Helvar

SUSTAINABILITY REPORT 2024

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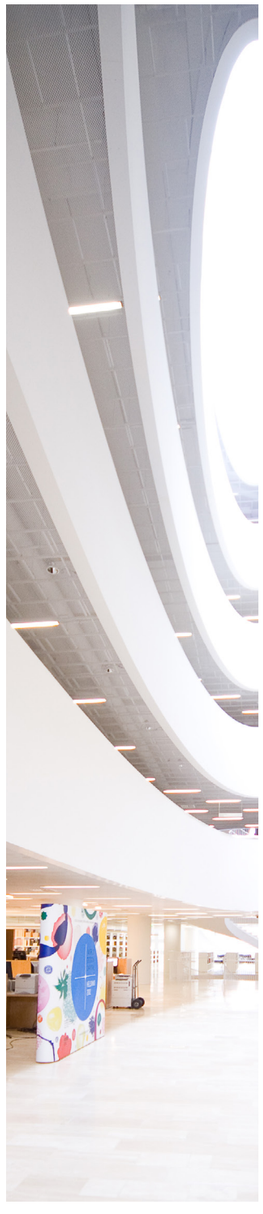


A word from Helvar's CEO

It's my privilege, as Helvar's new CEO, to present our latest sustainability report—an anchor in our commitment to creating Brighter Spaces and advancing healthier, smarter, and greener environments worldwide. This year, we celebrate the progress of a significant transformation, proving once again that resilience and innovation go hand in hand.

2024 marked a pivotal chapter in Helvar's story. With the demerger of Helvar Components, we have sharpened our focus on intelligent lighting control solutions and digital services. Alongside this, a renewed organisational structure enables us to move forward with greater agility and purpose, even as we navigate a turbulent construction industry.

Stepping into the role of CEO this year has been an incredible journey. I've been inspired by the dedication of our teams, our shared commitment to sustainability, and the exciting potential of our solutions. 2024 was a challenging year in many markets, but significant opportunities remain, driven by the European Building Directive (EBD) as it pushes towards net-zero buildings. Building renovations, in particular, present a major opportunity for Helvar.

The growing importance of technologies such as environmental sensing offers powerful ways to create spaces that not only respond to our needs but also protect our planet. By monitoring conditions such as air quality, temperature, and sound, our solutions help building stakeholders make data-driven decisions to improve wellbeing, enhance energy efficiency, and create more sustainable spaces.

This report reflects our ongoing compliance with the European Corporate Sustainability Reporting Directive (CSRD) and demonstrates our dual focus: reducing the ecological footprint of our operations while expanding the carbon handprint of our solutions. As we continue to innovate and collaborate, we remain determined in our mission to mitigate the climate crisis and drive positive change in the built environment.

Looking ahead, Helvar will continue investing in technologies that make a difference, embracing the possibilities of a smarter, greener future. Together, we will overcome industry challenges while shaping intelligent indoor spaces that enhance wellbeing, foster sustainability, and contribute to a better world for all.

Kim Långström

General disclosures

General basis for preparation of the sustainability statements

(BP-1)
(BP-2)

The sustainability statement in this report has been prepared on a consolidated basis for Helvar Oy Ab and all its subsidiaries. This consolidation is the same as for Helvar Oy Ab's financial statements. Although all Helvar Oy Ab subsidiaries are included in the scope of reporting, they are excluded from some of the metrics due to the unavailability of the data. The reporting is extended to the upstream value chain to the extent that is required for reporting on material impacts, risks, and opportunities in accordance with the European Sustainability Reporting Standard (ESRS) 1 part 5.1. This means reporting on the outcome of sustainability due diligence processes, the outcome of the materiality assessment and including specific information required by the topical ESRS. Helvar has omitted some specific pieces of information due to business sensitivity. Helvar has not deviated from the time horizons defined in ESRS 1. In comparison to last year's report, only ESG (Environmental, Social, Governance) metrics for Helvar Oy Ab are considered, omitting the first 4 months of common operations with Helvar Components.

Value chain estimations have been used for some of the metrics, mostly for those in ESRS E1: Climate change. In this case, sector- and country-average data has been used. For some of the metrics, this type of data is the most accurate data that is available. Changes to metrics from the last report have mostly to do with updates to the estimations, as the sector- and country-average data has been updated. Helvar is currently not planning on changing the emission factors used. When compared to typical GHG reporting, Helvar's reporting includes no significant estimation uncertainty or outcome uncertainty. Helvar takes precautionary steps in reporting and when information is not available, takes the most conservative approach, meaning that things are assumed to take the least environmentally impactful outcome unless otherwise proven.

Governance and the role of the administrative-, management- and supervisory body

(GOV-1)
(GOV-2)

The highest governance body at Helvar is the Board of Directors (BoD), which is composed of four independent, professional board members and two members of the owner-family. There are six full members with a gender ratio of women to men being 1:5 respectively. Other participants in board meetings are the CEO, CFO, and a board observer. There is no employee representation in the Board of Directors. The board is responsible for oversight of the sustainability-related impacts, risks, and opportunities, guiding and accepting targets for sustainable development, approving the related strategies and policies, and approving the results of the double materiality analysis and the final sustainability report. The process is scheduled around the annual timing of the strategy process.

Leadership processes are centred around the OKR (Objectives and Key Results) methodology, which involves setting significant objectives with targeted future-oriented key results, cascading to teams and individuals. Helvar's key activities and their outcomes are regularly measured and reported to the board by a selected executive. The Board of Directors is responsible for approving the proposal of targets set by the management, and monitoring them to ensure they align with the OKRs and the annual sustainability reporting. The board focuses on overarching targets, while management focuses on the more detailed targets and their achievement. Helvar's performance, key activities and their outcomes are regularly measured and reported to the board. The Board of Directors' responsibilities for impacts, risks and opportunities are not yet reflected in the terms of reference, board mandates or other related policies. The Board of Directors has a good overall understanding of sustainability in terms of the key issues in the industry, especially related to sustainability-linked opportunities as those are important for Helvar's strategy. Helvar's management provides the Board of Directors with additional sustainability information where needed for decision-making.

The identification and assessment of material risks, opportunities, and impacts is the responsibility of the management and is steered by the Sustainability Engineer. The Board of Directors oversees and approves the results of the double materiality assessment, and the final version of the sustainability report itself. The management of material impacts, risks, and opportunities is the responsibility of the management. Reporting to the Board of Directors is done annually on the basis of OKR's and the annual clock. No other dedicated controls or procedures are applied to the management of material impacts, risks, and opportunities.

The Board of Directors is informed by selected executives once a year on the material impacts, risks, and opportunities, and the approaches taken to manage those impacts and any other sustainability concerns that would require the attention of the board. The Board of Directors reviews material impacts, risks, and opportunities and considers those deemed most pressing in its sustainability strategy.

Integration of sustainability-related performance in incentive schemes

(GOV-3) The sustainability incentive was updated for the year 2024. The incentive was based on ESG training completed by employees in 2024, green inventions and proof of concepts reported, best available technology solutions and products released, and best available technology sales.

Statement on sustainability due diligence

(GOV-4) Due diligence is implemented in many ways and related disclosures can be found in the table below.

The elements of due diligence	Paragraphs in the sustainability statements
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2, GOV 3, SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2, SBM-2, IRO-1, DC-P, Topical ESRS
Identifying and assessing adverse impacts	ESRS 2 DC-A, Topical ESRS
Tracking and communicating the effectiveness of these efforts	ESRS 2 DC-M, DC-T

Table 1: Elements of due diligence

Risk management and internal controls over sustainability reporting

(GOV-5) Helvar's parent company Helvar Merca has cooperated with a third-party consultant to audit Helvar's processes, data, and reporting controls. Currently, the report is compiled by a team of Helvar employees (Helvarians) that each check the quality and completeness of reporting, but there are still gaps to be closed.

The key sustainability metrics are reported to the Board of Directors annually, and both the double materiality assessment and the final report are reviewed and approved separately as well. Helvar's double materiality assessment for reporting on the 2024 financial year has undergone pre-assurance by a third-party consultant.

Currently, one of the main risks associated with sustainability reporting is the risk of inaccurate or false information being reported. The risk of inaccuracies was assessed in the previous year's report and has remained the same. Some of the issues limiting the reporting controls are the limited amount of data, and the lack of knowledge and skills in sustainability. The limited amount of data from previous years hinders comparison of annually reported metrics, and the lack of skills makes it harder to implement a four-eyes control, as the skills and yearly historical data needed to understand and interpret numbers are in some parts lacking. In future, the data used in sustainability reporting will undergo limited assurance to ensure quality and accuracy.

Market position, strategy, business model and value chain

(SBM-1) Helvar provides advanced, professional-grade lighting control systems as well as digital and professional services. Solutions are sold and delivered to contractors, integrators, and channel partners in Europe and selected international markets. Helvar's solutions and products are fundamentally connected to the material impacts, most importantly to the positive environmental impacts that energy savings have, but also to the negative impacts, from the environmental footprint of electronics manufacturing to possible human rights risks, especially beyond the first-tier value chain.

Key sustainability opportunities Helvar is pursuing are the growth of smart buildings and utilisation of lighting control within, an even better carbon handprint and carbon footprint for its next generation portfolio, a stronger position in sustainability-leading Northern European markets, long-term double-digit growth in the channel business, and fostering an impact culture to become the employer of choice.

