

2024-2025

INTEGRATED REPORT



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OVERVIEW



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1.1. CEO Statement

1.2. Who We Are



1.1. CEO Statement

At SMTC our purpose is to enhance people's lives and the world every day. Our sustainability efforts are essential to fulfilling that purpose. At SMTC, we believe sustainability is a fundamental part of our growth and the trust we build with every customer and community. As a global electronics manufacturing company, our mission goes beyond delivering high-quality products: we strive to do so responsibly, safely, and with a long-term vision. We serve diverse commercial sectors as well as mission critical areas such as U.S. Defense, always upholding the highest standards of compliance, integrity, and social responsibility.

Throughout this year, we strengthened our commitment to reducing environmental impact, ensuring ethics and transparency in our supply chain, and fostering an inclusive and safe workplace for our employees. Our goal is clear: to create sustainable value for our customers, employees, and communities by driving innovation with responsibility. Our core values – **integrity, innovation, continuous improvement, flexibility, collective success, customer-focused** – underpin how we progress towards that goal.

I am confident that the progress we made last year, along with our reporting approach, position us to move forward with transparency and conviction. SMTC's success is measured not only in results, but also in the positive impact we have on people and our planet. We appreciate the support of our global SMTC team members and our partners, and we look forward to communicating with you about our continued progress.

Sincerely,

Mike Buseman
Chief Executive Officer



1.2. Who We Are

SMTC is a mid-size provider of end-to-end electronics manufacturing services (EMS) including PCBA production, systems integration and comprehensive testing services, enclosure fabrication, as well as product design, sustaining engineering and supply chain management services. SMTC facilities span a broad footprint in the United States, Canada, Mexico, and China. SMTC services extend over the entire electronic product life cycle from the development and introduction of new products through to the growth, maturity and end-of-life phases.

MISSION

We collaborate with our partners to develop high quality innovative solutions that create value and make our communities a better place.

VISION

Inspiring our employees to be trusted and admired by our customer, creating the highest industry returns as the best-in-class EMS provider.

PURPOSE

We believe we enhance people's lives and our world every day.

