

SOLTEQ



**Statement of Non-Financial
Information
2022**

Corporate Responsibility at Solteq

Solteq provides software solutions and IT expert services to the energy sector, retail industry, and the needs related to e-commerce. The Company employs over 650 professionals and serves its customers in the Nordic countries. The company has offices in Finland, Sweden, Norway, Denmark, Poland, and the UK.

Responsibly produced solutions and operating with a high degree of ethics as a service provider, employer, partner, and corporate citizen are a precondition for successful business and strong stakeholder relations.

Solteq's Code of Conduct is based on the Company's 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, the operations are guided by local legislation, regulations, instructions, standards issued by authorities, and international principles governing ethical business, human rights, and social responsibility.

Material Aspects of Responsibility

Solteq has defined the key aspects of its corporate responsibility based on the economic, social, and environmental impacts of its business. The Company also evaluates corporate responsibility from the perspective of industry-specific trends and phenomena.

Solteq's corporate responsibility is focused on four aspects:

- social responsibility and respecting human rights,
- data protection and information security,
- anti-corruption and bribery, and
- environmental responsibility.

Areas especially relevant to Solteq's operations are matters related to the wellbeing of personnel and ensuring the confidentiality of information, and the integrity of information systems. The Company has a zero-tolerance policy for bribery and corruption. Responsible practices ensure that sustainability and environmental aspects are taken into account – considering the extent and nature of the Company's operations.

Stakeholders

Solteq's key stakeholders are the Group's personnel, customers, partners, shareholders, and the authorities. The impacts of Solteq's operations on these stakeholders has been comprehensively assessed when preparing the corporate responsibility principles. Solteq engages in active dialogue with its various stakeholders regarding the realization and development of responsible operating methods.

Responsibility in Customer Relationships

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

The principles governing quality management in customer projects are defined in Solteq's quality plan. The goal of instructions and guidelines related to quality planning, assurance, control, and improvement

is to ensure the high-quality execution of customer projects and the achievement of the agreed 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 involved in the Company's operations as well as to make sure 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 is aimed at ensuring that the risks affecting the Company's business are identified, managed, and monitored. To ensure that responsible practices are implemented, the Company has recognized and is systematically monitoring certain 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 with respect to the supply chain and customer relationships, and
- risk factors related to the Company's reputation and stakeholders' trust in the Company, such as changes in the operation of the Company or its partners, and any accidents, crises affecting the environment and the personnel, and negative publicity. The Company is prepared to communicate in a timely and clear manner in case of any crisis, emergency, and disruption to maintain the stakeholders' trust in the Company. The Company has an up-to-date crisis communication plan, and crisis communication has been invested in by organizing crisis communication training to the personnel.

Management of Corporate Responsibility

Corporate responsibility issues are regularly discussed by the Executive Team and Board of Directors. The CEO is responsible for reporting on corporate responsibility.

Social Responsibility

Personnel and Human Rights

Highly competent, motivated, and healthy employees are the foundation for Solteq's success. Hence, the Company's operations are largely built on the core values (integrity, dedication, better together) defined together with the employees. A strong foundation of values in operations aims for a good employee experience and positive customer experience as a result.

IT is a rapidly evolving industry, and Solteqians are eager to continuously develop their skills. To enable this, the employees are regularly offered opportunities for training. In 2022, the training focused on improving the employees' technical competencies and the team leaders' leadership skills.

Well-being at work is managed as part of the Company's business operations. Well-being at work is supported by, among other things, flexible working hours, remote work opportunities, and extensive sports, culture, and well-being initiatives.

Success in recruitment has a strategic significance for the growing and evolving company. In 2022, the Company recruited 159 new employees (147). Personnel turnover was at 25 percent (19). High employee mobility is typical in the industry, and the availability of skilled workforce is a significant risk for business operations.

Employee satisfaction is measured by a survey conducted three times per year. The survey results are used in assigning priorities to Company-specific development projects as well as to supporting managerial work. Employer recommendation (eNPS) decreased to 27 (31). The decreased work satisfaction reflected the difficulties in resource sufficiency and in the development of software products.

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. Unlike many software companies, Solteq's personnel has a wide age range. The Company's employees include fresh graduates as well as experienced professionals approaching retirement age. The average age of the personnel was 40.9 years (40.9). Women accounted for 24,5 percent of Solteq's personnel (22).

Solteq respects internationally recognized human rights 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 Personnel and Training Plan and the Occupational Health and Safety Plans. According to the Company's view, 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 by obligating the partners to commit to the responsibility principles drawn by Solteq or other equivalent principles of responsible practice.

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 appropriate handling 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 develops its data security and data protection. The certification was renewed in December 2022. The auditor for the certification was KPMG IT Sertifiointi Oy. No significant shortcomings were found.

