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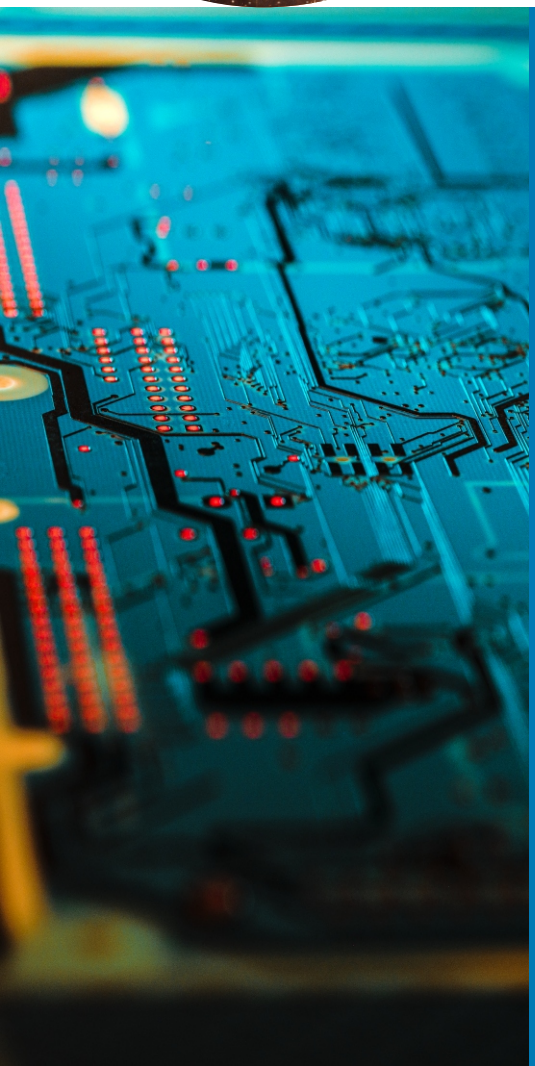

INTECTIV, d.o.o.
Sustainable and circular Business Strategy

Strategic Plan 2025–2029

INTECTIV

INTECTIV

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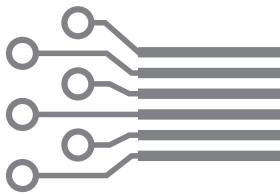


1. Introduction

1.1 Company Profile

INTECTIV d.o.o. is a leading Slovenian manufacturer of printed circuit boards (PCBs) with a proud tradition dating back to 1973. Since our founding, we have remained deeply committed to two core values: the quality of our products and the protection of the natural environment.In pursuit of this commitment, we obtained the ISO 9001 quality management certification as early as 1997, followed by the ISO 14001 environmental management certification in 2007. Our dedication to quality is further confirmed by the UL certification (UL number E79481), which ensures compliance with UL 796 (PCB standard) and UL 94 (flammability testing standard). The UL certification provides our customers with a guarantee of the reliability and safety of our products.

In recent years, INTECTIV d.o.o. has strategically expanded its focus toward the production of high-tech and complex printed circuit boards (PCBs). This evolution supports our entry into demanding industries such as aerospace, defense, and medical technology.

A major milestone in this journey was achieved in 2024, with the successful certification of our quality management system according to EN 9100:2018 (equivalent to AS9100D and JISQ9100:2016). This internationally recognized standard defines rigorous quality requirements specific to the aviation, space, and defense sectors, positioning us as a reliable partner for mission-critical applications.

We continue to invest in the training and upskilling of our workforce, along with the automation and digitalization of our production processes. These investments drive optimized manufacturing workflows, increased productivity and consistently high product quality.

Such improvements enable us to meet evolving customer demands and maintain a competitive edge in the European electronics market.

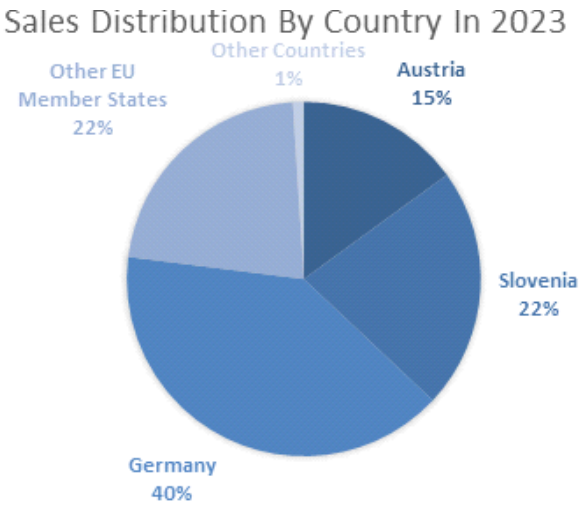
Our product portfolio includes:

- single-sided, double-sided, and multilayer printed circuit boards (up to 26 layers),,
- flexible circuits (Flex and Rigid-Flex),
- the use of special materials such as aluminum and copper substrates, Teflon, high-frequency Rogers materials, and oth

140.000
Different Products

200
Active Buyers

Our business is built on long-term partnerships with clients in Austria and Germany, and our presence extends to markets such as Sweden, Hungary, the Netherlands, Switzerland, Italy, France, Latvia, Croatia, and Denmark. In 2023, exports accounted for as much as 78% of our total production, with 77% going to EU markets (primarily Germany and Austria) and 1% to non-EU markets.



As an energy-intensive manufacturer operating in the printed circuit board (PCB) industry—an industry characterized by significant chemical use—we are acutely aware of our environmental responsibilities. We place a strong focus on efficient energy management, material and resource efficiency, safe and responsible handling of hazardous and non-hazardous waste and sustainable cooperation with the local community. These priorities are not only essential to protect the quality of life for current and future generations, but they also form the foundation for the long-term resilience and success of our company.

By integrating sustainability with technological innovation, we continue to strengthen our position as a reliable and responsible partner in the global PCB industry.

BASIC COMPANY INFORMATION

Intectiv, d.o.o., **Kranj**	
Head Office	Ljubljanska cesta 24a, 4000 Kranj, Slovenija
Main Activity	PCB Production
Year of Establishment	1973
Legal Representative	Matjaž Levar
Number of Employees (1. 12. 2024)	105

1.2 Management Commitment

At INTECTIV d.o.o., sustainability is not just a strategic objective — it is a core responsibility toward the environment, our employees, and the broader community. We are fully committed to integrating social responsibility across all our operations, projects, and long-term business plans. This commitment is grounded in environmental, social, and economic values that shape our present and guide our future.

Strategic Vision: 2025–2029

In 2024, we conducted a comprehensive analysis of our operations and developed a holistic sustainability and circular economy strategy for the period 2025–2029. This strategy outlines clear objectives that will uphold our core sustainability values, promote continuous improvement and encourage innovation across all business areas.

The Three Pillars of Our Commitment

Our long-term approach to sustainability and circularity is structured around three key pillars of responsibility, aligned with leading international standards:

Environmental Responsibility

- Ongoing compliance with ISO 14001 (in place since 2007)
- Continued optimization of production processes
- Reduction of carbon footprint and resource consumption
- Commitment to minimizing negative environmental impacts

Social Responsibility

- Greater employee engagement in sustainability initiatives
- Ongoing education and support for innovation among staff
- Strengthening of relationships with local communities and partners
- Co-creation of sustainable solutions with a positive social impact

Economic Responsibility

- Ensuring long-term financial and operational stability
- Balancing economic goals with environmental and social priorities
- Pursuing growth that safeguards the needs of future generations

Innovation and Optimization: Driving Sustainable Success

We believe that innovation and process optimization are essential for realizing our sustainability ambitions. We will continue to invest in dvanced production technologies, energy-efficient systems, waste reduction initiatives, high-quality, low-impact products and services.

Building Sustainable Partnerships

Our commitment to sustainable development also includes strengthening existing partnerships and establishing new ones that support our sustainability goals. We will collaborate with business partners to identify innovative solutions that promote more sustainable operations and greater social responsibility.

Through our sustainability efforts, we aim to create value not only for the company, but also for all our business partners, employees, and the wider community. It is our strong belief that only through joint efforts can we achieve goals that enable healthy, sustainable, and responsible development.

1.3 Owner's Expectations for 2029

Like many companies in the European printed circuit board (PCB) industry, INTECTIV d.o.o. operates in a challenging environment characterized by fluctuating customer demand. While the years 2020–2022 were exceptionally strong-driven by pandemic-related supply chain shifts and a 30% surge in orders—other years, such as 2019 and 2023, showed a significant decline in sales.

