

SOLTEQ



# Voluntary Sustainability Report

2024

# Sustainable Development at Solteq

Sustainably produced solutions and operating with high responsibility as a service provider, employer, partner, and corporate citizen are preconditions for successful business and strong stakeholder relations. Sustainable practices are based on the Company's Code of Conduct and operating principles concerning anti-bribery and corruption, human resource management, sustainable development, environmental responsibility, information security, and data protection. In addition to the Company's internal guidelines, sustainable practices are guided by local legislation, regulations, instructions, standards issued by authorities, and international principles governing ethical business, human rights, and corporate responsibility.

## Preparing for Changes in Sustainability Reporting

Since 2023, Solteq has started preparing for sustainability reporting in accordance with the European Sustainability Reporting Standards (ESRS). Sustainability topics have been assessed using ESRS-compliant double materiality assessment methodology. In addition, the Company has conducted an extensive stakeholder survey to examine the views and needs of the key stakeholders regarding Solteq's sustainable practices and related reporting. Solteq will continue to develop its sustainability strategy based on the results of the double materiality assessment and the stakeholder survey.

The Company is not obligated to prepare a sustainability report for the financial year 2024, as the required thresholds were not met due to changes that occurred within the Company during the financial year. Therefore, the Company has decided not to prepare a CSRD Directive (Corporate Sustainability Reporting Directive) compliant sustainability report for 2024. The Company will commence sustainability reporting under the ESRS (European Sustainability Reporting Standards) for the financial year 2025.

## The Double Materiality Assessment Confirmed Solteq's View of the Most Relevant Sustainability Topics

The double materiality assessment, conducted in 2023, evaluated the significance of sustainability topics defined by ESRS from the perspectives of both impact and financial significance. The analysis assessed Solteq's impacts on the surrounding society and stakeholders and the impact of sustainability topics on Solteq's business.

In previous years, the Company has defined social responsibility, data protection and information security, anti-corruption and bribery, as well as environmental responsibility as the key areas of sustainability for its operations. No significant new material sustainability topics were identified through the double materiality assessment conducted. Themes related to the Company's workforce, ethical business conduct, information security, data protection, and the environment emerged as the most significant subtopics of sustainable development.

## Key Sustainability Topics Were Evaluated Through Expert Working Groups and Research Data

During the double materiality assessment, different sustainability topics were discussed in working groups consisting of Solteq's own experts and external experts in capital markets, investor communications, and sustainable development. Publicly available research and other relevant materials were utilized in the work.

The scale, scope, and character of the impacts were considered when assessing the sustainability topics. The environmental and social impact assessment relied on thematic publicly available data, such as risk reports from the World Economic Forum, gender equality reports, the sixth assessment report by the IPCC (Intergovernmental Panel of Climate Change), and the UNEP FI (United Nations Environment Program Finance Initiative) assessment tool for human rights impacts. The materiality of each sustainability theme was evaluated based on scientific information and considering the scope and scale of the impacts.

When assessing the economic impact of sustainability themes, the impact of potential risk or opportunity on Solteq's revenue, costs, debt structure, or revenue growth was considered. A threshold was set for materiality, which was considered essential from the perspective of capital markets. Some of the risks, opportunities, and impacts are uncertain by nature, so their likelihood also determines the topics presented in sustainability reporting.

### **The Results of the Stakeholder Survey Were in Line with Solteq's Own Sustainability Views**

The views of stakeholders were mapped through a digital questionnaire in 2023. The survey was sent to shareholders, bondholders, the Board of Directors, the Executive Team, personnel, customers, and partners. In addition, the survey was targeted at investors and analysts through external independent investor media. The number of respondents to the survey was 139.

The survey mapped stakeholders' views on which sustainability topics are most relevant to Solteq. In addition, stakeholders were consulted on their wishes for more information on the different sustainability topics.

The results of the stakeholder survey were in line with Solteq's views, and the sustainability topics identified as material were the same for external and internal stakeholders.

### **Responsibility in Customer Relationships**

Solteq helps customers find solutions that suit their needs, are technologically modern and offer a high level of information security. Customer satisfaction is monitored regularly.