Helvar is in the electronics sector as a lighting control system and component manufacturer as well as digital service provider. Helvar is connected to the Electronics and ICT, Chemicals, Mining and Metals, Pulp, Paper and Wood Products sectors. Helvar products are sold to the Construction and Engineering sector and Real Estate & Services sector. Out of these, the Electronics, Mining and Metals, and Chemicals sectors are at highest risk for negative impacts on people and the environment.

Double materiality assessment

Interests and views of stakeholders

(SBM-2) Helvar is developing processes to engage with all relevant stakeholders, for the purpose of validating the results of impact identification and assessment and the selection of material topics. Where the stakeholders disagree with the results and the selection of the material topics, the materiality assessment will be supplemented. Helvar's most relevant stakeholders are Helvar's customers, suppliers, workers in the value chain, and its own workers. Helvar has engaged with its customers through a sustainability survey and engages regularly (engagement survey twice a year) with its own workers on impacts, risks, and opportunities related to social sustainability in its own operations. Supplier audits on sustainability due diligence were conducted to better understand the context that workers in the supplier premises operate in.

Stakeholder	Engagement method	Use in Double Materiality Assessment (DMA)
Customers	Sustainability survey. Previous interviews (part of a circular economy workshop conducted by a third-party in 2022).	Informed the financial materiality assessment; supported assessing the importance of sustainability for customers.
Suppliers	Audits on sustainability due diligence.	Used to identify relevant topics and sub-(sub-)topics at the supplier tier.
Workers in the value chain	Silent stakeholders; non-governmental organisation (NGO) reports from representative organisations used to understand the context and interests of the value chain workers.	Used to identify relevant topics and sub-(sub-)topics, and assess their prevalence, scope and likelihood in the upstream value chain.
Own employees	Engagement surveys twice a year.	Used to identify relevant topics and sub-(sub-)topics related to Helvar's own workforce.
Nature & future generations	Lifecycle assessments, reports from Intergovernmental Panel on Climate Change, United Nations, other non-governmental organisations.	Used to inform about the current and forecasted state of the environment in the upstream value chain.
Users of the sustainability statements	Users of the sustainability statements are assumed to be customers.	Informed the financial materiality assessment; supported assessing the importance of sustainability for customers.

Table 2: Helvar stakeholders and stakeholder engagement methods

As the Double Materiality Assessment (DMA) for the year 2024 was conducted relatively soon after the 2023 DMA, no new surveys were sent. The previous results of the stakeholder engagement, with a few additions, were utilized. To increase oversight on value chain human and labour rights due diligence, direct suppliers at the higher risk were assessed through a sustainability due diligence survey, which informed the DMA about the likelihood of due diligence risks.

Description of processes to identify and assess material impacts, risks and opportunities

(IRO-1) The double materiality assessment includes the impacts of Helvar's operations, the impacts that Helvar has contributed to, and the impacts that Helvar is directly linked to through its business relationships. The main process of identifying and assessing material impacts, risks, and opportunities is steered by the Sustainability Engineer, who cooperates with the following people:

- Quality and Environmental Manager,
- Product Manager,
- Head of HR,
- CEO, CFO, and Head of Strategy and Business Development
- Chief Future Illuminator.

Figure 1: Materiality assessment process

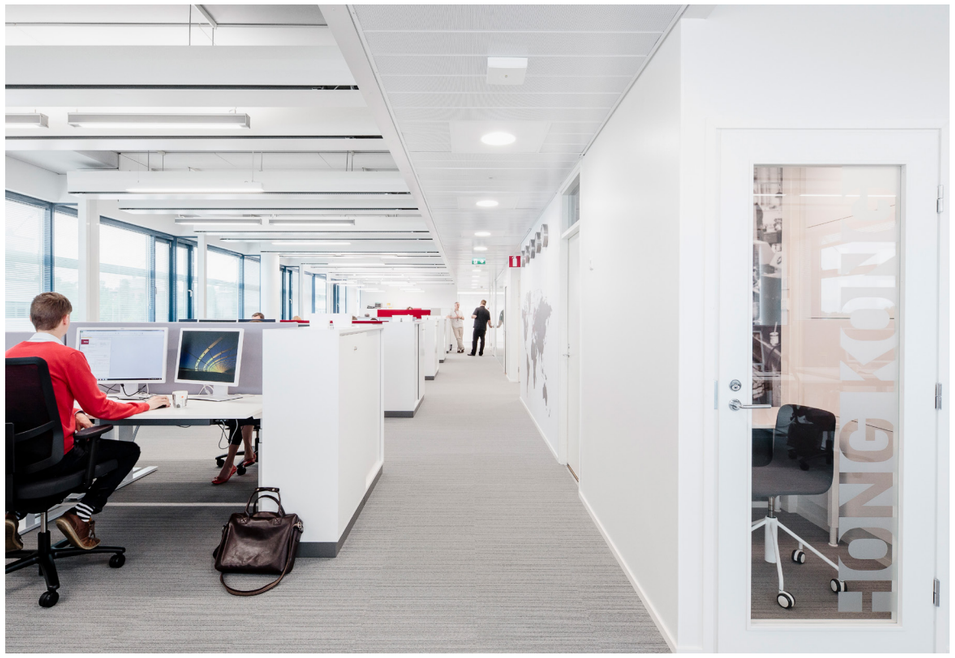
The process starts with the identification of impacts, risks, and opportunities in environmental, social, and governance areas, based on the listed topics, sub-topics, and sub-sub-topics listed in ESRS 1, Appendix B. After they are identified, their severity, likelihood, and potential linkage to financial effects are assessed. After the assessment, criteria are set for the materiality, and the results are analysed by the Sustainability Engineer, and the selection of material topics is reviewed and approved first by management, and then by the Board of Directors. The Board of Directors has the right to make changes to the assessment or the materiality threshold. The severity is assessed on scope, scale, and irremediable character, each of which is assessed on a scale of 1-5, based on descriptive criteria. The financial risks and opportunities are assessed quantitatively, and the size of the financial effect is measured as either a change in EBIT or a change in net operative costs, both of which are then converted into a 1-5 risk score ranking. There are separate materiality thresholds for actual impacts, potential impacts, and financial risks and opportunities. Results from stakeholder engagement, which is usually conducted first, are utilised in the identification and assessment of impacts.

Severity	1 – Not severe	2 – Moderately severe	3 - Severe	4 – Very severe	5 – Extremely severe
Scale	Not grave	Moderately grave	Grave	Very grave	Extremely grave
Scope	Immediate environment	Immediate and close-by environment	Widely spread	Region-level scope	Beyond regional scope
Irremediable character	Completely remediable	Mostly wremediable	Hard to remediate	Very hard to remediate	Impossible to remediate; nothing can be done to restore the impact

Table 3: Assessment of scale, score and irremediable character

The process to identify, assess and manage impacts, risks and opportunities has changed from the prior reporting period. Key changes are:

- Helvar Components demerged from Helvar into its own company in May 2024, which meant that the scope of the operations assessed in DMA was different.
- Scoring of severity from scale, scope and irremediable character.
- Scale and irremediable character are no longer inter-related.



Use of material information and materiality assessment method

Since the global supply chain is incredibly long and complex, the focus was centralised on areas considered to be at higher risk for severe impacts on people and the environment. There were three aspects that were considered when prioritising suppliers and focus areas: geographical risk for adverse impacts, industry-typical risk for adverse impacts, and supplier-specific risk for adverse impacts. This consideration and prioritisation were informed by literature, studies, and reports produced by international and national organisations, such as the OECD and the United Nations, as well as information published by NGOs. A key resource was the Corporate Sustainability Risk Check tool developed by MVO Nederlands, which was used to identify which topics and sub-topics listed in ESRS 1: General requirements were relevant in which key industries Helvar is directly linked to. Figure 2 shows a simplified description of Helvar's upstream value chain and examples of different types of topics, sub-topics, and sub-sub-topics that come up in different industries and parts of the value chain, and that were given special consideration in identifying and assessing the impacts, risks, and opportunities