These fluctuations are compounded by several persistent industry challenges as lengthy customer acquisition cycles, often spanning several years before formal cooperation begins, high costs of energy, materials, and labor, competitive pressure from low-cost manufacturers, especially in China

At Intectiv, we are dedicated to overcoming these challenges by 2029 and securing strong financial stability. In 2023, we strategically shifted our focus toward high-tech sectors such as medical, defense, and aerospace—industries that demand exceptional quality and reliability, offer high added value, and are often unsuitable for offshore production.

Our path to achieving these goals relies on optimizing, automating, and digitalizing our processes, enabling us to consistently meet the highest quality standards. This strategic focus will differentiate us from competitors and foster sustainable, long-term growth, as these industries are less affected by market fluctuations.
By 2029, Intectiv aims to evolve from a traditional supplier into a strategic, long-term partner for high-tech companies. Rather than simply fulfilling orders, we will engage with clients early in project development, building deeper and more enduring collaborations. These partnerships will enhance business stability and open doors to advanced, high-value projects.
Technological excellence will underpin our operations. Through continuous investment in innovation and by obtaining key certifications and qualifications, Intectiv aspires to become one of Europe's leading PCB providers in demanding industrial niches.
Our carefully crafted HR strategy will attract and nurture top talent, offering ongoing training and development to meet future challenges. This will drive outstanding performance and uphold the highest standards. Concurrently, fostering a culture of innovation and collaboration will strengthen our competitive edge and encourage breakthrough solutions.
By 2029, Intectiv will have established a resilient business environment where quality and innovation are foundational supported by lasting strategic partnerships with Europe's leading companies in high-tech industries.

1.4 Baseline Environmental Footprint Analysis

The baseline analysis of the company's environmental footprint involved a thorough assessment of greenhouse gas (GHG) emissions, following the guidelines of the GHG Protocol. Emissions are classified into three primary scopes according to their origin and relevance within the company's value chain: Scope 1, Scope 2, and Scope 3.

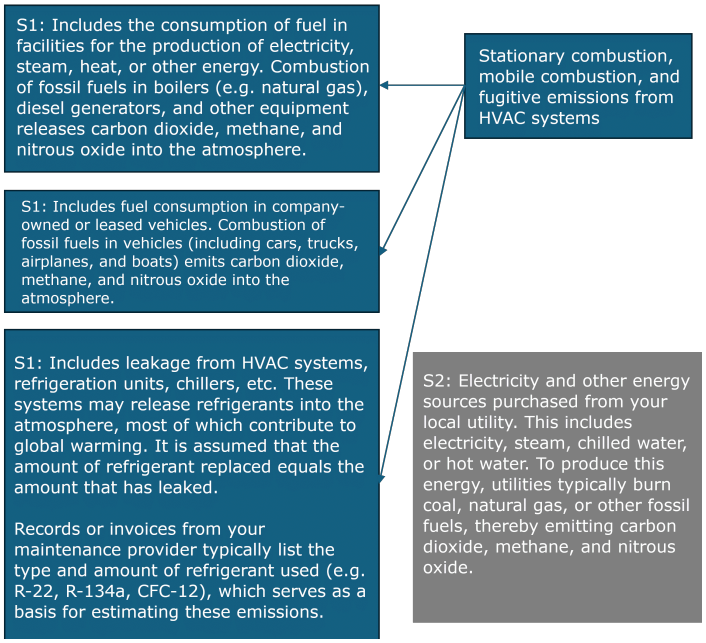
- Scope 1 includes direct emissions produced by the company itself, mainly from company-owned vehicles and facilities. These emissions consist of gases such as CO_2, Ch_4, N_2O, as well as other greenhouse gases like HFCs, PFCs, Sf_6 and NF_3
- Scope 2 covers indirect emissions resulting from the energy the company purchases and consumes—such as electricity, heating, and cooling—where the actual production of this energy occurs outside the company's operational control.
- Scope 3 encompasses all other indirect emissions related to the company's value chain but originating from activities beyond its direct control. These are divided into:

  - Upstream activities, including emissions from sourcing goods and services, capital goods, transportation and distribution, fuel production, waste generation, and employee commuting.

  - Downstream activities, covering emissions linked to the transportation and distribution of sold products, product processing, customer use, end-of-life disposal, investments, franchising, and leased assets.

Using these scope definitions, Intectiv has systematically identified and categorized its emission sources.

INTECTIV



The environmental footprint reflects the total carbon dioxide and other greenhouse gas emissions generated by the company's operations. To enable consistent comparison, emissions from different greenhouse gases are expressed in carbon dioxide equivalents (CO_2e). This assessment follows the guidelines set by the Greenhouse Gas Protocol (GHG Protocol). The evaluation covers:

- **Scope 1 emissions:** Direct emissions from company-owned vehicles and refrigerant leaks from HVAC systems.
- **Scope 2 emissions:** Indirect emissions resulting from the consumption of purchased energy (electricity, steam, and heat) supplied by local utilities.

The tables below summarize the emission sources for 2022 and 2023, including the emission year, source, activity data (in km, kg, or GJ), and the associated CO_2e values.

Year	Vehicle Type	Distance [km]	CO_2e [tons]
2022	Diesel light-duty trucks	17 091	6,698
2022	Diesel passenger cars	27 000	7,618
2023	Diesel light-duty trucks	13 767	5,395
2023	Diesel passenger cars	12485	3,522
2023	Diesel medium and heavy-duty vehicles	12000	8,662

SCOPE 1: CO_2 FOOTPRINT CALCULATION FROM MOBILE SOURCES

In 2022, emissions from company vehicles totaled 13.866 tons of CO_2e, increasing to 17.579 tons in 2023. Overall, mobile sources emitted 31.445 tons of CO_2e across both years.

Leto	Tip hladilne opreme	Tip hladila	Polnjenje[kg]	Odvoz [kg]	CO_2e[Tone]
2022	ARH-040-AB,	R-410A	2,20	/	4,23
2022	PUHZ-ZRP100YKA2,	R-410A	1,90	/	1,73
2023	PUHZ-RP250YKA,	R-410A	3,00	/	5,77
2022	Uparjevalnik Electrolux	HFC-134(R-134)	0,20	/	0,224
2023	Uparjevalnik Electrolux	HFC-134(R-134)	0,40	/	0,448
2023	HA - klimat	R-407C	/	20,00	-32,5

SCOPE 1 – CO_2 FOOTPRINT CALCULATION FROM HVAC EQUIPMENT

In 2023, the company reduced its CO_2e emissions by 26.29 tons by returning the refrigerant R-407C to a service provider and recovering it during maintenance. Over the two-year period, HVAC-related emissions saw a net decrease of 20.1 tons of Co_2e.

SCOPE 2 – PURCHASED ELECTRICITY AND OTHER ENERGY SOURCES FROM LOCAL SUPPLIER (2022–2023)

	Leto 2022	Leto 2023
Purchased Electricity [GWh]	3879	3.100
Purchased Hot Water (Heating) [GJ]	681,84 (189,4 MWh)	261,72 (72,7 MWh)
Purchased Chilled Water (Cooling) [GJ]	1256,04 (348,9 MWh)	993,6 (276 MWh)

In 2022, the company emitted 1,948.1 tons of CO_2e from Scope 2 energy consumption, which decreased to 1,556.9 tons in 2023. Over the two-year period, total emissions from purchased energy sources amounted to 3,505.0 tons of Co_2e.

SCOPE 1 AND SCOPE 2 – TOTAL CO_2 EMISSIONS (2022–2023)

CO_2e [tonS]	2022	2023	Skupaj
	1968,15	1548,189	3516,345

The table above shows the total carbon dioxide equivalent (CO_2e) emissions, measured in tons, for the years 2022 and 2023, including both Scope 1 and Scope 2 emissions. In 2022, emissions were 1,968.15 tons of CO_2e, which decreased slightly to 1,548.19 tons in 2023. Over the two years, the company's combined emissions totaled 3,516.345 tons of CO_2e.