VALUES



**Customer
Focus**



**Collective
Success**



**Continuous
Improvement**



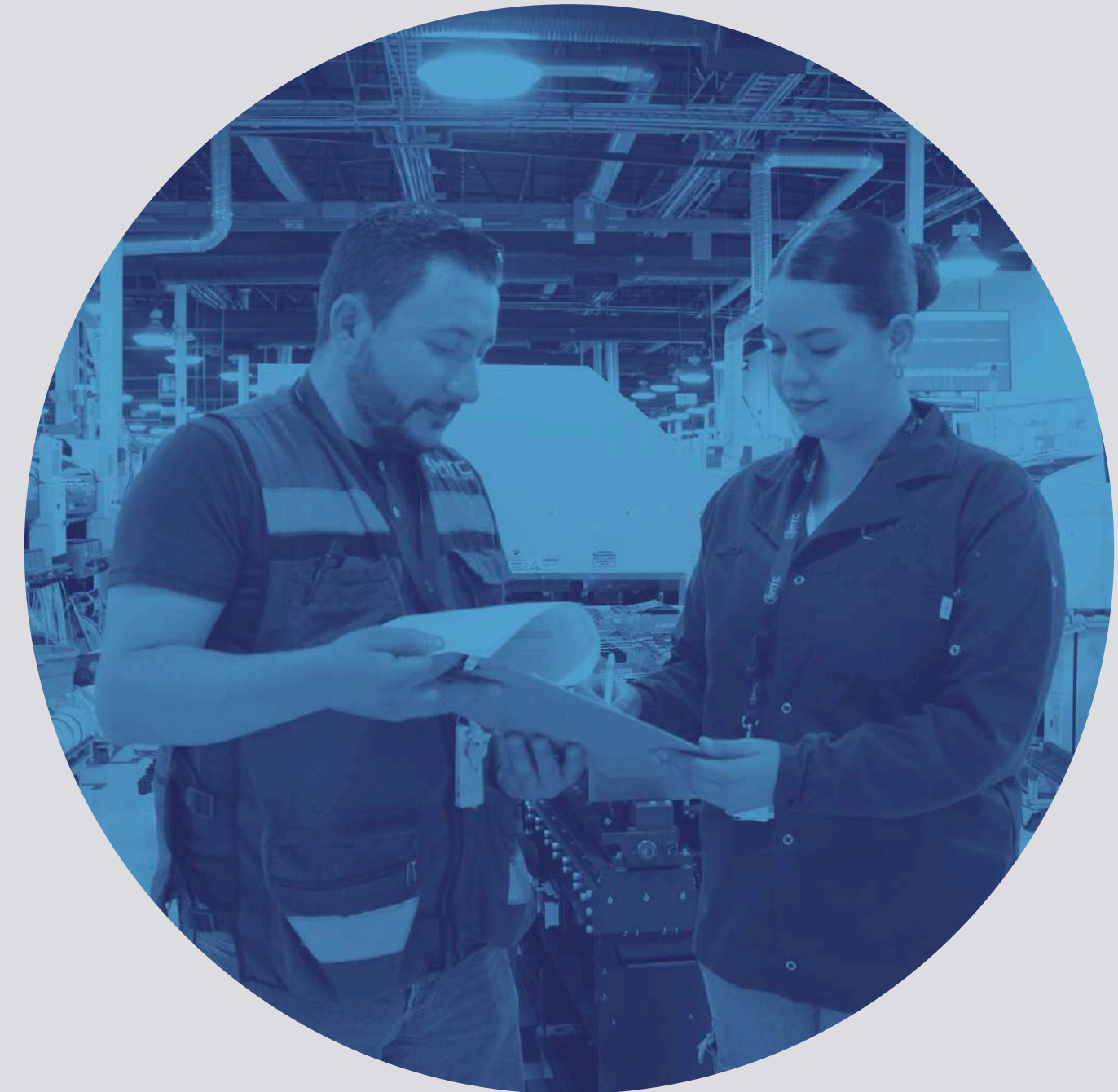
Innovation



Flexibility



Integrity



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GOVERNANCE & ETHICS



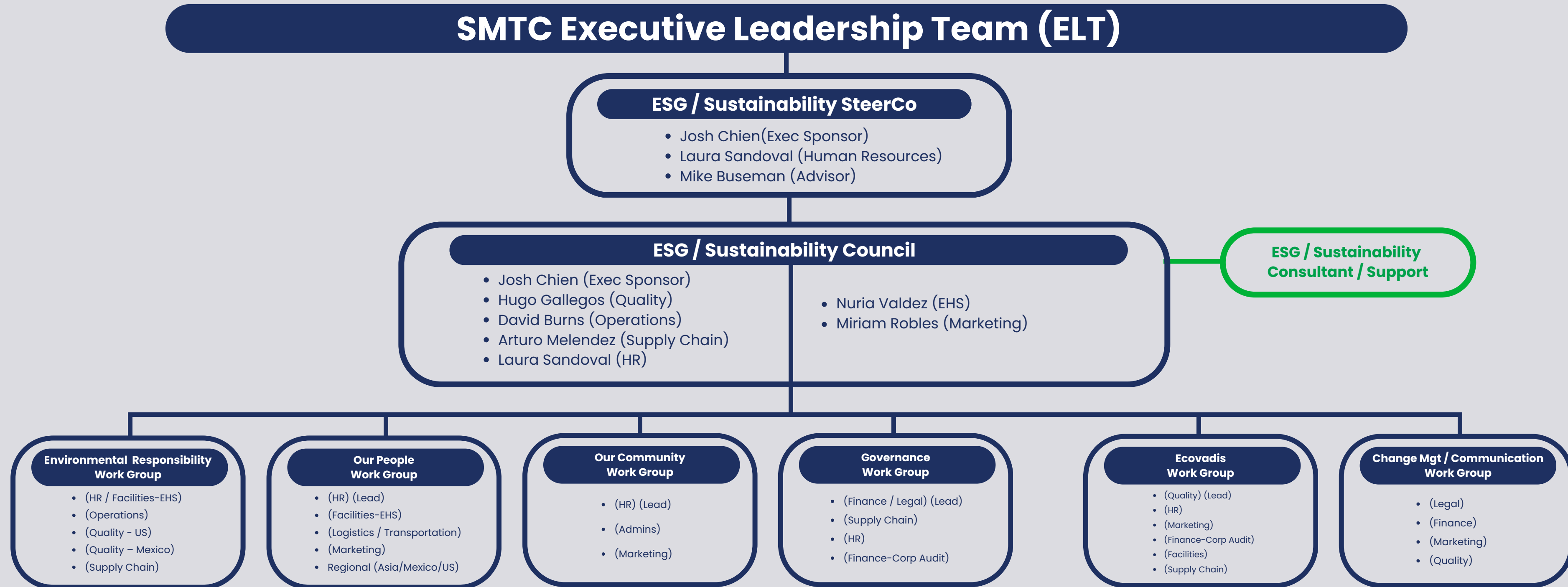


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- 2.5. Stakeholders Engagement in ESG Topics
- 2.6. Our Sustainable Business Strategy and Commitments
- 2.7. Code of Ethics and Conduct

2.1. Our Experienced Executive Leadership Team

Dedicated to driving operational excellence and advancing our sustainability goals, our experienced executive leadership team is a key element of our long-term success. Their deep industry experience is a vital component of our long-term success.



2.2. Corporate Transparency and Open Communication

→ Actions:

- **Annual Report:** Our dedication to these principles is reflected in our Annual Report, SMTC website, SLT Meeting, and ESG Management Review.
- **Communication:** Implement internal and external communication channels that promote transparency and corporate responsibility.
- **Integrity:** Our commitment to integrity is the bedrock of our ethical framework. We maintain the highest standards of honesty and ethical conduct in all business operations, ensuring our actions consistently align with our values.



2.3. Compliance with Regulations and International Standards

Our commitment to ethical conduct is supported by a robust compliance framework. We ensure adherence to all applicable regulations and international standards through a variety of proactive measures.

→ Actions:

