


SOLTEQ

An abstract graphic consisting of several thick, flowing lines in shades of pink and magenta. The lines originate from the left side of the page and curve downwards and to the right, creating a sense of movement and depth. The lines are layered, with some appearing in front of others, and they transition from a bright pink to a darker magenta as they curve.

Statement of Non-Financial Information 2021

Corporate Responsibility at Solteq

Solteq is a Nordic provider of IT services and software solutions specializing in the digitalization of business and industry-specific software. The key sectors in which the Company has long term experience include retail, manufacturing, utilities, and services.

Solteq's goal is to promote digitalization responsibly. The Company operates in Finland, Sweden, Norway, Denmark, Poland, and the UK employing over 650 professionals. 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. For this reason, 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 aims to ensure a good employee experience that enables a positive customer experience.

IT is a rapidly developing industry and the experts employed by Solteq want to develop their skills continuously. To this end, the Company offers regular training opportunities for its personnel. Training in 2021 focused on improving the personnel's technical competencies and information security skills. In addition, team leaders improved their leadership skills through training.

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

Successful recruitment plays a strategically important role in a growing and developing Company. In 2021, the Company recruited 147 new employees (111). Personnel turnover is at 19 percent (16). High employee mobility is typical in the industry, and the phenomenon was accelerated by the pandemic. The primary risk related to personnel concerns the availability of competent employees.

Personnel 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 at team level. Employer recommendation (eNPS) decreased from previous year's 38 to 31. The change reflected the challenges with supplying the needed resources for the growing business due to labor shortage.

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 (41.3). Women accounted for 22 percent of Solteq's personnel (21).

Solteq respects the internationally recognized human rights and workers' rights and nurtures a safe and healthy work environment for all of 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.

The Company's data security practices, monitoring systems, risk management, regulatory compliance level and maturity continued to develop in 2021. Solteq's company-level IT operations, covering data security practices, control systems and risk management, were granted ISO/IEC 27001:2013 certification in 2020. The certification requires that the Company continuously develops its data security and data protection. The auditor for the certification was KPMG IT Sertifiointi Oy, and the auditing was re-evaluated in December 2021. 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 also gives guidance to its customers relating to appropriate technical and organizational measures, which contributes to protection of privacy in the society. Solteq developed its information security through several information security projects during 2021. The emphasis has been on identity protection, risk and vulnerability management of delivered customer solutions, and also on the capability to protect the solutions against global data security threats.

The prevention and communication of information security threats is managed by an established Security Incident Reporting (SIR) process, which ensures that the relevant parties both are informed of potential or actual security incidents. This secures 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 promotes digital security in society.

Solteq's employees' data security skills are maintained through regular data security training. Information security is an integral part of the orientation trainings arranged for the personnel. Extended data protection and information security trainings to the entire personnel were introduced in the spring of 2019 and became mandatory part of employee training programme during the year. Approximately 80 percent of the personnel completed the Information Security and Data Protection training during 2021. The training system was renewed in the beginning of 2022, with regular training sessions arranged throughout the year on current information security and data protection issues.

Solteq's data security and data protection operations are managed by a data security team consisting of the IT Director, the data security officer, the chief information security officer responsible for business solution data security, and two Enterprise Architects. The data security team is responsible for the information security of infrastructure services and enterprise resource planning. In addition to this, the Chief Information Security Officer is in charge of information security and data protection of the IT solutions provided by the Company. The Chief Information Security Officer works closely with Solteq's business units.

Throughout 2021, the personnel continued to work remotely. Remote work was widely adopted already in 2020. The continuous and long-term architecture development takes information security into account in

all working environments. Remote work has not caused significant challenges with information security or data protection.

Anti-corruption and Bribery

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

Solteq chooses its partners carefully and all payments are subject to appropriate approval using a pre-defined approval process involving several stages. All payments must also 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. We are committed to transparency in all of our business operations.

Solteq's Board of Directors has approved the Company's anti-bribery and corruption policy and the principles it includes in 2016. The policy complements Solteq's Code of Conduct and includes comprehensive guidelines concerning anti-bribery and corruption activities. Solteq also requires its suppliers and partners to observe the Company's Supplier Code of Conduct or corresponding principles pertaining to corporate responsibility.

Solteq's stakeholders are primarily Nordic and international 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 established an internal whistleblowing channel to enable the anonymous reporting of suspected misconduct. The Company is committed to processing all reports confidentially in accordance with a standard process. Ensuring the safety of whistle-blowers is essential for Solteq. No suspected incidents of misconduct were reported in 2021.

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 increasing life cycle management of raw materials are essential to reducing emissions. In addition, development of green software solutions creates new opportunities for 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. Climate change aspects will be increasingly emphasized as part of corporate sustainability in the future. The measurement and monitoring of carbon emissions launched in 2021 will lead the development.

Carbon Footprint Shows a Path Towards Better Tomorrows

In 2021, 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 2021, the entire value chain carbon footprint of Solteq Group was 804 tonnes CO₂e.

- Scope 1 covers direct emissions resulting from company operations. These include carbon dioxide emissions from the consumption of fossil fuels by leased cars. Scope 1 emissions accounted for 6.5 percent of Solteq's total emissions in 2021.
- Scope 2 covers indirect emissions resulting from company operations. These include carbon dioxide emissions from electricity, heating, and cooling of the Company's premises. Scope 2 emissions accounted for 29.9 percent of Solteq's total emissions.
- Scope 3 covers indirect emissions resulting from company 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 63.6 percent of Solteq's total emissions.

In 2021, the carbon footprint of Solteq Group's own operations was 356 tonnes CO₂e. Carbon emissions from commuting, equipment and capacity purchases are not included in the calculation.

In 2021, CO₂ emissions of the Group's own operations decreased by 8.0 percent relative to the comparison period. This was mainly due to a decrease in business travel, resulting from the pandemic. In addition, the pandemic reduced the environmental impact of the Company's operations due to remote work recommendation, which was in place for most of the year.

The greatest potential for reducing carbon emissions lies in favoring premises and capacity utilizing renewable energy sources. Restraint in business travel also helps 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.

	2021	2020	Change - %
Carbon footprint of own operations, tCO₂e	356	387	-8
CO₂ emissions relative to revenue, kg CO₂e / TEUR	5,2	6,4	-18,8
CO₂ emissions per employee, tCO₂e	0,59	0,65	-9,2

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.

The COVID-19 pandemic had a significant effect on the environmental impact, as commuting reduced dramatically. Due to the strong recommendation to work remotely, which continued for most of the year, commuting and other work-related trips were reduced to a minimum, practically next to none.

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 first reporting obligations related to the EU Taxonomy concern the assessment of the suitability of the classification system for 2021. The sectors included in the system are those with the greatest potential to meet the EU's climate change mitigation and adaptation goals.

Solteq has assessed its suitability for the EU Taxonomy classification system for 2021. 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 subject to the classification system.

EU Taxonomy KPI	Revenue	Capital Expenditure	Operational Expenses
Share of business covered by taxonomy criteria, (%)	0	0	0
Share of business not covered by taxonomy criteria, (%)	100	100	100
Total, (TEUR)	69 055	7 147	62 045

Solteq continues its' efforts in in sustainability and is preparing to extend its EU Taxonomy reporting for 2022.

Solteq's corporate responsibility priorities, objectives and key performance indicators

Aspect	Principles and processes	Objective	Performance indicators	2021	2020	2019	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	530	520	370	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	31	38	36	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}	356	387	n/a	Climate change related risks Reputation risk

SOLTEQ

Solteq Plc

Karhumäentie 3 (5. floor)
01530 Vantaa