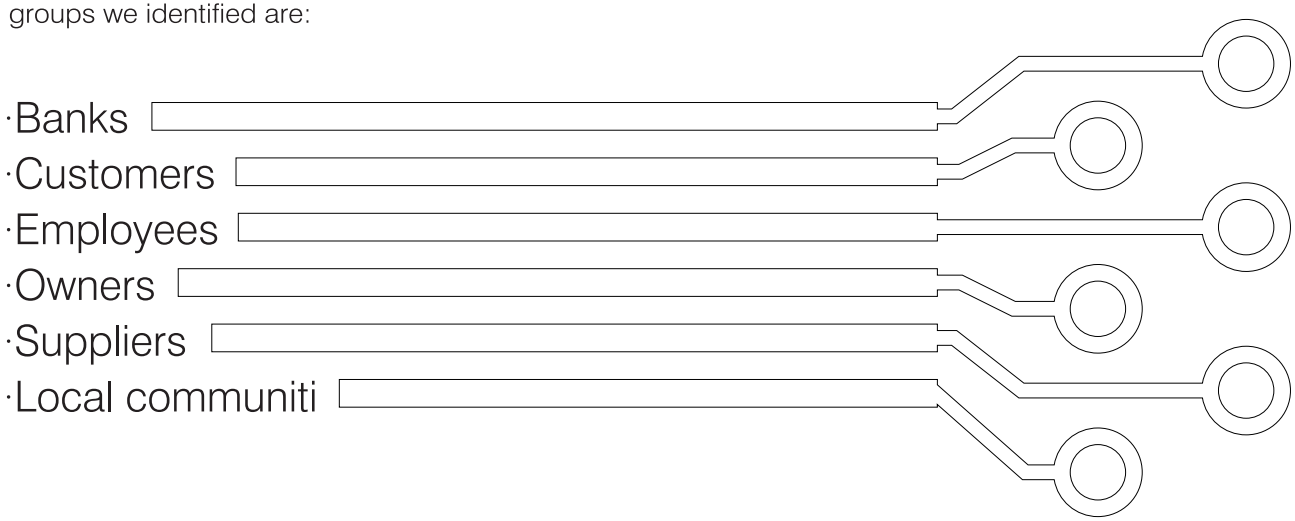
2. Company materiality Matrix

The materiality matrix is a widely used tool in sustainability management and corporate social responsibility. It enables companies to identify and assess which environmental, social, and governance (ESG) factors are most important both to their business operations and to their stakeholders. Typically, the matrix is displayed as a two-axis grid:

- One axis represents the importance of specific issues to external stakeholders, such as customers, investors, employees, and the community.
- The other axis reflects the significance of these issues for the company itself.

Different topics are placed within the matrix according to their relative importance. Issues that score highly on both axes are deemed material and usually demand the greatest focus, as they have a significant impact on the company's success.

To ensure alignment with our strategic goals, we first identified our key stakeholders—those individuals and groups essential to our operations and whose engagement is crucial to our performance. The six stakeholder groups we identified are:



We had already taken initial steps to understand stakeholder perspectives. For instance, to gauge employee satisfaction and attitudes, we conducted our first employee satisfaction survey in 2024, with plans to repeat it annually. Supplier and customer expectations have been assessed through joint meetings, trade fairs, ongoing communication, timely responses, and effective complaint resolution.

To gain deeper insight into stakeholder needs and prioritize ESG topics for inclusion in our strategy, reporting, and decision-making, we developed an online questionnaire available in both Slovenian and English. The questionnaire contained 46 statements grouped by ESG topics, as shown in the tables below. It was distributed to the stakeholder groups listed above, yielding 60 responses. The largest portion came from employees (43.3%), followed by suppliers (26.7%) and customers (16.7%). Representatives from banks and local communities each accounted for 5%, while owners made up 3.3% of respondents.

ENVIRONMENTAL PERSPECTIVE – SURVEY STATEMENTS

1.	Product: Our printed circuit boards will become more sustainable due to longer product lifespan.
2.	Energy: We will implement a closed-loop energy system supported by our own renewable energy sources, contributing to greater energy efficiency and reduced greenhouse gas emissions.
3.	Energy: We will electrify our entire company vehicle fleet.
4.	Recyclable Materials: We will gradually increase the share of recyclable materials used in production and distribution support.
5.	Waste: We will continue to manage hazardous and non-hazardous waste carefully and further enhance our waste management system.
6.	Certifications: In addition to our existing ISO 14001 certification, we will obtain ISO 50001 (international standard for energy management systems).
7.	Production: Through improvements in production processes, we will reduce scrap material, optimize raw material usage and reduce costs.
8.	Employees: We will support remote work, contributing to a lower carbon footprint by reducing transportation needs.
9.	The company is committed to reducing material waste in the production of printed circuit boards by optimizing manufacturing processes and using sustainable raw materials such as copper foils, laminates, and soldering materials.
10.	Production: We will optimize production processes to reduce raw material consumption and improve sustainability performance .
11.	Quality: By improving production process quality, we will reduce the rate of customer complaints and increase customer satisfaction.
12.	Company Premises: We will continuously strive for a clean and orderly work environment through sustainable practices, including ecological cleaning and resource reduction.
13.	Production: Where possible, we will replace harmful substances from the “grey list” with environmentally friendly alternatives.

14.	Operations : We will encourage a shift to e -business, thereby reducing the need for physical resources.
15.	Suppliers : We will also evaluate suppliers based on their sustainability practices to strengthen a responsible supply chain.
16.	Nature : We will actively contribute to preserving the natural ecosystem around the company through measures such as establishing habitats for pollinators (e.g. bees and butterflies) and other beneficial species.

SOCIAL PERSPECTIVE – SURVEY STATEMENTS

1	Employees : We will continuously support the personal and professional development of employees through training, mentoring, and advancement opportunities.
2	Employees : Retaining key talent and attracting new professionals will be a priority.
3	Employees : We will encourage open communication and collaboration among employees, fostering a culture of mutual trust and support.
4	Business Operations : We are committed to responsible and sustainable business practices.
5	Employees : We will actively increase the representation of young employees.
6	Employees : We will promote employee bonding, including involving family members through nature outings, cultural family events, and holiday ga mes for children.
7	Health Prevention : We will support and organize activities that promote a healthy lifestyle for employees.
8	Employees : We will regularly measure employee satisfaction and use the results to improve working conditions and create a supportive work environment.
9	Employees : We will continue with activities that reflect our role as a socially responsible employer.
10	Workplace : We will invest in a sustainable, safe, and modern work environment.
11	Employees : We will ensure clear and timely communication about changes within the company.
12	Local Community : We will actively support and co -create projects in the local community through sponsorships, donations, and assistance with sports, cultural, and other socially beneficial activit ies.

13	Local Community : We will collaborate with local communities during the transition into the space industry by organizing workshops and sponsoring educational programs related to space technology development.
14	Local Community : We will support primary schools in delivering technical subjects, aiming to encourage interest in the electrical industry and technical professions among youth.
15	Local Community : We will support initiatives such as *"We Will Be Engineers!"* and *"Engineer of the Year"* , promoting greater representation of women in STEM (science, technology, engineering, and mathematics).

GOVERNANCE PERSPECTIVE – SURVEY STATEMENTS

1	We will enhance existing collaborations and establish new partnerships with universities and research institutions to strengthen the development of innovative technologies and solutions.
2	We will cooperate with leading institutes in research and development projects focused on advanced materials (e.g. Faculty of Electrical Engineering UL, Jožef Stefan Institute, Center of Excellence NAMASTE, National Institute of Chemistry Lju bljana, Faculty of Mechanical Engineering UM, etc.).
3	We will actively participate in business organizations (e.g. AmCham).
4	We will strengthen cooperation with vocational secondary schools and technical and natural sciences faculties for the purpose of scholarships and attracting young professionals.
5	We will act as a development supplier in specific, non -standard projects (e.g. projects under the European Space Agency).
6	We will optimize raw material ordering by increasing purchase volumes and co nsolidating deliveries.
7	We will establish cooperation with other companies for joint procurement of raw materials, which will improve our negotiating power and contribute to a more sustainable supply chain.
8	We will deepen cooperation with local subcontractors.
9	We will continue investing in new advanced technologies and monitor their long -term impact on company efficiency and growth.
10	We will improve the quality of production processes and reduce errors in workflows.
11	We will continue tra ining employees in new technologies, including digitalization and automation, to prepare them for transition into high -demand industries such as space, defense, and medical sectors.

12	We will gradually integrate artificial intelligence (AI) into selected work processes to increase efficiency, precision, and adaptability in production.
13	Following the acquisition of the AS/EN9100 certificate, we will pursue ESA qualification for printed circuit board manufacturers.
14	We will continuously invest in upgr ades, robotization, and automation of our production lines and processes.
15	We will implement systems for internal recycling of production waste (e.g. copper and chemicals).