- **Training:** We provide continuous training to key employees on relevant regulations and legal requirements.
- **Internal Audits:** We conduct regular internal audits to maintain ongoing compliance and identify areas for improvement.
- **Third-Party Audits:** To ensure impartiality and rigor, we engage a third party to perform an ESG audit annually or every two years.



2.4. Protection of Personal and Business Data

We are committed to protecting the privacy and security of both personal and business data. Our approach is built on a strong framework of policies, training, and continuous improvement.

→ Actions:

- We have implemented comprehensive information security management systems that adhere to leading industry standards to safeguard our data.
- We provide mandatory annual cybersecurity and data protection training for 100% of our employees to ensure everyone understands their role in protecting sensitive information.
- We maintain and regularly update our Cyber Security policies and programs to proactively address emerging threats and uphold the highest level of security.



2.5. Stakeholders Engagement in ESG Topics

We believe that open dialogue with our stakeholders is essential for effective ESG management. Our strategy focuses on active engagement to understand and incorporate their perspectives.

➔ Actions:

- **Workshops:** We regularly hold workshops with our stakeholders to listen to their concerns and gather valuable feedback on ESG matters. We commit to conducting at least two workshops a year.
- **Policy Integration:** We actively integrate stakeholder feedback into our ESG policy development, ensuring our strategies are aligned with their perspectives and priorities.



