

Consolidated Sustainability Statement 2024



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A man with short brown hair and glasses, wearing a dark blue suit, white shirt, and patterned tie, stands in front of a server rack. The server rack is filled with various electronic components and cables. The background is slightly blurred, showing more of the server environment.

The New Strategic Plan Creates Opportunities for Growth in Results

TIIT ATSO
Chairman of the Management Board

The results of Harju Elekter for 2024 were affected by lower order volumes in the second half of the year, a decline was anticipated at the beginning of the year. The primary impact in the fourth quarter came from a larger-than-expected decline in orders, which significantly affected revenue. The decline in revenue presented a challenge in terms of covering overhead costs and maintaining profitability. However, further reductions in overhead costs, in particular staff costs, would have affected competence and limited opportunities for the sustainable growth of business volumes. Nevertheless, the group continues to operate in savings mode, carefully considering each expense and investment.

On the positive side, the volume of sales orders increased in the fourth quarter. As previously predicted, its impact will not be noticeable until the peak production season, which will be in the second and third quarters of 2025. Therefore, the low season in economic results is expected to continue in the first quarter.

Although the results of the preceding financial year fall short of expectations, it should be noted that the group has managed to exceed the revenue and operating profit of 2024 on only two occasions in the past. However, this is no reason to be satisfied.

It is the priority of the Management Board to improve performance results in the coming years. The new strategic plan approved by the Supervisory Board at the beginning of 2025 creates the necessary prerequisites for achieving this objective, taking into account both market trends and growth opportunities for electrification.

Key pillars of the 2025–2030 growth strategy:

- „First billion is the hardest“ – we aim strong revenue growth in upcoming years
- The sustainable growth must be profitable – **10% EBIT margin is a must** not an option
- We will keep playing an active role in the electrification of society by providing **electrical power distribution solutions**
- We target **real estate** portfolio growth **two folds** in terms of revenue and EBIT
- We will continue to invest to our **own products** to **harvest higher margins** and improve our competitiveness
- Our growth journey can not only be organic therefore we will target company **M&A-s** and expand our home markets to **Central Europe**. We will focus on this after all the **existing subsidiaries are stable and profitable**
- **Resources constraint** – we use our funds and resources in utmost rational manner & we plan investments considering our financial capabilities
- Company with **attractive dividend** policy and shareholders base of **>20 000 investors**

During the reporting year, the Lithuanian factory made the largest contribution to the group's results. Although the number of employees decreased by 146 due to the reduction in order volumes, the company maintained strong profitability. In Lithuania, the order volume has grown the most in the new year, giving reason to be optimistic about 2025.

The Estonian production unit also achieved good financial results. The significant recognitions awarded to the company last year – Factory of the Year 2024 and Company of the Year – confirm that the decision made a few years ago to merge two Estonian factories into one synergistic subsidiary was strategically correct. The order volume of the Estonian company has also increased significantly since the beginning of 2025, providing confidence and positive prospects for future development.

Finnish companies ended the year profitably, but the results were modest. The best result was achieved by the factory producing turnkey substations in Kurikka. In 2024, Harju Elekter Oy underwent management structure changes and thoroughly analyzed the effectiveness of business models. A new development plan has been approved for 2025, creating the conditions for achieving previous profitability in the coming years.

The Swedish factory remained the unit with the weakest performance in the group this year as well. Two years after the relocation and the merger of activities, it has not yet been possible to build a stable and profitable structure or business model. However, higher business volumes are forecasted for 2025, which will reduce the impact of negative economic results on the group's overall profitability compared to 2024. The Swedish company plays an important role in the activities of the Estonian factory and has a positive impact on the results by mediating the substation assemblies produced by the Estonian production unit to local network companies.

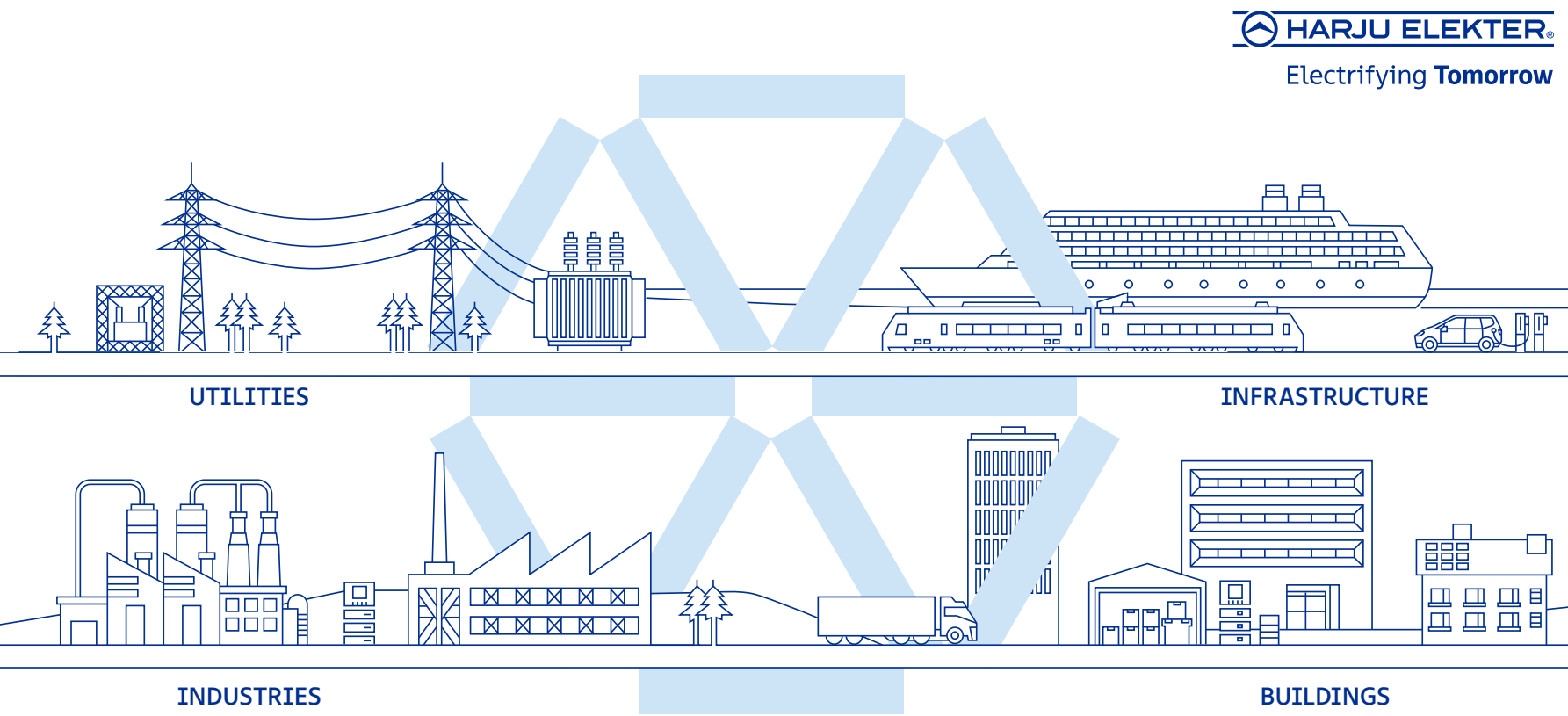
We will continue to work in 2025 to meet the expectations of our stakeholders. Our dedicated employees, loyal customers and partners, and supportive investors are key factors in developing a sustainable company. In implementing the growth strategy, we continuously promote a healthy and safe work environment and establish a management culture based on shared values. We will also continue to enhance the awareness of the Harju Elekter brand in the group's operating countries, which is one of the strategic tools for increasing our attractiveness as an employer and partner.



Tiit Atso

Chairman of the Management Board

Harju Elekter in Brief



Who we are

Harju Elekter is an international industrial group with extensive experience in providing future proof solutions for electrical power distribution. Harju Elekter Group has its roots and head office in Estonia, and production units in four countries: Estonia, Finland, Sweden and Lithuania.

What we do

Harju Elekter contributes to a sustainable society by providing future-proof electrical power distribution solutions. We engineer, manufacture, and install electrification solutions for utilities, industries, infrastructure, public and commercial buildings.



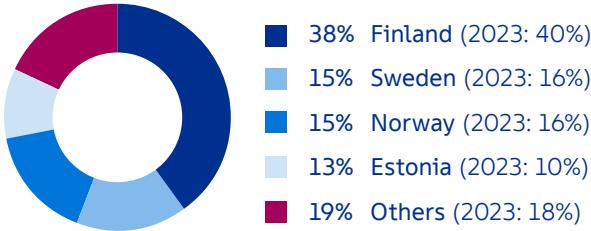
Turnover 2024

175 M€

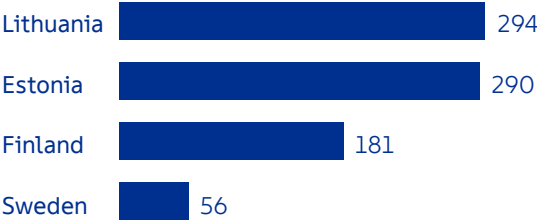
Employees in total
as at 31.12.24

821

Share of revenue by markets



Employees by country





Harju Elekter Group

As of 31 December 2024



AS HARJU ELEKTER GROUP

The Parent company of the Group coordinates co-operation within the Group's companies and manages industrial real estate holdings.