Participants were asked to select five statements from each ESG category that they considered most critical to the company's sustainability strategy. Based on their responses, we calculated the frequency and percentage of selections for each statement. The 16 most frequently selected statements—those chosen by at least 40% of respondents—were then shortlisted for final evaluation.
These statements are presented in the table below, ranked by importance from highest to lowest (positions 1 to 16). Of the selected statements, seven pertain to the environmental category, five to economic (governance), and four to the social category. The table also shows the percentage of total respondents who selected each statement, along with a breakdown by stakeholder group. More detailed data is provided on the following page

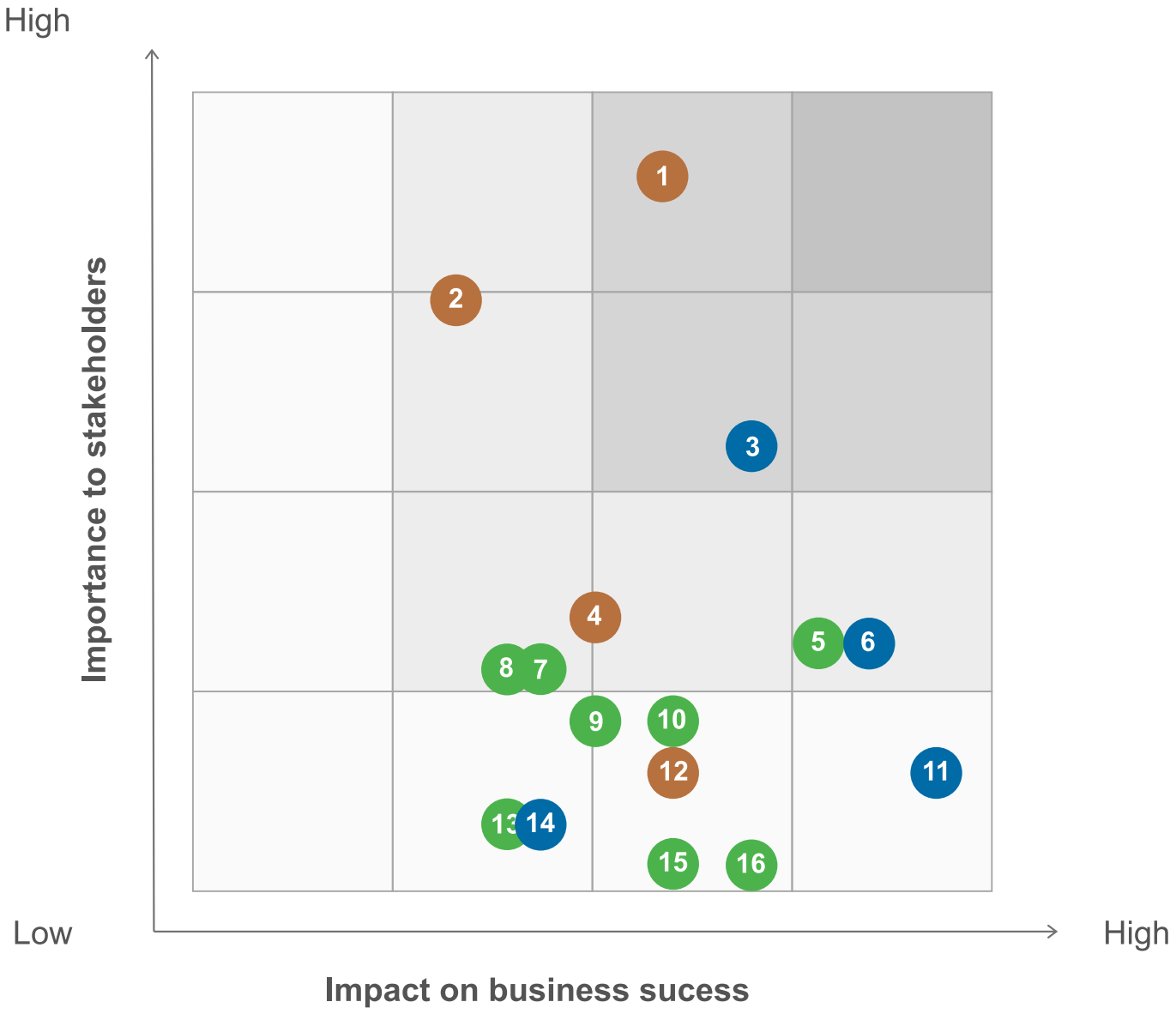
LIST OF 16 STATEMENTS/QUESTIONS MOST FREQUENTLY MARKED AS IMPORTANT BY STAKEHOLDERS.

	Statements	ESG	Freq	Percentag	Banks	Local communitie	Suppliers	Customers	Owners	Employees
1	Employees: We will continuously support t personal and professional development of employees through training, mentoring, an advancement opportunities.	S	39	65%	1 (33%)	3 (100%)	11 (69%)	6 (60%)	2 (100%)	16 (62%)
2	Employees: We will encourage open communication and collaboration among employees, fostering a culture of mutual tr and support.	S	37	62%	1 (33%)	2 (67%)	11 (69%)	7 (70%)	2 (100%)	14 (54%)
3	We will improve the quality of production processes and reduce errors in workflows	G	33	55%	0,00%	0,00%	12 (75%)	7 (70%)	1 (50%)	13 (50%)
4	Workplace: We will invest in a sustainable, and modern work environment.	S	29	48%	2 (67%)	0,00%	8 (50%)	4 (40%)	0,00%	15 (58%)
5	Production: Through improvements in proc processes, we will reduce scrap material, optimize raw material usage and reduce costs.	E	29	48%	1 (33%)	0,00%	6 (38%)	7 (70%)	0,00%	15 (58%)
6	We will continue investing in new advanced technologies and monitor their long-term impact on company efficiency and growth.	G	29	48%	2 (67%)	2 (67%)	5 (31%)	5 (50%)	1 (50%)	14 (54%)
7	Production: Where possible, we will replac harmful substances from the “grey list” with environmentally friendly alternatives.	E	28	47%	2 (67%)	1 (33%)	10 (63%)	3 (30%)	0,00%	12 (46%)
8	The company is committed to reducing mate waste in the production of printed circuit bo by optimizing manufacturing processes an using sustainable raw materials such as co foils, laminates, and soldering materials	E	28	47%	1 (33%)	3 (100%)	6 (38%)	7 (70%)	0,00%	11 (42%)

9	Waste: We will continue to manage hazardous and non - hazardous waste carefully and further enhance our waste management system.	E	27	45%	2 (67%)	0,00%	8 (50%)	3 (30%)	1 (50%)	13 (50%)
10	We will enhance existing collaborations and establish new partnerships with universities and research institutions to strengthen the development of innovative technologies and solutions	G	27	45%	1 (33%)	2 (67%)	6 (38%)	6 (60%)	2 (100%)	10 (38%)
11	We will continue training employees in new technologies, including digitalization and automation, to prepare them for transition into high -demand industries such as space, defense, and medical sectors.	G	26	43%	1 (33%)	2 (67%)	7 (44%)	2 (20%)	1 (50%)	13 (50%)
12	Business Operations: We are committed to responsible and sustainable business practices.	S	26	43%	1 (33%)	0,00%	8 (50%)	3 (30%)	1 (50%)	13 (50%)
13	Nature: We will actively contribute to preserving the natural ecosystem around the company through measures such as establishing habitats for pollinators (e.g. bees and butterflies) and other beneficial species.	E	25	42%	1 (33%)	3 (100%)	6 (38%)	4 (40%)	1 (50%)	10 (38%)
14	We will strengthen cooperation with vocational secondary schools and technical and natural sciences faculties for the purpose of scholarships and attracting young professionals.	G	25	42%	2 (67%)	2 (67%)	7 (44%)	5 (50%)	1 (50%)	8 (31%)
15	Optimizirali bomo proizvodne procese, s čimer bomo zmanjšali porabo surovin in izboljšali trajnostno učinkovitost	E	24	40%	2 (67%)	1 (33%)	3 (19%)	2 (20%)	2 (100%)	14 (54%)
16	Production: We will optimize production processes to reduce raw material consumption and improve sustainability performance.	E	24	40%	0,00%	0,00%	9 (56%)	5 (50%)	1 (50%)	9 (35%)

LIST OF 16 STATEMENTS/QUESTIONS MOST FREQUENTLY MARKED AS IMPORTANT BY STAKEHOLDERS.

The company's management evaluated the relevance of each statement to the business using the provided list and a scoring scale ranging from –4 to 4. The results of this assessment are shown in the matrix below.



The materiality matrix offers key insights into the sixteen selected statements (numbered 1 to 16), evaluated across two dimensions:

- **Importance to stakeholders (Y-axis):** A higher value on this axis indicates greater perceived relevance to stakeholders.
- **Impact on business success (X-axis):** A higher value reflects a stronger influence on the company's performance.

The topics identified by Intectiv span all three ESG pillars. Environmental issues are the most represented, with 7 out of 16 statements, highlighting a strong awareness of environmental responsibility among employees and other stakeholder groups.

