

Sustainability/ESG Report 2023

SCANCON Encoders A/S

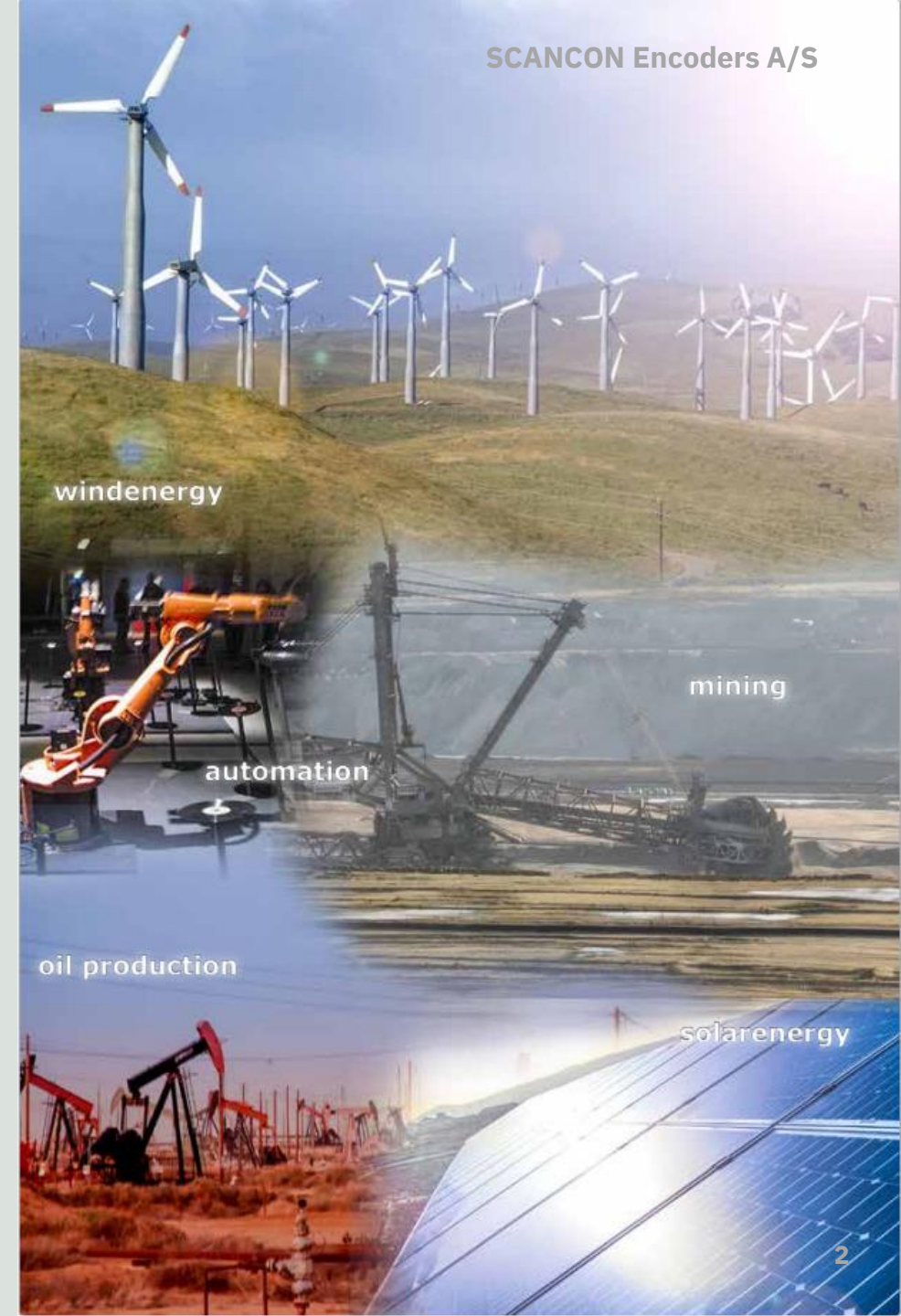
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Letter from the CEO

Embracing sustainability is a journey of transformation and at SCANCON Encoders A/S, we're taking measured, sincere steps towards this vital horizon. With the release of our first ESG report, we commit not just to the principles of sustainability but to the actions that takes us closer to our aspirations.

We stand at the early stages of integrating ESG principles into the DNA of our operations – an integration that is both a challenging and enriching experience. Yet, it's with a sense of optimism that we move forward, knowing that every step taken is one towards a more responsible mode of operation and a better world.

This year, we have laid down the initial groundwork, identifying where we can best leverage our influence for environmental and social good. From optimizing our energy consumption to fostering a workplace culture that values and nurtures every employee, we recognize our role in the wider narrative of change.

We believe in transparency, and we commit to share our progress and learnings, aware that the road ahead will demand resilience and adaptability. Our intentions are not to overstate our achievements but to be honest about our current position and where we aim to be.

Understanding the comprehensive nature of Scope 3 emissions is a challenging task, yet a crucial one for offering a complete picture of our environmental impact. We believe in data, and this year, we begin the work of capturing these indirect emissions, acknowledging their importance in creating informed and effective sustainability strategies.

We are not trailblazers. But we are learning, adapting, and aiming for progress. With our approach into more holistic ESG reporting, we seek to build a foundation that future initiatives can stand on—initiatives that drive not just compliance, but meaningful change.

We appreciate your attention and invite you to participate in the conversation about our journey.

Best regards

Eckhard Hahne
Chief Executive Officer




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About SCANCON Encoders A/S

SCANCON Encoders A/S is a privately-held manufacturer of incremental and absolute encoders located in Hillerød, Denmark. The company was founded in 1973 as an engineering design firm. However, it quickly expanded its expertise in designing EX-Proof encoders to include offering a full range of encoders. Over the years, the company has continued to design and manufacture innovative encoder and encoder-related products. The company has now expanded its sales throughout Europe, China, parts of Asia, South Africa and also penetrated the North & South American market.