2.6. Our Sustainable Business Strategy and Commitments

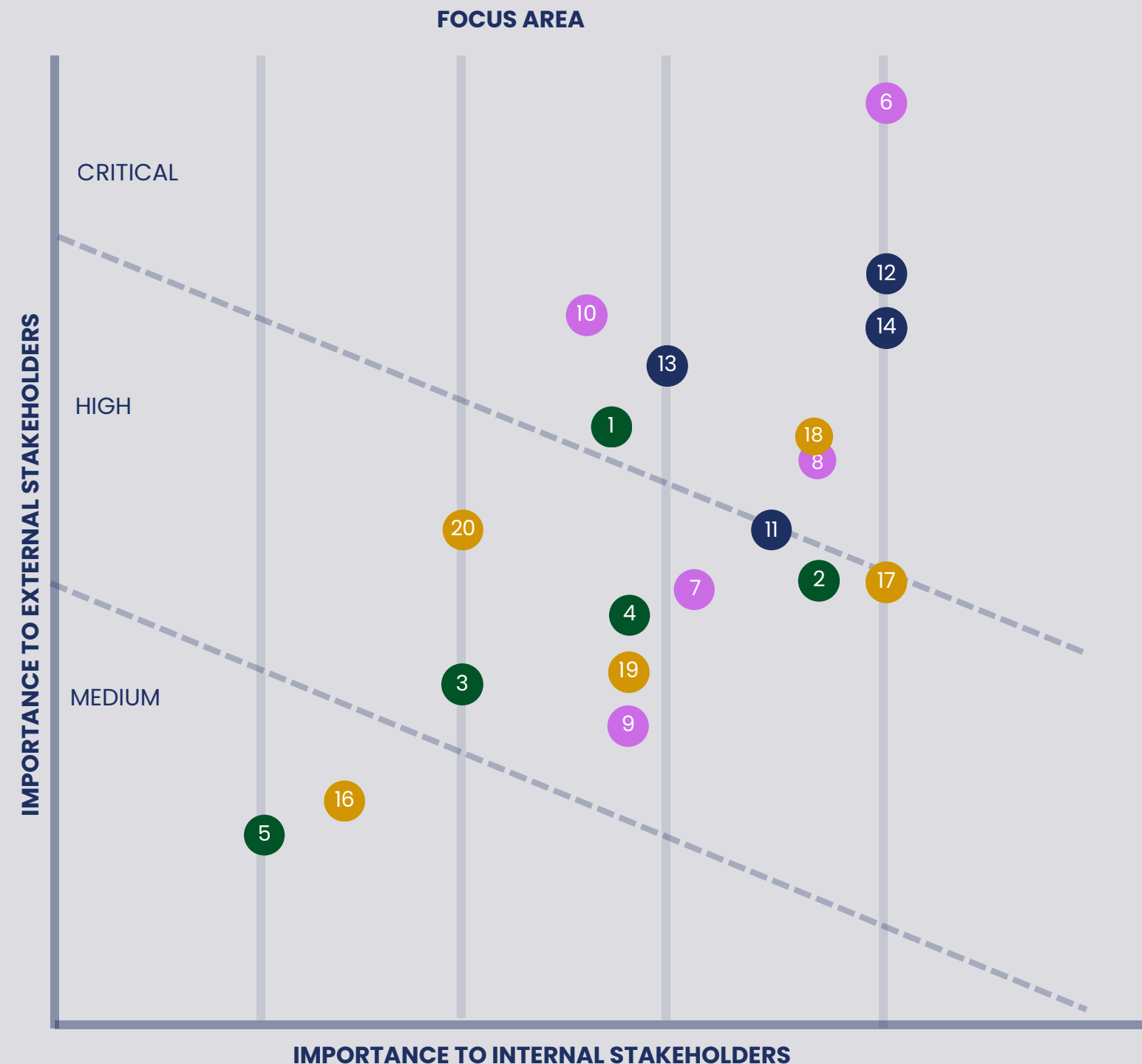
We've aligned our sustainability goals with the United Nations' Sustainable Development Goals (SDGs), a framework for tackling global challenges like climate change, poverty, and inequality. We identified five SDGs that match our 2030 targets.

Alignment with SDGs

PRIORITY SDGs



Materiality Matrix 2024 – 2025



1. Responsible use of energy in manufacturing

2. Proper management of electronic waste
3. Water conservation in production processes
4. Reduction of pollutant emissions
5. Use of low environmental impact materials

6. Fair and safe working conditions for employees

7. Inclusion, equity, and diversity at SMTC
8. Respect for human rights in the supply chain
9. Responsible engagement with the local community

10. Transparency in labor practices

11. Corporate transparency and open communication

12. Compliance with regulations and international standards

13. Protection of personal and business data

14. Ethical conduct in business relationships

15. Stakeholder engagement in ESG topics

16. Development of sustainable and innovative products

17. Commitment to product quality

18. Responsible supply chain management

19. Integration of ESG principles into strategic decisions

20. Preparedness for economic, environmental, and social risks

2.7. Code of Ethics and Conduct

To avoid any conflict between personal interests and the company's objectives, our Code of Ethics and Conduct establishes guidelines that all employees, including the Senior Leadership Team and Board Members, must comply with. Directors and officers who face a conflict of interest in any transaction or decision, must disclose the conflict to the Chairman or the Secretary of the Board of Directors and refrain from any deliberation and resolution.