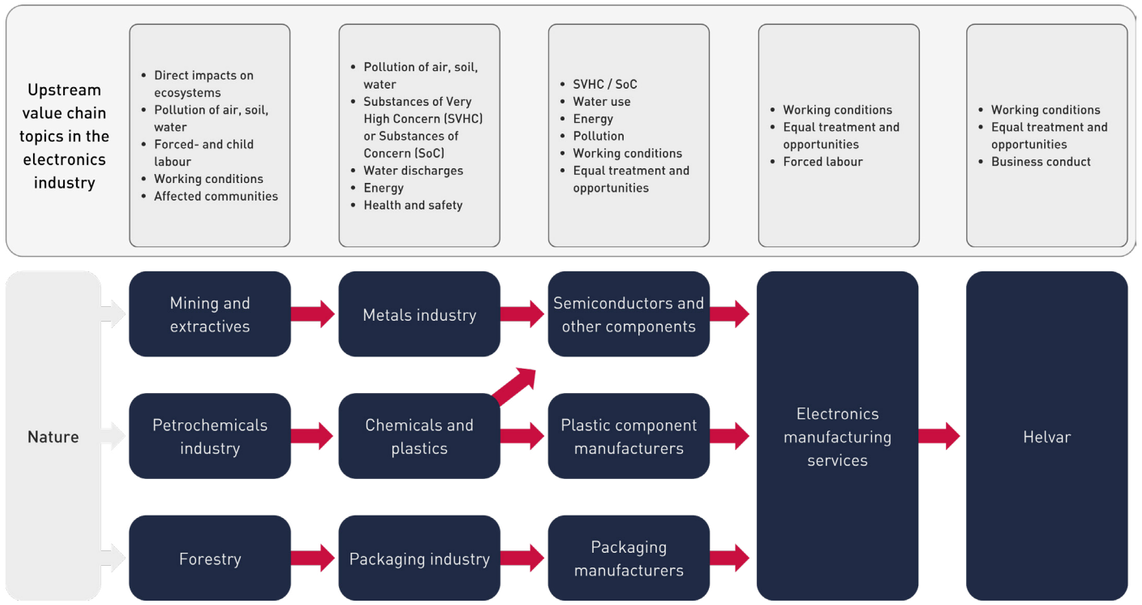
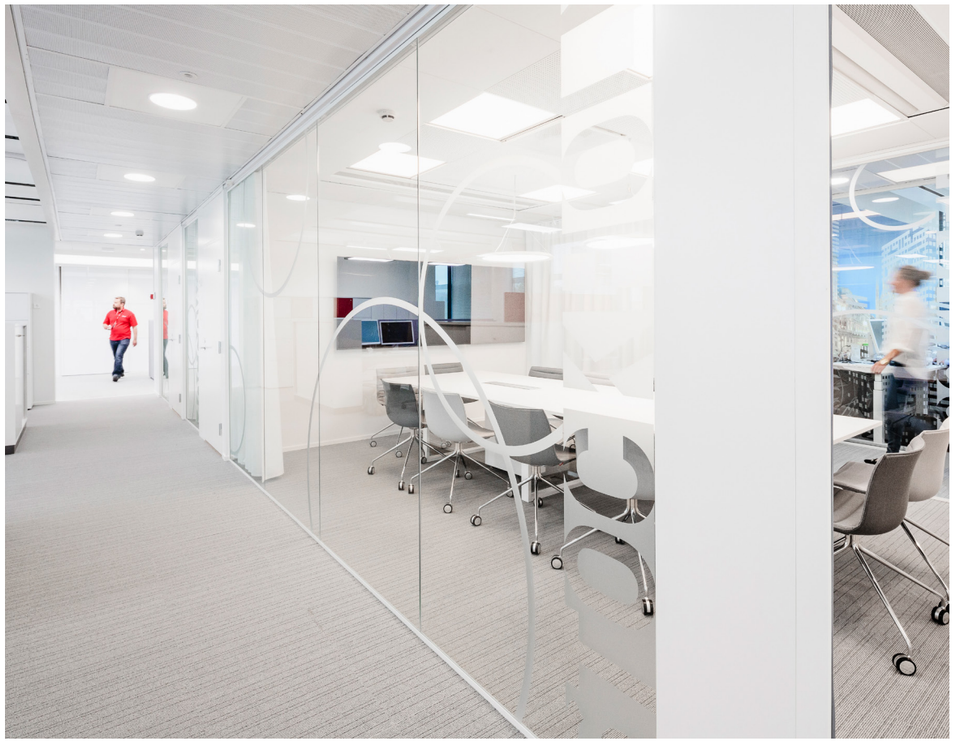


Figure 2: Helvar's upstream value chain and typical topics in the electronics industry

The external literary sources of information were especially valuable when studying the value chain, as there are not yet enough resources to pinpoint supplier-specific impacts the higher one goes in the chain. Generalisations were made, for example, about mining and extraction activities, which are required to produce a wide variety of raw materials needed for electronic component manufacturing. Helvar's approach to the subcontractors was more straightforward, as they had been already queried on sustainability matters and Helvar regularly engages with them.

A sustainability matter can become material for reporting through either its impact on people and the environment, or through its financial effects on Helvar. Impact materiality is determined based on severity, and in the case of positive impacts, scale and scope. If the impact is potential, the likelihood is also considered. Helvar has adjusted its assessment methodology to make it more aligned with the ESRS 1 requirements. Severity is based on three dimensions: scale, scope, and irremediable character. Each is assessed on a scale of 1-5, based on descriptive criteria for each dimension. Likelihood is considered for potential impacts and also assessed on a scale of 1-5.

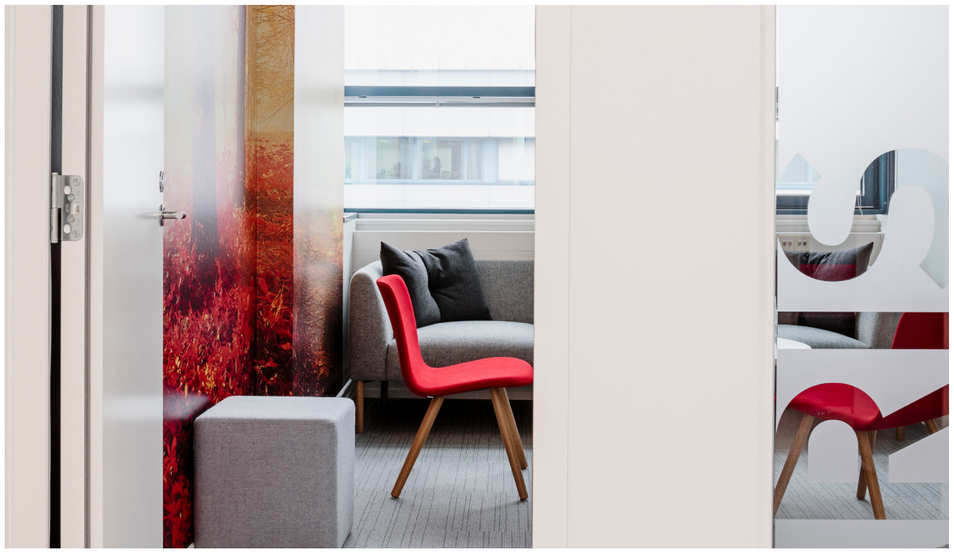
Helvar considers sustainability risks as any other type of risks.



Material impacts, risks and opportunities and their interaction with strategy and business model

(SBM-3) Helvar's material topics are related to reporting standards ESRS E1: Climate change, ESRS E5: Resource use & circular economy, ESRS S1: Own workforce, ESRS S2: Workers in the value chain, and ESRS G1: Business conduct. Topics where some disclosures are material are ESRS E2: Pollution, ESRS E4: Biodiversity and ecosystems, and ESRS S3: Affected communities. The scope of the materiality assessment included all Helvar operations, all Helvar employees, Helvar's value chain entities and their workers.

The material impacts that relate to Helvar's own operations are the energy consumption, emissions, and material usage from product manufacturing, and the wellbeing, health and safety of its workers, alongside governance. The impacts in the value chain tend to be more severe on people and the environment, the higher one looks into the upstream. Mining, extraction and refining activities of metals, petrochemicals and other materials Helvar is dependent on can cause, at worst, widespread impacts that Helvar cannot effectively manage through its business relationships. However, Helvar recognizes that the linkage to those impacts is caused by its material and resource consumption related to the manufacturing of its products. As the most effective way for Helvar to reduce its impacts on people and the environment in the upstream value chain is to improve its material efficiency, material selection and development of circular economy initiatives, Helvar has determined it material to report on ESRS E5: Resource use and circular economy. Furthermore, disclosures on many parts of E2 and E4 standards are not applicable to Helvar, as those are meant to describe impacts of activities on which the undertaking has operational control.



Actual negative impacts		
ESRS sub-topic (standard)	**Description**	**Severity**
Climate mitigation (E1)	High carbon footprint of electronic components used in Helvar's products.	4
Pollution of soil (E2) Pollution of water (E2) Impacts and dependencies on ecosystems (E4)	Systematic pollution, loss of natural ecosystems and water in upstream mining and processing operations.	4
Resource inflows Resource outflows	Resource consumption and the way Helvar products are designed are directly linked to the environmental impacts in the upstream value chain. The more resources are consumed, the higher the environmental burden is.	4
Actual positive impacts		
ESRS sub-topic	**Description**	**Scale and scope of the impact**
Work-life balance and wellbeing (S1)	High organisational wellbeing within Helvar.	5
Training and skills development (S1)	Helvar has a strategic focus to increase learning and development opportunities for its employees.	5
Climate change mitigation (E1)	Helvar solutions help save energy for end-users (downstream value chain).	5

Table 4: Helvar's material actual impacts

Potential impacts			
ESRS topic	**Description**	**Severity**	**Likelihood**
Human rights (S2) Forced labour (S2)	Deep-rooted, systemic issues such as forced labour and poor labour conditions in the upstream value chain.	4	3
Communities economic, social and cultural rights (S3)*	Mineral materials (such as gold or tantalum) used in electronic components manufacturing, contributing to conflicts in certain areas.	4	5
Rights of indigenous communities (S3)	Raw materials used in components being sourced from areas belonging to indigenous communities.	4	4
Health and safety (S2)	Unsafe working conditions, such as prolonged exposure to toxic substances, being prevalent in the upstream value chain.	4	4
Business conduct (G1)	Cooperation with a sanctioned entity.	4	2
Human rights (S2) Child labour (S2)	Child labour in the upstream value chain.	4	2
Freedom of association (S2)	Employee organising prevented in the upstream value chain.	3	4
Working conditions (S2)	Long overtime hours or illegal working hours in the upstream value chain.	3	3

Table 5: Helvar's material potential impacts

* Helvar is not reporting on S3: Affected communities, as it has no policies, action plans or targets planned or in place.