AS HARJU ELEKTER GROUP'S SHARE IN ITS SUBSIDIARIES IS 100%

ESTONIA

AS HARJU ELEKTER

An electrical equipment manufacturer based in Keila for the energy distribution, industrial, and construction sectors

ENERGO VERITAS OÜ

Company's active economic activity paused.

FINLAND

HARJU ELEKTER OY

Manufacturer of electrical equipment for energy, industry, and infrastructure sectors, located in Ulvila, Kerava and in Kurikka

TELESILTA OY

Electrical engineering company specializing in electrical contracting for the shipbuilding industry, located in Uusikaupunki

HARJU ELEKTER KIINTEISTÖT OY

Industrial real estate holding company in Finland

SWEDEN

HARJU ELEKTER AB

Engineering company for MV/LV power and distribution solutions for the construction, infrastructure, and renewable energy sector; manufacturer of prefabricated technical houses located in Västerås

HARJU ELEKTER SERVICES AB

Industrial real estate holding company in Sweden

LITHUANIA

HARJU ELEKTER UAB

Engineering and contract manufacturing of multidrive, MCC's and distribution systems, located in Panevėžys

STRATEGICAL INVESTMENTS

ESTONIA

OÜ SKELETON TECHNOLOGIES GROUP (5.45%)

Developer and manufacturer of supercapacitors

FINLAND

IGL-TECHNOLOGIES OY (10%)

Developer of parking & e-mobility solutions for electric car chargers

In January 2024, the merger of Harju Elekter Group's Swedish subsidiary, LC Development Fastigheter 17 AB with Harju Elekter Services AB was registered in the business register.

Main Events



Customer agreements



Harju Elekter AB signed a new 3-year framework agreement with on the largest Swedish distribution network company E.ON Energidistribution AB, for the supply of approximately 2000 substations.

Changes in the management bodies of companies



As of January 2, 2024, **Jari Jylli** started as the Managing Director of **Harju Elekter OY**, taking over responsibilities from the previous Managing Director, Jan Osa.



In December, the Supervisory Board of **AS Harju Elekter Group** decided, in line with the approval of the Group's new development strategy, to expand the members of the Management Board from three to five members. Starting January 1, 2025, the board of AS Harju Elekter Group consist of the following members: **Tiit Atso** – Chairman of the Management Board, **Priit Treial** – financial management, **Aron Kuhi-Thalfeldt** – real estate, **Erko Lepa** – manufacturing and supply chain, and **Tiit Luman** – sales, marketing and product management.



New head office

In November, **AS Harju Elekter Group** head office moved from Keila to Tallinn, to the Park Tondi business district. This is a historically significant step, as the head office had been located in Keila since the company's founding.

Recognitions

 AS Harju Elekter



Company of the Year 2024 – the Company of the Year was selected from the best participants of the "Enterprise Award" competition organized by the Estonian Business and Innovation Agency and the Estonian Employers' Confederation, as well as the "Competitiveness Ranking" by the Estonian Chamber of Commerce and Industry.



Industry digitiser of the Year 2024 – the competition organized by the Estonian Business and Innovation Agency and the Estonian Employers' Confederation aims to recognize Estonian companies that have accomplished significant process and organisational innovation, technological capacity, productivity, sustainability and competitive advantage through automation and digitalization.



Photo: Rene Riisalu

AS Harju Elekter Managing Director Alvar Sass receiving the Company of the Year award from Alar Karis, the President of the Republic of Estonia.

Industrialist of the Year 2024 – The Industrialist of the Year competition is organized by Äripäev, Tööstusuudised.ee, and ABB Estonia. The aim of the competition is to recognize the leaders and owners of industrial companies and their efforts in developing their company and sector. AS Harju Elekter Managing Director Alvar Sass made it to the top 3 finalists.

Factory of the Year 2024 (large enterprise category) – The competition organized by Äripäev and Tööstusuudised.ee aims to recognize factories that are increasingly moving towards smart production and focusing on efficiency and technological development.

Recognitions

 Harju Elekter UAB



Harju Elekter UAB was awarded the title of Lithuanian Export Award 2024



Rolandas Dundulis, Production Manager of Harju Elekter UAB, receiving the Bronze “Labor Star”



Tomas Prūsas, Managing Director of Harju Elekter UAB, receiving the Top Corporate Taxpayer 2024 award

Panevėžys Chamber of Commerce, Industry, and Crafts awarded the following prizes:

Lithuanian Export Award 2024 – this honor highlights the company’s exceptional contributions to international markets through innovative and sustainable electrification solutions. Harju Elekter UAB’s ability to meet global demands while adhering to environmentally conscious practices places it among the leaders in its field.

Bronze “Labor Star” – this award was bestowed upon **Rolandas Dundulis**, the company’s production manager, recognizing his exemplary leadership and his role in achieving remarkable milestones within the organization.

Top Corporate Taxpayer – Acknowledged by the State Tax Inspectorate, this award emphasizes Harju Elekter UAB’s dedication to responsible business practices, with significant contributions to public welfare and community development.

4th spot among TOP 30 most sustainable companies in Lithuania. The Sustainability Index provides companies with an opportunity to showcase their sustainability initiatives to partners and the public. The Sustainability Index was created by 'Verslo žinios' and Swedbank

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ESRS 2

General Information

Basis for preparation

The consolidated sustainability statement of AS Harju Elekter Group and its subsidiaries (together the 'Group') has been prepared in accordance with the EU Corporate Sustainability Reporting Directive 2022/2464 (CSRD) and the European Sustainability Reporting Standards (ESRS) from the financial year of 2024. The scope of consolidation is the same as in the consolidated financial statements. Financial investments are not included in this sustainability statement.

Upstream and downstream value chain coverage (BP-1)

Harju Elekter has taken into account the upstream (inflow) and downstream (outflow) value chain when identifying potential impacts, risks, and opportunities. Most of the Group's environmental impacts, and around 80% of greenhouse gas emissions, are related to the value chain. Therefore, the sustainability statement reflects significantly more than just first-line business relationship information. Outsourced materials and suppliers' environmental and social practices have been mapped, based on their self-assessment. All policies, activities, and objectives related to the value chain are disclosed in the relevant sections of the sustainability statement.

In the case of the data disclosed in the sustainability statement, the upstream and downstream value chain data are included in certain cases, such as indirect greenhouse gas emissions related to the Group's customers and suppliers, and the number of suppliers that have signed or have an equivalent standard to the Code of Conduct of Harju Elekter. In addition, the impacts of the Group's input resources relate mainly to the upstream value chain, which is discussed in chapter E5, that covers resource use and the circular economy.

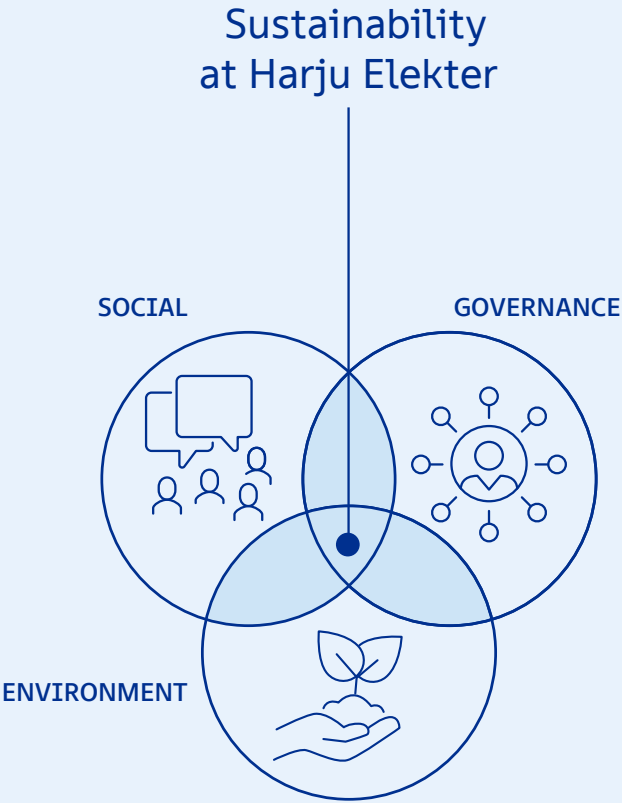
The sustainability statement does not include confidential information on the Group's strategy, plans, and actions to the extent that it ensures the protection of trade secrets and intellectual property.

Disclosures in relation to specific circumstances (BP-2)

The sustainability statement has been prepared using short-term, medium-term, and long-term definitions in accordance with the ESRS 1 standard. For the short-term, the period is 1 year, for the medium-term up to 5 years, and for the long-term, more than 5 years.

Greenhouse gas scope 3 emissions include data from the value chain that cannot be directly measured and can only be estimated. Therefore, indirect sources were used to assess emissions, including publicly available industry averages, databases, and data from the Environmental Product Declarations (EPDs) certified by third parties.

The level of uncertainty surrounding the scope 3 data is generally considered to be medium, with systematic and statistical uncertainty estimated to be low. Although it is not possible to



measure scope 3 emissions directly, maximum use was made of product-specific information from the EPD declarations and additional relevant sector-specific databases.

For more information on greenhouse gas emissions, [see total GHG emissions \(E1-6\)](#).