Another key element of our Compliance Program is SMTC's Ethics Line. Any employee can report a violation of the Code of Ethics and Conduct, the RBA Code, or any situation considered a risk to their life or work integrity, through the corporate hotline.

MEXICO 📞 **800 681 9361**

US 📞 **1 844 713 1180**

CHINA 📞 **400 6000 663**

CANADA 📞 **905 479 1810**

For suppliers, clients, or contractors, you can access the following link:

<https://www.smtc.ethicspoint.com>



Ethics Lines

0 Cases received in 2024

1 Case received in 2025

*4 phone calls on the same issue.

0 Cases related to corruption



**We invest in our most
valuable asset:
our people**





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- 3.2. Respect for Human Rights in the Supply Chain
- 3.3. Social Responsibility Committee

3.1. Fair and Safe Working Conditions for Employees

Our commitment to a safe and healthy workplace is a top priority. We strive to provide fair and safe working conditions for all employees by implementing a robust framework of training, audits, and open communication.

→ Actions:

- **Training and Development:** Our goal is to provide 100% of our employees with EHS training through professional development programs focused on safety.
- **Workplace Audits:** We conduct regular workplace safety audits across all our sites. We aim to achieve 100% EHS audits in all areas of SMTC sites to ensure ongoing compliance and identify potential risks.
- **Open Communication:** We have created a direct communication channel for employees to report any concerns related to working conditions, fostering a culture of transparency and accountability.
- **Regulatory Compliance:** We ensure full health and safety compliance with all local requirements at each of our SMTC sites.



3.2. Respect for Human Rights in the Supply Chain

We are committed to upholding human rights throughout our supply chain. Our approach is to ensure our partners share our values and adhere to ethical standards.

→ Actions:

- **Supplier Codes of Conduct:** We have developed and implemented a comprehensive supplier code of conduct that includes strict human rights criteria. This ensures all our partners meet our ethical standards.
- **Audits and Risk Assessments:** We conduct regular audits and risk assessments throughout our supply chain. We work closely with our suppliers to ensure their full compliance with these standards, fostering a supply chain that is transparent and responsible.

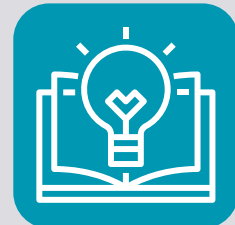


3.3. Social Responsibility Committee

The Social Responsibility Committee represents SMTC's commitment to sustainable development, operating ethically and contributing to the well-being of society and the environment.

Our work is founded on the conviction that a company's success is measured not only by its financial results, but also by the positive impact it generates in its environment.

➔ Action Pillars:



Education and Community Development.



Inclusion and Diversity.



Sustainability and Environment.



Support for Social Causes.



Health and Well-being.



3.3. Social Responsibility Committee

2024 Activities:



Donation of toys for children with cancer



Donation of pantry supplies for the elderly home



Grandparent's day celebration at the elderly home



Donation of school supplies to a children's home



Donation of medicine to a children's home



Reforestation of Encino Park

3.3. Social Responsibility Committee

2025 Activities:



Annual golf tournament in support of a children's home



Donation of personal hygiene items for a teenagers shelter



Donation of school supplies for vulnerable children



Reforestation of Fantasy Park



Donation of pet food for an animal shelter



Christmas party at a shelter home for teenagers

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BUSINESS





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4.1. Responsible Supply Chain Management

4.1. Responsible Supply Chain Management

We are dedicated to fostering a responsible supply chain aligned with our ESG values, collaborating with partners to ensure they meet our high standards for labor, ethics, and environmental impact.

→ Actions:

- **Clear Commitments:** We require our suppliers to sign Acknowledgements & Commitments for Labor, Ethics, and Carbon Emissions, ensuring a shared understanding and commitment to key ESG principles.
- **Supplier Engagement Program:** We have established an ESG Program and Journey for our top 25 customer suppliers to help them meet our criteria.
- **Quantitative Goals:** Our objective is to have 80% of our SMTC controlled suppliers meet our established ESG criteria by a target year.



