

ESG REPORT 2024-2025

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Introduction & Overview

Letter from the CEO

To our business partners,

I am pleased to share SCD's 2024-2025 Sustainability Report, a period shaped by extraordinary regional challenges and, at the same time, by meaningful progress across our company.

Over the past two years, the security situation in Israel has placed heavy demands on our people and our operations. Throughout this period, SCD stood firmly by its employees, while maintaining the flexibility and resilience needed to support our customers while maintaining a high level of operational continuity. We remained fully committed to delivery, transparency, and continuity. This is what our value ALWAYS BY YOUR SIDE truly means in practice.

At the same time, we continued to advance our long-term strategy. Guided by our value ALWAYS A STEP AHEAD, we introduced new products across the infrared spectrum, expanded our operational footprint with the opening of our new site in the Bar-Lev Industrial Zone, and took an important strategic step in strengthening our future production capacity across SWIR, MWIR, and LWIR technologies.

A major milestone during this period was the launch of a long-term program that will significantly expand our manufacturing capabilities and support our continued technological leadership. In parallel, our engineering teams delivered the Sparrow HD, a breakthrough thermal detector with a 5µm pixel pitch, setting a new benchmark in the market. We also strengthened our international service footprint through the establishment of a European Maintenance and Support Center in Nuremberg, Germany, in partnership with ASSEMBLIFY GmbH.

Even in a period of growth and uncertainty, our values - ALWAYS BY YOUR SIDE, ALWAYS WHAT YOU NEED, AND ALWAYS A STEP AHEAD - remained our guiding principles. We are also proud to have retained the Platinum+ rating in the Maala ESG Index, reflecting the commitment of our people and the standards we hold ourselves to every day.



Thank you for your trust, your partnership, and the opportunity to serve you.

Kobi Zaushnizer
Chief Executive Officer

Who We Are

Shaping the Future of Sensing Technology

At SCD, we enable our customers to be the first to see. Since our foundation, our advanced infrared technologies have helped defense, aerospace, industrial, and commercial organizations detect what others cannot: delivering critical information when timing, precision, and reliability matter most. With more than 40 years of scientific innovation, operational excellence, and advanced manufacturing, we have established ourselves as a leading global supplier of high-end infrared (IR) detectors.

Our cutting-edge solutions serve as the critical technological heart of sophisticated electro-optical systems across the global defense, homeland security (HLS), aerospace, commercial, and industrial markets. From tactical components safeguarding ground forces to highly complex payloads orbiting on satellites in space, our mission remains absolute: ensuring our customers are always the **FIRST TO SEE**.



Who We Are

The Power of Vertical Integration

One of SCD's greatest competitive advantages is our complete horizontal and vertical integration:

- **In-House Manufacturing:** All of our core semiconductor chips are produced in-house at our state-of-the-art semiconductor fabrication plant (FAB).
- **A Truly Global Presence:** We are supported by dedicated subsidiaries in the United States (SCD USA), the United Kingdom (IRIS Technologies) and India (SCD India), as well as strategic global maintenance footprints.
- **Customized Agility**: We stand side by side with our partners, seamlessly supplying both high-volume, off-the-shelf detectors and precision engineered, tailor-made solutions.
- **Mastering the Electro-Optical Spectrum:** SCD drives industry innovation by deploying a diverse array of advanced sensing materials, including InSb, XBn, InGaAs, T2SL, and Vox, across the entire infrared spectrum:

Spectral Range	Core Capabilities & Innovations	Primary Applications
SWIR (Short-Wave)	Enables high-resolution imaging in low-light and degraded visibility conditions, while supporting reflected-light imaging and laser spot detection.	Laser event spot tracking, hyper-spectral imagery, high-efficiency commercial inspections.
MWIR (Medium-Wave)	High-contrast thermal imaging backed by four decades of R&D process; pioneers in cooled digital FPAs.	Long-range persistent surveillance, mission critical systems, airborne enhanced vision.
LWIR (Long-Wave)	High-contrast thermal imaging backed by four decades of R&D process; pioneers in cooled digital FPAs.	24/7 localized thermal imagery, hand-held weapon sights, border protection.

Our recent technological breakthroughs continue to redefine what is possible at the edge, including the industrialization of High Operating Temperature (HOT) devices, multi-functional digital pixels with Advanced Laser Pulse Detection (ALPD), and our flagship 5-megapixel Crane detector featuring an ultra-fine 5µm pitch.

Who We Are

The SCD Competitive Edge

Our market leadership is anchored on three distinct pillars that deliver a strategic advantage to our stakeholders:

1. Global EO Superiority

The rare capability to simultaneously develop and manufacture industry-leading tech across all three primary spectrum domains (SWIR, MWIR, LWIR).

2. Uncompromising Operational Reliability

Solid, field-proven product durability engineered to operate reliably under challenging conditions.

3. Intelligent Miniaturization

Advanced packaging expertise that drastically minimizes Size, Weight, Power, and Cost (SWaP-C) without sacrificing structural resolution or performance.



Timeline



1970

THE VISION

Israel had just emerged from the Yom Kippur War with a sobering lesson: its forces were effectively blind at night. A small group of researchers set out with a mission to enable Israel to see in the dark.



1986

FOUNDATION

SCD is founded as a joint venture, turning that shared vision into reality. The journey from laboratory to company begins.



2000

GOING GLOBAL

Digital detector technologies open new possibilities, while the establishment of SCD USA marks the company's transition from local capability to global presence.



2020

SCALING FOR THE FUTURE

New detector families, higher-resolution formats, and expanding manufacturing capabilities position SCD for the next generation of infrared systems.



1980

PIONEERING

Years of pioneering research lay the foundation for a new era in infrared technology. Two organizations unite to build infrared detectors.



1990

EXPANDING TECHNOLOGIES

InSb and MCT detector technologies emerge from the lab, expanding SCD's infrared capabilities. SCD's portfolio grows.



2010

LEADING THE MARKET

SCD introduced breakthroughs including 10-micron detectors and SWIR technology, delivering higher resolution, smaller systems and uncompromised performance



Today

ALWAYS A STEP AHEAD

As SCD expands its global footprint and prepares for the next phase of manufacturing with FAB2, its technologies continue to power advanced airborne, naval, and land-based systems worldwide.

SCD at a Glance



596
Employees

200
Range of products

212
patents registered

$270M
in sales (2025)

2
Operating sites, M&R center in Europe

*AS of 31.12.2025

Our Framework & Values

Driven by Values, Sustained by Action

At SCD, our technological edge is fundamentally anchored in our corporate values. We don't just innovate to break records; we innovate to ensure that our stakeholders always SEE FIRST. To ensure our corporate culture aligns with our rapid global expansion, we initiated an extensive cross-border value-mapping project.
The resulting unified corporate values form the framework of this ESG report:



1. Always by Your Side

We act as a highly dependable, a trusted and reliable partner. We champion open communication, pay meticulous attention to detail, and maintain an agile problem-solving approach to guide stakeholders through any operational landscape.

- Proactive, can-do spirit
- Deep trust & unflinching partnership
- Problem-solving in any situation



2. Always What You Need

As a fully integrated one-stop shop, we tailor our technologies, manufacturing, and support to meet each customer's unique needs. Internally, this translates into designing custom frameworks that offer our human capital the precise support required to flourish.