Solteq's quality plan defines the principles governing quality management in customer projects. Instructions and guidelines related to quality planning, assurance, control, and improvement aim to ensure the high-quality execution of customer projects and the achievement of the agreed-upon objectives.

### **Risk Management System**

The Group's risk management is guided by legal requirements, regulations and instructions given by authorities, other rules and standards binding the Company, business requirements set by the Company's shareholders and the expectations of other stakeholders. The goal of risk management is to identify and acknowledge the risks related to the Company's operations as well as ensure that the risks are appropriately managed when making business decisions. The Company's risk management supports the achievement of strategic goals and ensures the continuity of business operations.

Risk management aims to ensure that the risks affecting the Company's business are identified, managed, and monitored. To ensure the implementation of sustainable practices, the Company has identified and systematically monitors areas, such as:

- risks pertaining to employees and working, such as those related to discrimination, working conditions, and equal pay,
- risks related to information security and privacy, particularly phishing, data breaches or other leaks of personal data,
- risks related to corruption and bribery, particularly concerning the supply chain and customer relationships, and
- risks related to the Company's reputation and stakeholders' trust in the Company, such as changes in the operation of the Company or its partners, any accidents, crises affecting environment and personnel, and negative publicity. The Company is prepared to communicate in a timely and clear manner during crises and exceptional and disruptive circumstances to maintain the stakeholders' trust in the Company. The Company has an up-to-date crisis communication plan.

### **Managing Corporate Responsibility and Sustainability**

The Executive Team and the Board of Directors regularly discuss sustainability topics identified as material. The CEO is responsible for sustainability reporting. When CSRD-compliant reporting begins, the same instances responsible for financial reporting will be responsible for sustainability reporting.

# Personnel

The efficiency and cost-saving measures implemented in 2024 impacted employee satisfaction. However, employee experience is developed on a long-term basis to create a more unified, successful, and happier workplace.

Managers are crucial in building a more unified, successful, and happier workplace. Employee training focused on developing managers' leadership skills and mastering HR processes and tools. The Solteq Academy training program, aimed at managers, continued throughout the year and will continue in 2025.

Training for all employees focused on supporting resilience during times of change and enhancing technical capabilities essential to business operations. Investments in employee skills and well-being gained momentum towards the end of 2024 when a decision was made to expand the Solteq Academy training program to all employees in 2025 to further develop the capabilities and skills of the entire workforce.

Well-being at work is supported by, among other things, flexible work hours, remote work opportunities, and extensive sports, culture, and well-being benefits. The Company has significantly invested in developing preventive occupational health services and has strengthened its collaboration with the pension insurance company to minimize disability risks.

Employee satisfaction is measured with weekly surveys and a more extensive survey conducted once a year. The results are used to develop employee experience and to support managerial work. The Company's restructuring and cost-saving measures had a clear impact on employee satisfaction: In 2024, the Employer Net Promoter Score (eNPS) was -27 (-29).

Successful recruitment plays a strategic role in a business based on skilled personnel and optimal resources. The hiring process has been streamlined by centralizing recruitment activities and training managers. In 2024, the Company recruited 34 new employees (55). Personnel turnover was 15 percent (19).

Solteq strives to be a flexible employer that values equality and diversity. Employees are treated equally regardless of their gender, ethnicity, religious beliefs, age, and other such factors. The average age of the personnel was 42.7 years (41.7). Women accounted for 27.1 percent of Solteq's personnel (26.5).

Solteq respects internationally recognized human and workers' rights and nurtures a safe and healthy work environment for all its employees. The fundamental principles of Solteq's personnel management have been defined in the action plans related to the personnel. According to the Company, there are no significant risks of human rights infringements associated with its operations. Possible risks of human rights infringements are related to the supply chain. These risks are managed by choosing business partners carefully and obligating the partners to commit to Solteq's sustainability principles or other equivalent sustainability principles.

# Data Protection and Information Security

The confidentiality of data and the integrity of information systems are at the core of Solteq's efforts related to information security. It is crucial for Solteq to protect the privacy of its stakeholders and the processing of confidential data.