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ENVIRONMENTAL

A large circular graphic on the right side of the page. The left half of the circle shows a view of Earth from space, with city lights visible on the dark side. The right half of the circle is white and contains text. The background of the entire right side of the page is a photograph of several hands of different skin tones holding small green seedlings in soil.

At **SMTc, we are committed to environmental sustainability at all stages of our operations.**



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5.1. SMTC Commitment to GHG Reduction of 30% by 2030



SMTC Commitment to GHG Reduction of 30% by 2030

Date: July 13, 2025
From: Josh Chien, Chief Commercial Officer
CC: Mike Buseman, President & Chief Executive Officer

Dear Valued Customer:

At SMTC Corporation we are committed to building a sustainable future. We recognize that climate change poses one of the most significant challenges of our time, and as a leader in environmental management, it is our responsibility to take decisive action.

Today, we are proud to formally announce our commitment to a 30% reduction in our company's greenhouse gas (GHG) emissions by the year 2030, using a 2022 baseline. This commitment covers our direct emissions (Scope 1) and indirect emissions from purchased electricity (Scope 2). While our primary focus is on these areas, we are also actively working to understand and manage our Scope 3 emissions to further reduce our overall environmental footprint.

Achieving this ambitious goal requires a clear and actionable strategy. Our plan includes:

- **Fleet Modernization:** We will optimize our supplier logistics operations to reduce the miles driven and improve fuel efficiency.
- **Operational Efficiency:** We will implement energy-saving technologies and practices across all our offices and facilities, from on-site solar panel installations, upgrading to LED lighting and investing in more efficient manufacturing systems.
- **Supply Chain Collaboration:** We will partner with our suppliers to encourage and support their own emissions reduction efforts, fostering a more sustainable value chain.

We believe that transparency is key to accountability. Starting in 2025, we will publicly report our progress annually in our sustainability report, using the Greenhouse Gas Protocol as our accounting standard.

This commitment is fully integrated into our business strategy and reflects our dedication to operational excellence and environmental stewardship. We are confident that by taking these steps, we can not only contribute to a healthier planet but also drive innovation and long-term value for our company and stakeholders.

We are excited about this journey and look forward to sharing our progress with you.

Sincerely,

Josh Chien,
Chief Commercial Officer SMTC Corporation
Mobile: +1-510-585-6145
E-mail: josh.chien@smtc.com

This letter serves to formally announce SMTC Corporation's commitment to achieving a significant environmental objective: a **30% reduction in company-wide greenhouse gas (GHG) emissions** by the year **2030**, using a **2022 baseline**.

5.2. Social Responsibility to our Partners

SMTC is committed to conducting business in an ethical, socially responsible, and environmentally sustainable manner. We expect all supply chain partners to adhere to the principles of the RBA Code of Conduct, which includes the following key areas.

Labor

- Prohibit child labor, forced labor, and human trafficking.
- Ensure freely chosen employment, fair wages, and non-discriminatory practices.
- Respect employees' rights to freedom of association and collective bargaining.

Environmental Responsibility

- Minimize environmental impact through sustainable practices.
- Adhere to applicable environmental laws and regulations.
- Promote energy efficiency, waste reduction, and responsible sourcing.

Health and Safety

- Provide a safe and healthy work environment.
- Comply with applicable laws and regulations on workplace safety and hygiene.
- Mitigate workplace hazards and provide appropriate training.

Ethics

- Uphold the highest standards of integrity and transparency.
- Prohibit corruption, extortion, and bribery.
- Protect intellectual property and confidential information.



Josh Chien
Chief Commercial Officer

Supplier Expectations.

All suppliers are required to:

- Adhere to SMTC's Supplier Code of Conduct, which aligns with the RBA Code of Conduct.
- Participate in regular assessments and audits to verify compliance.
- Address and remediate any non-compliance issues identified during audits or assessments.
- Report any concerns or violations through SMTC's confidential reporting channels.