Statement No. 1 appears in the top-right quadrant of the matrix, indicating it is both highly important to stakeholders and strongly impacts business success. It was selected by 65% of all respondents, including 69% of suppliers, 62% of employees, and 60% of customers. It also received support from owners and local community representatives.

Statement No. 2 is located in the top-left quadrant. Chosen by 62% of stakeholders—including 70% of customers, 69% of suppliers, and 62% of employees—it is highly valued by stakeholders but has a comparatively lower direct impact on business success.

Interestingly, the statement considered most influential to business performance by company leadership ranked only 11th among stakeholders. It reads:

"*We will continue to train employees in new technologies, including digitalization and automation, and prepare them for transitions into highly demanding industries such as aerospace, defence, and healthcare.*"

Several other statements also demonstrate strong business impact:

- **Statement No. 3:** "We will improve the quality of production processes and reduce errors in workflows," was supported by 75% of suppliers, 70% of customers, and 50% of employees.
- **Statement No. 5:** "By introducing improvements in production processes, we will reduce material waste, optimize raw material use, and lower costs."
- **Statement No. 6:** "We will continue to invest in new advanced technologies and regularly monitor their long-term impact on efficiency and business growth."

While statements 5 and 6 are recognized as having a strong impact on business performance, they received slightly less support from stakeholders. Statement 5 was backed by 70% of customers and 58% of employees, while statement 6 was supported by 54% of employees and 50% of customers.

Employees also frequently selected **Statement No. 4:** "We will invest in a sustainable, safe, and modern working environment," supported by 58% of employees. However, this topic is perceived to have a relatively lower impact on the company's overall performance.

3 Defining circular Steps

3.1 Identification of Circular Solutions

Following an in-depth analysis of our internal processes, we have identified fourteen circular economy projects planned for implementation between 2025 and 2029. Each project is aligned with a specific stage of the internal value chain—ranging from research and development, raw material and supply procurement, manufacturing and production, to sales, product use, and end-of-life processes such as disposal, destruction, reuse, or recycling. For every project, we have outlined the project title and a detailed description, designated a responsible person, defined key performance indicators (KPIs), and specified the project's objectives along with its anticipated financial and environmental impacts.
A full overview of these projects is provided in Table.

Field	No.	Project Title	Project Lead	Environmental Impact	Financial Impact	Company Readiness
(1) R&D	1	Promoting and Encouraging the Use of New Non-Hazardous Alternative Materials Among Customers	Majda Sever in Jure Kranjc	1	2	1
Opis projekta: The project focuses on promoting environmentally friendly, non-hazardous alternative materials to Intectiv d.o.o. customers. The goal is to assess their readiness to transition to these materials, despite their potentially higher cost.						
The aim of the project is to evaluate the willingness of customers to adopt more sustainable, eco-friendly materials, even if this involves higher costs.						
KPI1: Assessment of customer interest in environmentally friendly material alternatives. **KP2:** Annual increase of 3%–5% in the number of new part numbers using halogen-free materials.						
(2) Procurement of Materials	2	Optimization of Procurement Principles for Raw Materials	Violeta Jagodic	1	1	3
Project Description: This project aims to reduce the number of shipments and CO_2 emissions by consolidating purchases and optimizing the supply chain with regular suppliers. By planning inventory for 4–6 months in advance, the frequency of orders will be reduced. Additionally, we will explore the possibility of joint procurement with our sister company, Elgoline d.o.o., which could further decrease costs and environmental impact.						
Project objective: To reduce costs and the environmental CO_2 impact through consolidated procurement.						
KPI1: Zmanjšanje stroškov prevoza na enoto materiala za 20 % do leta 2029 **KPI2**: Zmanjšanje števila dobav za 20 % do leta 2029.						
(2) Procurement of Materials	3	Review and optimization of green suppliers	Violeta Jagodic	1	0	1
Project description: The project focuses on establishing a system for evaluating and selecting suppliers based on their sustainability practices. The main objective is to reduce the company's environmental footprint and ensure that suppliers are aligned with the company's sustainability goals.						
Project objective: The objective of the project is to establish a system for evaluating and selecting new suppliers, as well as replacing existing ones, based on their sustainability practices.						
KPI 1: Reduction of transport costs per unit of material by 20% by 2029 **KPI 2:** Reduction in the number of deliveries by 20% by 2029						

(3) Manufactoring & Production	4	**Automate production planning in the Krpan software tool**	Marko Kristanec	2	2	5
Project description: In the Krpan software tool, we will standardize work procedures based on product complexity, integrate an electronic maintenance log to track machines and monitor servicing, and incorporate operator schedules and competencies to optimize task assignments. The tool will automatically generate time schedules, notify the sales team of delivery dates, group products with similar profiles for greater machine efficiency, and enable early detection of bottlenecks to allow timely action.						
Project goal: To automate planning within the Krpan software tool.						
KPI 1: Increase delivery efficiency to above 85% (measured monthly) by 2029.						
(3) Manufactoring & Production	5	**Training and Informing the Sales Sector about Production Capabilities**	Marko Kristanec	0	2	4
The planning department will organize weekly meetings with the sales sector to share updates on production developments, machine status, absences, and available capacities. Additionally, a monthly report will be prepared summarizing the discussed topics. The goal is to automate this communication process by 2029.						
Project Objective: To establish a structured system for educating and informing the sales department.						
KPI1: Achieve an average rating of 4.0 or higher by 2029.						
3) Manufactoring & Production	6	**Systematic Optimization of Production Processes.**	Bojan Milišić	0	4	5
Project Description: We have implemented a system for monitoring upgrades of technical capabilities and new technologies, and established an Excel-based tracker to record action steps, responsibilities, project statuses, and timelines. The next step is to develop a robust system for measuring the effectiveness of optimizations, which will enable precise tracking of the impact of changes on production and support the implementation of further measures to achieve faster or more cost-efficient PCB production with higher quality and added value per square meter of product.						
Project Goal: To achieve faster or more cost-efficient PCB (Printed Circuit Board) production and to establish a system for measuring the effectiveness of implemented optimizations.						
KPI1: Achieve a 5% improvement in OEE (Overall Equipment Effectiveness) in key production areas by 2029, based on the measured baseline values.						
3) Manufactoring & Production	7	**AI for Process Control**	Bojan Milišić (Marko Kristanec)	1	1	4

Project Description: The project focuses on the implementation of Industry 4.0 solutions to enhance the monitoring of production processes at Intectiv d.o.o. By leveraging artificial intelligence, we aim to optimize manufacturing operations and reduce the share of non-conforming products.

Project Objective: To establish a system for monitoring and analyzing production processes using artificial intelligence, enabling a better understanding of scrap root causes, process optimization, and ultimately a reduction in the share of non-conforming PCBs.

KPI1: Reduce the share of unexplained scrap by 30% by 2029.

3) Manufactoring & Production	8	**Automation of Processes**	Bojan Milišić (Marko Kristanec)	1	4	5

Project Description:

As part of the project, we will review the machines and processes within Intectiv d.o.o.'s production, compile a list of machines and procedures suitable for automation, and obtain quotations. We will carry out pilot cases to measure error reduction, decrease in human errors, and increased productivity. Based on these results, we will develop a plan for further automation to be implemented by 2029.

Project Objective: To increase machine productivity and efficiency, and reduce the scrap rate by automating processes that minimize human error and enhance production quality.

KPI1: Achieve a 10% reduction in energy use by 2029 on selected heating machines.
KPI2: Achieve a 5% reduction in CO_2 emissions related to heating processes by 2029.

3) Manufactoring & Production	9	**Optimization of Energy Sources in Heating Machines in Production**	Bojan Milišić (Marko Kristanec)	4	2	3

Project Description: The project focuses on optimizing the use of heating machines to reduce electricity consumption by adjusting operational settings, shortening idle times, and introducing energy-efficient practices. These measures will contribute to lower operational costs and a reduced environmental footprint.

Project Goal: The goal of the project is to reduce unnecessary energy consumption and improve machine utilization, thereby contributing to a reduction in CO_2 emissions.

KPI1: Reduce total energy consumption (kWh) per m^2 of PCB processing by 5%.