Human rights and working rights violations are systemic throughout the electronics manufacturing value chain, affecting not only Helvar's operations but also those of Helvar's competitors. Workers often face unsafe conditions, low wages, long hours, and exploitation, with these issues spanning from raw material extraction to final product assembly. While Helvar acknowledges the limitations of its resources in addressing these widespread challenges, Helvar takes these violations seriously and is committed to working responsibly with its partners. Helvar advocates for improved labour conditions and supports initiatives that promote fair and ethical practices across the industry. While progress may be slow, Helvar remains dedicated to making a positive impact and pushing for change, even as these issues affect the entire sector.

Material risks that have been identified all imply financial effects on Helvar, although none do so with a high likelihood. Some important material risks related to the physical impacts in the upstream value chain have been mitigated along with the geopolitical risk mitigation. Identified material opportunities are what Helvar has already been pursuing, especially with the energy and climate change transition topics. These opportunities are strongly concentrated at the downstream value chain and on the use of Helvar products, and are at the centre of Helvar's offering. The financial risks and opportunities are omitted from this report due to business-sensitive information.

Helvar's material impacts are managed through the ISO 14001 environmental management system, human resources (HR) processes, and Helvar's engagement with suppliers. Helvar has updated its sustainability strategy for 2025-2027 to better address material topics. New additions include a target to address scope 3 and scope 4 emissions, and efforts to increase material compliance and to improve due diligence processes at the supplier base.

Identification and assessment of climate-related impacts, risks and opportunities

Helvar utilised the past report's climate resilience analysis in this year's report, as no significant updates were needed. Transition risks were studied as part of the 1.5°C scenario, while physical risks were studied based on scenarios with different levels of overshoot from the 1.5°C scenario from IPCC, 2022: Climate Change 2022: Impacts, Adaptation and Vulnerability.

The 1.5°C scenario assumed, according to the AR6 report from IPCC, that deep decarbonisation will occur in the electricity and building sectors. The share of renewable electricity will increase rapidly and offer possibilities with consumption flexibility of electricity. More investments are expected to flow into the building sector to advance the transition, which is expected to positively impact Helvar's business. It was also assumed that stakeholder interest in the embodied carbon and overall sustainability of the product portfolio might increase, and customers may set certain requirements for products. It was assumed likely that the transition will affect the cost of components to an extent. Helvar has prepared for the increased sustainability requirements in the building and construction sector by developing its capabilities to provide Environmental Product Declarations for its products. Helvar's scope 3 and scope 4 targets are evaluated to be sufficient for the deep decarbonisation scenario.
It was concluded that the 1.5°C scenario involves some risks, but also significant opportunities that Helvar has already included in its business planning and development of its offering. The overshoot scenarios involve a risk within the supply chain that significantly increases along with the temperature increase. Helvar has formulated a backup plan for severe supply chain disruptions due to geopolitical risks, and the same plan can be used for the physical risks.

Helvar faces both transition and physical risks, which are evaluated on short-term (2025), medium-term (2030), and long-term (2050) time horizons. Helvar's own operations mainly face transition risks and opportunities directly, as physical risks are evaluated to be very minor in its own premises. Possible consequences of climate-related physical impacts are likely to be increased energy demand from cooling and possible damages from flooding caused by heavy precipitation.

Physical risks in the supply chain are evaluated on the medium- and long-term time horizons. Electronic component production is significantly located in South Asia, East Asia, and South-East Asia. The IPCC, 2022: Climate Change 2022: Impacts, Adaptation and Vulnerability has identified flooding and sea level rise as large-level risks with high evidence in these regions and has concluded that the physical risk level increases progressively with the temperature increase. Other risks in these regions are heatwaves in South Asia and East Asia, and droughts in South Asia.

The tangible losses and damages caused by the regional key risks are estimated to be of medium magnitude in RCP2.5 and RCP4.5 scenarios, and of high magnitude in RCP8.5. The progress on climate change adaptation in these regions varies, meaning that certain regions will be more resilient to physical impacts than others. Most progress with climate adaptation can be seen in East Asia, where it is high in infrastructural and institutional levels. The progress is at a medium level in South Asia and Southeast Asia. (IPCC, 2022) The key physical risks identified by five component manufacturers are extreme weather patterns, water scarcity, and poor water quality. These physical risks could cause disruptions and delays in the supply chain or even shortages, which could impact Helvar's production and possibly increase costs. The potential risk is determined to have a medium likelihood and low impact.

It was concluded that Helvar's strategy and business model are resilient, and that the opportunities presented with the 1.5°C scenario have been well recognised and implemented in Helvar's business model.

Identification and assessment of impacts, risks and opportunities related to own workforce

Workers subject to material impacts by Helvar's own operations are employees. Helvar's negative impacts related to the workforce are potential; workers subject to them are employees, and the impacts are related to individual incidents. The identified issues have little connection to Helvar's strategy or business model. No actual negative impacts have been determined. The potential negative impacts that could affect the workforce are:

- Risk of occupational injuries and illnesses
- Discrimination & inequality

Both types of negative impacts have been assessed to be severe but to have a low likelihood. No operations are at significant risk of compulsory labour or child labour. Helvar has concluded that in discrimination and inequality incidents, minorities are more likely to be affected. This is based on overall scientific consensus on which groups of people are more likely to be affected.

Many actual, positive impacts on Helvar's workforce have been identified as a result of activities that positively affect or could affect Helvar employees. These are:

- High wellbeing and social cohesion
- UK Living wage actions
- Workers' rights are ensured by following collective agreements
- Learning and development opportunities
- Employee biking benefit to support health and wellbeing

People topics are a key part of Helvar's Sustainability strategy, and key issues are tracked and communicated to the Board of Directors annually. The identified impacts inform the update process of the strategy, and the goals and objectives for employees are adjusted accordingly. There is no direct link to the business model, although Helvar operations and functioning are enabled by the employees. Part of Helvar's main strategy is to foster an Impact Culture to become Employer of Choice by powerfully connecting strategy and execution & values and practices in order to attract and retain talent.

No material financial risks or opportunities were identified in relation to the material impacts on employees, nor were any material impacts arising from environmental transition plans identified. None of Helvar's operations are at significant risk of forced or compulsory labour, or child labour.

Climate change

Transition plan for climate change mitigation

(E1-1) Due to the demerger of the Helvar Components business unit into its own, separate corporate entity, Helvar has updated its climate goals. Helvar still has the commitment to climate targets that are aligned with limiting global warming to 1.5°C as decided in the Paris Agreement. Helvar's objective is to reach carbon neutrality by 2050. In addition, Helvar has developed a target for its indirect emissions, namely scope 3 and scope 4 emissions.

Helvar is going to reduce scope 1 and 2 emissions by 42% from the 2022 baseline by 2030, and for scope 3 emissions, Helvar has set a target for the carbon handprint and footprint ratio. The scope 1 and 2 target has been developed according to the Science Based Targets criteria. The scope 3 and 4 target is not based on any external criteria or framework but has been developed and tailored to address the duality of Helvar's offering: on the one hand, emissions are generated in the manufacturing and use of the lighting control components that Helvar manufactures, but their use in controlling luminaires helps save significant amounts of electricity in lighting.

The historic emission levels were updated to correspond to the current scope of reporting, as due to the demerger the electricity consumption of Helvar Oy Ab decreased significantly. However, the 42% target level for the short-term target remained the same. The decision in 2022 to switch to renewable diesel in Finnish maintenance cars became so significant that it helped to account for the emission reduction needed to achieve the target level in 2023, and the trend continued to 2024. Other key actions that can be taken to reduce the emissions further are shown in Figure 3. Not included are the emissions from the heating of the UK office, as the information was not available.

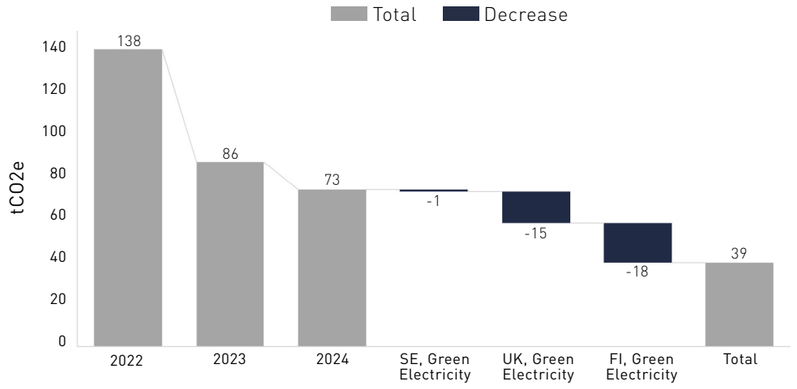


Figure 3: Decarbonisation roadmap, scope 1 & 2

Helvar's scope 3 and 4 target is to keep the ratio of the carbon handprint and footprint stable. This target is based on several assumptions:

• Helvar's sales keep increasing steadily – meaning that scope 3 emissions related to hardware increase.
• The carbon intensity of the electricity decreases steadily – meaning that carbon handprint, i.e. the carbon emissions avoided through energy savings, decreases.