On January 1st, 2014, SCANCON Encoders A/S acquired the Danish company Eltomatic who is a manufacturer of Ex approved incremental encoders and has more than 35 years of experience with encoders for use in environments where potentially explosive atmospheres can be expected. Eltomatic A/S will continue to operate as a separate division of The Scancon Group and will continue to provide existing range of high-quality products. SCANCON Encoders A/S acquired Eltomatic A/S to extend their portfolio, to cover the largest range of the encoder market and to expand our company by sharing knowledge, competences and development within both electronics and mechanical engineering designs. Together both companies offer a wide range of encoders for all industries – made and designed in Denmark.

Vision:

We envision a world where innovative technology is part of the solution for larger industries to achieve more stable, reliable, and efficient solutions in energy and automation.

Mission:

At SCANCON, our mission is to use precise positioning technology to support business-critical processes, leveraging knowledge, experience, innovation, and creativity.

We are driven to go the extra mile, using our 50 years of experience to create unique technological solutions that push technological paradigms and exceed customer expectations. We aim to help our customers in the energy and automation sectors achieve their full potential by offering the best customer service, safety guarantees, and quality products in encoders and precise positioning technology.



Double Materiality Assessment

As sustainability and accountability become increasingly integrated into the core business of companies, we at Scancon recognize the importance of identifying and prioritizing areas within ESG that are not only fundamental to our current operations but will also shape our future focus and areas of effort. Our materiality assessment forms the cornerstone of this process, in which we have evaluated and assessed the ESG topics that are most critical and relevant to our business and to our broader circle of stakeholders.

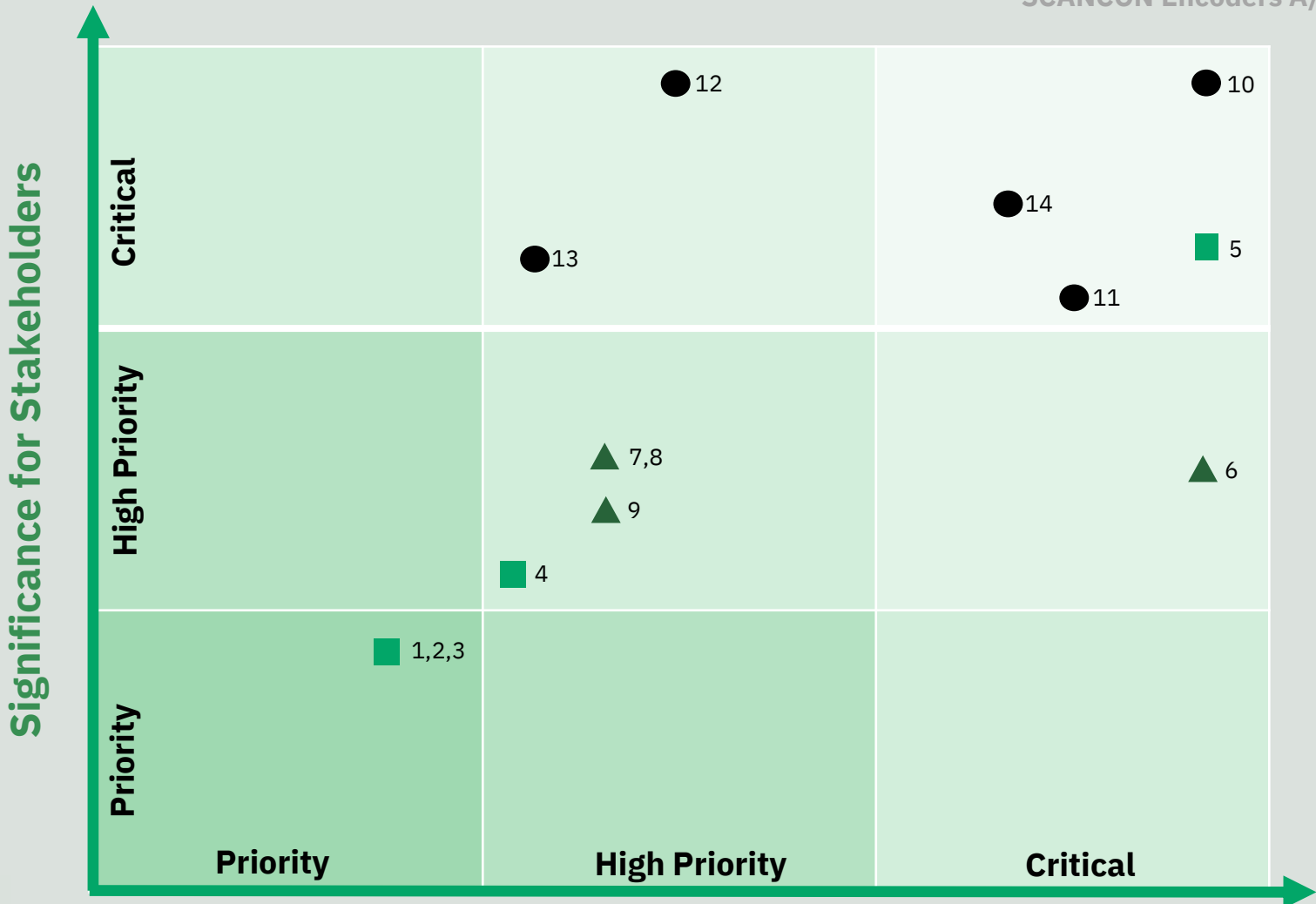
This approach to double materiality assessment ensures that we address not only the current challenges and opportunities within sustainability but also commit ourselves to continuous improvement and development for the future. By focusing on the fundamental points that form the core of our ESG strategy, we can direct our resources and efforts where they are most effective while remaining agile and responsive to the evolving expectations and demands of our stakeholders.

Through this report, we will describe how we have utilized the materiality assessment to identify these critical ESG topics, and how we plan to address them through our business strategies and operations. We commit not only to focusing on these areas in the present moment but also to reporting transparently on our progress and the improvements we achieve over time.