Management

Management and supervisory bodies (GOV-1)

The Management Board is the governing body of the public limited company, which represents and manages the daily activities of the company. As of 31 December 2024, the Management Board of AS Harju Elekter Group had three male members. Tiit Atso, the Chairman of the Management Board, is engaged in the general and strategic management of the Group, while Priit Treial and Aron Kuhi-Thalfeldt are responsible for the Group's real estate and energy topics. Tiit Atso has been at Harju Elekter since 2014, Aron Kuhi-Thalfeldt since 2003, and Priit Treial since 2022. The Management Board does not include non-executive directors and employee representatives.

As of 1 January 2025, the Supervisory Board of AS Harju Elekter Group decided to extend the composition of the Management Board of the company to five members. [See Financial Statements Annex 29 'Events after the reporting date'](#).

The Supervisory Board plans the activities of the public limited company, organises its management, and supervises the activities of the Management Board. The six-member Supervisory Board of AS Harju Elekter Group consists of Chairman Triinu Tombak and members Risto Vahimets, Märt Luuk, Arvi Hamburg, Aare Kirsme, and Andres Toome. Triinu Tombak has served as a Member of the Supervisory Board of AS Harju Elekter Group from 1997 to 2007, and from 2012 to the present. Andres Toome from 2007, Aare Kirsme from 2014, Arvi Hamburg from 2017, and Risto Vahimets and Märt Luuk from 2022. The Supervisory Board does not include non-executives and employee representatives.

For more information on the education, experience, and

professional career of the members of the Management Board and Supervisory Board, [see the Corporate Governance Report](#).

The Supervisory Board consists of 1 woman (17%) and 5 men (83%), and the diversity ratio of the Supervisory Board by gender is 0.2. The independent members of the Supervisory Board are Risto Vahimets and Arvi Hamburg.

The Chairman of the Management Board is responsible for supervising impacts, risks, and opportunities. The Management Board is supervised by the Supervisory Board. The Management Board's mandates and policies do not currently reflect individual commitments on impacts, risks, and opportunities. The rights and obligations of the Management Board and the Supervisory Board are defined in the Articles of Association of Harju Elekter and the Commercial Code.

The Management Board and the Supervisory Board play a central role in guiding and ensuring business conduct. Their responsibilities include ensuring compliance with both strategic management and the company's values and ethical behaviour. The Management Board is responsible for establishing high-level business practices that support transparency, accountability, and sustainability.

The Management Board is primarily responsible for the management of daily activities, ensuring that business conduct complies with laws, regulations, and internal rules established within the company. It is also the responsibility of the Management Board to align the company's strategy with ethical business principles and make sure that employees, customers, and partners follow them.

The Management Board has appointed the day-to-day monitoring and management of sustainability issues to the Group's Sustainability Manager. This role includes the implementation

of the Group's sustainability strategy and the development of detailed action plans. The Management Board is regularly kept informed of sector-specific updates, ensuring transparency and accountability in the implementation of the plans. The Management Board approves the strategy, policies, actions, and targets set in terms of impacts, risks, and opportunities. Proposals for these are made to the Management Board by the Group's Sustainability Manager.

The members of the Management Board and of the Supervisory Board have the relevant knowledge arising from their education and work experience, which is necessary to manage the legal risks of the company and ensure responsible and sustainable activities. They understand international business practices, including respect for human rights and sustainability. They are able to identify and mitigate risks that may result from unfair or opaque business conduct and assess the long-term impact of decisions on sustainability and the company's values. The members of the Management Board and of the Supervisory Board support the formation of an ethical organisational culture and the involvement of employees in the implementation of the company's values. If members have limited knowledge or do not have the necessary knowledge in a specific area (e.g. laws, regulations, occupational health, safety, resource efficiency or greenhouse gas emissions), the necessary competence will be ensured through the assistance of internal or external experts or, if necessary, through training of members.

The Supervisory Board supervises the activities of the Management Board, assessing whether the strategies and decisions are in line with the values of the company and the interests of shareholders. The role of the Supervisory Board is to ensure that the company's business conduct supports long-term sustainability and reputation. This will ensure additional oversight and accountability, ensuring that all actions are consistent with the Sustainable Development Goals and risk management.

All manufacturing companies of the Group have been issued Quality and Environmental Management Systems (ISO 9001; ISO 14001) certificates. Occupational Health and Safety (ISO 45001) Management System certificates are held by AS Harju Elekter, Harju Elekter UAB, and Telesilta Oy. The certificates confirm that internal audits and management procedures have been implemented, ensuring the effective management of material impacts, risks, and opportunities in environmental, social, and governance topics.

Sustainability management (GOV-2)

The Group’s Management Board meets with the managers, incl. the Group’s Sustainability Manager, once a month. Regular meetings provide an overview of environmental, social, and governance issues, propose changes and present to the Management Board the results of policies, actions, metrics, and targets, as well as the effectiveness of the measures implemented. The Management Board and the Supervisory Board systematically assess the impacts, risks, and opportunities when making decisions related to the Group’s strategy and significant transactions, considering both short-term and long-term factors. Issues related to occupational health and safety, employee well-being, and energy-related topics are directly the responsibility of the Management Board. Particular attention will be paid to energy and resource efficiency, which are central issues in the assessment of new investments. The Management Board and the Supervisory Board meet as necessary, but at least once every three months, to provide an overview of material sustainability topics through the approved strategy.

The Management Board approved the significant impacts, risks, and opportunities (IRO) identified in the Double Materiality Assessment (DMA) and participated in the preparation of

the Group Sustainability Strategy. The strategy considers the identified IRO-s. There is currently no separate system integrated for managing sustainability risks.

Integration of sustainability-related performance in incentive schemes (GOV-3)

The remuneration and compensation policies set out in the Group are not directly related to sustainability issues.

Statement on due diligence (GOV-4)

Due diligence element	Chapters in the sustainability statement	
Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO-1 (incl. E1 and E5) ESRS 2 SBM-3	
Addressing negative impacts on people and the environment	ESRS 2 MDR-A ESRS E1-1 ESRS E1-3	ESRS S1-4 ESRS E5-2
Tracking the effectiveness of these efforts	ESRS 2 MDR-M ESRS 2 MDR-T ESRS E1-4 ESRS E1-5 ESRS E1-6, ESRS E5-3 ESRS E5-4	ESRS E5-5 ESRS S1-5 ESRS S1-6 ESRS S1-7 ESRS S1-13 ESRS S1-15 ESRS S1-16
Engaging with affected stakeholders	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1	ESRS 2 MDR-P ESRS E1 ESRS S1-2

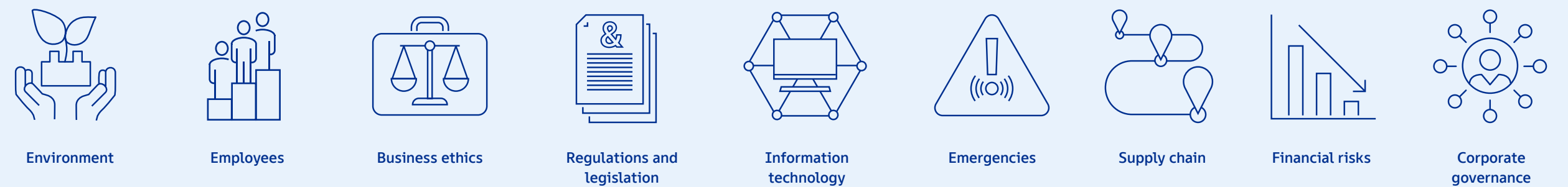
Risk management and internal controls over sustainability reporting (GOV-5)

The Group’s Sustainability Manager is responsible for preparing the qualitative information on the sustainability statement and submitting it to the Management Board for review. Quantitative data will be collected at the Group level. The Sustainability Manager is responsible for verifying the data, identifying inconsistencies, and performing the necessary calculations and conversions.

The Management Board is responsible for identifying and managing the risks. The risks are assessed in relation to their potential to cause material errors in sustainability reporting. In the first reporting year, the Group’s sustainability reporting risks are identified and monitored by the Sustainability Manager, who is provided with the necessary resources and inputs. The reporting system based on the European Union’s sustainability reporting standards is still in the process; therefore, internal control systems have been partially established and their development will continue in the coming years.

The Management Board of Harju Elekter ensures that risk management is part of strategic and operational management. The audit committee and the internal auditor are responsible for overseeing the risk management process and its functioning. Within the Group, risks are identified, managed, and mitigated to achieve the set targets and prevent the unexpected events. The risk level score in the risk analysis framework is formed by the severity of the impact and the likelihood of the risk materialising. The Management Board periodically reviews risk levels and activities to identify and mitigate risks in a timely manner. The risk analysis covers the Group’s social, environmental, and governance risks.

Harju Elekter’s risks are divided into



In terms of environmental risks, the Group is mainly affected by international and European Union requirements, such as the Corporate Sustainability Reporting Directive (CSRD), Sustainability Reporting Standards (ESRS), EU Taxonomy, the Paris Agreement on climate change, and the European Green Deal. These regulations affect the company’s competitiveness, which is why we contribute to compliance and transparent reporting of sustainability information.