Based on these two assumptions, and assuming no further actions to improve on either footprint or handprint, it was projected that by 2050 the carbon handprint/footprint ratio would reduce to 21% of what it was in 2022. Furthermore, it was projected that the ratio would have decreased by 7% by 2030. Thus, with the target of maintaining the current handprint/footprint ratio, Helvar will have to focus on increasing its handprint as well as decreasing its footprint.

Helvar's key economic activities are mostly aligned with the provisions of the Delegated Act (EU) 2021/2139 (EU taxonomy). The economic activities within the taxonomy relevant to Helvar are:

• Manufacture of energy efficiency equipment for buildings (presence and daylight controls for lighting systems),
• Installation, maintenance and repair of presence and daylight controls for lighting systems,
• Manufacture of electrical and electronic equipment.

The first two activities contribute substantially to climate change mitigation and comply with the 'do no significant harm' criteria. For activities that may fall into the last category, Helvar complies with the 'do no significant harm' criteria and mostly fulfils the requirements for the substantial contribution criteria. The ultimate reporting duty of revenue, CapEx and OpEx related to economic activities aligned with the provisions of the Delegated Act (EU) 2021/2139 is with Helvar's parent company Helva Merca. Helvar has evaluated that there are no key assets or products with locked-in greenhouse gas (GHG) emissions that would jeopardise the achievement of emissions reduction targets and drive transition risk. Helvar is not excluded from EU Paris-aligned Benchmarks.

The transition plan is a central part of Helvar's sustainability strategy, and energy savings through lighting control is the central element of Helvar's offering. Helvar's GHG emission reduction targets have been approved by the Board of Directors as a part of the Sustainability strategy approval process.

Policies related to climate change mitigation and adaptation

(E1-2) Helvar has not adopted any separate policies to identify, assess or manage its impacts or financial risks and opportunities related to climate change mitigation and adaptation. Helvar's existing Quality and Environmental policy, however, addresses energy and guides the organisation to not only be energy efficient but to produce energy-efficient products as well.

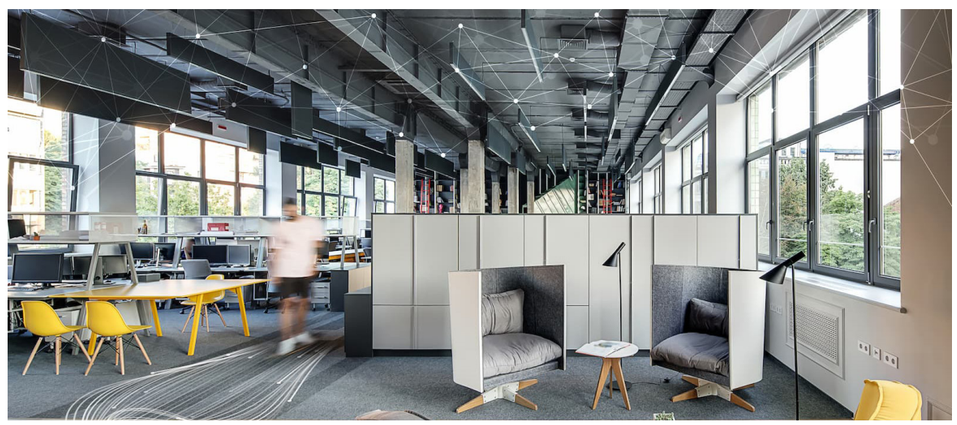
Additionally, Helvar has updated its UK car policy to help employees gain easier access to electric vehicles. Helvar's Car Salary Sacrifice makes it affordable for employees in the UK to access, drive and maintain electric vehicles for a fixed monthly amount deducted from their salary.

Actions and resources in relation to climate change policies

(E1-3) Helvar has already taken significant action to mitigate climate impacts. In 2022, Helvar implemented the use of renewable diesel for its vehicle fleet in Finland to curb emissions from mobile combustion. In the coming years, Helvar aims to switch its vehicle fleet in Sweden to electric vehicles and to purchase 100% renewable electricity in selected locations.

Helvar's scope 3 and 4 target is to keep the ratio of the carbon handprint and footprint stable. To achieve the target of maintaining the current handprint/footprint ratio, Helvar will have to focus on increasing its handprint as well as decreasing its footprint. The specific actions to reduce the footprint are being investigated.

Helvar has not planned any adaptation actions when it comes to its own assets but has a strategy in place for supply chain disruptions caused by climate-related physical risks materialising.



Targets related to climate change mitigation and adaptation

(E1-4) Helvar's target for scope 1 and 2 GHG emissions is to reduce them by at least 42% by 2030 (from 2022 levels). The year 2022 was selected as a baseline, as it was assumed to be representative of the activities.

Earlier years cannot be assumed to be representative due to the Covid-19 pandemic and its impact on business. Tables 6, 8 and 9 have been updated retroactively to include new data regarding natural gas in Helvar's energy consumption and mix.

Emission Scope	2022 Baseline	2030 Target	Reduction
SCOPE 1 & 2	138 t CO2e.	80 t CO2e.	42%

Table 6: Targets related to climate change mitigation and adaptation

Action	Absolute reduction (T CO2 EQ.)	Reduction as percentage
Renewable diesel (Finland)	64	-46%
Renewable electricity, offices (Finland, UK, Sweden)	16	-12%

Table 7: Actions and respective reductions in emissions

The targets oversee Helvar Oy Ab and all its subsidiaries. The targets cover all relevant GHGs according to the GHG protocol Corporate Standard. The targets cover company-wide scope 1 and 2 emissions, and the scope 3 and 4 target covers over 90% of the scope 3 emissions. The scope 1&2 target have been developed according to the latest Science Based Targets Initiative (SBTi) methodology (SBTi-criteria C1-C7).

The scope 2 emissions are calculated based on a market-based accounting approach. Helvar has not purchased any carbon credits and thus has not counted them as emissions reductions towards the targets.

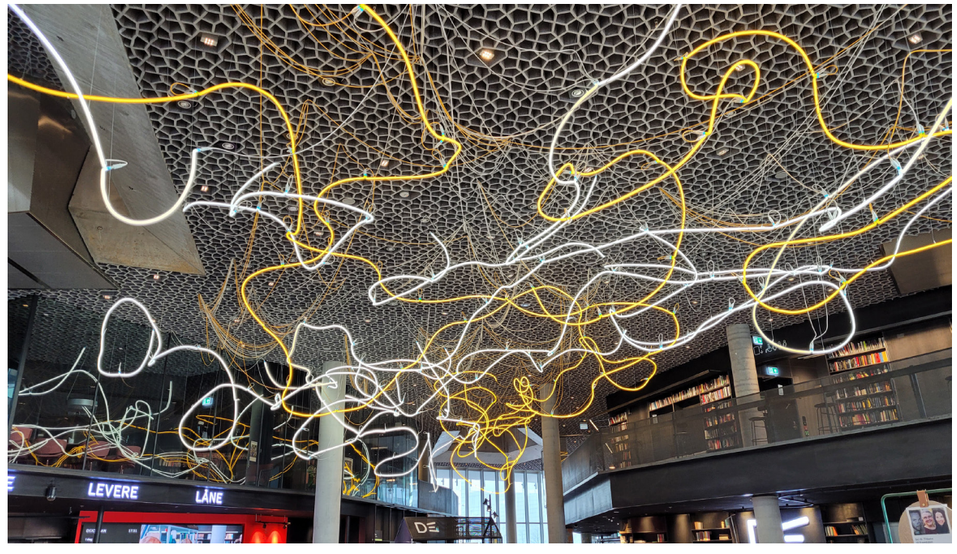
The targets cover an eight-year period, which is in line with the 5–10-year timeframe given by SBTi. The base year is 2022. The ambition is consistent with the required linear absolute reduction required to keep global temperature increase to 1.5°C compared to pre-industrial times, and to achieve net-zero by 2050 at the latest. (SBTi-criteria C13-C16)

Helvar's scope 3 and 4 target is to keep the ratio of the carbon handprint and footprint stable. This target is based on several assumptions:

- Helvar's sales keep increasing steadily – meaning that scope 3 emissions related to hardware increase.
- The carbon intensity of the electricity decreases steadily – meaning that carbon handprint, i.e. the carbon emissions avoided through energy savings, decreases.

Based on these two assumptions, and further assuming that no actions are taken to improve on either footprint or handprint, it was projected that by 2050 the carbon handprint/footprint ratio would reduce to 21% of what it was in 2022. Furthermore, it was projected that the ratio would have decreased by 7% by 2030. Thus, with the target of maintaining the current handprint/footprint ratio, Helvar will have to focus on increasing its handprint as well as decreasing its footprint.

As the scope 3 and 4 target is based on projections, there is a chance that the developments in electricity generation, component manufacturing, or geopolitical instabilities might have an influence on the speed and level of decarbonisation that can be achieved, and the carbon handprint that is created.



(E1-5)

Energy consumption and mix	2023 (MWh)	2024 (MWh)
From coal and coal products	0	0
From crude oil and petroleum products	91	34
Natural gas	127	127
Other non-renewable sources	0	0
Nuclear products	0	0
Purchased electricity, heat, steam, cooling from non-renewables	127	159
Total sum of non-renewables	281	193
Fuel from renewables	39	56
Renewables electricity. Heat, steam, cooling	0	0
Total renewables	39	56
Share of renewables	6%	9%
Total energy consumption	704	625

Table 8: Energy consumption and mix

*Helvar Components data has been removed to make numbers more comparable. Please refer to the 2023 Sustainability Report for full energy consumption data including Helvar Components.