Our engagement in this process reflects our commitment to being a responsible enterprise while simultaneously creating value for our stakeholders. By embedding this materiality assessment at the core of our ESG efforts, we are laying the foundation for a better future for Scancon, our employees, our customers, and the communities in which we operate

Through this dual approach—balancing Scancon's impact against the priorities of our stakeholders—we ensure that our ESG activities align with both internal objectives and external expectations. This foundation of understanding and prioritization is crucial for driving meaningful and sustainable changes that support our long-term vision of being a responsible and positive force in society.

To ensure a clear and focused approach to our ESG strategy and actions, we have categorized the relative materiality of the topics into three levels: Priority, High Priority, and Critical. These categories are established based on a comprehensive evaluation of each topic's scale, scope, and the likelihood of impact. On the matrix's X-axis, the relative materiality of each topic is illustrated in terms of Scancon's impact on or contribution to the respective area. This perspective aids us in identifying where our efforts can have the most significant positive effect or where improvements are needed to minimize negative impacts. The Y-axis of the matrix represents the relative materiality of each topic in relation to our stakeholders' expectations. This external viewpoint ensures that our ESG efforts are not solely internally driven but also resonate with the broader community with which we interact.



- E (Environmental)= ■
- 1. Reduce Electricity Consumption
 - 2. Reduce Water and Heating Consumption
 - 3. Decrease Waste Generation
 - 4. Reduce the Environmental Footprint of Employee Commuting
 - 5. Develop Greener Encoders

- S (Social)= ▲
- 6. Employee Health and Safety
 - 7. Workplace Well-being
 - 8. Work/Life balance
 - 9. Employee Development

- G (Governance)= ●
- 10. Quality Products
 - 11. Data Security, Privacy Protection
 - 12. Code of conduct
 - 13. Regular Transparent Reporting
 - 14. Supplying Renewable Energy Sources

Environment (E)

As an integral part of our commitment to environmental responsibility, we at SCANCON Encoders A/S have set ambitious goals to reduce our environmental footprint. As we embark on this path, it is essential to acknowledge the challenges in collecting data that accurately reflects our full-scale environmental impact. Currently, we do not possess all the figures and data that would provide a complete representation of our environmental footprint. However, we have taken steps to ensure that the available data is used to inform our strategy and guide our efforts. This report is based on the best available information and should be seen as a starting point for our ongoing improvements, rather than an exhaustive account of our environmental performance.

This section of the report provides a detailed review of the initiatives and progress we have achieved within key areas such as energy consumption, heating and water usage, waste management, and employee travel over the past year. We will also highlight the measures we plan to implement to improve our practices and further reduce our environmental impact moving forward.

Energy

Energy Consumption Goals

In 2023, we set a goal to reduce our internal electricity consumption. To achieve this goal, we implemented a series of energy-saving measures and made energy efficiency a collective objective across the organization, encouraging employees to actively contribute to reducing our energy use. A significant part of our effort involved replacing about half of our traditional bulbs with LED bulbs throughout the year, which has substantially contributed to our energy savings. Additionally, at the end of 2022, we replaced our old ovens with new, more energy-efficient models, which is also reflected in the 2023 summary.

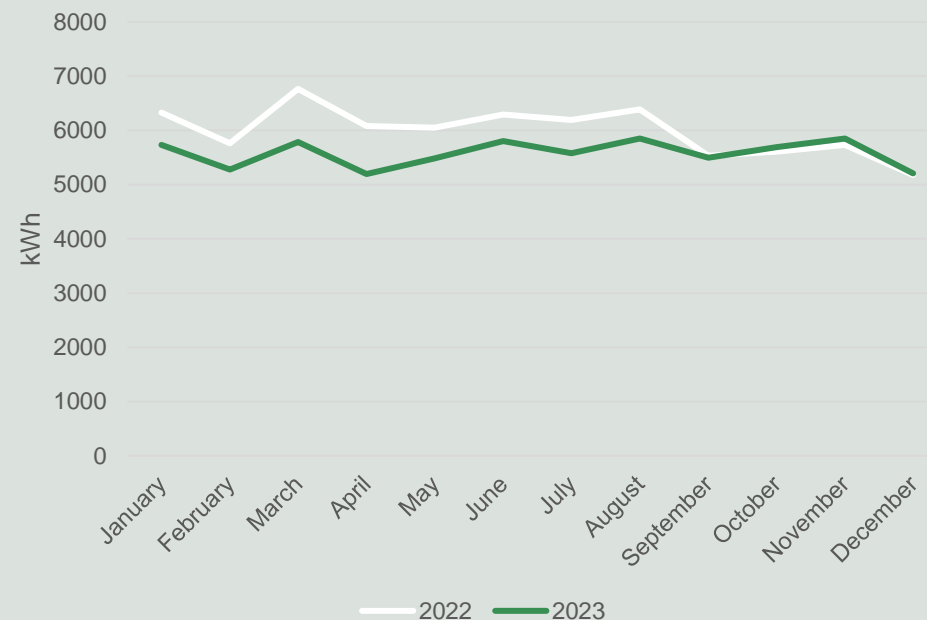
Energy Consumption in 2023

In 2022, we recorded a total energy consumption of **71,899 kWh**, which we successfully reduced to **66,941.49 kWh** in 2023. This represents a reduction and thus a saving of approximately 6.9%. The new ovens and the introduction of LED lighting have played a central role in this decrease.

Future Reductions

For the coming year, 2024, we plan to continue our commitment to energy efficiency by replacing the rest of our bulbs with LEDs. This transition is expected to further reduce our energy consumption and contribute to our long-term goals. We anticipate further reductions in our energy usage by continuing to introduce new energy-saving measures and by optimizing our existing initiatives.