In terms of personal data, Solteq operates in the market in the roles of both controller and 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 gives guidance and instructions to its customers regarding appropriate technical and organizational measures, which contributes to the protection of privacy in society. During 2022, Solteq has been involved in the implementation of information security and data protection as part of its customer projects. The emphasis has been on identity protection, the development of risk and vulnerability management of delivered customer solutions, and the capability to protect against global data security threats, such as cyberattacks. Solteq has taken particular precautions on the increased cybersecurity threats.

The prevention and communication of information security threats 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 digital security in society and secures operating conditions for disturbances and exceptional situations. Solteq participated in the nationwide TIETO22 exercise, organized by the National Emergency Supply Agency, which simulated the cooperation between businesses and authorities in major cyber incidents.

Solteq's employees' information security skills are maintained through regular and mandatory information security trainings. Solteq employees receive information security training already as part of the orientation. Extended data protection and information security training to the entire personnel was introduced in the spring of 2019. Approximately 80 percent of the employees completed the Information Security and Data Protection training in 2022.

Solteq's information security and data protection operations are managed by an information security team consisting of IT Director, Data Protection Officer, Chief Information Security Officer responsible for the information security of the business solutions, and two Enterprise Architects. The information security team is responsible for the information security of infrastructure services and enterprise resource planning. In addition, the Chief Information Security Officer in charge of information security in business solutions works closely with the business units and looks after the development of information security and data protection in the Company's IT solutions.

Anti-Corruption and Bribery

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

Solteq chooses its partners carefully and all payments are subject to appropriate approval using a pre-defined phased approval process and they must be recorded in the Company's accounts. The Company does not pay or approve of any questionable benefits. All benefits provided and received must be such that they can be openly reported 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 pertaining to corporate responsibility.

Solteq's stakeholders are primarily domestic and Nordic entities. The Company's business takes place 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 and following up on the processing of notifications of suspected misconduct. 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. No suspected incidents of misconduct were reported in 2022.

Environmental Responsibility

The ICT sector is estimated to account for 3–5 percent of global greenhouse gas emissions. According to the climate and environmental strategy for the ICT sector, published by the Ministry of Transport and Communications in 2021, reducing energy consumption, using renewable energy sources, and managing life cycle of raw materials are essential to reducing emissions. In addition, development of green software solutions creates new opportunities for a more climate and environment friendly industry.

Solteq takes environmental aspects into consideration in its operations according to Solteq's policy for sustainability and environmental responsibility. Consideration for the climate is being further emphasized in Solteq's responsible practices, and the development will be guided by the measurement and monitoring of carbon dioxide emissions launched in 2021.

Carbon Footprint Directs Towards Better Tomorrows

In 2022, Solteq Plc's CO₂ emissions were assessed in accordance with the international Greenhouse Gas Protocol (GHG), taking into account the key emission sources for the Company's direct and indirect operations.

In 2022, the entire value chain carbon footprint of Solteq Group was 1,120 tonnes CO₂e.

- Scope 1 covers direct emissions resulting from the Group's operations. These include carbon dioxide emissions from the consumption of fossil fuels by leased cars. Scope 1 emissions accounted for 2.7 percent of Solteq's total emissions.
- Scope 2 covers indirect emissions resulting from the Group's operations. These include carbon dioxide emissions from electricity, heating, and cooling of the Company's premises and the leased electric vehicles. Scope 2 emissions accounted for 19.6 percent of Solteq's total emissions.
- Scope 3 covers indirect emissions resulting from the Group's operations. These include the carbon dioxide emissions from business travel – flights, train travel, and car journeys which are reimbursed – equipment and capacity purchases, and commuting. Scope 3 emissions accounted for 77.6 percent of Solteq's total emissions.

In 2022, the carbon footprint of Solteq Group's own operations was 384 tonnes CO₂e. Carbon emissions from commuting and equipment and capacity purchases are not included in the calculation.

In 2022, CO₂ emissions of the Group's own operations increased by 8.0 percent relative to the comparison period. This was mainly due to an increase in business travel as it bounced closer to the pre-pandemic levels.

The greatest potential for reducing carbon dioxide emissions lies in favoring premises and capacity utilizing renewable energy sources. Restraint in business travel also helps to mitigate carbon emissions, as do remote and hybrid work. In the future, direct carbon emissions can be reduced by favoring electric and hybrid cars in leasing contracts.

