and adherence to strict quality standards.

SIA "Volburg" supports employee development through training programs, knowledge sharing, and cooperation with educational institutions and technical schools.

5. Governance and Ethical Business Practices

SIA "Volburg" conducts its business activities in a transparent and ethical manner and complies with applicable legal and regulatory requirements.

Responsible governance ensures that business operations are conducted with integrity, accountability, and effective risk management.

Corporate governance supports compliance with management system standards including **ISO 9001, ISO 14001, and IATF 16949**, and ensures that business decisions are made in accordance with company values and stakeholder expectations.

Governance Objectives

Key governance objectives include:

- compliance with applicable laws and regulations
- prevention of corruption and unethical business practices
- transparency in relationships with customers and suppliers
- protection of confidential information and data security
- responsible supply chain management
- effective internal control and audit processes.

Suppliers are expected to follow environmental, quality, and ethical standards and are evaluated according to supplier performance criteria.

6. Alignment with United Nations Sustainable Development Goals

SIA "Volburg" supports the principles of sustainable development and contributes to selected **United Nations Sustainable Development Goals (SDGs)** that are relevant to its activities as an electronics manufacturing company.



SDG 8 – Decent Work and Economic Growth

The company supports sustainable economic growth by providing stable employment, maintaining safe working conditions, and promoting professional development for employees.



SDG 9 – Industry, Innovation and Infrastructure

SIA "Volburg" contributes to sustainable industrial development by investing in modern manufacturing technologies, automation, and continuous process improvement.



SDG 12 – Responsible Consumption and Production

The company promotes responsible manufacturing practices through efficient use of resources, waste reduction, recycling initiatives, and responsible chemical management.



SDG 13 – Climate Action

Energy efficiency improvements, the monitoring of environmental indicators, and the purchase of green electricity contribute to reducing the environmental impact of operations and addressing climate-related risks.

7. ESG Performance Monitoring and KPI Matrix

To ensure effective monitoring of sustainability and operational performance, SIA “Volburg” uses an **ESG performance matrix**, which groups key performance indicators into several categories representing the main areas of the company’s activities.

The ESG matrix provides management with a structured overview of company performance and supports strategic decision-making and continuous improvement.

Customer and Quality Performance

These indicators measure the company’s ability to deliver high-quality products that meet customer requirements, minimize defects and complaints, and maintain high levels of customer satisfaction.

Key indicators include:

- automotive RMA (ppm)
- industrial RMA (ppm)
- first Acceptance Rate (FAR) for automotive and industrial products
- customer complaints and claim closure performance
- customer satisfaction (NPS).

Operational and Delivery Performance

These indicators evaluate the efficiency and reliability of manufacturing and logistics processes to ensure stable production performance, low waste levels, and timely delivery to customers.

Key indicators include:

- OEE of SMT production line
- scrap rate in production
- delivery precision for customers
- supplier delivery performance.

Environmental Performance

These indicators monitor the environmental impact of company operations and support continuous improvement in energy efficiency, resource usage, waste management, and environmental compliance.

Key indicators include:

- total electricity consumption
- waste generation and recycling rate
- hazardous waste management
- environmental training of employees.

Social Responsibility

These indicators measure the company’s commitment to employee safety, competence development, engagement, and overall workplace well-being.

Key indicators include:

- workplace accidents
- training hours per employee
- employee satisfaction
- employee turnover
- participation in improvement initiatives.

Financial and Governance Sustainability

These indicators track financial stability, operational effectiveness, and governance performance to ensure sustainable long-term business development.

Key indicators include:

- turnover growth
- gross profitability

- operating profit margin
- cost of poor quality
- corrective action closure rate
- External internal audit completion.

8. Implementation and Monitoring

Environmental and sustainability performance is monitored using the ESG KPI matrix and operational management systems.

Data used for monitoring includes:

- electricity and utility consumption data
- waste disposal documentation
- Personal training records
- quality management system data
- supplier evaluation records
- financial and operational performance reports.

KPI results are reviewed regularly during management meetings and formally evaluated during the **annual Management Review process**.

When KPI targets are not achieved, corrective actions and improvement measures are defined and implemented.

9. Continuous Improvement

SIA "Volburg" is committed to continuous improvement of environmental and sustainability performance.

Improvement is achieved through:

- production process optimization and resource efficiency projects
- employee training and awareness programs
- technological improvements and automation
- supplier cooperation and evaluation
- regular monitoring of ESG performance indicators.

This Sustainability Policy is reviewed periodically to ensure its relevance, effectiveness, and alignment with company strategy and stakeholder expectations.

Managing Director (MD) of SIA "Volburg" Kaspars Rokens

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