(4) Sales	10	Understanding Customers in New Markets	Majda Sever in Jure Kranjc	0	4	4

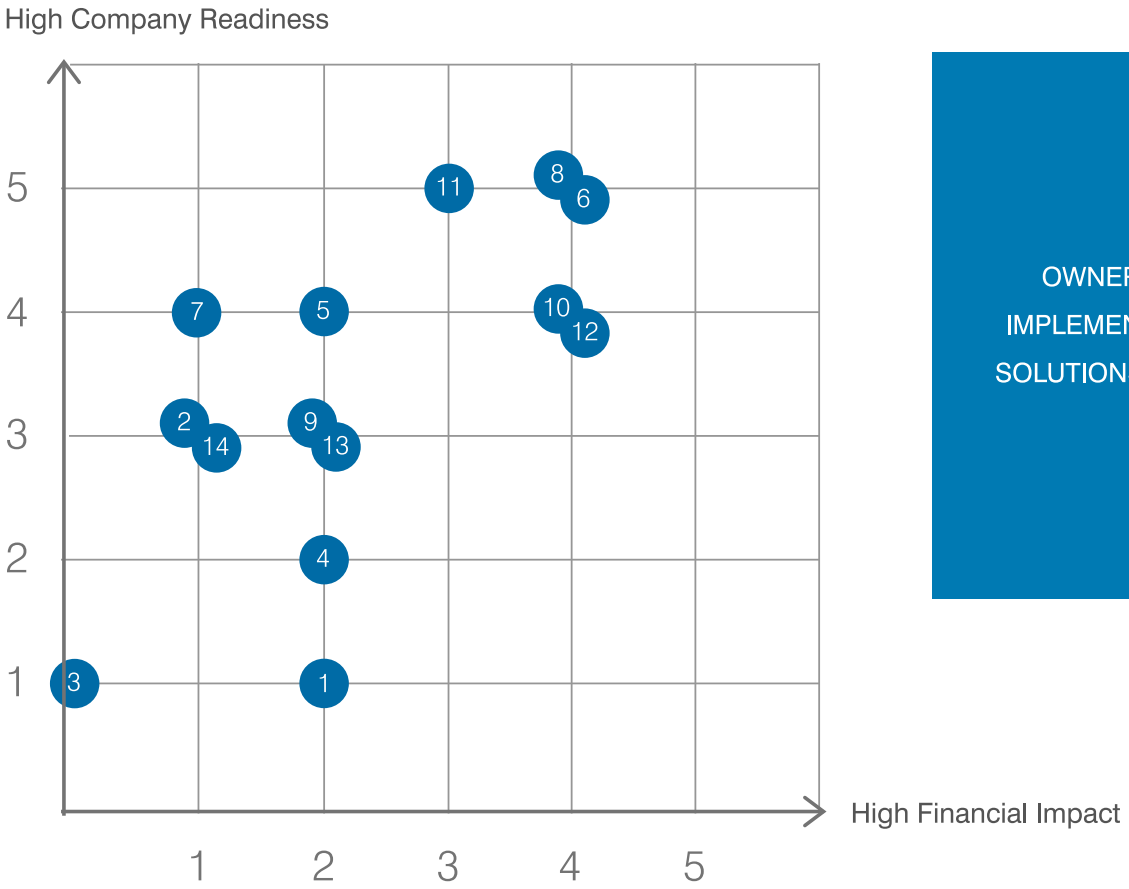
Project Description: The project focuses on entering new areas within the space and defense industries with the aim of establishing new partnerships. As part of the activities coordinated by the public agency SPIRIT, we will participate in key events such as the International Astronautical Congress in Milan, the Space Symposium in Colorado Springs (where we have been present since 2024), and the IDEX 2025 defense exhibition in Abu Dhabi, under the auspices of GIZ-GOIS.

Project Objective: To deepen trust between customers and suppliers in new markets.						
KPI1: Number of new orders from direct customers in the above-mentioned segments (target: 20 active direct customers by the end of 2029). **KPI2:** Increase in the average price per square meter of circuit boards (target: 30% increase by the end of 2029) for the above-mentioned segments.						
(4) Sales	11	From Prototype to Serial Production: Developing Stable Partnerships	Majda Sever in Jure Kranjc	1	3	5
Project Description: The company is involved in the development of numerous projects; however, after the development phase, serial production often shifts to the Chinese market. Our goal is to retain as many end customers as possible, encouraging them to continue choosing our company for serial production after product development is completed. This would ensure more stable production and long-term partnerships.						
Project Objective: To increase the number of new direct customers and enhance the stability of production.						
KPI1: Reduction of monthly variability in PCB (printed circuit board) output [m^2] by 10% annually until 2029. **KPI2:** Number of new projects per year: 5–10.						
(6) Recycling	12	**Regeneration of Etching Solution**	Tatjana Rupar, David Jošt	1	4	4
Project Description: Circular Etching Systems: These systems enable the continuous regeneration and reuse of the etching solution within the production process, eliminating the need for constant replacement and disposal of chemicals. At the same time, the copper dissolved during the etching process is separated and reused elsewhere.						
Project Goal: To reduce the procurement and consumption of the chemical HCl.						
KPI1: Reduce HCl consumption by 30% by 2029.						
(6) Recycling	13	**Use of a Closed-Loop System for Wastewater Recycling**	Tatjana Rupar, David Jošt	3	2	3
Project Description: Wastewater circulation – In treatment processes, a closed-loop system can be established using filtration systems that continuously purify water. This reduces the need for fresh water and minimizes the amount of wastewater discharged into the sewage system.						
Project Objective: The goal of the project is to establish a closed-loop water system in the production processes of Intectiv d.o.o. by 2029.						
KPI1: Reduce wastewater by 90% by 2029.						

(6) Recycling	13	Use of a Closed -Loop System for Wastewater Recycling	Tatjana Rupar, David Jošt	3	2	3
Project Description: Wastewater circulation – In treatment processes, a closed -loop system can be established using filtration systems that continuously purify water. This reduces the need for fresh water and minimizes the amount of wastewater discharged into the sewage system.						
Project Objective: The goal of the project is to establish a closed -loop water system in the production processes of Intectiv d.o.o. by 2029.						
KPI1: Reduce wastewater by 90% by 2029.						
(6) Recycling	14	Reducing Chemical Consumption for Bath Cleaning by Installing UV Lamps	Tatjana Rupar, David Jošt	3	1	3
Project Description: The tanks in the printed circuit board rinsing machine are currently cleaned monthly with sulfuric acid and hydrogen peroxide to prevent algae growth. The use of these chemicals would be reduced by introducing UV lamps to illuminate t he tanks.						
Project Goal: Establish a UV lighting system to prevent algae growth in the tanks.						
KPI1: Reduce monthly consumption of sulfuric acid and hydrogen peroxide by 30% by 2029.						

3.2 Matrix of Relevance of Circular Solutions

The proposed projects identified as part of the circular solutions initiative were evaluated based on their potential impact on the company's operations. These projects were also presented to the company's management and owner, who ranked them according to their readiness for implementation. The collected data is illustrated in the chart below. It is evident that the most suitable projects for implementation are Project No. 6 (Systematic Optimization of Production Processes) and Project No. 8 (Process Automation), which are also closely interconnected. They are followed by Project No. 11 (From Prototype to Serial Production: Developing Stable Partnerships), Project No. 10 (Understanding Customers in New Markets), and Project No. 12 (Regeneration of Etching Solution).



OWNER'S READINESS FOR IMPLEMENTATION OF CIRCULAR SOLUTIONS (RELEVANCE MATRIX)

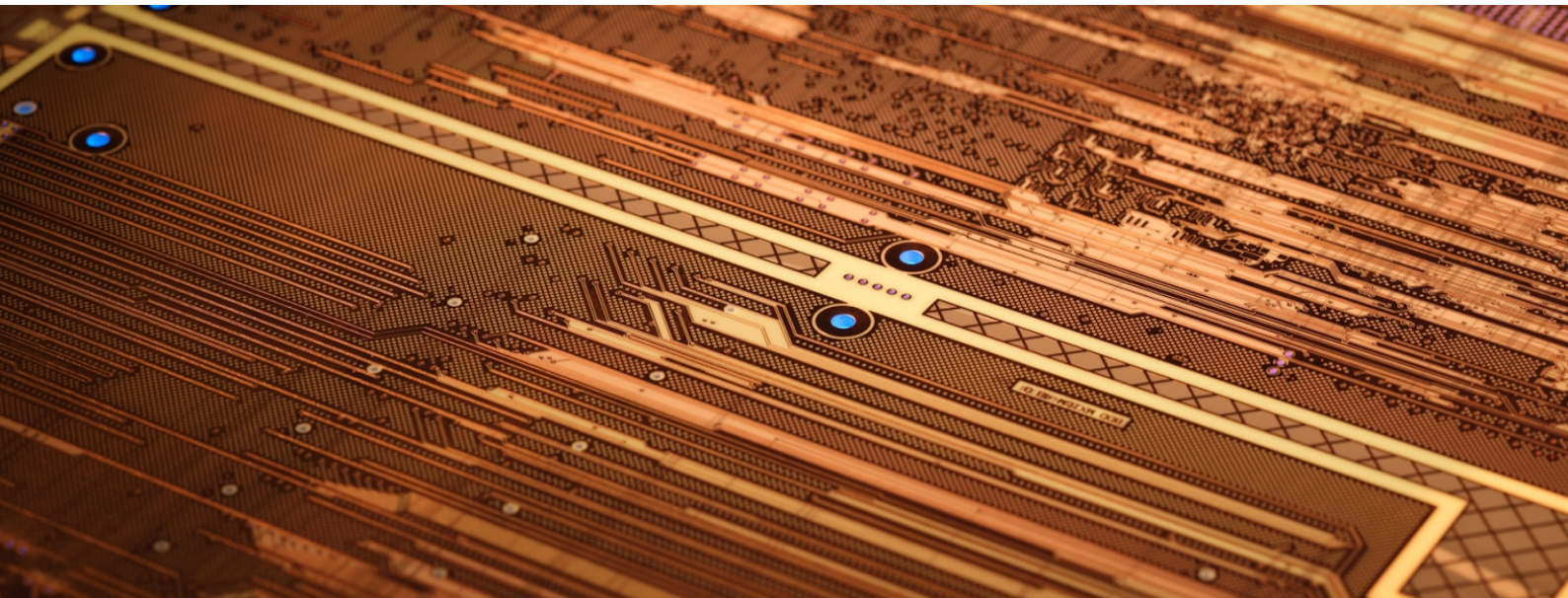
3.3 Market Readiness Assessment of New Circular Product/Service Concepts