Of the risks associated with employees, the company is mainly affected by the employees’ increased expectations for working conditions (including flexibility, development, and remuneration), which complicates the recruitment process and increases employee turnover. To mitigate the risk, the Group has created a motivation package with a transparent remuneration system for employees and modern working conditions. From the point of view of occupational safety, the guiding principles of occupational health and safety are followed.

Management-related risks are mitigated by the group-wide training on the Code of Conduct of Harju Elekter and guiding principles. These principles are also agreed with key suppliers. To mitigate cybersecurity risks, an emphasis has been placed on various prevention and regular training activities. Additional information on the Group’s financial risks is disclosed in the Financial Statements (see [Financial risk management](#)).

The main risks identified in the sustainability reporting process include data collection and its quality, as well as human resources and expertise. Since 2018, Harju Elekter has collected sustainability data and followed procedures in line with the Global Reporting Initiative (GRI) reporting requirements. In 2024, the processes for ensuring compliance with the EU Corporate Sustainability Reporting Directive and Sustainability Reporting Standards were enhanced. The main risks related to data collection/data quality are due to errors in the manual entry of data, problems with the origin of the data, and difficulties in obtaining the relevant data. Actions to manage these risks

comprise in-house sustainability training, consulting external experts, and documenting the entire process. The group may also be affected by changes in political decisions, which could result in uncertainty in its area of operation, limiting business opportunities.

Possible risks to human resources and sectoral knowledge related to sustainability reporting are due to the limited number of employees on the sustainability team. The Sustainability Manager is responsible for implementing sustainability reporting and strategies, and has expertise in reporting requirements, processes, and sustainability information. The report is prepared with the involvement of managers, specialists, and external experts. The departure of an employee or key partner during the preparation of sustainability report can affect the company, as replacing the specific knowledge and skills promptly can be challenging. Risk mitigation measures include company-wide sustainability training, consulting external experts, and documenting procedures.

Strategy and business model

Strategy, business model, and value chain (SBM-1)

Harju Elekter focuses primarily on providing sustainable electricity distribution equipment. We design, manufacture, and install electrical equipment for energy, industrial, and infrastructure companies, as well as public and commercial buildings.

The main activity of Harju Elekter is providing electricity distribution solutions, where part of the semi-finished products and components used in the products are determined by our customers. It also affects the extent to which we can take measures to address the impacts, risks, and opportunities.

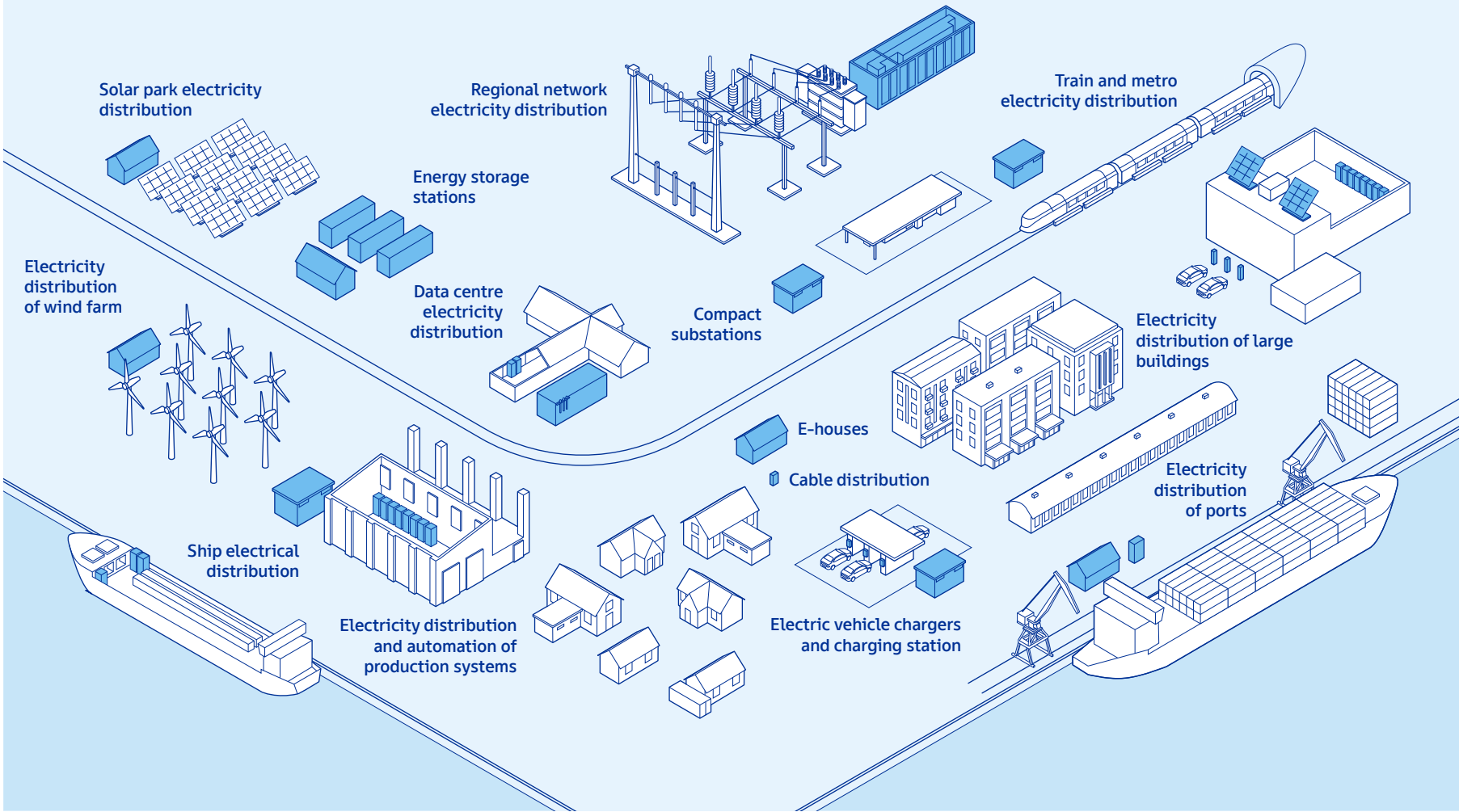
In addition to the above, the fields of activity of Harju Elekter include the development of industrial real estate, project management, rental, and related services for rental partners and the Group's companies. This segment produces 3% of the Group's revenue.

Harju Elekter offers products and services related to business customers. The Group does not offer products or services that are prohibited in certain markets.

Harju Elekter has its roots and Head Office in Estonia. Production units are in four countries: Estonia, Finland, Sweden, and Lithuania. Information on the number of employees by geographical area, see [S1](#).

The sustainability strategy of Harju Elekter was updated in 2024. The strategy will be approved in 2025 once the Group's

Our solutions include the following:



2024 sustainability-related data is available. The sustainability strategy considers the material impacts, risks, and opportunities identified in the Double Materiality Assessment, but does not

include sustainability targets for key product and service groups, customer categories, geographical areas, and relations with stakeholders.

Our strategic objectives



ENVIRONMENT

We create future-proof electrification solutions with tomorrow in mind

- Reducing GHG emissions in own operations and value chain
- Increasing the share of renewable energy
- Transition to circular economy



SOCIAL

Development and our people are at the centre of Harju Elekter

- Ensuring the health and safety of employees
- Ensuring employee satisfaction
- Improving skills and performance



GOVERNANCE

Successful cooperation with our customers leads to a sustainable future

- Promoting responsible governance
- Sustainable value chain
- Excellent quality of our products and services



Sustainable Development Goals



Our strategic objectives

ENVIRONMENT

We are committed to reducing GHG emissions

- We are reducing scope 1 and 2 GHG emissions by 20% by 2030 (base year 2024)
- We are reducing scope 3 GHG emissions by 15% by 2030 (base year 2024)

We are gradually increasing the share of renewable energy

- We are increasing the share of renewable energy production and produced solar energy consumption
- We are increasing the share of renewable energy consumption

We are applying circular economy principles

- We are increasing the content of recycled and recyclable materials in products
- We are contributing to the transition to a circular economy

We are implementing an environmental management system at the Group’s production sites

- We have set a target that all our production sites have a valid ISO 14001 environmental management system certificate

SOCIAL

We are ensuring the health and safety of our employees

- We are implementing the Group’s standardised Occupational Health and Safety (OHS) procedures that comply with local laws and regulations
- We are monitoring the effectiveness of the Group’s OHS procedures
- We are responding to dangerous situations as soon as they are detected
- We have set a target that all our production sites have a valid ISO 45001 Occupational Health and Safety Management System certificate

We are ensuring satisfaction among our employees

- We are conducting an annual Group-wide employee satisfaction survey with a target participation rate of > 70%
- We are addressing key issues and areas for improvement and sharing success stories

We are developing our employees to ensure competitiveness in a constantly evolving business environment

- We are training our employees and supporting lifelong learning, having set a target of > 40 hours of training per employee per year
- We are managing the individual development and performance of employees

We are investing in engineering education and the manufacturing industry

- We are supporting young people’s interest in technology and education
- We are participating in cooperation programmes between professional associations

GOVERNANCE

We are promoting responsible governance practices

- We are ensuring that our employees comply with Group’s Environmental, Health and Safety, and Human Rights standards. We have set a target for all employees to undergo training on the Code of Conduct and standards