Solteq's company-level IT operations, covering data security practices, control systems, and risk management, were granted ISO/IEC 27001:2013 certification in 2019. The certification requires that the Company continuously develop its information security and data protection. It was audited in December 2024 by KPMG IT Certification Ltd. No significant shortcomings were found.

Regarding personal data, Solteq operates in the market as both a controller and a data processor. The Company's data protection practices are publicly available. Solteq processes personal data in compliance with legislation and only collects personal data when necessary.

Solteq provides its customers with guidance and instructions related to appropriate technical and organizational measures, which contributes to privacy protection in society. During 2024, Solteq has been involved in implementing information security and data protection as part of its customer projects. The emphasis has been on further developing and enhancing identity protection and the technical protection level of IT infrastructure, for example, by enhancing endpoint device protection. Solteq has specifically considered increased cybersecurity threats in its preparedness efforts. In 2024, Solteq implemented a new system to meet NIS2-compliant supply chain security requirements and to manage risks related to the business continuity of third parties, protection of customer data, and other critical resources.

Cybersecurity threat prevention and communication are managed by an established Security Incident Reporting process, which ensures that the relevant parties are informed of potential or actual security incidents. With this process, Solteq aims to ensure efficiency in handling information security incidents. Solteq is involved in the Digipooli project led by the National Emergency Supply Agency. Digipooli is a trust network between businesses and public authorities that supports and promotes societal preparedness and safeguards operating conditions in the event of disruptions and exceptional circumstances. In 2024, Solteq joined Traficom's ISAC information-sharing group, where cybersecurity-related matters are confidentially discussed within the industry. The ISAC group serves as a key channel for identifying critical cybersecurity issues.

Solteq employees' information security skills are maintained through regular and mandatory training. Solteq employees already receive information security training as part of onboarding. Extended data protection and information security training covering all personnel was introduced in the spring of 2019. Approximately 80 percent of the employees completed the Information Security and Data Protection training in 2024.

Solteq's information security and data protection operations are managed by an information security team that operates closely with the business units and is responsible for the information security of infrastructure services and enterprise resource planning.

## Anti-Corruption and Bribery

Solteq does not condone bribery or corruption in any form. The Company requires compliance with anti-bribery principles and the principles governing business transparency in all operations.

Solteq chooses its partners carefully and all payments are subject to appropriate approval using a pre-defined phased approval process and must be recorded in the Company's accounts. The Company does not pay or approve of any questionable benefits. All benefits given or received must be transparently reportable to everyone. The Company is committed to transparency in all its business operations.

Solteq's Board of Directors has approved the Company's Anti-Corruption and Bribery Policy and its principles in 2016. The policy complements Solteq's Code of Conduct. In addition, Solteq requires its suppliers and partners to commit to the Company's ethical principles or corresponding principles concerning corporate responsibility.

Solteq's stakeholders are primarily domestic and Nordic entities. The Company's business is conducted in regions where the risk for corruption and bribery is low. Solteq assesses partnership risks on a case-by-case basis and requests additional accounts and clarifications, when necessary, based on the partnership risk assessment.

Solteq has a whistleblowing channel to enable anonymous reporting of suspected misconduct and the follow-up of the handling of the reports. The Company is committed to processing all reports confidentially and in accordance with a standard process. Solteq complies with the EU Whistleblowing Directive and national legislation. During 2024, no suspected misconduct meeting the Whistleblowing criteria was received.



# Climate and Environment

Solteq considers climate and environmental perspectives in its operations. Due to the nature of Solteq's business model, the impact of environmental factors such as climate change and biodiversity on the Company's business is limited. The impact of the Company's own operations on the environment is also minimal, and the potential for influencing the environmental impact of the value chain is very limited. Nevertheless, climate and environmental perspectives are material to the Company. The Company is committed to considering environmental aspects and monitoring the development of greenhouse gas emissions.

Reporting under the Corporate Sustainability Reporting Directive (CSRD) will begin in 2026, and the Company is preparing to report its 2025 greenhouse gas emissions in compliance with CSRD and the ESRS E1 standard.