To assess the broader appeal of the selected circular solutions, we presented them to several external stakeholders for feedback. The response was overwhelmingly positive, reinforcing our belief that we are moving in the right direction.

Customers responded particularly well to the proposed initiatives, noting that efforts to reduce the environmental footprint of suppliers align closely with their own sustainability objectives. They highlighted the potential for these projects to create differentiation and offer a competitive advantage—especially in comparison to low-cost PCB manufacturers in China. Increasing awareness of sustainable and circular business practices, strongly driven by EU Commission directives, is raising expectations among European customers. While product quality and reliability remain essential, sustainability is becoming an equally important requirement.

Suppliers also welcomed the circular initiatives and expressed a clear interest in reducing their environmental impact. They showed the strongest support for projects directly linked to their own operations and processes.

Both stakeholder groups emphasized the importance of designing circular solutions that are widely applicable across the company's product portfolio. Embedding these initiatives into everyday production practices not only maximizes their impact but also fosters a culture of sustainability throughout the organization.



4 Mission, Vision, and Values

VISION

Through expertise, adaptability, efficiency, and continuous investment in innovation, we aim to become a leading European manufacturer of prototype and multilayer printed circuit boards (PCBs). In doing so, we are committed to contributing actively to the development of European space technologies and advancing the future of electronics.

MISSION

For over five decades, our mission has centered on delivering high-quality products, caring for our employees and the environment, and striving for continuous improvement.
We consistently invest in development to meet the evolving demands of our customers, enhance product reliability, and provide responsive, long-term support. Through innovative and sustainable solutions, we are setting new standards in circular economy practices—pushing the boundaries of possibility and promoting long-term stewardship of natural resources. Our efforts support the growth of both the domestic and international electronics and electrical industries.

OUR CORE VALUES

We are defined by our **flexibility, efficiency, transparency**, and **enthusiasm:**

Flexibility

We adapt quickly to challenges and customer needs, applying creative thinking and agile decision-making. Our ability to respond dynamically positions us well in a fast-paced and unpredictable market environment.

Efficiency

Efficiency guides how we optimize processes and use resources—human, financial, and technological—to create maximum added value. By continuously improving and minimizing waste, we boost productivity, profitability, and customer satisfaction, while fostering a culture of innovation.

Transparency

Transparency is the foundation of trust. We are committed to clear communication, open decision-making, and honest information sharing with all stakeholders—employees, customers, partners, and the wider community. This fosters accountability and strengthens cooperation.

Enthusiasm

We approach our work with passion and purpose. Tasks are not just obligations, but opportunities for growth, creativity, and achievement. Our enthusiasm drives us to exceed expectations, overcome challenges, and aim for excellence in all we do. We strive to continuously strengthen accountability.

OUR COMMITMENT TO RESPONSIBILITY

We are dedicated to strengthening our responsibility across all areas of our business. This includes:

- Meeting the expectations of our customers, owners, and all relevant stakeholders.
- Fulfilling quality and environmental obligations through mutual agreements with partners and suppliers.
- Implementing preventive measures to avoid pollution and ensure compliance with environmental regulations.
- Embedding sustainability principles—economic, environmental, and social—into daily operations and decision-making.
- Addressing current needs without compromising the ability of future generations to meet theirs.
- Investing in knowledge, trust, and development, while supporting progress for individuals and society alike.

MANAGEMENT RESPONSIBILITY

Our management team plays a key role in upholding our quality and environmental standards.

Their responsibilities include:

- Communicating the quality policy to all employees and defining roles and responsibilities.
- Implementing and maintaining both the quality and environmental management systems.
- Monitoring and improving customer and stakeholder satisfaction.
- Ensuring product and service compliance, including safety and performance.
- Identifying risks and improving process efficiency.
- Leading initiatives to enhance quality and environmental impact.
- Collaborating with suppliers and partners to strengthen quality assurance systems.
- Managing documentation professionally and ensuring timely updates.
- Providing ongoing training and development opportunities for all employees.
- Encouraging the efficient use of raw materials, energy, and supplies.
- Ensuring full compliance with environmental legislation.
- Promoting ethical conduct at all levels of the organization.

EMPLOYEE RESPONSIBILITY

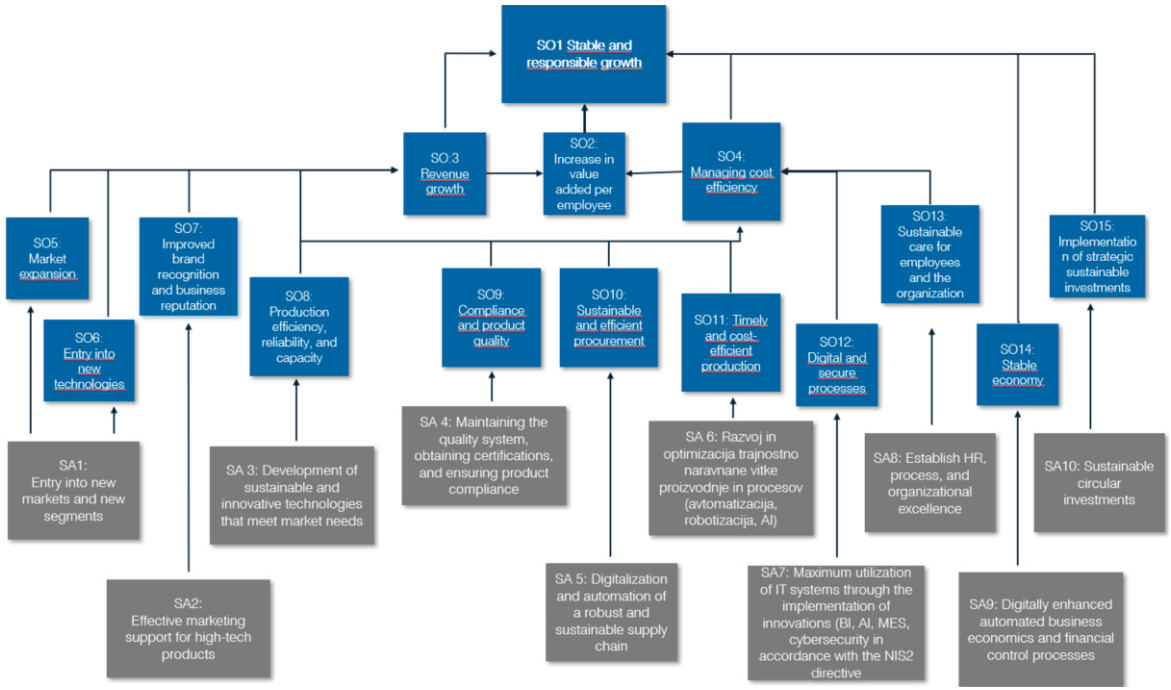
Every employee is a vital contributor to our quality and sustainability goals. Each is expected to:

- Understand and meet internal and external expectations for product and service quality.
- Proactively identify and resolve errors or deviations in processes.
- Participate in the continuous improvement of quality and environmental performance.
- Act ethically and encourage ethical behavior among peers.
- Recognize their role in ensuring product and service compliance and safety.
- Acknowledging the importance of accurate documentation and ensuring that all changes are properly recorded.