5.3. Responsible Use of Energy

We are committed to the responsible use of energy to reduce our environmental impact. Our strategy focuses on improving energy efficiency and transitioning to cleaner energy sources.

→ Actions and Goals:

- **Energy-Efficient Technologies:** We are implementing energy-efficient technologies in our processes to minimize consumption. We are targeting a 20% reduction in energy consumption over five years.
- **Renewable Energy & GHG Reduction:** We have set clear energy reduction targets and are committed to using renewable energy sources where possible. Our long-term goal is to reduce GHG emissions by 30% by 2030.



5.4. Our Commitment.

SMTC considers the appropriate use and acquisition of resources and raw materials a critical objective. Therefore, we have developed a series of material restriction requirements and procedures. SMTC is committed to responsible sourcing, avoiding mining activities that contribute to conflict-affected and high-risk areas, and implementing a solid policy through the use of CMRT and EMRT reports in collaboration with our entire supply chain and our customers.

SMTC efforts related to conflict-minerals are aligned to the work of the Responsible Business Alliance- RBA formerly the Electronic Industry Citizenship Coalition (EICC®). We also guide our organization on a proactive due diligence activity – implementing our OECD due diligence guidance, in support of measures that outline responsible business.



Fig. 1 Our way in terms of responsible sourcing.

5.5. Material Restrictions at First Glance

SMTC also propels the efforts towards a product compliance guideline including RoHS, REACH, Prop 65, PoPs, PFAS & TSCA regulations as active measures, adhering to applicable laws, regulations and customer requirements with respect to restriction and/or prohibition on specific chemicals or substances within the end products produced by SMTC.

The indicated product compliance declarations issued by SMTC only apply to chemicals sourced by SMTC for use in its manufacturing processes. As part of these efforts, our Environmental Operations Procedure encloses our Environmental Compliance, by gathering annually, specifications, declarations and/or certificates of compliance from the suppliers, in support of the declarations issued to our customers.

By emphasizing our bundle of services, SMTC provides a more in-depth analysis upon request. We verify complete assemblies with regard to these environmental regulations, their level of compliance, and complementary supplier declarations, as well as BOM Health with regard to material availability and component lifecycle status.

5.6. SMTC's Commitment to Responsible Sourcing




CONFLICT MINERALS POLICY

SMTC Corporation Conflict Minerals Policy

SMTC's Commitment to responsible Sourcing

SMTC is committed to demonstrating the highest standard of global environmental and social responsibility as well as ethical practices and takes great pride in our commitment to our customers, our employees and the communities in which we live. In line with this, SMTC fully supports the objectives of Section 1502(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Conflict Minerals Law"), which aims to minimize violence and environmental damage in the conflict-affected and high-risk areas.

In order to avoid mining activities that contribute to the conflict-affected and high-risk areas from our current supply chain, SMTC is committed to continue working with all of our major suppliers and has been diligently notifying them through a third-party supplier that SMTC expects them to comply with Responsible Business Alliance- RBA, formerly the Electronic Industry Citizenship Coalition (EICC®) and the Responsible Minerals Initiative – (RMI) to only source materials from environmentally and socially responsible suppliers. SMTC will strive to minimize the use of suppliers not in compliance with conflict mineral initiatives

Our efforts are focused on all materials sourced as of January 2025 or later as per the legislation. SMTC will be able to provide the information our customers require in the timeframes in which they will need it.

We understand the importance of the Conflict Minerals issue to our customers. If there is anything you need from SMTC on this matter, please feel free to contact me.

For more information or additional reference documentation, please visit:

<http://www.responsiblemineralsinitiative.org/>



César Eduardo Ramos



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This policy outlines **SMTC Corporation's** commitment to adhering to the **Conflict Minerals Initiative**. We collaborate with our suppliers to prevent the use of materials sourced from conflict-affected regions, thereby ensuring our operations align with our social and environmental responsibilities.

5.7. Environmental Practices.



Wastewater system to remove hazardous contaminants.



Upgraded to LED lighting, installed 72 panel solar system.



On-site generation of DI and RO water.



Purchase or generation of renewable energy, such as a nitrogen generation system and solar energy.



Improvement of energy efficiency through technology or equipment upgrades, such as LED lighting.