- One-stop shop
- Operational flexibility
- Customized solutions for clients and our workforce



3. Always a Step Ahead

By maintaining premium quality parameters across our manufacturing pipeline and taking a proactive stance on employee development, we ensure long-term sustainability across our entire value chain.

- High-end R&D
- High-quality products across the value chain
  Proactive employee and
  environmental stewardship

ESG Material Topics & Stakeholder Engagement

Our Materiality Foundation

To build a focused and impactful ESG strategy, SCD developed a comprehensive materiality assessment based on the Global Reporting Initiative (GRI) guidelines and aligned with the Sustainability Accounting Standards Board (SASB) framework for the defense and aerospace industry.

While our business environment continues to evolve, this assessment serves as the foundation for our ESG strategy throughout the 2024–2025 reporting period. It identifies the environmental, social, and governance topics most relevant to our business and stakeholders and was refined through workshops with internal leaders before being reviewed and approved by management and the Board of Directors. These priorities guide our ESG initiatives, compliance efforts, and performance measurement.

ESG Material Topics Framed by Our Corporate Values

ALWAYS BY YOUR SIDE

- Ethical Business Conduct
- Anti-Bribery & Corruption
- Human Capital Development
- Diversity & Equity
- Talent Attraction & Retention
- Community Involvement

ALWAYS WHAT YOU NEED

- Quality
- Product Safety
- Health & Safety Protocols
- Robust Governance

ALWAYS A STEP AHEAD

- Leading-Edge R&D
- Academic Partnerships
- Environmental Management
- Climate Risk Mitigation & Adaptation
- Building a Responsible & Resilient Supply Chain
- Human Rights Protection
- Product Stewardship



Proactive Stakeholder Engagement

Maintaining a transparent and regular dialogue with our community of stakeholders is paramount.
Rather than relying solely on isolated stakeholder surveys during our previous materiality assessment,
we have adopted a process of continuous, year-round engagement through interactive professional frameworks:

SHAREHOLDERS
Regular Board of Directors meetings providing strategic oversight and guidance.

INNOVATION ECOSYSTEM
Multi-disciplinary knowledge sharing with academic institutes and the Israel Innovation Authority through collaborative professional assemblies.

OUR WORKFORCE
Structured feedback through yearly Employee Opinion Surveys (EOS), executive roundtables, informative newsletters, and all-hands town halls.

DEFENSE ECOSYSTEM
Crucial security and technological coordination with the Israel Ministry of Defense and the IDF via strategic conferences and alignment reviews.

CUSTOMERS
Collaboration driven by comprehensive field surveys, defense industry exhibitions, technical reviews, and digital communication platforms.

REGULATORS
Ensuring corporate compliance via ongoing framework evaluations and stringent site audits.

SUPPLIERS
Consistent alignment via strategic Program Management Review (PMR) operational updates.

LOCAL COMMUNITIES
Supporting local communities through municipal dialogue, scientific conferences, and active corporate volunteer channels.

Ratings and Recognition

Validating Our Commitment: Ratings & Recognition

Strategic intent must always be verified by clear, objective metrics. At SCD, our continuous operational growth during the 2024-2025 reporting period is directly reflected in the external badges of honor and industry benchmarks we achieve year over year. These independent recognitions reflect our ongoing commitment to responsible business practices, sustainable growth, and continuous improvement.

Maala ESG Index

Maala is Israel's leading non-profit organization promoting ESG standards and responsible business practices. Its ESG Index evaluates organizations against more than 200 sustainability indicators, providing a comprehensive benchmark across areas including corporate governance, workplace practices, responsible procurement, and environmental performance. SCD has successfully retained its Platinum+ status in the Maala ESG Index throughout 2024 and 2025.

Council for a Beautiful Israel

As the country’s foundational non-profit association for environmental advocacy, the Council for a Beautiful Israel promotes corporate social responsibility by pushing for responsible environmental practices that actively safeguard local ecosystems and enhance our communal spaces.

In recognizing our comprehensive onsite sustainability initiatives, employee wellbeing protocols, and community-centric programs, the Council has continuously awarded SCD the maximum 5-Star Rating for both the 2024 and 2025 cycles.



SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SCD aligns its corporate growth and environmental roadmap with the United Nations Sustainable Development Goals (SDGs), integrating global sustainability goals into our deep-tech operations.

3 GOOD HEALTH AND WELL-BEING

Prioritizing comprehensive mental and physical health benefits and zero-hazard operational risk management.

4 QUALITY EDUCATION

Driving a holistic employee learning culture; industry-academia research partnerships, and STEM education.

5 GENDER EQUALITY

Actively promoting the recruitment, development, and advancement of women in a traditionally male-dominated industry.

6 CLEAN WATER AND SANITATION

Scaling smart infrastructure loops in our operations.

8 DECENT WORK AND ECONOMIC GROWTH

Integrating a robust human rights framework through our suppliers and enforcing risk-based site conditions.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We develop cutting edge solutions for commercial, aerospace ,and defense applications.

10 REDUCED INEQUALITIES

Upholding an equity model that prevents discrimination across age, ethnicity, nationality, and religion.

12 RESPONSIBLE CONSUMPTION

Continued efforts to minimize industrial waste streamsand constantly develop new measures to lower our sensor energy footprint.

13 CLIMATE ACTION

Our sensors are deployed for the early detection of methane and gas leaks and early thermal detection of massive wildfires from orbital satellites.

Always By Your Side
Our People & Community



Talent & Retention & Employee Well-Being

At SCD, our market leadership is built on our exceptional human capital. Guided by our core values - ALWAYS BY YOUR SIDE & ALWAYS WHAT YOU NEED we invest heavily in a culture that champions transparency, safety, professional mobility, and world-class well-being.

SCD experienced a significant phase of organizational expansion during the 2024-2025 reporting period while protecting employee voice and collective representation:

Growing Workforce Baseline

Our total workforce scaled from 501 employees in 2024 to 596 employees in 2025.

Collective Bargaining Security

Demonstrating stable industrial relationships, approximately 70% of SCD's total workforce is covered under a collective agreement.

The Engagement Survey

Our annual Employee Opinion Survey (EOS) achieved an impressive 85% participation rate. The results reflect a consistently high level of employee satisfaction, with continued year-over-year improvement.

Holistic Growth Paths

To ensure long-term internal mobility and professional development, SCD's employees receive regular annual performance reviews.

Ensuring a Safe and Respectful Workplace

We maintain a zero-tolerance approach to workplace misconduct. To operationalize this commitment, the company has appointed dedicated internal Officer for the Prevention of Sexual Harassment and Abusive Conduct at Work. SCD protects its safe-haven culture through clear corporate policies, mandatory training modules, a secure hotline, and ongoing management pulse-checks.

Talent & Retention & Employee Well-Being

Leading Workforce Retention

Employee retention remains a key priority at SCD. Despite a highly competitive tech landscape, we continue to maintain low employee turnover rates.

To support employee retention, we maintain ongoing feedback mechanisms, including direct roundtables with the CEO and targeted surveys of employees who have been promoted or transitioned to new roles.