Energy Consumption 2022 vs 2023



In September 2022, we experienced a noticeable reduction in our electricity consumption, a positive development directly attributable to replacing older, energy-intensive ovens with new, more efficient models. This upgrade has resulted in a significant improvement in our energy efficiency, which became evident in 2023 when our data showed

Heat

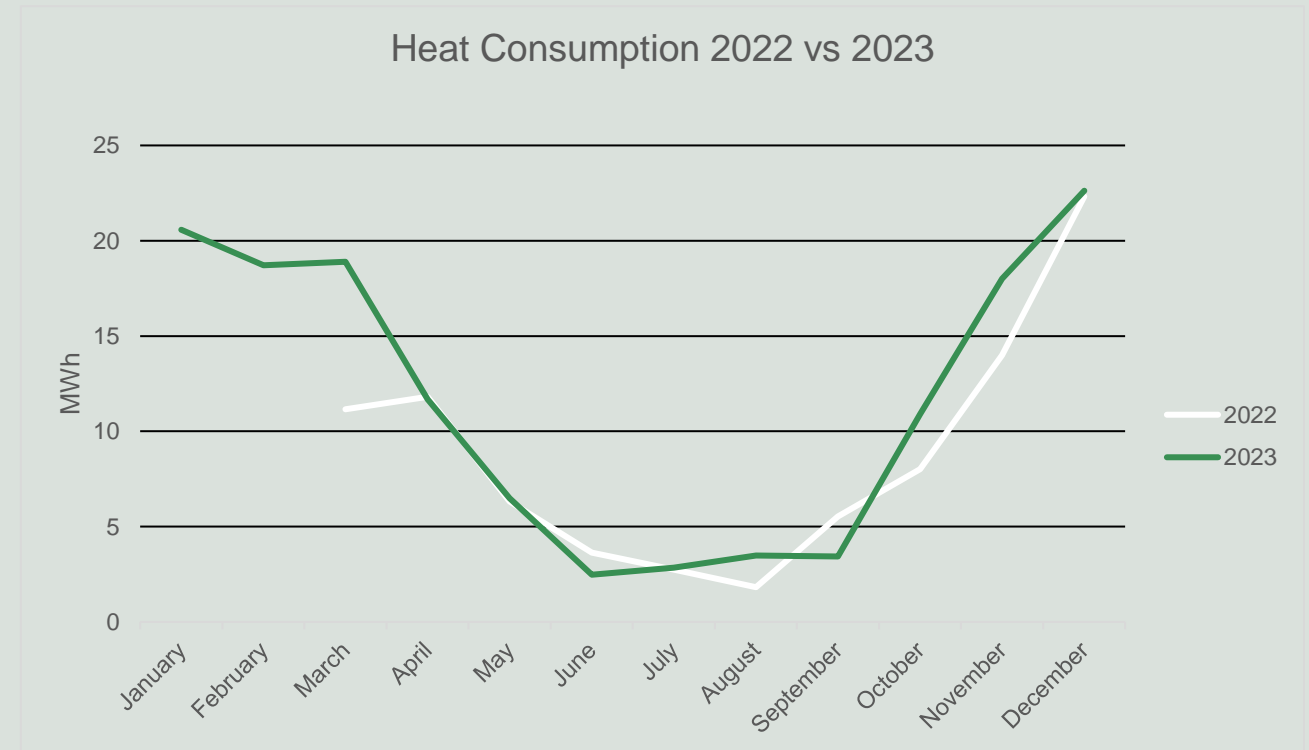
From 2022 to 2023

Throughout 2022, SCANCON Encoders A/S recorded a heat consumption of **87.3 MWh**, which saw a significant increase to **140.1 MWh** in 2023. This substantial increase in heat consumption can largely be attributed to the omission of January, February, and parts of March from the 2022 consumption data—periods when consumption is traditionally at its highest.

Furthermore, a cold winter in 2023 with increased frost compared to 2022, necessitated an increase in heat consumption to maintain a comfortable working temperature.

Future goals

This insight into the dynamics of our heat consumption underscores the importance of careful monitoring and proactive management of our heat usage. We aim to implement improved heat-saving measures and technologies over time to optimize our energy efficiency and minimize our environmental impact going forward.



Throughout 2023, Scancon maintained a stable level of heat consumption that mirrors the previous year's consumption pattern, with a marginal increase noted towards the end of the year. This slight increase in consumption can primarily be attributed to the lower temperatures experienced during the winter period compared to the same period in 2022. As a result, it was necessary to adjust the heat output to ensure comfortable working conditions, which is reflected in our consumption figures.