5 Sustainable and circular Business Strategy 2025-2029

5.1 Strategic Diagram 2025-2029

As part of our strategic planning for the 2025–2029 period, we conducted a comprehensive analysis of Intectiv's sustainable and circular business approach. Based on this analysis, we developed a strategic diagram, shown in the image below.
The process began with the identification of **ten key strategic focus area**s, each critical to advancing our commitment to sustainability and circular economy principles. These focus areas are supported by a series of **implementation projects,** designed to drive progress toward **fifteen strategic outcomes**, which are highlighted in blue on the diagram.
The arrows in the diagram represent the relationships between specific strategic actions and their intended outcomes, emphasizing the interconnected nature of our initiatives and the systemic impact we aim to achieve.



6 Sustainable and circular Business Plan

Vwe conducted an analysis of Intectiv's current business model using the Value Proposition Canvas methodology. This approach enabled us to identify the model's key strengths and weaknesses, as well as uncover opportunities for improvement. Leveraging these insights, we refined company operations by targeting areas with the highest potential for enhancement and business performance gains.
The Value Proposition Canvas served as a foundational tool in designing and evolving our business model into a sustainable and circular framework. By embedding sustainability and circular economy principles throughout, we thoroughly reviewed all aspects of the business to boost long-term efficiency. Our commitment focuses on the responsible use of natural resources, minimizing environmental impact, and fostering practices that are socially, economically, and environmentally responsible.
This updated sustainable and circular business model aligns closely with Intectiv's core values and strategic objectives. It positions the company for enduring success while supporting environmentally and socially conscious operations.
The detailed sustainable and circular business model is outlined in the table below, with key sustainability and circular economy elements highlighted in green.

Key partners

- Our customers:
  - OEM
  - EMS
  - Traders
- We market our products directly
- Most of our suppliers are from the EU, categorized into suppliers of:
  - Materials and chemicals
  - Equipment
  - Spare parts
- Over 90% of our suppliers are local
- External suppliers also support us in process and equipment development
- Employees from the local community form the core of our R&D efforts
- The owners understand and support the company's high-tech development strategy
- The industrial zone forms our immediate business environment
- Banks support the company's development and growth due to its technological orientation
- We collaborate with the local community through school internships, sponsorships, and similar initiatives
- We maintain responsible and professional relationships with regulatory authorities

Key activities

- We address the challenges of existing and new customers through marketing activities and innovative approaches
- With our development and technological expertise, we are able to deliver better and more stable solutions (e.g., CAD/CAM recommendations)
- Continuous optimization of the supply chain is based on improving the technical properties of materials and considering sustainability aspects in development and delivery
- Well-supported and digitally guided production ensures market competitiveness
- Strong focus on internal and external training of employees and partners

Key resources

- Employees from the local community with many years of experience in fine mechanical and chemical fields
- An industrially developed local environment provides access to energy resources, ensuring operational reliability
- We promote self-sufficient renewable energy production through the use of heat pumps
- Compliance with IPC standards
- Certified processes
- Our technology partners—globally recognized suppliers—are equipped with modern, automated, and partially robotized systems

Value proposition

- Reliable, high-quality printed circuit board (PCB) supply for all sectors
- Transparent, certified, and fast delivery of products for the aerospace industry
- Express order fulfillment with reliable production and delivery
- Fast production of large volumes of complex PCBs
- Export license for the defense industry
- Innovative development partner for our strategic customers, offering advanced solutions
- Our products are marketed under our own brand "IT"
- Over 50 years of tradition provide customers with stability and expertise

Customer relationships

- Long-term relationships with customers
- These lasting relationships are built on transparency, responsiveness, flexibility, consideration of customer wishes, and recognition of their needs
- When deviations from technical or logistical requirements are identified, we are committed to resolving issues immediately
- We build strong, long-term partnerships through regular meetings, trade fairs, audits, and similar activities
- Minor challenges are addressed via Teams meetings, while long-term issues are handled through personal interactions

Distribution channels

- A planned and structured order-to-delivery process ensures optimal responsiveness and inventory control
- We use courier services for all types of deliveries (DHL, UPS, GLS)
- The flow of information is fully digitalized

Customer segmentation

- B2B Customers
- Our customers include:
  - OEMs (Original Equipment Manufacturers) – end customers who value quality and sustainability and are willing to pay a premium
  - EMS (Electronics Manufacturing Services / assemblers) – customers seeking minimum value for money, but who still appreciate quality
  - Traders – resellers with customers who value European manufacturing
- Due to the small size of our domestic market, we are export-oriented, primarily toward foreign markets (mainly the EU: Germany, Austria, Switzerland, and Scandinavia)
- We also sell to the United States
- The Slovenian market represents approximately 20% of our total sales

Cost structure

- Labour costs represent 24.4%, materials and trade goods 36.7%, services 13.3%, energy 10.5%, depreciation 10.3%, and other costs 4.8%
- Costs are planned and monitored monthly by cost centers and cost objects
- Procurement periodically checks purchase price trends before major call-offs
- Purchases of exchange-traded raw materials are made based on monitoring price trend developments

Sources of revenue

- Seasonal impact of the Chinese New Year
- Slovenia 22%, EU 77%, outside the EU 1%
- 90% of revenue comes from our own production
- 10% of revenue comes from production in China
- Revenue cyclicality is most evident in the first four months of the year
- We have signed long-term cooperation agreements with major customers
- Pricing policy is based on our own production costs plus a customer-specific margin
- We have a price list, and certain customers also receive agreed discounts

STRUCTURE OF ENVIRONMENTAL, SOCIAL, AND ECONOMIC COSTS

Our business model includes:
- Costs of compliance with legislation and standards (e.g. ISO 14001)
- Share of energy from green sources
- Costs of digitalization, automation, robotization, and green investments

Renewable energy sources:
- heat pumps with three geothermal boreholes
- After obtaining the necessary approval, we will invest in the construction of renewable energy sources (RES)

Main energy consumers:
- Compressors and the electroplating department

STRUCTURE OF ENVIRONMENTAL, SOCIAL, AND ECONOMIC BENEFITS

Our business model creates benefits in the following ways:
- Enhancing the company's image as a sustainable supplier
- Achieving a lower carbon footprint
- Proper removal and recycling of hazardous chemicals

Benefiting stakeholders include:
- The local community
- Customers
- Employees
- Suppliers

A sustainable and circular business model also provides the following advantages:
- Improved company and brand recognition; Increased long-term business stability

7 Strategic control and measurement of sustainability Impacts

Effective implementation of the sustainable and circular business strategy requires clear definition,continuous monitoring, and diligent control of its impacts. To this end, company management and the project team will conduct regular joint meetings to review progress against business and strategic goals, adjusting as needed. Sustainability initiatives will be tracked consistently, with biannual meetings serving as key checkpoints.
To support this process, we have established a set of strategic sustainability indicators, each with defined target values for the 2025–2029 period. Responsibility for each indicator has been assigned to a specific individual.
These indicators are grouped into three categories:

- Environmental indicators
- Economic indicators
- Social indicators

A complete list of these indicators, along with their target values, is provided in the table below.

				2023	2024	Plan 2025	Plan 2026	Plan 2027	Plan 2028	Plan 2029
Environmental indicators	20.	Implementation of solar panel investments (%)	Levar	0,00	0,00	0,00	0,00	0,00	0,00	100,00
	21.	Reduction in the number of deliveries from main suppliers (all deliveries)	Jagodic	1267	1130	1100	1050	1000	950	900
	22.	Reduction in the total number of deliveries	Jagodic	3126	2900	2800	2700	2700	2600	2600
	23.	Number of environmentally certified suppliers	Jagodic	19	19	21	25	26	27	29
Social indicators	24.	Annual net employee turnover rate (%)	Krošelj Dernovšek	-10,1	4	5-10	5-10	5-10	5-10	5-10
	25.	Number of completed training hours per employee per year	Krošelj Dernovšek	27,44	28,85	30,29	31,81	33,4	35,07	36
	26.	Employee satisfaction (%)	Krošelj Dernovšek	/	70	70	70	70	80	80
Economic indicators	27.	Number of workshops organized	Sever	/	1	2	2	2	2	2
	28.	Reduction in the share of justified complaints relative to the number of received orders (%)	Črv	1,87	1,8	1,75	1,7	1,6	1,5	1,4
	29.	Share of local suppliers (from Slovenia) (%)	Jagodic	33	34	35	38	40	43	45
	30.	Number of projects with ESA and CERN	Sever	38	44	50	56	60	70	80