Management
(Executive & Leadership)

2024 Turnover Rate 0.5%
2025 Turnover Rate **0.7%**

Non-Management

2024 Turnover Rate 6.3%
2025 Turnover Rate **5.3%**



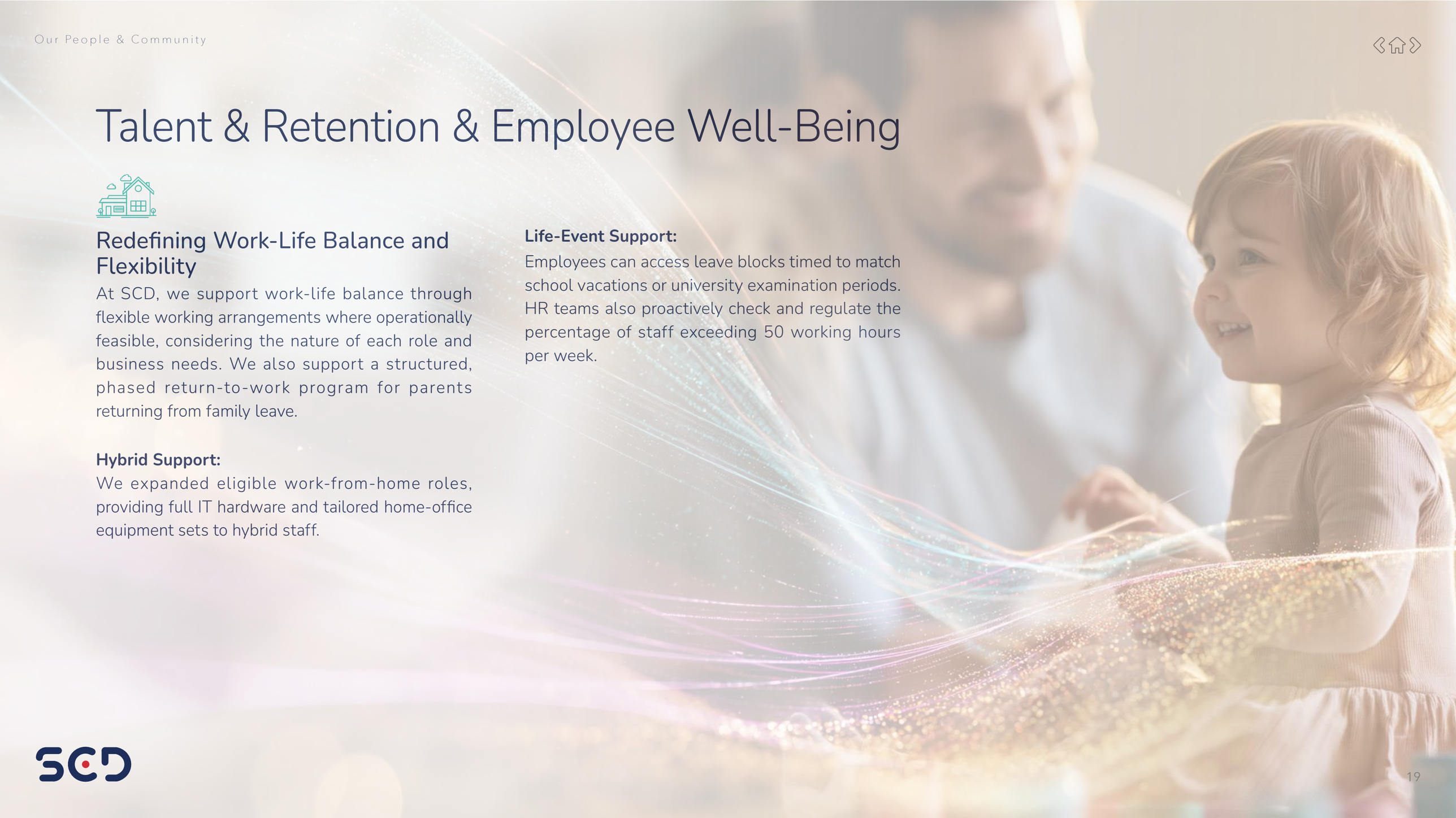
Talent & Retention & Employee Well-Being

Redefining Work-Life Balance and Flexibility

At SCD, we support work-life balance through flexible working arrangements where operationally feasible, considering the nature of each role and business needs. We also support a structured, phased return-to-work program for parents returning from family leave.

Hybrid Support:
We expanded eligible work-from-home roles, providing full IT hardware and tailored home-office equipment sets to hybrid staff.

Life-Event Support:
Employees can access leave blocks timed to match school vacations or university examination periods. HR teams also proactively check and regulate the percentage of staff exceeding 50 working hours per week.



Talent & Retention & Employee Well-Being

360° Health, Wellness, and Care Networks

We take an expansive view of employee emotional health, delivering wellness benefits and localized support systems:

Mental & Emotional Support:

We provide fully accessible, confidential professional psychological counseling, alongside a dedicated corporate fund to provide immediate aid during unexpected personal or economic emergencies.

Targeted Family Relief:

We offer specialized support pathways for parents raising children with special needs, comprehensive assistance for those facing domestic crisis, and flexible scheduling for employees caring for an ill family member (Caregivers).

Our Lifelong Community: The Retiree Network

Our relationship with our people does not end at retirement age. We actively maintain an ongoing bond with our corporate alumni through a structured Retiree Forum. Our retirees remain an active part of the SCD family: they continue to benefit from our corporate welfare benefits, receive custom holiday gift deliveries, and are warmly invited to participate in all major company events and cultural celebrations.



Diversity, Equity & Inclusion (DEI)

Strength in Solutions, Power in Diversity

At SCD, our strategic vision is guided by a core philosophy: authentic diversity fuels advanced technological breakthrough. Over the 2024-2025 reporting period, we have expanded our commitment to Diversity, Equity, and Inclusion (DEI) to build a deeply inclusive, multi-cultural workspace. We recognize that blending different backgrounds, life experiences, and generational insights is what keeps us **ALWAYS A STEP AHEAD.**

Navigating Sector Realities with Long-Term Resolve

Operating in the defense and aerospace industries presents unique recruitment challenges. Many specialized engineering and leadership roles require niche technical expertise and security clearances, limiting the available talent pool.

Despite these challenges, SCD remains committed to expanding recruitment opportunities and engaging with underrepresented communities through targeted initiatives and long-term efforts to foster a truly diverse and inclusive workforce.



Diversity, Equity & Inclusion (DEI)

Advancing Gender Equity & Empowerment

Women have traditionally been underrepresented across the hardware defense and semiconductor manufacturing fields. To systematically address this, SCD deploys an overarching women-in-tech strategy that combines structured professional retention paths with public inspiration.

Our corporate facilities proudly feature a Women's Empowerment Wall showcasing portraits of our female trailblazers alongside personal manifestos on leadership. This visual inspiration is reinforced by ongoing masterclasses led by prominent female figures, specialized employee empowerment video campaigns, and individualized career progression mapping.

Furthermore, our focus on equity shows clearly in our pay-scale performance and SCD continues to invest in long-term gender equity initiatives.