## Assessing Greenhouse Gas Emissions

Solteq has assessed the greenhouse gas emissions of its operations since 2020 following the international Greenhouse Gas Protocol. The calculation of the climate burden caused by greenhouse gas emissions considers direct emission sources from the Company's operations (Scope 1), indirect emissions related to purchased energy (Scope 2), and indirect emissions related to the value chain and procurement (Scope 3). The climate burden arises from emissions of greenhouse gases such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) into the atmosphere. The amount of greenhouse gas emissions is expressed in carbon dioxide equivalents (CO<sub>2</sub>e), where the different global warming effects of various greenhouse gases are considered using characterization factors (GWP, global warming potential).

In 2024, Solteq Group's value chain's market-based greenhouse gas emissions were 1,283.4 t CO<sub>2</sub>e and location-based greenhouse gas emissions were 1,311.5 t CO<sub>2</sub>e.

- Scope 1 covers direct emissions resulting from the Company's operations, which arise from emission sources owned or controlled by the Company. These cover the greenhouse gas emissions resulting from the consumption of fossil fuels in leased cars, which accounted for 1.0 percent of the total emissions.
- Scope 2 covers indirect emissions related to purchased energy resulting from the Company's operations. These include greenhouse gas emissions from electricity, heating, and cooling of the premises, and emissions from leased electric vehicles. Together, these emissions accounted for 5.2 percent of the market-based emissions.
- Scope 3 covers indirect emissions related to the value chain and procurement resulting from the Company's operations. The 2024 calculation covers the greenhouse gas emissions from business travel, commuting, and equipment and capacity purchases. Scope 3 emissions accounted for 93.8 percent of Solteq's total emissions. Equipment and capacity purchases accounted for 84.2 percent of the Scope 3 emissions.

The Company's total emissions increased compared to the previous year. Emissions increased in Scope 3, primarily due to increased capacity procurement. Emission reductions occurred in Scope 1 and Scope 2, as well as in business travel and employee commuting within Scope 3.



The calculation has been carried out with similar thresholds during 2020–2024, making the results mainly comparable. For 2024, the calculation was conducted by OpenCO2net Oy.

## Greenhouse Gas Emissions of Solteq Group's Own Operations

In 2024, the greenhouse gas emissions of Solteq Group's own operations were 170 t CO<sub>2</sub>e. The calculation of greenhouse gas emissions from own operations includes the following:

- emissions from the consumption of fossil fuels in leased cars (Scope 1),
- emissions from electricity, heating, and cooling of premises, as well as emissions from leased electric cars (Scope 2), and
- emissions caused by business travel (Scope 3).

Emissions from employee commuting and equipment and capacity procurement are not included in the calculation of the greenhouse gas emissions from own operations to ensure comparability with previous years.

In 2024, the greenhouse gas emissions from the Group's own operations decreased by 15.3 percent from the previous year. The decrease in Scope 1 emissions was influenced by the reduction in the number of leased cars and fuel purchases. The reduction of Scope 2 emissions is explained by the increase in the proportion of renewable energy in the consumption of electricity and district heating on-premises. The decrease in Scope 3 emissions was due to a reduced amount of business travel. The emission reductions related to leased cars and business travel are attributed to a decline in the number of personnel compared to the previous year.

## The development of emissions in 2023–2024

	2024, t CO <sub>2</sub> e	2023, t CO <sub>2</sub> e	Change, %
<b>Scope 1</b>	12.9	20.0	-35.5
<b>Scope 2, market-based</b>	67.2	80.2	-16.2
<b>Scope 2, location-based</b>	95.3	175.2	-45.6
<b>Scope 3</b>	1,203.3	689.1	+74.7
<i>Category 1: purchased products and services</i>	<i>1,080.5</i>	<i>545.4</i>	<i>+98.1</i>
• <i>capacity purchases for customers</i>	<i>775.2</i>		
• <i>capacity purchases for own usage</i>	<i>192.4</i>		
• <i>equipment purchases for customers and own usage</i>	<i>112.7</i>		
<i>Category 6: business travel</i>	<i>89.9</i>	<i>100.6</i>	<i>-10.6</i>
<i>Category 7: employee commuting</i>	<i>32.9</i>	<i>43.1</i>	<i>-23.7</i>
<b>Total, Scopes 1–3*</b>			
<b>Market-based</b>	1,283.4	789.3	+62.6
<b>Location-based</b>	1,311.5		