We are contributing to the establishment of a sustainable value chain

- We are ensuring through contracts and self-assessment procedures that our contractors and suppliers share the Environmental, Occupational Health and Safety, and Human Rights principles of Harju Elekter

We are ensuring the high quality of our products and services

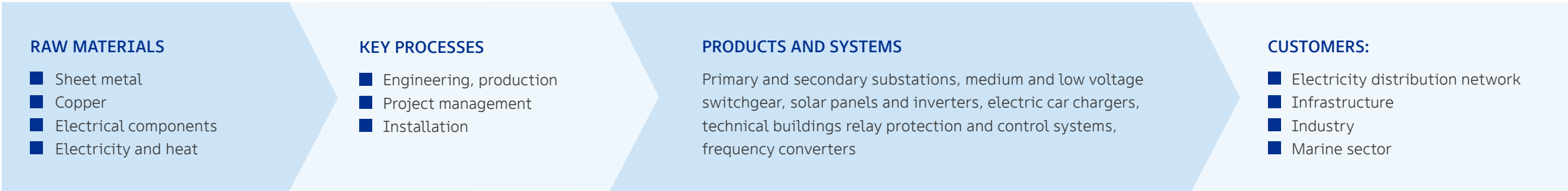
- A Quality Management System and Quality Management tools are implemented in all the Group’s production sites
- We have set the target that all our production sites will have a valid ISO 9001 Quality Management system certificate

The Group’s core business contributes to the development of the sustainable society by supporting large-scale electrification with electrical equipment, which contributes to meeting climate targets. Although Harju Elekter cannot guarantee that only green

energy is transmitted in the equipment produced but thanks to global efforts and demand, the trend is moving towards the electricity network ensuring the availability of increasingly environmentally friendly electricity. Harju Elekter is committed

to mitigating the negative effects related to its activities, such as the negative environmental impacts of our manufacturing processes and the components used in those processes.

The value chain of the manufacturing industry



The value chain of the real estate industry (incl. Finnish and Swedish holding companies)



The main inputs used in the production process are sheet metal, copper, electrical components and semi-finished products, electrical and heating energy, and labour. A large part of the inputs, except for energy and labour, are procured according to customer specifications, with customers often determining themselves the specific products and suppliers. Semi-finished products, components, and raw materials are outsourced as needed. While Harju Elekter has the opportunity to choose both the product and the supplier, the current market conditions prioritise price over other indicators. Often, there are no sustainable alternatives in the Group's field of operation.

The inputs used in the Real Estate segment are utilities, other services, such as waste management and sewage, construction materials, properties and land, and construction-related services. Utilities are purchased under specific periods or contracts and building materials and construction-related services are purchased as needed.

The description of the Harju Elekter value chain and products and services provides an overview of our outputs to customers. The outcome for Harju Elekter shareholders includes an increase in share price and dividends, primarily linked to the Group's financial performance. The Group's employees benefit from a stable and reliable employment environment, while the local government and the community gain significant advantages with Harju Elekter serving as a key employer and taxpayer. Furthermore, Harju Elekter actively supports local youth sports and professional education while fostering an interest in technology among young individuals.

Interests and views of stakeholders (SBM-2)

Harju Elekter employees are key stakeholders. Group strategy and business model prioritize the roles and contributions of employees, acknowledging them as key factors in the company's

success. The Group encourages open communication, employee participation in decisions, and promotes their professional growth and well-being. Employees' rights and interests are addressed by ensuring a safe working environment, offering flexible and competitive working conditions, and providing equal opportunities.

Harju Elekter's business model centres on customer expectations and needs. We have concluded framework agreements with our key customers, which set out the customers' expectations for Harju Elekter. We consider our customers' current and future needs when forming our strategy. Each real estate project is validated by local governments, financiers, and stakeholders. The projects are designed to meet the specific requirements of our customers.

Feedback from stakeholders in the Double Materiality Assessment indicates that the Group's strategy and business model already meet key stakeholder expectations and require no improvements.

Summary of stakeholder engagement

Key stakeholders	How do we engage?	Engagement purpose/outcome	How has Harju Elekter taken the feedback into account?
CUSTOMERS	<ul style="list-style-type: none">• Feedback mechanisms (surveys, product reviews)• Social media interactions	<ul style="list-style-type: none">• Improved customer satisfaction• Stronger customer relations	<ul style="list-style-type: none">• Taking customer feedback and sustainability objectives into account in the Double Materiality Assessment process• Increasing customer satisfaction
	<ul style="list-style-type: none">• Customer service and dialogue through sale teams• Interviews, including sustainability topics, performance and targets• Customer cooperation in product development	<ul style="list-style-type: none">• Better products and services• Increased transparency and trust• Positive corporate image• Valuable knowledge	<ul style="list-style-type: none">• Developing marketing strategy and action plans• Integrating feedback into product development• Integrating feedback into the continuous improvement process• Prioritising activities based on customer feedback

Summary of stakeholder engagement

Key stakeholders	How do we engage?	Engagement purpose/outcome	How has Harju Elekter taken the feedback into account?
EMPLOYEES	<ul style="list-style-type: none">• Employee engagement programmes (incl. surveys)• Employees have access to online whistleblowing channel• Competence development programmes• Structured career and performance reviews• Internal communication platforms• Team and one-on-one meetings• Creating an open environment for employees to raise potential issues	<ul style="list-style-type: none">• Alignment with the company’s objectives• Attractive job and career opportunities• Improved employee satisfaction and well-being• High level of health and safety at work• Innovation and ideas• Improved teamwork and cooperation• Increased productivity• Lower employee turnover	<ul style="list-style-type: none">• Analysing data and feedback and using data for decision-making and policy innovation• Taking account of employee feedback in the Double Materiality Assessment process• Taking account of employee feedback in developing sustainability strategies and action plans• Promoting employee belonging, diversity, and equality• Incorporating employee suggestions into the day-to-day running of the company
SUPPLIERS	<ul style="list-style-type: none">• Cooperating and managing relations with suppliers• Introducing our Code of Conduct to suppliers• Identifying high-risk suppliers• Periodically assessing suppliers• Handling proposals from suppliers• Regular quality control	<ul style="list-style-type: none">• Ensuring that all partners adhere to similar sustainability standards• Identifying high-risk suppliers and addressing them• Maintaining high standards and ensuring the reliability of suppliers• Promoting responsible sourcing and reducing supply chain GHG emissions• Continuous improvement• Strengthening partnerships, developing mutual trust and cooperation	<ul style="list-style-type: none">• Analysing data and feedback and using them in decision-making processes• Supplier training plans and activities• Informed choice of suppliers• Meeting supplier expectations

Summary of stakeholder engagement

Key stakeholders	How do we engage?	Engagement purpose/outcome	How has Harju Elekter taken the feedback into account?
SHAREHOLDERS	<ul style="list-style-type: none">• Adhering to the company’s dividend policy• Implementing the Group strategy• Ensuring compliance with the Code of Conduct• Monitoring and transparent reporting• Maintaining open and honest communication• Dialogue through the investor relations programme• Regular communication with analysts• Organising the annual general meeting of shareholders	<ul style="list-style-type: none">• Increased trust thanks to transparent communication• Understanding shareholder expectations on sustainability issues• Increased financial stability and business growth• Balanced return for shareholders• Strengthened investor confidence thanks to regular engagement• Information on the strategy of Harju Elekter• Regular reviews in cooperation with analysts• Constructive results of the annual general meeting of shareholders	<ul style="list-style-type: none">• Encouraging active participation and providing opportunities for shareholders to express their thoughts and ideas• Taking shareholder views and proposals into account in decision-making processes• Gathering and addressing feedback to ensure that shareholders feel involved
LOCAL AUTHORITY AND COMMUNITY	<ul style="list-style-type: none">• Student programmes and traineeships• Sponsorship projects and partnerships to plan for community benefits• Social media activities, cooperation with local newspapers and professional associations, and promotion of engineering education• Meetings and interviews with local authorities	<ul style="list-style-type: none">• Trustworthy and socially responsible company and employer• Addressing community thoughts and feedback• Ensuring community benefits• Economic investment for local prosperity	<ul style="list-style-type: none">• Supporting local community projects• Taking into consideration the expectations of communities• Involving communities• Participating in local events• Organising educational visits to businesses
REGULATORY AND SUPERVISORY AUTHORITIES	<ul style="list-style-type: none">• Proper reporting and disclosure of information• Regular communication with policymakers	<ul style="list-style-type: none">• Anticipating potential regulatory problems and mitigating risks• Valuable knowledge and instructions• Collaborative regulatory landscape	<ul style="list-style-type: none">• Compliant reporting• Considering suggestions for improvement• Aligning strategy and business model with regulations• Creating value

In 2024, Harju Elekter carried out for the first time the Double Materiality Assessment (DMA) in accordance with the European Corporate Sustainability Reporting Directive (CSRD) and Sustainability Reporting Standards (ESRS). We included sustainability issues relevant to stakeholders, such as greenhouse gas emissions, waste management, the circular economy, social responsibility, and responsible business practices, in the assessment list of impacts, risks, and opportunities. For the results of the DMA, see the table below (SBM-3).