Key Gender Performance Metrics

Total Workforce Balance

2024 36%
2025 35%

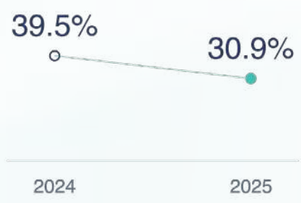




2024 64%
2025 65%

○ 2024 ● 2025

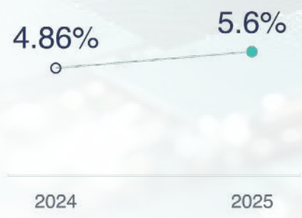
New Female Hires (% of total onboarding)



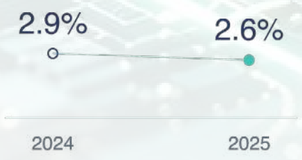
Women in Leadership Positions



Median Pay Gap Middle Management



Median Pay Gap -Executive & Senior Management



Diversity, Equity & Inclusion (DEI)

Multi-Cultural Inclusion & Regional Outreach

SCD is committed to fostering a diverse and inclusive workplace. Our workforce includes Ultra-Orthodox employees, experienced employees aged 64+, and members of the Ethiopian-Israeli and Druze communities. We continue to promote employment opportunities for underrepresented populations through targeted recruitment initiatives, adapted hiring practices, and job readiness workshops.

The following data presents the percentage of employees represented in each of our diversity categories:

Ultra-Orthodox (Haredi)



2024
7.19%

2025
6.21%

Experienced Talent (Age 64+)



2024
6.79%

2025
5.37%

Individuals with Disabilities



2024
4.79%

2025
7.72%

Diversity, Equity & Inclusion (DEI)

Spotlight on the Druze Sector

In 2024, we hired Druze employees for the first time as part of a dedicated corporate outreach campaign. Building on this success, we expanded our engagement by holding a custom-tailored Career Fair in Julis, a prominent Druze village. This milestone event featured a formal delegation visit by our executive management team, an official reception hosted by the head of the local municipal council and village elders, and an accompanying professional technical webinar designed to provide direct career access to local engineering talent. By 2025, our Druze workforce grew to 8 employees.

Spotlight on Ethiopian Integration

We maintain a dedicated focus on hiring and integrating Ethiopian-Israeli professionals, successfully onboarding three new team members under this framework in 2024 to keep our absolute representation steady at 7 employees through 2025.



Diversity, Equity & Inclusion (DEI)

Generational Wisdom: Honoring Experienced Talent

At SCD, technical knowledge management is critical. We value our mature professionals, viewing their years of experience as an irreplaceable asset for mentoring the next generation of engineers. We actively cultivate age diversity by expanding mature talent acquisition. In 2024, 12.5% of all new corporate hires were over the age of 50, a metric that grew significantly to 28.4% in 2025.

To support our senior workforce, we design customized retention frameworks that include flexible post-retirement extensions, gradual phased-retirement transitions, and specialized career consulting workshops for individuals over 50. **Our Focus On Supporting Senior Women Remains Equally Resilient:** We Proudly Retained 14 Women Over The Age Of 62 In 2024, And 13 Women In 2025.

Hiring experienced talent

+127.2%

2024 12.5%
2025 28.4%



New hires aged 50+

Flexible career pathways



Flexible retirement options
Career guidance for ages 50+

Supporting senior women



2024 14 women
2025 13 women

Women retained, aged 62+

War-Time Resilience

Standing Together: Supporting Our Employees and Their Families

The security reality in Israel underscores both the vital national role and the profound corporate responsibility of SCD. Throughout 2024 and 2025, a significant portion of SCD's human capital was called up to safeguard the nation. True to our foundational pillar - ALWAYS BY YOUR SIDE - the 2024-2025 period saw the continuation of a massive internal support ecosystem engineered to surround our employees, their spouses, and their families with deep material, emotional, and operational backing. Amid exceptional geopolitical challenges, ensuring our employees feel prioritized remains our most critical mission.

For For employees called to reserve service, we implemented structured workflows to guarantee that those away remained fully integrated members of our corporate family:

- **Continuous Engagement:** Department managers and dedicated HR teams maintained consistent, proactive communication channels with mobilized employees to track their well-being.
- **Employee Support:** SCD provided practical assistance and care packages to employees serving extended periods away from work and to their families, helping them navigate a challenging time.
- **Supporting a Smooth Return to Work:** Recognizing that returning from extended reserve duty may require a gradual transition, we introduced tailored re-onboarding support and guidance for managers to facilitate a smooth and successful return to work.







War-Time Resilience

Supporting Employees' Families During Times of National Emergency

We recognize that supporting employees during extended periods of service also means supporting their families. At SCD, special organizational emphasis was focused on the spouses of our deployed personnel who single-handedly managed families and homes during prolonged deployments.

- **Adaptive Operational Frameworks:** To alleviate the dual pressure of career and single-parent households, we designed customized work arrangements, including shortened workdays and flexible work-from-home structures.
- **Emotional Well-being:** We provided immediate, fully funded access to professional psychological counseling and emotional support services for spouses navigating extended periods of family stress.
- **Domestic Relief Systems:** The company distributed continuous rounds of premium grocery boxes, essential retail goods, and custom gift hampers to the doorsteps of our mobilized families.
- **Child-Centric Support:** To help families maintain stability and everyday routines during extended periods of reserve service, SCD provided educational activities and age-appropriate game kits for employees' children, supporting their well-being and helping families navigate a challenging period together.







Learning & Development

At SCD, continuous learning is vital to maintaining our competitive edge, driving innovation, and ensuring organizational resilience. Recognizing this, we doubled our training budget during 2024-2025 and increased year-over-year training hours per employee, even during the operational challenges and disruptions experienced during the prolonged period of regional conflict. By combining classroom learning, digital learning, and on-the-job mentoring, we enable employees to apply new skills directly to their roles.

Our structured strategy focuses on two main pillars:

Leadership Development:
Programs like the Growing Leadership program equip managers at all levels with tools, workshops, and forums to foster a culture of accountability and empowerment.

Professional Growth:
Tailored learning journeys across engineering, manufacturing operations, and corporate functions deepen and strengthen technical expertise and facilitate knowledge sharing across the organization.

Training in numbers:

Annual training hours per employee:



Health & Safety

Zero Compromise: Elevating Our Culture of Safety

Protecting the life, health, and physical integrity of our workforce is the highest priority at SCD. Given the intricate industrial environment of our semiconductor fabrication plant (FAB), workplace safety is managed as a material topic through rigorous oversight and proactive compliance.

Systemic Safety Governance and ISO 45001 Excellence

SCD's occupational safety framework is built upon a certified, industry-leading foundation designed to integrate seamlessly into our daily workflows:



Certified Architecture:
We operate a comprehensive corporate EHS Management System fully certified to the prestigious global ISO 45001 standard.

Executive Leadership:
A full-time Workplace Safety Manager coordinates all site protocols under a stringent Occupational Safety Policy formally approved by senior executive management.

Internal Safety Assurance:
The company runs a structured internal compliance and monitoring program to ensure all plant activities meet regulatory requirements while continuously promoting higher internal safety standards.

Multilingual Training:
Safety training is delivered via a dynamic annual curriculum. To maximize comprehension, SCD develops interactive digital learning units and safety videos produced in multiple languages.

Health & Safety

Spotlight on The Near Miss ("Almost Hit") Paradigm Shift

During the 2024–2025 reporting period, SCD expanded its Near Miss reporting criteria to strengthen proactive hazard identification and encourage early intervention. Today, any safety-related deficiency including equipment, infrastructure, or process issues is reported as a Near Miss, even when no injury occurs.