Energy intensity per net revenue and net revenue from high climate impact sectors are omitted from the report due to business sensitivity.

(E1-6) None of Helvar's scope 1 or scope 2 emissions come from regulated emission trading schemes.

Gross Scopes 1, 2, 3 and Total GHG emissions - GHG emissions per scope	2023	2024	%2024 /2023
Gross Scope 1 greenhouse gas emissions	51	43	60%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0	0	-
Gross location-based Scope 2 greenhouse gas emissions	18	20	111%
Gross market-based Scope 2 greenhouse gas emissions	35	38	109%
Gross Scope 3 greenhouse gas emissions	32 370	26 772	83%
Total GHG emissions	32 474	24 919	77%
Total GHG emissions, location based	32 439	24 894	77%
Total GHG emissions, market based	32 456	24 939	77%
S3 cat 1	2 817	1 276	45%
S3 cat 2	0	0	-
S3 cat 3	7	7	0%
S3 cat 4	74	81	109%
S3 cat 5	0.2	0.03	-
S3 cat 6	177	251	142%
S3 cat 7	Not calculated, assumed not relevant.	Not calculated, assumed not relevant.	-
S3 cat 8	Not relevant.	Not relevant.	-
S3 cat 9	Not relevant.	Not relevant.	-
S3 cat 10	Not relevant.	Not relevant.	-
S3 cat 11	29 168	22 407	77%
S3 cat 12	107	50	47%
S3 cat 13	Not relevant.	Not relevant.	-
S3 cat 14	Not relevant.	Not relevant.	-
S3 cat 15	Not relevant.	Not relevant.	-

Table 9: Gross Scopes 1, 2, 3 and Total GHG emissions

(E1-7) ## GHG removals and GHG mitigation projects financed through carbon credits

Helvar has not purchased any carbon credits in 2023 and thus participated in no GHG removal or GHG mitigation projects financed through carbon credits. Helvar has not yet decided how residual emissions (90-95%) will be neutralised in 2050.

However, when employees in the UK utilise electric cars as part of the Salary Sacrifice scheme, the service provider offsets the tailpipe emissions through Verified Carbon Standard offsetting projects and, for electric vehicles, the charging requirements from the grid. The total amount of carbon offsets in 2024 was 15.34 tonnes of CO2e.

(E1-8) Internal carbon pricing

Helvar has not set a carbon pricing scheme.

(E1-9) Potential financial effects from material physical and transition risks and potential climate-related opportunities

No assets are at material transition risk over short-, medium-, and long-term time horizons, thus no related transition risks have been addressed. Nor are the business activities of Helvar at material transition risk over the short-, medium-, and long-term time horizons. Helvar has no customers operating coal, oil, and gas-related activities.

Pollution, Biodiversity and Ecosystems

Pollution of soil and water and its effects on nature, biodiversity, and ecosystems are material topics arising from Helvar's upstream value chain, particularly in the extractive and mining sectors related to raw material production. While Helvar's operations do not cause material direct or potential pollution, the impacts identified in the double materiality assessment originate from activities outside of its control, due to the complexity and length of the supply chains. Helvar is committed to understanding these impacts and has conducted lifecycle assessments to better assess how raw material production contributes to environmental degradation and pollution.

Helvar's policy commitment includes adherence to all applicable legal requirements and regulations, focusing on environmental protection, pollution prevention, and sustainability promotion. However, there are currently no specific policy commitments or initiatives addressing pollution management, mitigation, or remediation within the upstream value chain beyond recognised suppliers.

Helvar does not yet have action plans, targets, or dedicated resources for addressing pollution, nature conservation, biodiversity, or ecosystem preservation, nor has it identified financial risks or opportunities related to these issues. Nevertheless, Helvar recognises that resource use and efficiency within its operations are key drivers of upstream impacts. As a result, Helvar primarily reports on topics related to resource use and circular economy in accordance with the ESRS 5: Resource Use and Circular Economy standard. A simplified example of how the impacts are interlinked is shown below.

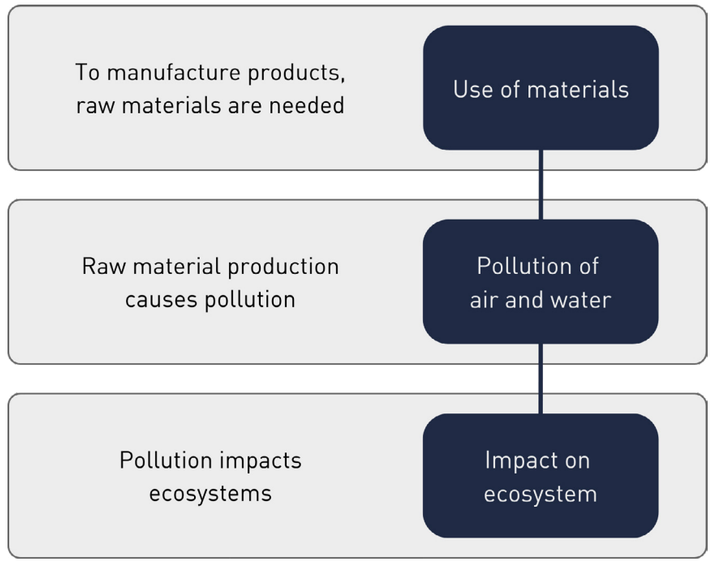
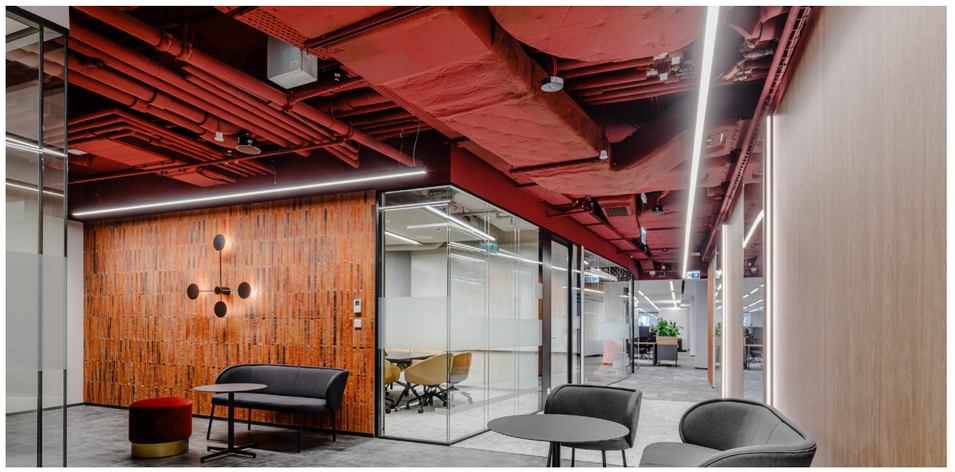


Figure 4: Interconnections between environmental impacts

Helvar's business model and strategy are designed to be resilient in the face of evolving environmental challenges, including those related to pollution, nature, biodiversity, and ecosystems. By focusing on resource efficiency, sustainable product design, and circular economy principles, Helvar is positioning itself to navigate future regulatory changes and environmental risks. The company remains committed to continuous improvement, ensuring that its operations and value chain are adaptable to emerging sustainability requirements and opportunities.



Resource use and Circular economy

Helvar has updated its Quality, Environmental and Sustainability Policy in 2024 to include circular economy topics in relevant parts. In the policy, Helvar commits to promoting circularity initiatives, such as the use of recycled raw materials, circular design principles, waste hierarchy, and circular business models. Helvar has also committed to setting and following up on circularity targets in its policy.

Helvar has dedicated resources to improving chemical compliance performance, waste management, and packaging. In addition, a circularity business model has been considered and is planned to be launched where Helvar buys back used sensors from sites where lighting control is being upgraded.

As packaging is the most short-living part of Helvar's product offering, waste hierarchy is followed when making packaging decisions. The packaging materials are minimised, and renewable packaging materials are preferred. Exact waste treatment methods are presented for each packaging type used by Helvar in the EPI (Environmental Product Information) document available from Helvar's website.

Chemical compliance is a key factor for the safety and circularity of Helvar's products, and Helvar strives to exceed the legislative requirements on local, national, and EU-wide levels. With the investment in a software that automatically checks all the electronic components for the presence of restricted and SVHC (Substance of Very High Concern) substances, Helvar has ramped up its efforts to evaluate the chemicals in the products and to close gaps wherever needed. No Helvar product contains SVHC substances in a concentration above 0.1% weight by weight. However, due to the "once an article, always an article" principle, Helvar has prepared SCIP registrations to provide information about SVHC substances in components used in its products. The SCIP registrations can be found in the European Chemicals Agency (ECHA) database.

Helvar offers waste treatment guidance for its products on its website. Electronics contain significant materials of valuable non-renewable resources, and Helvar strongly recommends its products be directed to WEEE collection at the End-of-Life and be recycled appropriately to recover the resources.

Helvar has no targets related to the circular economy.