Carbon Footprint of Solteq Group's Own Operations

	2020	2021	2022	Change 2021–2022 - %
Carbon footprint of own operations, tCO ₂ e	387	356	384	7.9
CO ₂ emissions relative to revenue, kg CO ₂ e / TEUR	6.4	5.2	5.6	8.0
CO ₂ emissions per employee, tCO ₂ e	0.7	0.6	0.6	0.7

Green Choices as Part of Daily Work

Solteq strives to reduce the environmental impact of business premises and equipment as well as increase the recycling of materials. The Company favors modern, energy-efficient, and healthy environments in its choices of business premises. Centrally located offices, the use of modern communication technology and remote work opportunities aim to reduce the need for travelling. 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 arises from hardware manufacturing. Solteq takes this into account 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 conducts dialogue with different equipment suppliers in order to support sustainable principles.

EU Taxonomy

The EU Taxonomy is a classification system for sustainable finance that aims to support the transition towards an economy based on low carbon emissions, resource efficiency, and sustainable development. Through the classification system, EU is steering capital market financing towards sustainable targets, as well as steering companies operating in those markets towards more transparent reporting and responsible business practices. The sectors included in the classification system are those with the greatest potential to meet the EU's climate change mitigation and adaptation goals.

Solteq has assessed its suitability and alignment for the EU Taxonomy classification system for 2021 and 2022. The Company's core business operations do not correspond to activities that contribute to climate change mitigation or adaptation as these are defined by the classification system for the information, communications, and technology sector. As a result, 0 percent of Solteq's business operations come within the scope of economic activities that are suitable for or aligned with the classification system. Solteq continues its efforts in sustainability and is preparing to extend its sustainability reporting in 2025.

Economic activities	Codes	Revenue	Share of revenue	Substantial contribution criteria						DNSH criteria						Taxonomy-aligned share of revenue			
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	2022	2021	Category
		MEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
TAXONOMY-ELIGIBLE ACTIVITIES																			
Taxonomy-aligned activities																			
Revenue of Taxonomy-aligned activities		0	0														0	0	
Taxonomy-non-aligned activities																			
Revenue of Taxonomy-non-aligned activities		0	0														0	0	
Total Taxonomy-eligible activities		0	0														0	0	
TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Revenue of Taxonomy-non-eligible activities		68,4	100																
Total Taxonomy-eligible and non-eligible revenue		68,4	100																

Economic activities	Codes	Revenue	Share of revenue	Substantial contribution criteria						DNSH criteria						Taxonomy-aligned share of revenue			
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	2022	2021	Category
		MEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
TAXONOMY-ELIGIBLE ACTIVITIES																			
Taxonomy-aligned activities																			
CapEx of Taxonomy-aligned activities		0	0														0	0	
Taxonomy-non-aligned activities																			
CapEx of Taxonomy-non-aligned activities		0	0														0	0	
Total Taxonomy-eligible activities		0	0														0	0	
TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		9,2	100																
Total Taxonomy-eligible and non-eligible CapEx		9,2	100																

Economic activities	Codes	Revenue	Share of revenue	Substantial contribution criteria						DNSH criteria						Taxonomy-aligned share of revenue			
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	2022	2021	Category
		MEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
TAXONOMY-ELIGIBLE ACTIVITIES																			
Taxonomy-aligned activities																			
OpEx of Taxonomy-aligned activities		0	0														0	0	
Taxonomy-non-aligned activities																			
OpEx of Taxonomy-non-aligned activities		0	0														0	0	
Total Taxonomy-eligible activities		0	0														0	0	
TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		73,0	100																
Total Taxonomy-eligible and non-eligible OpEx		73,0	100																

Solteq's Corporate Responsibility Priorities, Objectives, and Key Performance Indicators

Aspect	Principles and processes	Objective	Performance indicators	2022	2021	2020	Most significant risks
Anti-corruption and Bribery	Anti-corruption and bribery policy, engaging the commitment of employees and partners, whistleblowing channel	Commitment of employees and other stakeholders	Number of reported infringements	0	0	0	Criminal and other legal sanctions Impacts on customer relationships and public procurement Reputation risk
Management of identified risks	Several online trainings are organized for personnel in connection with the risk factors identified during the year. Topics include data security and protection, crisis communication, and prevention of corruption and bribery.	Personnel training and effective prevention of risks	Annual mandatory trainings attended by the staff	584	530	520	Risks related to data protection and information security Risk factors related to the Company's reputation
Personnel	A culture of sharing knowledge, working together and experimenting Development of leadership and managerial work Performance reviews and competence management Competitive benefits Rising trend in employee satisfaction	Solteq is a sought-after workplace with healthy and satisfied employees. The Company supports competence development, provides an equal and non-discriminatory workplace community and supports individual wellbeing. Positive employee experience	Employer recommendation score	27	31	38	Risks related to the availability of employees
Environmental Responsibility	Measurement and analysis of carbon footprint Life Cycle Management, %	Mitigation of the Company's carbon emissions	tCO _{2e}	384	356	387	Climate change related risks Reputation risk
				100	100	100	