Each Near Miss triggers a Corrective and Preventive Action (CAPA) process and root-cause analysis. Findings are reviewed by executive management to ensure corrective and preventive actions are implemented and monitored across the organization. **Proactive Feedback and Employee Incentives.**

SCD regularly conducts employee perception surveys to evaluate workplace safety, including the quality of personal protective equipment (PPE), training effectiveness, and safety leadership. A dedicated Safety Hotline enables employees to report hazards in real time, while a recognition and reward program encourages the submission of safety and operational improvement ideas. **Safety Performance and Incident Indicators.**

Due to proactive risk mitigation and our newly implemented reporting criteria, core incident indicators remained tightly controlled:

Safety Metric Indicator

5
Near-Miss Logged Events
2024



5
Work-Related Injuries
2025



Community Engagement & Development

Driving Impact: Volunteering Metrics

SCD manages its community programs with systematic precision, tracking volunteer rates and continuous engagement levels to maximize communal value.

To cultivate this outstanding level of engagement, SCD utilizes a comprehensive internal support ecosystem that combines structured corporate policies allowing volunteering during paid working hours with dedicated resource pools and digital platforms for collaborative program matching. This strategic framework systematically tracks internal employee sentiments - such as personal satisfaction, well-being, and perceived effectiveness - while actively building multi-year covenants with community partners to ensure continuous, meaningful social development over short-term donations.

Metric Indicator

Total Employee Volunteer Rate (%)

2024 45%
2025 35%



Regular, Continuous Volunteers (%)

+10% VS. 2024

2024 15%
2025 25%



Total Company-Backed Volunteer Hours

+206% VS. 2024

2024 3,000 hs
2025 9,200 hs



Community Engagement & Development

Community Support During a Time of Crisis

The geopolitical events of 2024 and 2025 demanded immediate action.

SCD focused its civic weight on supporting citizens, agricultural zones, and families impacted by the conflict:

- **Agricultural Support:** Groups of SCD employees volunteered on northern farms, ensuring vital seasonal crops were safely harvested.
- **The "HaOgen" Alliance:** SCD partnered with the "HaOgen" non-profit association that assist and empower the spouses and families affected by prolonged reserve service.
- **Solidarity with the North:** SCD purposely held its employee corporate retreat within a northern kibbutz affected by the conflict, supporting local businesses and the regional economy.

Intergenerational Care and Youth Development

Our long-standing community foundations remain incredibly resilient, bridging generations and supporting vulnerable demographics:

- **Holocaust Survivor Networks:** Our teams preserve an active bond with local Holocaust survivors through regular visitation programs designed to offer deep emotional companionship.
- **Kiryat Bialik Children’s Village:** SCD maintains a continuous volunteer covenant with the local children's village.
- **"Running with Good Intentions" Marathon:** A team of SCD employees proudly competes in the annual northern marathon, where all proceeds are donated to frameworks for individuals with disabilities.



Community Engagement & Development

Spotlight: The Yardan Buskila Memorial Garden

In a deeply moving act of remembrance and solidarity, SCD stepped forward to honor the memory of Yardan Buskila, a member of Kibbutz Kfar Masaryk who fell in battle during the war. SCD funded and established a beautiful, permanent Memorial Garden within Kibbutz Kfar Masaryk. This green sanctuary stands as a lasting tribute to Yardan's memory, offering his family, loved ones, and the entire community a peaceful space for quiet reflection and connection.

The Bar-Lev Expansion: Anchoring the Northern Periphery

Real sustainability requires long-term economic stewardship. In 2025, SCD achieved an operational milestone by opening a new operational site within the Bar-Lev Industrial Zone in northern Israel. This strategic corporate expansion serves as a meaningful socio-economic catalyst for the northern periphery, expanding high-tech jobs in the region and hiring of regional service providers and local contractors.





Always What You Need:
Responsible Business & Environment

Ensuring Quality, Customer Support & Information Security

Ensuring Uncompromising Quality

At SCD, quality is our strategic edge and the cornerstone of our global leadership. Operating at the cutting edge of electro-optical innovation requires an unwavering, zero-compromise approach to precision. To make our commitment highly operational, we utilize a single, cohesive framework that blends our Quality Policy (our promises to stakeholders) with our Quality Management Principles (the day-to-day guidelines that govern our actions).

As an example of putting this approach into action, elevated the quality leadership function to senior management in 2025 and promoted it to a member of our senior management.

This integrated approach ensures that from initial R&D through in-house FAB production to product support, uniform and systematic workflows are activated across all organizational tiers.



Ensuring Quality, Customer Support & Information Security

Our Quality Pledges

We formally commit to a corporate culture where excellence is the baseline. This means we pledge to:

- Champion continuous improvement and pursue unmatched quality in everything we do.
- Exceed customer expectations by reliably delivering dependable, efficient products and always meeting our promises.
- Operate a robust Quality Management System that rigorously upholds all internal and external standards.
- Engage all employees in implementing this quality-driven approach on a daily basis.



Ensuring Quality, Customer Support & Information Security

Our Quality Guidelines (Our 8 Operational Principles)

To execute these commitments appropriately, our daily operations across the organization adhere strictly to these eight core principles of quality management:



Customer Focus:
We prioritize a deep understanding of customer needs, striving to fulfill their requirements and surpass their expectations.



Leadership:
Our leaders set clear directions and cultivate an empowered environment where employees are fully engaged in realizing corporate goals.



Employee Involvement:
We fully involve our entire workforce, harnessing their unique potential to boost the company's achievements.



Process Approach:
We recognize that optimal results are achieved most efficiently when activities and resources are managed as cohesive processes.



Managerial Approach:
We systematically identify, evaluate, and manage interconnected processes to ensure a harmonized operational flow.



Continual Improvement:
We commit to the ongoing enhancement of the company's overall performance as an enduring, permanent objective.



Factual Approach to Decision Making:
We base all corporate and engineering decisions on comprehensive data and systematic information analysis to ensure ultimate effectiveness.



Mutually Beneficial Supplier Relationships:
We strengthen collaborations and partnerships with our suppliers to amplify long-term value creation for both parties.

Ensuring Quality, Customer Support & Information Security

World-Class Aerospace Certifications

Our structural compliance is validated through elite, independent certifications:

Privacy Protection and Information Security

SCD respects the privacy and confidentiality of our stakeholders, employees, and clients.

We operate under a dedicated Privacy Protection Policy that includes strict response protocols for potential data issues. All corporate employees complete mandatory annual privacy protection training integrated directly into our cyber security learning platform.

SCD has appointed a Data Protection supervisor and maintains a dedicated privacy team with relevant expertise and professional training, responsible for addressing privacy matters across the organization.

Proactive Customer Care & Support

At SCD, strengthening long-term, successful customer relationships is of paramount importance. We take a highly proactive approach to customer service, acting as a steadfast, reliable partner that anticipates client needs and minimizes operational friction.

To deliver true added value, we built expert cross-functional teams spanning from R&D to system engineering , to collaborate directly with customers. This deeply integrated partnership enables us to work efficiently alongside our clients.



Our Comprehensive Service Framework

Our service portfolio provides full operational coverage across the product lifecycle:

Direct Technical Involvement:

Deploying expert personnel for rapid, on-site troubleshooting directly at customers' premises to resolve complex system integrations.

Knowledge Empowerment:

Providing a comprehensive resource library, including extensive data sheets and reference technical documentation to maximize product potential.