Resource inflows

The main resources used to produce Helvar products and services are lighting control products manufactured by subcontractors, electronic components, plastic casings, packaging materials (including plastic and cardboard), solder equipment and machinery, transportation and distribution services, offices, IT equipment and services, warehouse and warehousing equipment, and office supplies. The overall total weight of products and materials used to produce products and services during the reporting period is shown in the table below. Use of materials is considered as resources purchased during 2024. The resources include electronic components, packaging, and products manufactured by subcontractors. The calculations are based on purchasing data, assigned product and component weights, and packaging materials. The calculation covers 90% of the total purchasing value. The recycled content is calculated according to average recycling statistics of packaging materials.

Resource inflow	Amount
Overall total weight of products and technical and biological materials used during the reporting period	36 581 kg
Percentage of biological materials (and biofuels used for non-energy purposes)	23%
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	6903 kg
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	19%

Table 10: Resource inflows

Resource outflows

The below table shows the share of materials that come out of Helvar's products and services production process that have been designed along circular principles.

Description	Percentage (%)
Durability	100%
Reusability	100%
Recycling	100%

Table 11: Resource outflows

Own workforce

(S1-1) Helvar is committed to upholding human rights and working rights of all employees, to fair and equal treatment of all employees, to protecting the health and safety of employees and any contract labour, and to minimizing any adverse working conditions in its Code of Conduct. Helvar recognises and respects the right of its employees' freedom of association. The Code of Conduct strictly prohibits the use of child labour. If needed, Helvar will provide and enable remedy for human rights impacts according to applicable legislation. The Code of Conduct follows the standards set out in the Responsible Business Alliance's (RBA) Code of Conduct. Helvar's policies do not explicitly address trafficking in human beings, but Helvar strictly prohibits forced labour.

Helvar has a Health and Safety policy in place at UK premises, where testing and warehousing operations take place, which aims to prevent and manage workplace accidents. In addition, the Employee Handbook policies include occupational health and safety policies in country-specific format.

Discrimination and grounds for discrimination are covered by Helvar's anti-harassment policy. Helvar conducted a discrimination & equality survey in 2024 as per the Equality and Non-discrimination plan. When asked whether Helvar is a workplace that respects individual differences, 96% of all the respondents answered yes. Similarly, 92% of the respondents have not experienced discrimination or inappropriate treatment within the past 12 months. The overall consensus from the survey was that there are no significant issues related to equality and discrimination, but a few areas can be improved upon. The Equality and Non-discrimination plan sets out the procedure for employees and line leaders to prevent and act on harassment, inequality and discrimination cases. It is a specific procedure aimed at the elimination of discrimination and harassment, and promoting equal opportunities, diversity and inclusion. It focuses on gender, age and ethnicity and distribution of those and monitors those aspects accordingly. The Anti-Harassment policy and the Equality and Non-discrimination plan both detail the engagement with their workers on equality and harassment. In addition, the Employee Handbook specifically prohibits discrimination due to racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, and any other forms of discrimination covered by EU regulation and national law.

(S1-2) Engagement with Helvar employees informs Helvar's approach, decisions, and activities aimed at managing the actual and potential material impacts on its own workforce. Helvar engages in continuous dialogue directly with the workers' representatives. The dialogue meetings handle topics such as employee surveys, occupational health and wellbeing, skills development, workplace conduct, and worker insurances. The dialogue meetings take place once in a trimester.

Employee surveys are also conducted regularly to measure employee satisfaction and wellbeing. Engagement feedback surveys are conducted twice a year, and the Non-discrimination and Gender Equality survey is conducted every second year. In addition, feedback is collected throughout various employment process steps, such as recruitment and onboarding.

Helvar monitors the number of workers that have been engaged with in order to assess how effectively workers' views are covered. The most senior role within Helvar to ensure that the engagement happens and that results inform Helvar's approach is the Head of HR. Helvar is not part of any agreements related to the respect of human rights of workers. Helvar has not identified anyone in its workforce to be particularly vulnerable to impacts or marginalised.

(S1-3) Workers can raise concerns through their local HR representatives or through an internal whistle-blowing channel if needed. Workers' representatives are also available as contact points for workers to raise concerns. Specific complaint handling mechanisms exist for cases of harassment and discrimination. The existence of the channels to raise concerns is introduced to workers in the onboarding process.

Any issues raised are tracked, monitored, and addressed based on existing policies and guidelines, such as the whistle-blowing policy and employee handbook policies. The whistle-blowing policy protects the whistle-blower against retaliation. Helvar does not monitor the effectiveness of channels, nor whether its own workforce is aware of and trusts the structures or processes for raising concerns.

When required to provide or contribute to remedy where needed, Helvar follows the local legislation and guidelines. Helvar does not assess whether the remedy provided is effective. Helvar has no grievance handling mechanisms except for the UK subsidiary, which has a formal grievance process documented in the employee handbook.

(S1-4) Occupational health and safety impacts are prevented and mitigated by Helvar's Health and Safety teams, which monitor and act on potential risks and investigate occupational injury and illness cases. The Health and Safety teams respond to negative actual and potential impacts according to local legislation. In addition, the workers are covered by a statutory accident insurance that covers occupational accidents and occupational diseases, and by a voluntary additional remote work insurance to cover the gaps that the statutory accident insurance leaves. An Early Support model is in place to detect issues threatening work ability and to find appropriate solutions. To ensure that the processes to manage and provide remedy to occupational illnesses and injuries are effective, Helvar closely follows the local legislation.

Helvar has an Anti-harassment policy in place and actively encourages and nurtures a culture where anyone can feel safe, accepted, and fairly treated. The Anti-harassment policy has identified what actions are needed to manage and remedy harassment incidents. The Equality and Non-discrimination plan is in place to prevent and mitigate inequality and discrimination. Helvar does not separately ensure the effectiveness of its processes to provide remedy but does ensure that the processes follow the applicable legislation. The effectiveness of the Equality and Non-discrimination plan is assessed in a survey conducted every second year to assess how effectively Helvar is nurturing a safe, fair, and accepting culture.

To seek out and achieve higher wellbeing and social cohesion, Helvar organises social events and gatherings for employees at regular intervals. These social events and gatherings include monthly breakfasts and Fun Squad events (social events organised by employees for other colleagues). In addition, the company provides a broad selection of wellbeing benefits, such as a bike benefit, and culture and sports benefits. Wellbeing is surveyed annually.

To achieve desired results in skills development and learning, Helvar provides its employees flexibility as well as a range of benefits and possibilities for learning and self-development. Growth and performance dialogues are conducted on all sites three times a year to guide in identifying new areas of growth, expertise, skills, techniques, and working methods. Helvar utilises a 70-20-10 learning and development model to best develop skills and knowledge at work. The 70-20-10 mix is based on the principle that 70% of challenging assignments come through on-the-job experience, 20% is development through learning from others, and 10% is coursework and training through formal learning. Major investments have been made in recent years to provide access to e-books and learning platforms and to organise internal training, knowledge sharing opportunities, and hackathons. Helvar employees are encouraged to use one hour per week for learning and developing new skills. In addition, Helvar cooperates with universities and universities of applied sciences to offer traineeships. (Helvar does not separately monitor skills development and learning or the effectiveness of its approach to support it.)

To ensure that Helvar's own practices do not cause or contribute to material negative impacts on its own employees, engagement surveys allow employees to raise concerns and cooperation with employee representatives enables the raising of any material issues. No negative impacts on workers arising from the transition to a climate-neutral economy have been identified.

(S1-5) Helvar has no time-bound and outcome-oriented targets related to the negative impacts on its own workforce, or related to the management of material risks and opportunities.

Country	Number of employees
Finland- Espoo	87
England- Dartford	64
Sweden- Stockholm	21

Table 12: Number of employees by country

Gender	Number of employees
Female	35
Male	154
Other	0
Not disclosed	2
Total	191
Permanent employees	**Number of employees**
Female	34
Male	152
Other	0
Not disclosed	2
Total	188
Temporary employees	**Number of employees**
Female	1
Male	2
Other	0
Not disclosed	0
Total	3
Full-time employees	**Number of employees**
Female	33
Male	147
Other	0
Not disclosed	2
Total	182
Part-time employees	**Number of employees**
Female	2
Male	7
Other	0
Not disclosed	0
Total	9
Number of employees who have left undertaking	33
Percentage of employee turnover	16.1%

Table 13: Charasteristics of emplyees by contract type and gender

Diversity	Number of employees
Number of employees (head count) at top management level	6
Percentage of employees at top management level	3
Number of employees (head count) under 30 years old	27
Percentage of employees under 30 years old	14%
Number of employees (head count) between 30 and 50 years old	97
Percentage of employees between 30 and 50 years old	51%
Number of employees (head count) over 50 years old	66
Percentage of employees over 50 years old	35%
Disclosure of own definition of top management used	Employees within the leadership team
Share of workforce that is paid adequate wage:	100%
Employees covered by social protection in case of sickness, injury, unemployment, materinity leave, retirement	100%
Emplyees participating in regular performance and career development reviews	100%
Employees covered by a health and safety management system	100%
Number of work related accidents and ill health	6
Number of days lost to work-related injuries and fatalities	36*
Extent to (%) which employees are entitled to and make use of family-related leave	100%