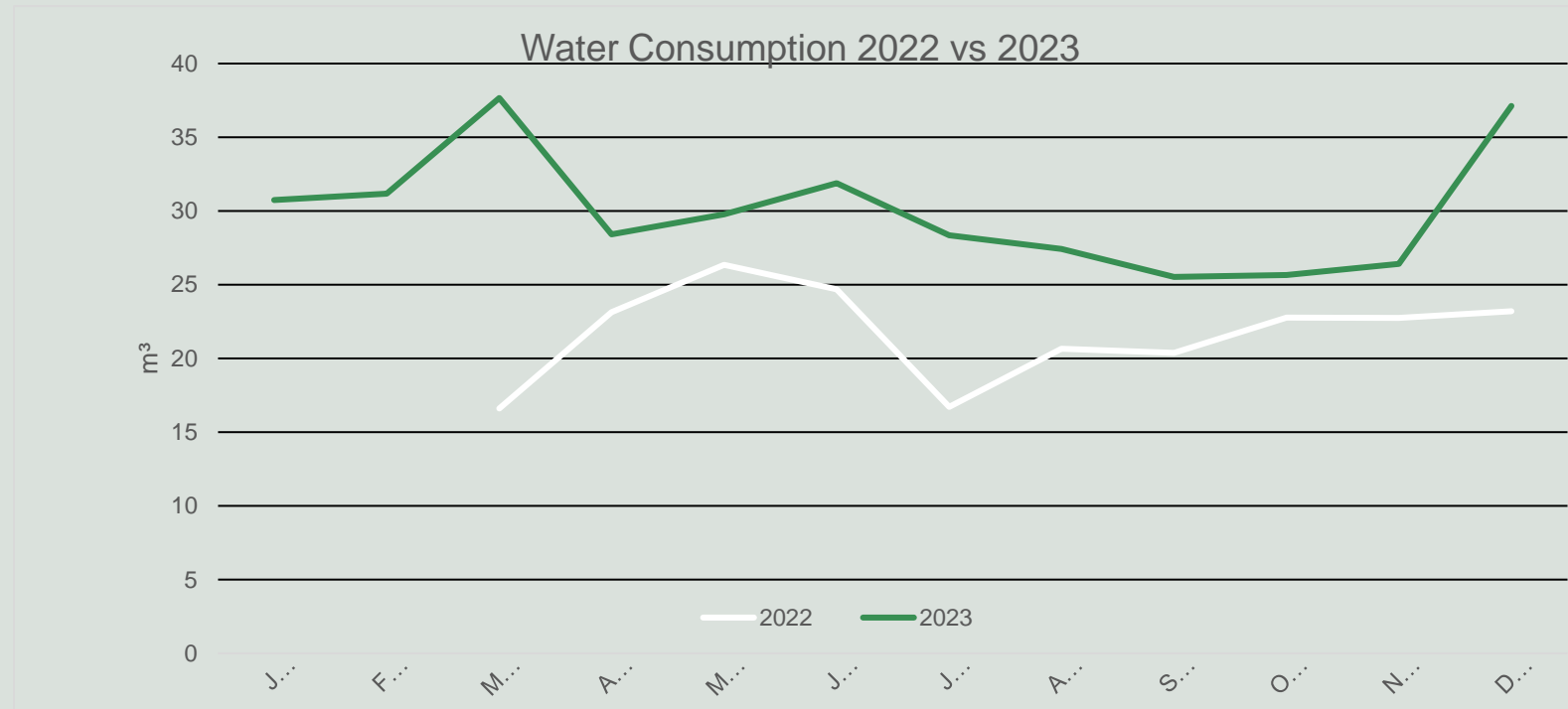
Water

Increased Water Consumption

Our water consumption in 2022 was **217** m³, which saw an increase to **360** m³ in 2023. This rise in consumption follows a similar trend as observed in our heat usage, where the exclusion of the first few months of the year in the 2022 records resulted in an underrepresentation of the actual consumption. Including these months would undoubtedly have revealed a higher level of consumption.

Reduction of Water Consumption

Similarly, understanding these consumption trends provides us with an important lesson on the necessity of a more comprehensive approach to our water management. Scancon is committed to reducing our water usage through the implementation of water-saving initiatives and technologies. This includes installing aerators on our taps and we will also explore the possibility of installing water-saving toilets.



In 2023, we recorded a generally higher water consumption compared to the previous year. This increase in usage has been carefully analyzed to understand the underlying factors that may have contributed to the change. Our initial evaluations indicate a combination of expanded production capacity and a series of operational needs that have necessitated an increased water intake. Scancon is aware of the importance of water resources and is committed to optimizing our water usage as part of our ongoing sustainability efforts.

Waste

Reduction of Waste Volume

We strive to reduce our waste volume as an integral part of our sustainability strategy. Although recycling waste and converting it to energy can appear advantageous in terms of negative CO2 emissions on paper, we recognize that this approach does not fully reflect the real environmental impact. Specifically, this calculation fails to include the initial environmental costs associated with the production and transportation of, for example, food waste. Consequently, the energy production from these materials does not necessarily represent a net benefit to the environment.

While achieving zero waste in our operations is not feasible, our goal is to come as close as possible by continuously optimizing our processes and reducing the amount of waste generated. A key part of this effort is our waste sorting program, which ensures that materials are recycled or reused effectively and that as little as possible ends up as unmanageable waste.

Future Initiatives for Waste Reduction

To achieve our goal of further waste reduction, we will implement a range of initiatives focusing on waste prevention, increased recycling, and improved sorting. We will also continue to educate our employees about the importance of sustainable waste management and the steps each individual can take to contribute to our overall goals.

By strengthening our focus on sustainability and responsible resource management, Scancon commits to reducing our environmental footprint and promoting a more sustainable future.

Waste Development in 2023

Throughout 2023, we generated a total of 8,403 kg of waste, of which 2,233 kg was food waste. This is a significant increase compared to 2022, when the total waste amount was 7,971 kg, and food waste constituted 924 kg. The collection of data on food waste was introduced in July 2022, resulting in an apparent increase in recorded amounts. After a stabilization period, we can report that waste volumes have been consistent from the second half of 2022 to 2023. For 2024, it is our clear intention to implement strategies to reduce food waste.

Upon closer analysis of our waste categories, we observe a positive trend within the category of small combustibles. From 2022 to 2023, we reduced the amount from 3,990 kg to 3,290 kg, corresponding to a decrease from 50% to about 39% of the total waste. This development is a step in the right direction, which we are proud of and intend to continue and enhance in 2024.



Waste 2022 = 7.971 kg → 8.403 kg 2023

Employee Travel Transportation

Minimizing CO2 Emissions

To minimize our environmental footprint, we have carefully considered our employees' travel activities and their impact on the climate in 2023. We recognize the importance of face-to-face meetings for building strong business relationships and fostering collaboration, but we also strive to balance this need with our environmental responsibility.

Despite these necessary travel activities, we have implemented several measures to reduce our CO2 emissions associated with transportation. We utilize digital collaboration tools such as Teams and other virtual meeting platforms, wherever possible, to minimize the need for physical meetings and thereby reduce our overall travel activity. This approach allows us to maintain high productivity and engagement while contributing to a reduction in our CO2 emissions.

Commitment to Collective Transportation

We remain committed to further optimizing our travel policies and promoting the use of sustainable transportation options. This includes prioritizing travel with a lower carbon footprint, such as train travel where practical and possible, and encouraging carpooling among employees when attending local events. By taking these steps toward more collective transportation, SCANCON Encoders A/S demonstrates our dedication not only to reducing our environmental impact but also to fostering a culture of environmental awareness and responsibility among our employees. We are committed to continuously evaluating and improving our practices to ensure that we meet our environmental goals and contribute positively to combating climate change.