Rapid RMA Processing:

Enforcing high-priority response pathways to quickly process Return Merchandise Authorization (RMA) requests.

Streamlined Maintenance:

Operating an optimized repair infrastructure that minimizes customer downtime and quickly restores equipment to peak functionality.

Transparent Logistics:

Maintaining proactive, open communication channels with regular status updates to keep clients fully informed at every stage of the repair cycle.

Lifecycle Extension:

Offering robust out-of-warranty repair choices to specific customer requirements.

Bespoke Problem Solving:

Maintaining high organizational flexibility to fulfill special operational requirements and custom requests submitted by our partners.



Additionally, for the convenience of our customers in Germany, we opened a **Repair Center** to facilitate the service in the country.



Governance and Risk Management

Governance & Board Structure

SCD enforces rigorous corporate governance standards. As a private entity jointly owned by a public corporation and a governmental enterprise, we seek to apply robust governance practices reflecting the expectations associated with our ownership structure.

Our Board of Directors consists of representatives of the shareholders with deep backgrounds in finance, engineering, and electro-optics. Meeting quarterly, the Board utilizes specialized Finance and Audit Committees to maintain fiscal and operational oversight. Environmental, social, and governance (ESG) performance and strategic metrics are formally presented and reviewed by the full Board at least once a year.

Comprehensive Risk Management & Internal Audit

Risk mitigation at SCD is managed through a proactive, bottom-up operational model integrated across every department. In branches like R&D, technical risks are continuously logged at the granular project level and escalated up to the Vice President. Dedicated personnel are formally assigned to oversee risk remediation schedules, implementation, and continuous compliance control.

To systematically secure this framework, our independent Internal Auditor regularly evaluates the company-wide risk management matrix, checks internal controls, and reviews regulatory compliance across all operations. To ensure complete professional autonomy, the Internal Auditor reports directly to the company CEO and the Audit Committee of the Board.

Business Ethics, Anti-Corruption & Anti-Bribery

Uncompromising Business Ethics & Governance

At SCD, maintaining fair, transparent, and ethical business practices is a non-negotiable core value. Guided by our principles - ALWAYS BY YOUR SIDE AND ALWAYS WHAT YOU NEED - we foster an organizational culture that strictly complies with international laws while proactively preventing bribery, corruption, and misconduct across our global value chain.

We have appointed an Organizational Ethics Officer to promote an equitable corporate culture.

No Regulatory Infractions:

No criminal, administrative, or civil proceedings were brought against SCD or its officers by any regulatory authority during 2024-2025 across all areas.

No Corruption Incidents:

SCD recorded zero incidents of corruption or bribery, and no partnerships or contracts were terminated due to corruption-related violations.



Business Ethics, Anti-Corruption & Anti-Bribery

Code of Ethics Framework (2024 Update)

Our foundational moral compass is the SCD Code of Ethics, which is publicly available to all stakeholders on our company website. To address contemporary challenges and updated operational dynamics, the Code of Ethics was comprehensively updated in 2024.

Operationalizing Ethics: Training

We run a mandatory annual ethics training campaign through an interactive learning platform, featuring an enhanced training tailored specifically to current real-world dilemmas faced by our teams.

SCD communicates its ethical expectations to employees, contractors, suppliers and external vendors through its applicable policies and contractual frameworks.

Operationalizing Ethics: Whistleblower Channels

Another way in which we ensure our ethics values are translated into day-to-day operations, is by maintaining structured internal reporting resources, via a dedicated email channel for submitting anonymous complaints regarding unethical behavior.

Safeguarding Human Rights and Supply Chain Equity

SCD stands firmly for human dignity and workplace equity, managing these areas through active supply chain oversight:

- **Public Human Rights Policy**: The company operates under a formal Human Rights Policy published openly on our website.
- **Proactive Due Diligence:** We prevent corruption risks through a multi-layered verification system, including pre-contractual screening documentation, extensive partner due diligence, and regular compliance updates for suppliers and subcontractors.
- **Supplier Labor Audits:** We monitor service providers through independent wage audits, randomized employee interview sweeps, and a dedicated open-door communication channel with our corporate payroll accountant for contractor staff.

Business Continuity

During the 2024-2025 period, as the challenging regional security environment in Israel created prolonged operational challenges, we successfully implemented our resilience strategy, ensuring a sustained operational model. Guided by our core promise ALWAYS BY YOUR SIDE we ensured that our local and global customers received reliable product delivery despite challenging external conditions. Our sustained production capabilities during a prolonged time of war are anchored in a proactive management approach involving dynamic risk assessment, inventory security planning and agile logistics coordination.

Our business continuity model was thoroughly tested during this challenging period, including significant workforce availability challenges that required agile planning and operational flexibility.

The Bar-Lev Expansion

The opening of our new operational site in the Bar-Lev Industrial Zone in 2025 stands as a powerful testament to SCD's resilience. Completing this major industrial expansion during a period of severe regional crisis demonstrates the unstoppable drive of our teams, our robust business continuity plans, and our unwavering commitment to long-term industrial growth.

This milestone demonstrates SCD's long-term commitment to operational resilience, continuous innovation, and sustainable growth. Even during a period of significant regional challenges,
SCD continued to innovate, expand, and support its global customers.



Always a Step Ahead: Innovation & Excellence



Technological Leadership & New Capabilities

Innovation as Our Strategic Baseline

At SCD, staying ALWAYS A STEP AHEAD is not just a tagline - it is our defining cultural anchor and business strategy. True deep-tech breakthroughs cannot be achieved without an R&D environment that embraces bold exploration. To sustain this momentum, SCD actively cultivates a culture of experimentation and continuous learning. We foster a culture of psychological safety that empowers our engineers to experiment, explore unconventional approaches, and learn from failure. This open mindset removes traditional technological limits, transforming advanced concepts directly into market-leading sensing solutions.

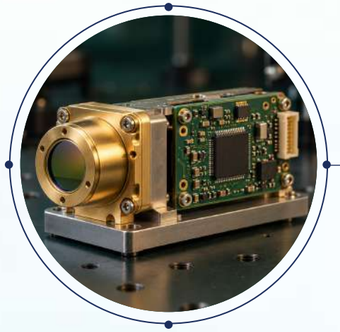
As part of our efforts to strengthen our innovation capabilities, we established the dedicated position of VP for Technology and Innovation during 2025.



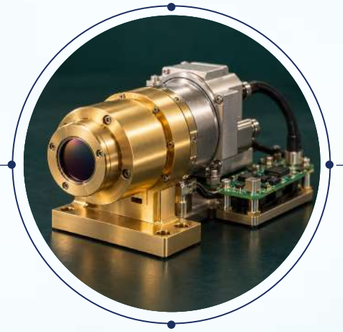
Technological Leadership & New Capabilities

Breakthroughs & New Capabilities

During the 2024–2025 reporting period, SCD continued to expand the boundaries of infrared sensing through innovation across three strategic technology directions:



Detector miniaturization:
Next-generation pixel architectures that enable higher-resolution imaging while reducing system size, weight, and power consumption (SWaP).



High Operating Temperature (HOT) innovations:
We improved sensing performance together with extended product lifetime, reduced power consumption, and more compact system designs.



Detector intelligence:
By integrating advanced capabilities such as embedded optics, edge processing and pixel-level analytics, we enable faster, smarter, and more efficient data generation at the sensor level.