* Number refers to work-related stress

Table 14: Employee diversity and equality statistics

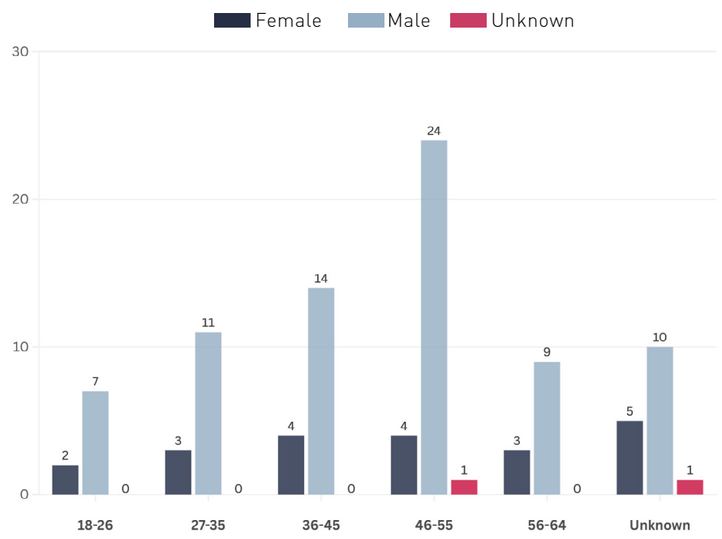


Figure 5: Age distribution of employees at Helvar

Workers in the value chain

(S2-1) Helvar's Code of Conduct sets clear expectations for suppliers and states Helvar's commitments. Helvar's Code requires all next-tier (tier 1) suppliers to make a direct commitment to the RBA's Code of Conduct or at least equally binding principles.

(S2-2) Most adversely affected value chain workers in Helvar's value chain are so-called "silent stakeholders", i.e. workers that Helvar cannot directly connect with due to the length and complexity of the value chain. In general, these silent stakeholders are located close to primary production, such as mining and extraction activities. In this case, Helvar has utilised public reports from the Organisation for Economic Co-operation and Development, United Nations, and non-governmental organisations on the conditions and rights of the workers. Issues like child labour and forced labour, being human rights violations, are automatically assigned the highest severity and deemed of irremediable character.

For Helvar's value chain workers at subcontractors, the engagement has so far occurred mostly through the subcontractors' management. Value chain workers beyond that cannot be directly engaged with, which is why Helvar relies on reports and views of the organisations that widely represent workers in the industries Helvar is connected to. Since the time between Helvar's first and second double materiality assessments was less than a year, Helvar relied heavily on the first engagement results. There is not yet a formal process for conducting the stakeholder engagement. The subcontractors have been evaluated based on a sustainability survey, and in addition, a separate inquiry was sent to clarify the supplier's principles and processes on matters deemed most relevant.

(S2-3) Helvar has created a sustainability due diligence policy to guide its due diligence efforts. The policy details the steps to be taken in case adverse issues arise at a supplier or business partner. The first step will be to cooperate with the supplier to cease the impact. In case the first step is unsuccessful, the second step will be to cut ties with the supplier. The policy states that any remediation will be done according to the relevant legislation. Helvar does not yet have a channel for value chain workers to raise concerns.

(S2-4) Helvar does not accept child labour or forced labour and requires its direct suppliers to make a direct commitment to RBA's Code of Conduct, as well as to apply/operate ISO 45001 certification to ensure that the working environment is safe.

(S2-5) Helvar has not dedicated special resources or action plans to manage its impact, risks, or opportunities related to workers in the value chain. Helvar has no targets related to managing negative impacts on value chain workers, or to advancing positive impacts. Nor has Helvar targets related to value chain workers.

Business conduct

In its Code of Conduct (CoC), Helvar has committed to zero tolerance for bribery and corruption, as well as to fair competition, ethical conduct and honouring contracts. Chapter 3.6 of the CoC addresses bribery and corruption, while chapter 3.7. focuses on ensuring fair business and chapter 3.8. conflicts of interest. Internal policies exist to guide central financial processes. Helvar's suppliers are required to commit to the CoC. Helvar's policies are consistent with the UN Convention against Corruption (2004).

Helvar is committed to investigating business conduct incidents promptly, independently, and objectively. Its own processes are audited regularly to ensure their effectiveness and identify any shortcomings, and regular trainings and discussions are held in relevant functions to promote good corporate culture and prevent misconduct. The trainings are held annually on a general level for partner channel and throughout partner events and they also highlight any new topics that have arisen during the year. The trainings serve to remind the relevant functions about the importance and meaning of good business conduct and to revise the Helvar principles. Partner channel salespeople and partners are estimated to be at higher risk of business misconduct due to a lower level of direct oversight and differences in business culture between regions and markets.

An internal whistle-blowing channel exists to report any misconduct, and Helvar is committed to investigating business conduct incidents promptly, independently, and objectively. Investigators are the CFO and Helvar Merca Group Chief Compliance Officer. Safeguards exist to protect the whistle-blower from retaliation and are described in the whistle-blowing policy and guidelines. Any business conduct incidents are reported to the Board of Directors in their annual Governance-themed meeting. The corporate culture promotes raising issues and investigating incidents early.

Helvar partners are also regularly trained on business conduct, where Helvar's principles are also revised. Helvar has also updated its overall terms of sales to specify that its products may not be sold to Russia due to the ongoing war in Ukraine.

Mechanisms for reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of CoC depend on the way the behaviour is discovered. For concerns reported through the whistle-blowing channel, the process for reporting and investigation is defined in the whistle-blowing policy.

(G1-1) In cases where a concern is raised some other way, the first responsibility to react belongs to either the first line manager or one above. The line manager is expected to convey the concern forward to the relevant corporate functions, such as Human Resources and/or Finance, and the concerns are reported to the CEO, the Chairman of the Board and the owner's office. The investigation is handled by the CFO and, if needed, the Chief Compliance Officer of the owner's office (Helvar Merca). All cases and concerns are reported to the Board of Directors.

(G1-2) Helvar has general policies, such as General terms of purchase and procurement policies, but no policy aimed at preventing late payments to SMEs. Helvar also does not have practices implemented to support vulnerable suppliers, since none of Helvar's direct suppliers have been identified as such, but readily cooperates with production suppliers if needed to improve social and environmental performance.

Helvar's Electronics Manufacturing Service suppliers (EMS suppliers) are thoroughly audited and asked to fulfil an ESG survey. They are required to make a direct commitment to RBA's Code of Conduct and to have ISO 14001, ISO 9001, and ISO 45001 certification. All subcontractors and manufacturers of buy-in products have been assessed with the ESG survey in 2022. During 2023 and 2024, Helvar's suppliers and partners have been surveyed on human rights, labour, business code of conduct, environmental issues, health and safety, and management approaches. The ESG score is part of the criteria for supplier selection.

Helvar's supplier relationships are handled with dedicated resources towards EMS suppliers. Risk mitigation is primarily done by keeping regular operational meetings, reviewing/testing recovery processes, and making agile adjustments to shortages. Helvar's strategy with respect to relationships with suppliers and sustainability focuses initially on securing supply, i.e. every strategic component in Helvar's offering needs to have multiple sources of supply. Helvar influences the sourcing executed by the manufacturers (EMS) by setting quality, availability, and in the future, sustainability targets. Helvar is studying manufacturing opportunities and geographical locations to find greener alternatives and to shorten the transportation distances, especially for low-volume products and products in a ramp-up phase. Doing that would impact Helvar's greenhouse gas emission levels positively.

In order to prevent and detect allegations and incidents of business misconduct, all employees are trained on Helvar's Code of Conduct and ethical business issues during the onboarding process. The training is general in nature, and it covers all the areas of the Code of Conduct and includes a questionnaire that tests and corrects the employees' understanding of business conduct and covers all functions. Helvar had a mandatory sustainability training in 2024 where employees were refamiliarised with the Code of Conduct.

Additional training is provided to relevant personnel when policies or processes are changed to ensure that the policy is accessible and that the personnel understand its implications. A themed audit is conducted every year for one of Helvar's processes (such as order to cash, purchase to pay, and inventory), and a GDPR audit is conducted annually. To report, investigate, and respond to concerns, a whistle-blower channel is accessible to all employees who wish to report concerns about possible illegal activities or breaches of Helvar's Code of Conduct. Incidents are investigated by the Helvar CFO and the Helvar Merca Chief Compliance Officer and reported to the Board of Directors annually in a Governance-themed meeting.

The whistle-blowing channel exists for workers to report any critical concerns. Guidelines exist to control the process and to protect the whistle-blower. In 2024, no critical concerns or corruption suspicions have been alerted, nor have any insufficiencies in actions to address them. All donations or sponsorships to other organisations require approval from the board of directors.

Partner managers are engaged with every trimester to ensure good business conduct. All new terms of sales, practices, and other relevant changes are then introduced. Helvar has defined processes to detect, investigate, and respond to misconduct, and those have been proven to work. There have been no confirmed incidents of bribery, no convictions or fines, and no public legal cases in the reporting year 2024.

Helvar does not participate in any lobbying activities, nor is it directly involved in politics, but is a member of the Technology Industries of Finland, an organisation that is involved in lobbying on behalf of Finnish technology industry companies. Some Helvarians are active in politically inclined organisations and standard-setting organisations.

Helvar has a good track record of having paid its bills in due time, especially to SMEs. There were no legal proceedings outstanding during the reporting year 2024.