The members of the Management Board were involved in the entire DMA process and received insight into the inputs of stakeholders in the process. Although the Supervisory Board does not receive separate information on feedback from all stakeholders, the Supervisory Board is indirectly informed of the opinions of stakeholders. During the reporting year, the Supervisory Board endorsed the Group's strategy, which encompasses a sustainability strategy and considers stakeholders' perspectives.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Harju Elekter's strategy and business model are informed by customer needs and expectations, as well as stakeholder perspectives. The Group has initiated changes to address the significant impacts, risks, and opportunities related to its operations.

ESRS	Topics	Material impact, risk or opportunity	Value chain	Time horizon	Description of impacts, risks, and opportunities and their effects on people or the environment
E1	Climate change adaptation	Negative impact	Own activities, upstream value chain, downstream value chain	Long-term	Energy consumption and greenhouse gas emissions in scope 1, 2, and 3 have negative impact on the environment and people
E1	Climate change adaptation	Risk	Own activities, upstream value chain, downstream value chain	Medium-term	Changing customer preferences and increased demand for low-carbon products
E1	Climate change adaptation	Risk	Own activities, upstream value chain, downstream value chain	Short-term	Changing global and EU regulations and the additional costs they entail
E1	Climate change mitigation	Positive impact	Own activities, upstream value chain, downstream value chain	Short-term	Further investment in solar parks and energy efficiency
E1	Climate change mitigation	Negative impact	Own activities, upstream value chain, downstream value chain	Short-term	The GHG emissions of Harju Elekter from its own operations and value chains
E1	Climate change mitigation	Risk	Own activities, upstream value chain, downstream value chain	Medium-term	Environmental compliance can affect the price of manufacturing and thus affect the competitive position
E1	Energy	Positive impact	Own activities, upstream value chain, downstream value chain	Medium-term	The Group's core business supports electrification, which in turn contributes to climate targets

ESRS	Topics	Material impact, risk or opportunity	Value chain	Time horizon	Description of impacts, risks, and opportunities and their effects on people or the environment
E1	Energy	Opportunity	Own activities, upstream value chain, downstream value chain	Medium-term	Increased demand due to electrification, and hence increased production volumes
E1	Energy	Opportunity	Own activities, upstream value chain, downstream value chain	Medium-term	Additional investment in solar parks and energy efficiency can reduce energy costs
E5	Resource input flows and use	Positive impact	Own activities, upstream value chain, downstream value chain	Medium-term	The products of Harju Elekter have a long lifespan and can be repaired and upgraded, extending their lifespan even further
E5	Resource input flows and use	Negative impact	Own activities, upstream value chain, downstream value chain	Medium-term	The production of Harju Elekter's products requires primary resources and there are no alternatives in the form of recycled products: this contributes to the depletion of natural resources.
E5	Waste	Negative impact	Own activities, upstream value chain, downstream value chain	Short-term	Waste generated by the Group's activities. Actions to reduce negative impacts: prevention and correct management of waste, allowing the reuse and recycling
S1	Working conditions	Positive impact	Own activity	Short-term	The majority of the Group's employees work full-time, and Harju Elekter also allows its employees flexible working hours
S1	Working conditions	Negative impact	Own activity	Short-term	Excessive periodic workload, which can affect the health of employees and increase the number of days spent on sick leave
S1	Working conditions	Positive impact	Own activity	Short-term	Paying adequate wages enables the well-being of both workers and their families
S1	Working conditions	Risk	Own activity	Short-term	Dissatisfaction with wage levels can reduce the chances of recruiting and retaining talent, as well as lead to a lack of motivation and poor performance
S1	Working conditions	Positive impact	Own activity	Short-term	The Group takes into account the needs and preferences of employees by promoting diversity and inclusion, which supports the creation of a better working environment, innovation and overall company development.
S1	Working conditions	Positive impact	Own activity	Medium-term	The Group contributes to a safe working environment for employees
S1	Working conditions	Negative impact	Own activity	Short-term	Accidents at work have a negative impact on the well-being of employees
S1	Working conditions	Risk	Own activity	Medium-term	Accidents at work and days on sick leave caused by them pose a risk to the Group
S1	Equal treatment and opportunities for all	Positive impact	Own activity	Medium-term	The Group contributes to the training and development of its employees

ESRS	Topics	Material impact, risk or opportunity	Value chain	Time horizon	Description of impacts, risks, and opportunities and their effects on people or the environment
S1	Equal treatment and opportunities for all	Opportunity	Own activity	Medium-term	Competent employees contribute to the development of the Group, and development programmes increase the attractiveness of the employer on the labour market
S1	Other work-related conditions	Risk / positive impact	Own activity	Short-term	The Group is committed to data protection to ensure compliance with applicable laws and regulations when processing personal data. Failure to comply with the law can result in loss of trust, reputational damage, and fines
G1	Corporate Culture	Positive impact	Own activities, upstream value chain, downstream value chain	Short-term	The Group prefers responsible cooperation partners
G1	Protection of whistleblowers	Positive impact	Own activity	Short-term	The Group ensures that whistleblowers are well protected through the whistleblowing channel
G1	Corruption and bribery	Positive impact	Own activities, upstream value chain, downstream value chain	Short-term	The Group contributes to the prevention of corruption, bribery and conflict of interest



- Occupational Health and Safety
- Development and motivation of employees
- Responsible sourcing
- Customer satisfaction
- Profitable growth that considers environmental impact reduction targets
- Mitigating environmental regulatory risks and turning them into opportunities
- Investment in the manufacturing of long-life, energy-efficient electrical equipment that supports electrification
- Optimising production processes through continuous improvement (LEAN-management)

In the coming years, customers will likely focus more on sustainability, prompting changes in our business model and activities. Many negative impacts from Harju Elekter’s business stem from its value chain and resources. These can be mitigated if customers adjust their procurement criteria and sustainable alternatives are introduced to the market.

Description of the nature of the impact activities or business relations

The effects of the upstream value chain are mainly due to input resources such as the production of energy, metals, materials, semi-finished products and components. These impacts come from the value chain, where we mainly procure materials through resellers and intermediaries, not directly from companies with significant impacts. Harju Elekter is directly related to the effects of its own workforce, environment, and governance.

The Group will not disclose the financial impacts of the IROs for the first 3 years. As of the date of the report, it is unlikely that the IROs related to Harju Elekter will have a significant financial impact in the near future, as the company’s strategy is aimed at managing them. As of 31 December 2024, the Group does not possess an independent resilience analysis. However, the Double Materiality Assessment has considered the Group’s capacity to address significant impacts and risks, as well as how the Group can leverage notable opportunities. The resilience analysis will be carried out in 2025.

Material impacts, risks, and opportunities

Description of the processes to identify and assess material impacts, risks, and opportunities (IRO-1)

In 2024, we conducted the Double Materiality Assessment, during which we analysed the impact of the Group’s business on

the environment and people, as well as the company’s financial risks and opportunities. Our sustainability report is based on a thorough assessment.

We assessed our business operations, value chain, industry sustainability statements and standards to identify potential impacts on people and the environment. We enhanced our understanding of material topics by collecting input through internal and external questionnaires, conducting workshops, and performing interviews. The analysis evaluated the risks and opportunities related to these effects in both qualitative and quantitative terms. In identifying and assessing relevant impacts, risks, and opportunities, we considered aspects related to both upstream and downstream value chain.

For the upstream value chain, we evaluated data from the global value chain of essential input resources used in our operations. For the downstream value chain, we considered the effects associated with the lifespan and end of life of our products. The most significant impact in the downstream value chain occurs during the use phase of our products, through the energy they transmit. Since we purchase our main input resources from intermediaries and resellers, we do not have a complete overview of the impacts (except for products covered by EPD-s). This is primarily in the upstream part of the value chain, where significant environmental and social impacts occur.

Harju Elekter serves major European and Scandinavian companies in the Baltics and Scandinavia. We believe our operations and downstream value chain do not have significant large-scale negative impacts that we could mitigate.

Because of the limited transparency of the upstream value chain with major environmental impacts, we used public global value chain data to identify and assess those impacts.

The summary table on stakeholder engagement (see SBM-2) offers an overview to understand its impacts.

After identifying the potential impacts, risks, and opportunities (IROs), we initiated the evaluation process. The initial step was to establish thresholds for assessing the significance of actual and potential impacts, opportunities, and risks.

For actual negative impacts, we assessed the scale of the impact, the scope, and the irremediability of these impacts. For possible negative impacts, we also assessed the likelihood and time horizon of their occurrence. For actual positive impacts, we assessed the scale and scope and for potential positive impacts also likelihood and time horizon of occurrence.

We assessed risks and opportunities based on their likelihood of occurrence and the scope of their short-, medium- or long-term financial impact. The Group’s current risk management methodology is not comparable to the ESRS-compliant risk assessment, so they cannot be compared or prioritized.

This year, Harju Elekter began sustainability reporting according on the European Sustainability Reporting Standards. We have not yet fully integrated internal control for the Double Materiality Assessment into our risk management processes. Over the next few years, we will enhance our sustainability reporting and processes for better detail and efficiency. Annually, we review and update our DMA analysis, as necessary.

Environmental Information

Taxonomy of sustainable economic activities in the European Union

The European Union adopted a classification system for sustainable economic activities – the European Union Taxonomy Regulation¹, which sets out the conditions under which economic activities can be classified as environmentally sustainable. Delegated acts specify the activities that can be considered environmentally sustainable and fall within the scope of the Taxonomy Regulation, i.e. the activities discussed.