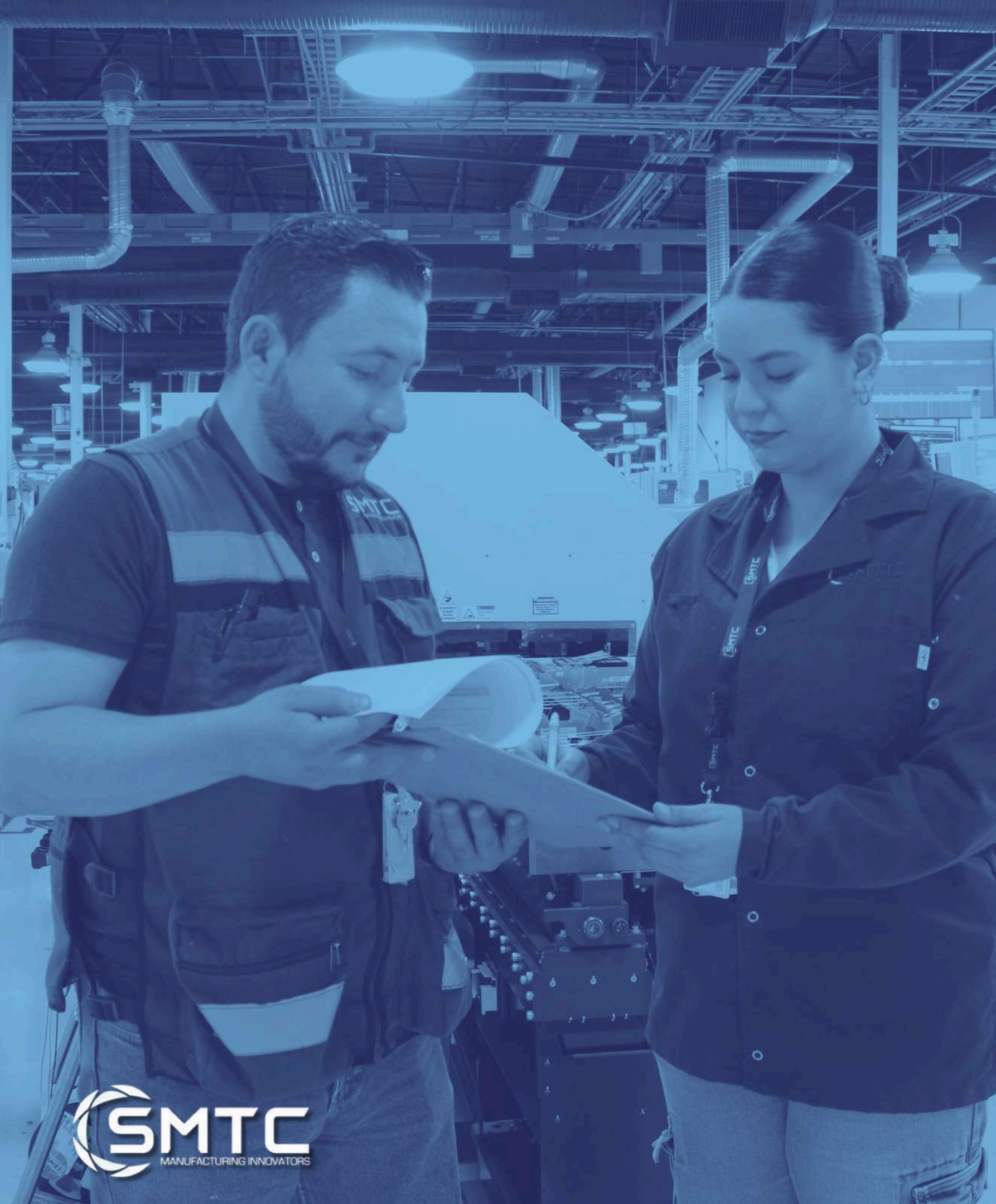
Recycling on hazardous waste, cardboard, plastics, and wood.



Our electronic waste is disposal under the WEEE Directive.



By recycling cardboard and wood, SMTC supports a social foundation dedicated to promoting social and ecological initiatives for the benefit of its employees and the community.



Contact Information



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Sites



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