Throughout the year, we organized several business trips, which included:

- Four employees traveled to Nürnberg, Germany, by plane.
- One employee traveled to China, also by plane.
- Two employees traveled to the US, both by plane.
- Four employees attended a trade fair in Herning, Denmark, with transportation provided by two cars.

2023: 12,12 tons CO2e



S

Social (S)

Social responsibility is at the core of SCANCON Encoders A/S's commitment to our employees and the communities in which we operate.

We recognize that our employees are our greatest asset, and therefore, we strive to create a work environment that promotes health, safety, well-being, and development.

Social facts

Full-time employees	40
Gender diversity	21 women and 19 men
Interns/Trainees	1
Sick leave	2,8%
Number of workplace accidents in 2023	0

Equality at All Levels

We strive for equality at all levels within our organization to foster an inclusive culture.

Interns/Trainees

In the future, we will endeavour to guide more interns on the right path in their careers.

Gender Distribution

With nearly an equal distribution between genders, we aim to maintain equality and eliminate gender discrimination.

Sick leave

We are proud of our low absenteeism rates and, of course, we strive to maintain as low an absence rate as possible in the future.

Employee Health and Safety

ISO 45001 Certified

Central to Scancon's commitment to employee health and safety is our ISO 45001 certification. This international standard for occupational health and safety management systems (OH&S) is a testament to our dedication to fostering a safe work environment where risks are minimized, and well-being is prioritized. The certification reflects our systematic approach to identifying, controlling, and continually improving the safety and health conditions at our workplaces.

Work Environment

Our occupational health team plays a crucial role in this process. The team is consistently vigilant in ensuring that all aspects of our employees' health and safety are managed to the highest standard. This also means that we are compliant with all relevant product regulations, including ATEX, IECEx, ROHS, REACH, the Biocidal Products Regulation, the Battery Directive, and regulations concerning dangerous goods. By regularly reviewing and evaluating our workplaces and procedures, the team ensures that measures are in place to prevent injuries and health risks. This includes everything from the ergonomic design of workstations to the implementation of safety training and emergency response plans.

As a result of our measures, we recorded zero workplace accidents at Scancon in 2023.

Dialogue and Continuous Development

By fostering a culture of openness, we encourage dialogue and feedback from our employees on occupational health issues. This approach ensures that we can quickly identify and address any concerns and continue to develop a work environment where safety and health are integrated into daily operations.



Workplace Well-being

At SCANCON Encoders A/S, we consider workplace well-being to be the foundation for a productive, innovative, and engaged workforce. We understand that our employees' well-being is key to the company's long-term success, which is why we purposefully invest in initiatives that promote a positive and supportive work culture.

Employee survey

Recognizing the importance of continuous improvement, we will conduct a comprehensive employee well-being survey in 2024. This initiative aims to provide us with in-depth insights into our employees' experiences and perspectives. By analyzing the results of this survey, we will be able to identify specific areas where we can improve our practices and policies to ensure that every employee feels valued, heard, and supported.

Inclusion

An open-door policy and a culture where feedback is valued and encouraged are cornerstones of our approach to workplace well-being. We proactively address our employees' requests and needs, reflecting our commitment to creating an environment where everyone can thrive. Additionally, we maintain a zero-tolerance stance towards discrimination and bullying, as we continually strive to promote a culture of diversity and inclusion.

Well-being
Inclusion
Respect
Communication
Community

Work/Life Balance

We have a dedicated focus on creating a work culture that supports a healthy balance between professional and personal life. We aim to foster a culture where personal life is respected, and there is room for both professional growth and personal commitments.

We understand that our employees' lives outside of work enrich their contributions to the company, and we strive to create flexible working arrangements that accommodate individual needs. This includes flexible working hours and the option for remote work, giving our employees the freedom to balance professional responsibilities with personal interests and family life.

Moving forward, we will continue to explore and implement innovative measures to strengthen this balance, ensure flexibility, and support our teams' well-being. Our commitment to improving work-life balance is an ongoing journey, where we constantly seek ways to evolve to meet our employees' changing needs and ensure that SCANCON remains an attractive and supportive workplace.

As an employee at SCANCON, one enjoys secure and supportive conditions along with a range of appealing employee benefits. These are designed to promote a positive work environment and ensure high employee satisfaction—all within the framework of a well-balanced work-life balance.

Vacation as per agreement

Maternity leave as per agreement

Flexible pension scheme

Flexible working hours including the option for remote work

Staff events

Arrangements (Breakfast, fruit, beverages, etc.)



Employee Development

Personal and Professional Growth

The development of our employees is crucial for our continued success. We offer regular courses and webinars to ensure that everyone has the necessary skills and knowledge to perform their jobs effectively and stay up-to-date with the latest trends and technologies. This focus on learning and development ensures that our team continues to grow both personally and professionally.

We strive to create a culture where continuous learning is embedded in daily work, and where employees feel encouraged and supported to explore new areas for growth. This includes not only professional development opportunities but also personal development, which we view as equally important for maintaining employee engagement and well-being.

As we move forward, we will continue to tailor our learning and development initiatives to match both the current and future needs of our industry. By investing in our employees' development, we ensure that SCANCON not only meets today's demands but is prepared for tomorrow's challenges, remains at the forefront of innovation, and secures a sustainable future for our company and our employees.



G

Governance (G)

In an era where the role of corporations in society is closely scrutinized, we at SCANCON understand the importance of strong governance. It forms the foundation that ensures we operate not only with economic success in mind but also with a deep understanding of our responsibilities towards society, the environment, and the people we interact with. Our governance structure is designed to reflect our commitment to ethical business practices, transparency, and responsible leadership.

Our dedication to governance is expressed through our approach to quality products, data security, our Code of Conduct, regular and transparent reporting, and our contributions to sustainable industries like wind energy. These areas are key components of our strategy to ensure that SCANCON not only meets the needs of today but is also equipped to tackle the challenges of the future with strength and integrity.