This innovation momentum was reflected in the registration of **28 new patents** during the reporting period.

Technological Leadership & New Capabilities

Spotlight on High Operating Temperature (HOT) Innovation

One example of this innovation strategy is our High Full Mid-Wave (HFM) sensor technology. Beyond delivering enhanced sensing performance, the HFM series extends product lifetime, reduces system size and weight, and significantly lowers power consumption by eliminating traditional bulky cryogenic components, resulting in approximately 40% lower detector energy consumption. These advances provide customers with a more compact, reliable, and energy-efficient solution while also contributing to lower energy use and reduced carbon emissions.



Technological Leadership & New Capabilities

Academia, Community, and Ecosystem Partnerships

True technological leadership thrives on multi-disciplinary collaboration. We actively build strong strategic partnerships with the wider scientific and local ecosystem to expand our collective knowledge:



Academic Synergies:

We maintain close, productive research and development partnerships with leading academic institutions, namely in the North of Israel, including the Technion (Israel Institute of Technology) and Kinneret Academic College. In addition, our senior staff members provide direct guidance as professional mentors and expert judges in student Hackathons, providing crucial direction and real-world feedback on emerging breakthrough projects. We have also published a Call for Proposals to all academic institutions in Israel for the purpose of conducting research in the areas of expertise of SCD.



Inspiring the Next Generation

We view STEM education as a vital social mission. SCD hosts immersive on-site educational workshops for junior and high school students, introducing them to advanced physics, micro-fabrication, and electro-optical engineering.



Community Knowledge Sharing:

Our teams carry out dedicated technological outreach inside schools and for distinct populations, including evacuees and Holocaust survivors, making scientific concepts accessible to everyone.



Public Science Advocacy:

SCD proudly participates as a regular volunteer contributor in major public scientific assemblies, such as International Space Day and interactive educational programs at the MadaTech Museum of Science, exposing the general public to advanced electro-optical sensors.

Product Environmental Impact

Leveraging Deep-Tech for Civil & Environmental Stewardship

We are ALWAYS A STEP AHEAD in looking for ways to channel our defense-grade precision into civil, environmental, and sustainability applications.
These are several of the solutions our innovations provide:



Greenhouse Gas Leak Detection:

SCD manufactures advanced Optical Gas Imaging (OGI) solutions capable of visualizing invisible greenhouse gas emissions including CO_2, SF_6 and methane. Mounted on handheld systems, commercial drones, or helicopters, our detectors enable real-time monitoring of thousands of kilometers of pipelines, significantly reducing the need for time-consuming manual inspections.



Advanced Hyper-Spectral Sorting:

Our specialized sensors look directly at the unique spectral signatures of materials to revolutionize the waste management and recycling sectors. SCD has developed a unique detector capable of successfully identifying and sorting black plastic polymers - a major waste stream that traditional commercial sorting detectors cannot read.



Food Loss Mitigation:

These same hyper-spectral sensors can also be deployed inside agricultural processing lines to instantly separate damaged produce or differentiate between raw materials and their outer shells, directly preventing commercial food waste.

Product Environmental Impact



Wildfire Surveillance:
Integrated inside commercial nano-satellites, our compact, space-certified sensors provide continuous orbital scanning for early thermal tracking of severe wildfires, providing instant alerts to forest and municipal authorities.



Precision Agriculture:
Our satellite-mounted hyperspectral arrays help large-scale industrial farms optimize irrigation, detect plant diseases at an early stage, and optimize pesticide application to help prevent pesticide drift beyond field boundaries.



Atmospheric & Industrial Monitoring:
Our cameras provide real-time tracking of fine particulate matter air pollution, while our Flare Monitoring arrays analyze industrial chimneys to verify complete, clean fuel combustion. Additionally, our sensors monitor industrial furnaces (e.g., melting glass, paper, or cement) to ensure completely uniform material melting temperatures, cutting energy waste and industrial scrap.

Environmental Performance

Carbon footprint

Advancing Environmental Stewardship

At SCD, our commitment to technological leadership goes hand in hand with our responsibility to minimize our environmental footprint. Operating a sophisticated semiconductor fabrication facility requires continuous oversight of resources, energy, and raw materials. Driven by our core value ALWAYS A STEP AHEAD we systematically integrate sustainable operational practices to protect ecosystems, optimize industrial resource consumption, and advance environmental governance across our manufacturing footprint.

Environmental Governance and Eco-Transportation

SCD operates under a structured, Environmental Policy designed to manage and minimize the environmental impacts inherent to advanced high-tech manufacturing. The Policy is published on our website and is accessible to all stakeholders.

Certified Environmental Management

Our operational architecture is fully certified to the internationally recognized ISO 14001 standard for environmental management systems. A dedicated corporate Environmental Officer actively monitors site-wide compliance and resource optimizations.



Environmental Performance

Greenhouse Gas Inventory and Energy Efficiency

We track and manage our climate impact by measuring greenhouse gas emissions across our operations. SCD employs a certified, professional Energy Manager supervising site efficiency efforts.

Greenhouse Gas and Energy Footprint (Scope 1 & 2)

Scope 1 Emissions (in tCO2e)

2024 1,124

2025 1,126

Scope 2 Emissions (in tCO2e)

2024 11,026

2025 11,602



Scope 1+2 Emissions (in tCO2e)

2024 12,150

2025 12,727

GHG Intensity*

*Per annual sales, tCO2e/$1M

2024 0.0526

2025 0.0471

Environmental Performance

Spotlight: The 2025 Chiller Infrastructure Project

To drive structural decarbonization, SCD executed a major energy efficiency project in 2025 by replacing a central industrial chiller system at a cost of nearly 1 million ILS. Demonstrating our independent commitment to environmental stewardship, SCD bore the entire installation cost alone and elected not to apply for state efficiency grants, despite qualifying for governmental support.

This infrastructure upgrade is highly efficient, delivering significant ongoing savings:

- Reduces energy consumption by close to 220 TOE (Tons of Oil Equivalent) annually.
- Prevents approximately 1,018 tonnes of carbon dioxide emissions (tCO_2e) per year.
- Eliminates approximately 10% of the company's total greenhouse gas emissions footprint.

Spotlight: Decarbonizing Employee Transit

Employee commuting is a major contributor to indirect transport footprint. To address this, SCD manages a comprehensive shared transit network. Approximately 60% of our employees commute to production sites using company-organized shuttles. Additionally, the company provides a dedicated internal carpooling platform and directly funds alternative transportation arrangements for workers who choose to leave their private vehicles at home.

2025 Chiller Upgrade

Nearly 1 million ILS invested



≈220 TOE
Annual energy savings

≈1,018 tCO_2e
Annual emissions avoided

Shared Employee Transit



≈60%
of employees commute via company shuttles

Environmental Performance

Circular Economy: Waste Minimization and Precious Metals Recovery

SCD embeds circular economy principles, focusing on waste reduction and meticulous extraction of high-value industrial byproducts.

Spotlight on Precious Metals Recovery

As part of our commitment to circular manufacturing, SCD operates a specialized recycling protocol to collect and recover precious metals - specifically gold and indium - from manufacturing scrap and production byproducts. Without this recovery process, these high-value technical elements would otherwise be disposed of as industrial waste. Through this program, we successfully reclaimed nearly 5 tons of metals in the years 2024-2025.