A climate act² has been adopted for the goals of climate change mitigation and adaptation, which focuses on nine areas of activity that have the greatest potential to contribute to climate goals. A separate environmental act³ was introduced for the other four environmental objectives: the use and protection of water and marine resources, the transition to a circular economy, the prevention of pollution, and the restoration of biodiversity and ecosystems. Based on the field of activity of Harju Elekter, the Group's taxonomy report for 2024 covers activities related to **production, energy, transport, construction, and real estate**.

Each activity must meet the environmental criteria of a significant contribution defined in the taxonomy in order to be considered environmentally sustainable and suitable for achieving the climate and environmental objectives of the European Union. Meeting these criteria allows sustainable economic activities to contribute to the achievement of the European Union's environmental goals.

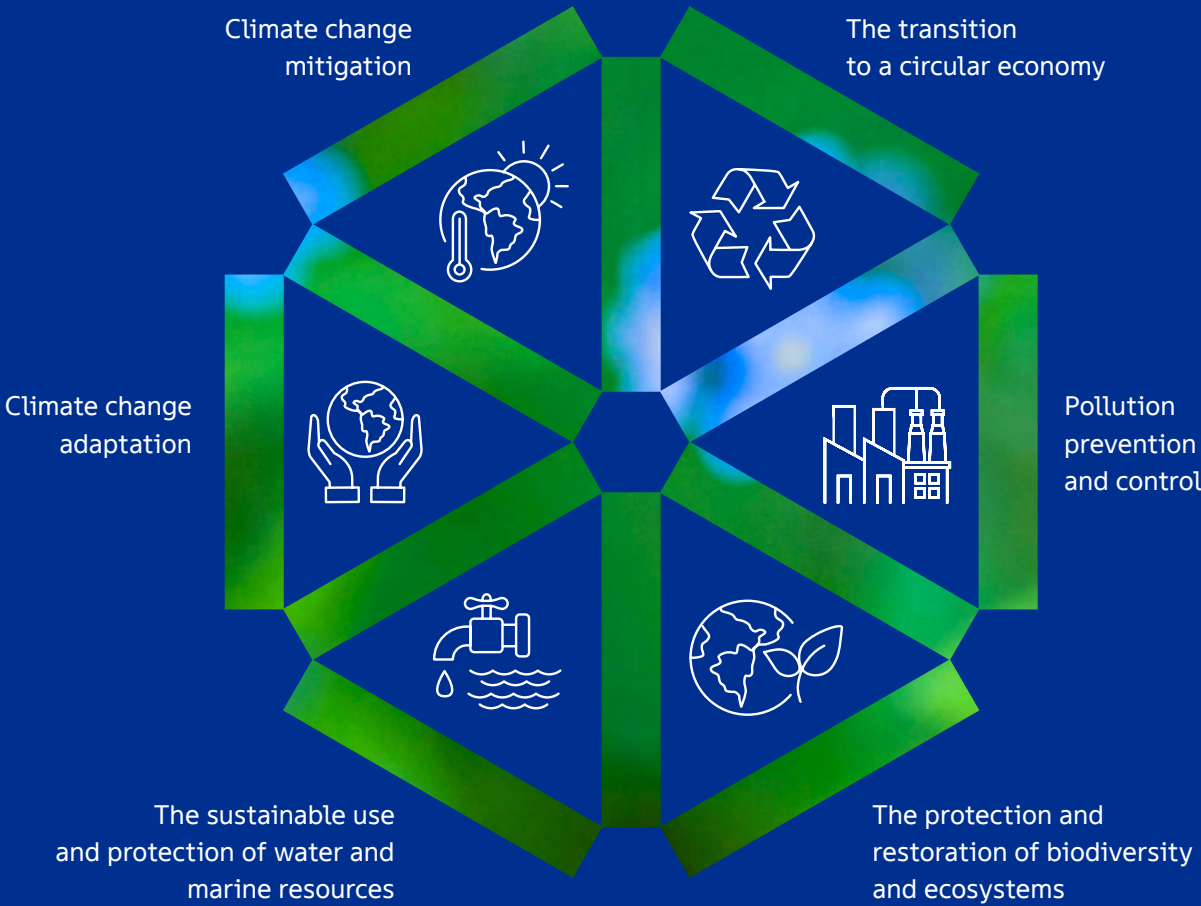
In accordance with the disclosure requirements of the Taxonomy Regulation⁴, Harju Elekter reports in 2024 the share of the economic activities covered by the Taxonomy Regulation, which are not addressed and are in accordance with the Taxonomy Regulation, in terms of turnover, CapEx and Opex, as well as activities related to nuclear energy and natural gas.

¹ Regulation (EU) 2020/852 of the European Parliament and of the Council. ³ (EU) 2023/2486

² (EU) 2021/2139

⁴ (EU) 2021/2178

Six environmental objectives



Accounting method and background information

Harju Elekter assessed the taxonomy-eligible and aligned part based on the descriptions of the performance indicators and the definitions of the numerator and denominator set out in Annex I of the disclosure requirements of the Taxonomy Regulation.⁵ The company used the definitions of performance indicators to calculate the proportion of taxonomy-eligible and aligned activities in revenue, capital costs, and operating expenses.

The numerator was determined on the basis of the descriptions of the activities in Annexes I and II of the climate act and the environmental act of the Taxonomy Regulation. An economic activity is considered to be eligible for the taxonomy if it is described in the climate or environmental act, regardless of whether it fully or partially meets the technical screening criteria set out in the acts. An activity is taxonomy-aligned if it meets the technical screening criteria defined in the climate or environmental act and is carried out in accordance with the minimum safeguards set out in Article 18 of the Taxonomy Regulation. Due to the lack of a climate change adaptation plan, none of the Group’s activities can be considered to be under the climate change adaptation objective, based on the guidelines set out in the Commission Notice (C/2023/305).

Turnover

The denominator included the Group’s revenue arising from the Group’s ordinary course of business in accordance with the accounting principles set out in Chapter 25.17 ‘Revenue from contracts with customers’ of the financial statements and in accordance with the requirements of § 82 of the International Accounting Standard IAS 1. The Group’s main activity includes the production and sale of power distribution and control equipment.

In addition, revenue is earned from the project and retail sale of electrical goods, the rental of industrial real estate, and electrical installation works in the shipbuilding sector.

The numerator included the revenue covered by the taxonomy, which corresponded to the description provided in the regulations, but in the Group’s opinion, did not meet the assessment criteria set out in the Taxonomy Regulation in 2024. The calculation of revenue was based on project, order, and activity-based accounting entries, taking into account only such sale by invoice where the criteria necessary for processing were met. In addition, group-wide transactions were mapped. Taxonomy-eligible revenue mainly came from products and services related to the production of substations and electrical distribution equipment for solar, wind, and hydroelectric power plants and for the modernisation and construction of low-carbon vessels, accounting for 21.4% of total turnover. As the content of the Group’s sales revenue depends on project-based orders, including their timing and nature, the volume of projects covered by the taxonomy was higher in the previous year (2023: 43%). In addition, it included the production of electric vehicle chargers and heaters (0.04% of turnover), industrial real estate development, project management and leasing (1.3% of turnover), and the production of renewable electricity using solar panels (0.1% of turnover). There was no taxonomy-aligned turnover during the reporting period.

Capital expenditure (CapEx)

The denominator included the Group’s investments in real estate in 2024 (Note 7. Investment property), property, plant and equipment (Note 8. Property, plant and equipment), and intangible assets (Note 10. Intangible assets). The numerator includes capital costs related to economic activities covered

by the Taxonomy Regulation, but did not meet the assessment criteria. In addition, the same goes for any individual measures that allow target activities to become low-carbon activities or lead to a reduction in greenhouse gases. At that, it has been considered that individual measures will be implemented within a period of 18 months. In order to avoid double accounting of the performance indicators of CapEx, each economic activity was examined on an investment-by-investment basis. The quantitative distribution of the numerator at the level of economic activity is presented in the table of the performance indicator of CapEx. There were no taxonomy-aligned capital costs. The figures from the previous year were significantly higher because a new production building was completed in Allika Industrial Park for lease to Reimax Electronics OÜ. This year, no investments of a similar scale have been made in new buildings.

Operational expenditure (OpEx)

The denominator included non-capitalised development costs incurred in 2024, which involved research and development, building renovation measures, short-term lease, maintenance, and repairs. It also took into account all other direct costs related to the day-to-day servicing of property, plant and equipment, whether by the company itself or through a third party to whom the activity has been outsourced, and which are necessary to ensure the continued and efficient operation of the property.

Operating expenditures related to economic activities covered by the Taxonomy Regulation, incl. training and other human resource adjustment needs, as well as direct non-capitalised costs involving research and development, were included in the numerator. In addition, costs related to individual measures that help target activities to become low-carbon activities or lead to greenhouse gas reductions were taken into account. To avoid

⁵ (EU) 2021/2178 final, Annex I, paragraph 1.1.

double accounting of the performance indicators of operating expenses, each accounting expense transaction is viewed on a goal and project-by-project basis. The operating expenses in 2024, which are disaggregated at the level of economic activities in the table of OpEx, did not meet the assessment criteria and therefore could not be defined as taxonomy-aligned activities. The year before, there were no development activities related to the activities covered by the taxonomy.