Governance Facts

Gender Diversity in Management	3 men & 1 woman
Gender Diversity on the Board	1 man & 2 women
Independence on the Board	1 of 3
Number of board meetings per year	4
Attendance at Board Meetings 2023	100%
First Year of ESG Reporting	2023

Quality Products

At SCANCON, the commitment to delivering quality products has always been the foundation of our business strategy. We understand that the quality of our encoders not only affects our customers' operational efficiency and satisfaction but also has a deeper impact on the environment through the product's lifecycle and consumption patterns. Therefore, we tirelessly work to ensure that every encoder leaving our production line meets the highest standards for reliability and performance.

In 2024, we are initiating an effort to explore how we can make our products more sustainable moving forward. We are aware that this initiative will require significant time, dedication, and innovation on our part. Sustainability in product development is a complex challenge that spans from material selection to manufacturing processes and ultimately to the recyclability or disposal of the products. Our goal for this year is to delve deeper into the possibilities of integrating sustainability principles into our design and manufacturing processes, without compromising on high quality.

We understand the importance of maintaining the high standard of our encoders that our customers rely on. Therefore, our approach to enhancing sustainability will be cautious and well-considered, ensuring that quality and longevity remain at the core of all innovations. By taking small but significant steps, we begin the journey toward a future where our products not only contribute to our customers' success but also to a more sustainable world.

This new focus is an exciting development for SCANCON Encoders A/S, reflecting our commitment to both innovation and responsibility. We look forward to the opportunities and challenges this initiative will bring and to sharing our progress and learning with our stakeholders.



Data Security & Code of Conduct

Data Security

Data security is a priority for us at Scancon. We understand the importance of protecting sensitive information and are dedicated to continuously strengthening our defenses against digital threats. In the coming period, we will focus on enhancing our security systems and possibly investing in technologies and solutions. At the same time, we will increase awareness about data security among our employees, ensuring that data security remains a central responsibility for our entire team. Our commitment to improving data security reflects our promise to protect the trust of our customers and partners.

Code of Conduct

Our Code of Conduct is the core of our business ethics and forms the basis for our daily decisions and interactions. This code of conduct promotes a culture of honesty, respect, and integrity, both internally and in our relations with external parties. All employees are expected to adhere to these guidelines, which cover not only legal compliance but also social responsibility and environmental sustainability.

Transparent Reporting

At Scancon, we strive to maintain high standards of transparency and openness in our business practices, especially regarding our efforts in environmental, social, and governance (ESG) aspects. Recognizing both our own and our stakeholders' growing interest in sustainability, we aim to publish an annual ESG report going forward.

This annual reporting will provide an in-depth review of our performance, initiatives, and progress within the key areas of ESG. Our goal is to present a clear and accurate picture of how Scancon integrates sustainability principles into our strategy and operations, highlighting the challenges and opportunities we encounter along this journey.

We recognize that credible and timely reporting is necessary to build and maintain trust among our customers, employees, investors, and the broader community. Therefore, we are committed to delivering an ESG report that not only meets current standards and expectations but also reflects our ongoing commitment to improvement and openness.

By publishing our ESG report annually, Scancon commits to continuing the dialogue with our stakeholders about our sustainability journey, acknowledging that sustainability is an integral part of our long-term success and the value of our business.



ESG Summary

In our efforts to report transparently and responsibly on our environmental impact, including our CO₂ footprint, we face the challenge of not having access to all necessary data. This is due to several factors, including the complexity of our supply chain, the varying availability of information from third parties, and limitations in existing data collection processes.

Despite these challenges, we have made a diligent effort to gather and present all available data related to our company's CO₂ emissions. The figures presented in our ESG report are thus a reflection of the data we have been able to collect, using recognized calculation methods to estimate our environmental footprint. It is important to emphasize that while these figures provide an indication of our current impact, they should not be considered completely exhaustive.

ESG-kategorier	ESG-nøgletal
Environment	
CO ₂ e emission, (scope 1, 2)	16,25 tons CO ₂ e
CO ₂ e emission, (scope 3 – Based on available data)	18,77 tons CO ₂ e
Total CO ₂ e emissions (Scope 1, 2, and 3)	35,02 tons CO ₂ e
Total energy consumption	66.941,49 kWh
Water consumption	360 m ³
Heat consumption	140,1 MWh
Waste amount	8.403 kg
Air travel	4 trips = 12,12 tons CO ₂
Social	
Sick leave	2,8%
Gender diversity within the organization	21 women, 19 men
Number of workplace accidents in 2023	0
Governance	
Gender diversity in management	1 out of 4 in management are women
Gender diversity on the board	2 out of 3 on the board are women

Our Commitment and Support

UN Global Compact

Our membership in the UN Global Compact is a testament to our global commitment to sustainable business practices. This partnership reinforces our dedication to the principles of human rights, labor standards, environmental protection, and anti-corruption across all levels of operations. By integrating these standards into our corporate strategy, we not only enhance our operational accountability but also contribute to the United Nations Sustainable Development Goals, promoting a better and more sustainable future for all.

Røde Kors


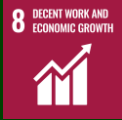

Our partnership with Røde Kors exemplifies Scancon Encoders A/S's commitment to vital humanitarian efforts. By supporting their disaster response initiatives, we contribute to their efforts - saving lives and strengthening the resilience of the most vulnerable people worldwide. Our involvement helps provide critical medical aid to the sick and injured, emergency shelter to those in immediate need, and essential supplies like food, water, and other necessities. This support plays a crucial role in assisting and protecting victims on all sides of conflict, underlining our commitment to alleviating human suffering wherever possible.