\*) The increase in total emissions is explained by higher capacity procurement costs, where emissions were assessed using purchase expenses in euros as a metric due to the lack of physical metrics. The increase in procurement may partly be due to increased prices, and the 2025 emissions reporting aims to improve accuracy by utilizing emission data based on physical metrics. Additionally, in the 2024 calculation, Scope 3 Category 1 emissions included emissions from the purchased equipment for customers, which was not considered in previous years' emission calculations. This partly explains the increase in emissions within this category. The share of emissions related to purchased equipment for customers accounted for 10% of the total Category 1 emissions.

The greatest potential for limiting greenhouse gas emissions lies in favoring renewable forms of energy in facility choices and capacity procurement. In addition, restraint in business travel also helps to mitigate emissions. In the future, direct greenhouse gas emissions can be reduced by favoring electric cars in leasing contracts.

The following measures can improve the reliability and accuracy of the calculations:

- Conducting emissions calculations in a way that allows a greater share of the assessment to be based on physical emission factors.
- To achieve more accurate calculation results, the calculation should include all significant Scope 3 categories that cause emissions.

### **Green Choices as a Part of Daily Work**

Solteq strives to reduce the environmental impact of its premises and equipment and to increase material recycling. When choosing premises, the company favors modern, energy-efficient, and healthy spaces.

Centrally located offices, the use of modern communication technology, and remote work opportunities aim to reduce the need for traveling. The Company continues to favor sustainable means of travel, whenever team meetings and other face-to-face meetings are organized.

A significant proportion of the industry's environmental impacts arise from hardware manufacturing. Solteq considers this in its purchase practices by favoring energy efficiency, life cycle, and reliability of hardware. Network and information system hardware and phones are mostly purchased from well-known and certified suppliers. Equipment that has reached the end of its life cycle is collected in WEEE collection containers at Solteq's offices to be recycled and used as raw material for electronics. Solteq engages in dialogue with different equipment suppliers to support sustainable principles.

## Solteq's Sustainability Priorities, Objectives, and Key Performance Indicators

Topic	Principles and processes	Objective	Performance indicators	2024	2023	2022	Most significant risks
<b>Anti-corruption and Bribery</b>	<p>Anti-corruption and bribery policy</p> <p>Engaging the commitment of employees and partners</p> <p>Whistleblowing channel</p>	Commitment of employees and other stakeholders	Number of reported infringements	0	0	0	<p>Criminal and other legal sanctions</p> <p>Impacts on customer relationships and public procurement</p> <p>Reputation risk</p>
<b>Management of identified risks</b>	Several online trainings are organized for personnel in connection with the risk factors identified during the year. Topics include data security and protection and prevention of corruption and bribery.	Personnel training and effective prevention of risks	Participation of the personnel in annual mandatory trainings	83%	80%	80%	<p>Risks related to data protection and information security</p> <p>Risk factors related to the Company's reputation</p>
<b>Personnel</b>	<p>A culture of sharing knowledge, working together, and experimenting</p> <p>Development of leadership and managerial work</p> <p>Performance reviews and competence management</p> <p>Competitive benefits</p> <p>Development of the employee experience</p>	<p>A more unified, successful, and happier workplace</p> <p>The Company supports competence development, provides an equal and non-discriminatory workplace community, and supports individual wellbeing</p> <p>Positive employee experience</p>	Employer Net Promoter Score (eNPS)	-27	-29	27	Dissatisfactory employee experience
<b>Environmental Responsibility</b>	<p>Measurement and analysis of greenhouse gas emissions</p> <p>Life Cycle Management</p>	<p>Mitigation of the Company's greenhouse gas emissions</p> <p>Re-use of workstations</p>	<p>Greenhouse gas emissions from the Company's own operations, t CO<sub>2</sub>e</p> <p>Percentage of workstations that have been reused out of all workstations.</p>	170	201	384	<p>Climate change related potential risks</p> <p>Reputation risk</p>

# SOLTEQ

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