Solid Waste Diverted to Recycling (ton)

2024 47

2025 108



Precious Metals Recovered from Production (ton)

2024 2.23

2025 2.46

Environmental Performance

Water Management and Conservation Efforts

Water is an essential component in semiconductor rinse procedures and fabrication processes. SCD actively tracks its water balance and works to capture and repurpose water flows for internal facility maintenance.

Total Water Consumption Volume (m^3)*

*Leshem site only

2024 47,517

2025 45,342



Water Consumption*

*Per annual sales, m^3/$1M

2024 0.206

2025 0.168

Responsible Supply Chain

Building a Responsible & Resilient Supply Chain

At SCD, managing our procurement processes goes far beyond standard logistics. We use our commercial purchasing power as a powerful tool to strengthen our national economy, empower underrepresented communities, and enforce premium compliance across our supplier network.

The SCD Suppliers Code of Conduct

To ensure complete alignment across our value chain, SCD enforces a formal, mandatory Suppliers Code of Conduct. We require all external vendors and partners to adhere strictly to high standards of human rights, labor protection, business ethics, and legal compliance.

Key requirements under this comprehensive code include:



Human Rights and Anti-Trafficking:
Absolute prohibition of child labor, forced labor, or human trafficking, alongside strict protections against confiscating identity documents or using misleading recruitment practices.



Fair Employment Practices:
Guaranteed payment of legally mandated wages and overtime premiums, full respect for freedom of association, and the eradication of workplace discrimination or harassment.



Anti-Corruption & Fair Competition:
Strict bans on bribery, anti-competitive price-fixing, bid-rigging, insider trading, and unauthorized exchanges of proprietary or non-public data.



Conflict of Interest & Data Safety:
Explicit requirements to declare potential personal conflicts of interest and maintain advanced physical and electronic security procedures to safeguard proprietary information.

Responsible Supply Chain

Performance Monitoring and Supplier Recognition

SCD operates an objective annual evaluation framework to audit performance, calculate quality scores, and reward exceptional collaboration. Our electronics suppliers undergo intensive quarterly and annual evaluations. They are graded across strict quality and service parameters and divided into three distinguished tiers. Outstanding achievements are published across our corporate networks to recognize top-performing partners.

To honor these multi-year bonds, our key suppliers have also been formally invited to join SCD's 40th-anniversary milestone events, celebrating decades of shared success and collaborative engineering breakthroughs.

Targeted Procurement and Economic Inclusivity

Beyond baseline compliance, our targeted purchasing strategy deliberately prioritizes and empowers small and medium-sized enterprises (SMEs), social businesses, companies owned by those impacted by the war, and businesses operating within the northern periphery and near our primary facilities.

This strategy translates into real-life actions:

Preferred Commercial Terms:

To build a resilient local ecosystem, SCD provides accelerated, preferred payment terms to small and social businesses, helping them maintain steady cash flow during challenging periods.

Wartime Community Solidarity:

In 2024 and 2025, amid the severe regional displacements, SCD launched dedicated solidarity initiatives. The company integrated business owners from northern border communities and areas surrounding the Gaza envelope into its vendor lists, offering employees holiday gifts sourced exclusively from these impacted suppliers from affected communities.

Responsible Supply Chain

Local Sourcing and Periphery Impact Metrics

Our structured commitment to domestic production ("Blue & White" sourcing) and peripheral businesses delivered substantial, measurable impact across the 2024-2025 reporting cycle:

Supply Chain Performance Indicator



Procurement Channeled to the Periphery (%)

2024 83%

2025 85%



Domestic "Made in Israel" Sourcing (%)

2024 76%

2025 78%



About This Report and Contact Details

This report presents Semiconductor Devices Ltd. (SCD) Sustainability performance for the reporting period spanning January 1, 2024, through December 31, 2025. This publication builds continuously upon our inaugural 2023 report, demonstrating our ongoing commitment to transparency and responsible industrial growth.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards, ensuring a globally recognized, metrics-driven approach to tracking our material impacts.

The scope of the data provided in this report covers SCD's Israeli operations only. For this 2024-2025 cycle, this includes our main manufacturing facility in Misgav alongside our newly inaugurated site within the Bar-Lev Industrial Zone (exceptions or negligible data streams are clearly demarcated inline).

All financial figures are reported in USD or ILS, and environmental data is calculated using standard absolute metrics and intensity indicators.

This report was prepared in good faith using the company’s best efforts to ensure data accuracy and completeness. However, this report is provided for informational purposes only and does not constitute a legal, financial, or binding representation.

We welcome open dialogue and engagement with our global clients, suppliers, employees, and community partners. For questions, feedback, or detailed comments regarding our sustainability strategy and this report, please contact our ESG manager, Mrs. Liron Dagan, via our official portal at SCD.co.il

GRI Standards Index

SCD has reported the information cited in this GRI content index for the period 2024-2025 with reference to the following GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 5-6, 9, 40, 59
	2-2 Entities included in the organization's sustainability reporting	Page 59
	2-3 Reporting period, frequency and contact point	Page 59
	2-6 Activities, value chain and other business relationships	Pages 5-6, 38-39, 56-57
	2-7 Employees	Pages 9, 17, 22-24
	2-9 Governance structure and composition	Page 40
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 40
	2-14 Role of the highest governance body in sustainability reporting	Pages 11, 40
	2-23 Policy commitments	Pages 29,38,41-42, 51, 56

GRI Standards Index

SCD has reported the information cited in this GRI content index for the period 2024-2025 with reference to the following GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Pages 29, 42, 56-57
	2-26 Mechanisms for seeking advice and raising concerns	Pages 17, 30, 42
	2-27 Compliance with laws and regulations	Page 41
	2-29 Approach to stakeholder engagement	Page 13
	2-30 Collective bargaining agreements	Page 17
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 11
	3-2 List of material topics	Page 12
	3-3 Management of material topics - employment and development	Pages 17-20, 28
	3-3 Management of material topics - diversity and inclusion	Pages 21-25

GRI Standards Index

SCD has reported the information cited in this GRI content index for the period 2024-2025 with reference to the following GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-3 Management of material topics - occupational health and safety	Pages 29-30
	3-3 Management of material topics - communities	Pages 31-33,48
	3-3 Management of material topics - ethics and human rights	Pages 41-42, 56
	3-3 Management of material topics - climate and energy	Pages 51-53
	3-3 Management of material topics - waste and water	Pages 54-55
	3-3 Management of material topics - supplier practices	Pages 56-58
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Pages 31-33, 57-58
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 58
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Pages 42, 56

GRI Standards Index

SCD has reported the information cited in this GRI content index for the period 2024-2025 with reference to the following GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Page 41
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Page 53
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 52
	305-2 Energy indirect (Scope 2) GHG emissions	Page 52
	305-4 GHG emissions intensity	Page 52
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 54
	306-2 Management of significant waste-related impacts	Page 54
	306-4 Waste diverted from disposal	Page 54
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pages 17-18

GRI Standards Index

SCD has reported the information cited in this GRI content index for the period 2024-2025 with reference to the following GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 29
	403-2 Hazard identification, risk assessment, and incident investigation	Page 30
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 30
	403-5 Worker training on occupational health and safety	Page 29
	403-9 Work-related injuries	Page 30
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 28
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 28
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 17
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 22-25