Additionally, we have supported:

Dansk Blinde samfund, Dansk Handicap forbund, Familier med kræftramte børn
Foreningen Danske DøvBlinde, Dansk politiidrætsforbund, Politihunden, Psoriasisforeningen, CP Danmark

Our Commitment to the UN's 17 SDG's

At Scancon, we are driven by a vision not only to achieve business success but also to make a positive contribution to society and the wider world. Our active engagement with the UN's Sustainable Development Goals (SDGs) 5 (Gender Equality), 8 (Decent Work and Economic Growth), and 10 (Reduced Inequalities) reflects this commitment. These goals have been carefully selected because they resonate deeply with our core values and the impact we aim to create.

 <p>Goal 5</p>	 <p>Goal 8</p>	 <p>Goal 10</p>
<p>Targets 5.1 + 5.5</p>	<p>Targets 8.5 + 8.8</p>	<p>Target 10.2</p>
<p>By promoting women in leadership roles and ensuring a workplace free from discrimination, Scancon directly contributes to advancing gender equality and empowering women in the workforce.</p>	<p>Through the inclusion of interns and a steadfast commitment to creating a safe work environment, Scancon supports job creation for the youth and upholds workers' rights.</p>	<p>By implementing a zero-tolerance policy towards discrimination and promoting diversity and inclusion, Scancon actively works to reduce inequality and ensure equal opportunities for all.</p>

Certifications

ISO 9001 + ISO 14001 + ISO 45001

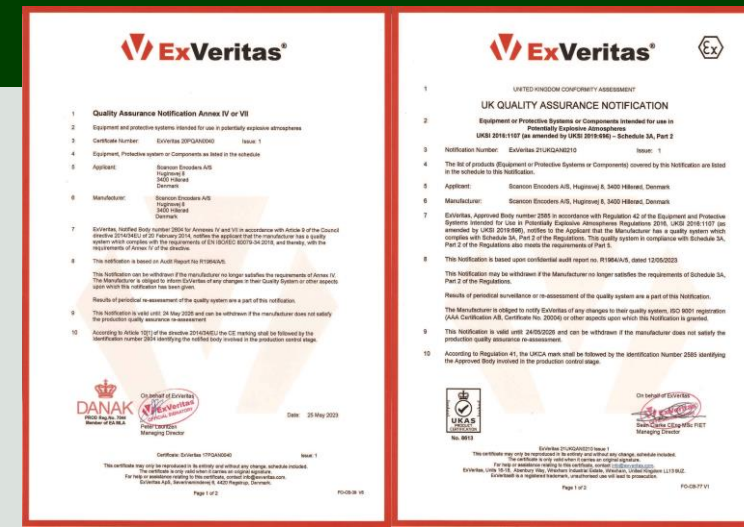
ISO 9001 is the internationally recognized standard for quality management systems, crucial for ensuring consistency and quality improvement in products and services. ISO 14001 focuses on environmental management, helping organizations minimize their environmental footprint through efficient resource use and waste reduction. ISO 45001 is the standard for occupational health and safety management, committing companies to create safe working conditions and promote health and well-being at the workplace.

For Scancon, achieving and maintaining these ISO certifications is of great importance. They demonstrate our commitment to quality, environmental responsibility, and employee safety—fundamental values that drive our business practices and contribute to our credibility and success in the market.

PQAN Certification + UK QAN Certification

PQAN (Product Quality Assurance Notification) is a certification that verifies a product's quality assurance system complies with EU requirements, ensuring that products are continuously monitored and meet the established standards. UK QAN (United Kingdom Quality Assurance Notification) is a corresponding British certification that serves the same purpose in the UK post-Brexit, ensuring that products comply with British market standards.

For Scancon, these certifications are essential, as they affirm our commitment to maintaining high-quality standards and compliance with regulatory requirements of both the EU and the UK. They are a crucial foundation in our quality assurance strategy and are vital for building trust with our customers and securing access to these markets.



Internal Goals for Scancon 2024

Environment (E)

- To further reduce our energy consumption in the coming year, our goal is to replace all lighting with LED bulbs.
- To conserve water, we will install aerators on our faucets and explore the possibility of installing water-saving toilets.
- In 2023, our waste volume increased—particularly our amount of food waste was significant, so we will focus on reducing this.
- For 2024, we will offset the carbon emissions from our flights and, as before, avoid unnecessary travel.

Social (S)

- In 2024, we will conduct a comprehensive employee well-being survey. This initiative aims to provide us with deep insights into our employees' experiences and perspectives.
- Based on the survey, we will look inward to identify areas for improvement.
- We will establish a culture club aimed at strengthening community within Scancon.

Governance (G)

- In 2024, we aim to produce an even more comprehensive ESG report by not only including Scope 1 and 2 but also attempting to obtain data from Scope 3. This will be achieved by initiating dialogue with both suppliers and logistics providers.
- We will update our Code of Conduct to match our latest initiatives and requirements.

Closing Remarks

First and foremost, we would like to express our gratitude for taking the time to read our first ESG report. This marks the beginning of a challenging yet exciting era we are embarking upon, and this report serves as an insight of our ongoing efforts to deeply integrate ESG principles into the core of our business.

As we reflect on the contents of this report, we do so with a sense of responsibility and commitment as we look forward to the challenges and opportunities that lie ahead.

While we recognize that our journey towards sustainability and social responsibility is an ongoing process, this report reaffirms our commitment to hold ourselves accountable for our actions and to continuously seek ways to improve. We are committed to persistently collecting, analyzing, and sharing data that not only measures our performance but also informs our decision-making processes and strategic direction.

Although we strive for comprehensive data and complete transparency in our reporting, we acknowledge that we are far from having all the data we aspire to present. However, it is a start, and every figure, every initiative, and every insight in this report is a testament to our commitment to learn, grow, and improve.

In the coming year, we will intensify our efforts to gather data that not only provides a more complete picture of our environmental impact but also sharpens our understanding of the social and governance aspects of our business. We anticipate developing our methods, refining our strategies, and increasing our reporting frequency. We look forward to presenting an even more robust and in-depth ESG report next year.

Together, we look forward to navigating the challenges and leveraging the opportunities that await, with a renewed commitment to act with care and responsibility. We are excited about the progress the next year will bring, and we are dedicated to sharing every step of this evolution with you.

Thank you!

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