Information on the assessment of compliance with the Taxonomy Regulation

When mapping the activities covered by the Taxonomy Regulation, Harju Elekter proceeded from the NACE codes and description of the activities set out in the technical screening criteria of the climate act and the environment act. According to the Taxonomy Regulation, activities contributing to climate targets are divided into three: low-carbon activities, enabling activities, and transitional activities. The activities of the Harju Elekter include both low-carbon activities and enabling activities. There is no consistency in the activities discussed, as the Group has not carried out a physical climate risk analysis in accordance with the EU taxonomy.

The activities covered by the Taxonomy Regulation of the Harju Elekter in 2024 are the following:

- **CCM 3.3 Manufacture of low carbon technologies for transport.** The companies of Harju Elekter manufacture substations and other power distribution equipment that are sold for the modernisation and construction of low-carbon emission vessels. This is an enabling activity that contributes to climate change mitigation.
- **CCM 3.20 Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation.** We manufacture chargers and heaters for electric vehicles, as well as substations and other power distribution equipment for solar, wind, and hydroelectric power plants. The latter is an enabling activity for renewable energy production according to the climate change mitigation criteria.
- **CCM 4.1 Electricity generation using solar photovoltaic technology.** We produce and sell renewable electricity generated by solar panels. By using photovoltaic technology to generate electricity, the activity significantly contributes to mitigating climate change.
- **CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles.** The Group’s companies invest, rent, maintain, or repair vehicles that are covered by the Regulation.
- **CCM 7.2 / CE 3.2 Renovation of existing buildings.** The Group invests in improving the energy efficiency of existing buildings.
- **CCM 7.3 Installation, maintenance and repair of energy efficiency equipment.** The Group invests in the installation and replacement of energy-efficient light sources.
- **CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).** The group invests in the installation of charging stations for electric vehicles on real estate sites.
- **CCM 7.7 Acquisition and ownership of buildings.** The group is engaged in the development, project management, and leasing of industrial real estate. The buildings of Harju Elekter built after 2020 meet the screening criteria for a significant contribution to climate change mitigation, where the energy label proves the high energy efficiency of the respective buildings.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities of Harju Elekter in 2024

Financial year 2024	Year 2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover 2023	Category enabling activity (19)	Category transitional activity (20)
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Text		EUR '000	%	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No	No	0.0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		EUR '000	%	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible								%		
3.3 Manufacture of low carbon technologies for transport	CCM 3.3	25,956	14.9%	Eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible								0.4%		
3.20 Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	11,376	6.5%	Eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible								42.5%		
4.1 Electricity generation using solar photovoltaic technology	CCM 4.1	106	0.1%	Eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible								0.1%		
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	63	0.04%	Eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible								0.0%		
7.7 Acquisition and ownership of buildings	CCM 7.7	2	1.3%	Eligible	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible								1.8%		
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		39,734	22.8%	22.8%	0%	0%	0%	0%	0%								44.8%		
A. Turnover of Taxon omy-eligible activities (A.1+A.2)		39,734	22.8%	22.8%	0%	0%	0%	0%	0%								44.8%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy- non-eligible activities		134,978	77.2%																
TOTAL TURNOVER 2024		174,712	100.0%																

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	0%	22.8%
CCA (Climate Change Adaptation)	0%	0%
WTR (Water and Marine Resources)	0%	0%
CE (Circular Economy)	0%	0%
PPC (Pollution Prevention and Control)	0%	0%
BIO (Biodiversity and ecosystems)	0%	0%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities of Harju Elekter in 2024

Financial year 2024	Year 2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx 2023	Category enabling activity (19)	Category transitional activity (20)
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Text		EUR '000	%	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No	No	0.0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		EUR '000	%	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible								%		
4.1 Electricity generation using solar photovoltaic technology	CCM 4.1	59	1.4%	Eligible	Eligible	Not eligible	Not eligible	Not eligible	Not eligible								0,7%		
7.2 Renovation of existing buildings	CCM 7.2 CE 3.2	12	0.3%	Eligible	Eligible	Not eligible	Not eligible	Eligible	Not eligible								0,0%		
7.3 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	22	0.5%	Eligible	Eligible	Not eligible	Not eligible	Not eligible	Not eligible								0,3%		
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0%	Eligible	Eligible	Not eligible	Not eligible	Not eligible	Not eligible								0,2%		
7.7 Acquisition and ownership of buildings	CCM 7.7	1,118	26.9%	Eligible	Eligible	Not eligible	Not eligible	Not eligible	Not eligible								70.3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,211	29.1%	29.1%	0%	0%	0%	0%	0%										
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		1,211	29.1%	29.1%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non- eligible activities		2,951	70.9%																
TOTAL CapEx 2024		4,162	100.0%																

	Proportion of CapEx/ Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	0%	29.1%
CCA (Climate Change Adaptation)	0%	0%
WTR (Water and Marine Resources)	0%	0%
CE (Circular Economy)	0%	0%
PPC (Pollution Prevention and Control)	0%	0%
BIO (Biodiversity and ecosystems)	0%	0%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities of Harju Elekter in 2024

Financial year 2024	Year 2024		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx 2023	Category enabling activity (19)	Category transitional activity (20)
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Text		EUR'000	%	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes; No; Not eligible	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%	No	No	No	No	No	No	No	0.0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		EUR'000	%	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible	Eligible; Not eligible								%		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	21	1.7%	Eligible	Eligible	Not eligible	Not eligible	Not eligible	Not eligible								0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		21	1.7%	1.7%	0%	0%	0%	0%	0%								0.0%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		21	1.7%	1.7%	0%	0%	0%	0%	0%								0.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non- eligible activities		1,237	98.3%																
TOTAL OpEx 2024		1,258	100.0%																

Proportion of OpEx/ Total OpEx		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	0%	1.7%
CCA (Climate Change Adaptation)	0%	0%
WTR (Water and Marine Resources)	0%	0%
CE (Circular Economy)	0%	0%
PPC (Pollution Prevention and Control)	0%	0%
BIO (Biodiversity and ecosystems)	0%	0%

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

E1 Climate change

Transition plan for climate change mitigation (E1-1)

Harju Elekter is committed to climate change mitigation. Our sustainability strategy, which is part of the Group’s overall strategy, takes into account the objectives related to the transition to a sustainable economy.

We have done preparations and plan to implement a carbon neutrality plan by 2025, in line with the Paris Agreement’s goal of limiting global warming to 1.5 °C. Our updated 2024 sustainability

strategy at Harju Elekter addresses climate change mitigation and reducing greenhouse gas (GHG) emissions. In order to plan for climate change mitigation, we have assessed the Group’s GHG footprint in scope 1, 2, and 3. We began measuring greenhouse gas (GHG) emissions for scope 1 and scope 2 in 2021. In 2024, we additionally mapped and quantified the Group’s scope 3 emissions, which encompass indirect emissions from the value chain that are not included in scope 1 and scope 2.

Taking into account the results of measurements of GHG emissions in scope 1, 2, and 3, we set targets for 2030 and drew up an action plan to reduce GHG emissions. The main mitigation measures in scope 1 and 2 relate to electricity and heat consumption: optimising and reducing consumption, producing renewable energy, and purchasing renewable energy from service providers.

Scope 3 emission reduction measures relate to the reduction

of emissions from outsourced products and services, including transport services. The targets and activities related to climate change mitigation have been approved by the Management Board of Harju Elekter.

In the coming years, from 2025–2030, we will continue with scope 1 and 2 GHG emission reduction projects and focus on collaborating with our key partners to find ways to reduce the environmental impact and scope 3 GHG emissions in the value chain.

An explanation of investment supporting the implementation of mitigation measures is provided in the chapter ‘[Actions and resources in relation to climate change policies](#)’ (E1-3). Article 12 of Commission Delegated Regulation (EU) 2020/1818, which exempts compliance with Paris Agreement benchmarks, does not apply to Harju Elekter.



Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

We assessed Harju Elekter's business impact on global warming in the short, medium, and long term through the Double Materiality Assessment (DMA).

For each sub-topic described in the sustainability reporting standards, we engaged industry leaders and external environmental experts to identify how our actual or potential impacts, risks, and opportunities related to climate change and adaptation

are manifested. We further assessed whether the impacts, risks, and opportunities identified stem from our own operations or from the Group's upstream and downstream value chain.

In the DMA, we identified potential transitional and physical climate risks. Potential climate-related physical risks, such as floods, storms, extreme weather conditions, fires, and rising temperatures can pose financial risks to the company if they materialise. Based on the preliminary assessment, it is unlikely that these risks would have a significant impact on the Group. We will carry out a more in-depth analysis of resilience in 2025, taking into account the regions in which the Group's companies operate.

Due to our field of activity, where the share of outsourced materials and the volume of electricity transmitted in our products is large, the majority of the GHG emissions of Harju Elekter are generated in scope 3 categories (upstream and downstream indirect emissions). The amount of downstream emissions is mostly affected by the energy consumption during the lifetime of our products in their use phase. Scope 1 and 2 emissions (direct emissions) have less impact. We have conducted preliminary assessments of the emission reduction potential within our value chain. In 2025, in collaboration with key partners, we will develop plans to reduce emissions in scope 3 categories.

IMPACTS, RISKS, OPPORTUNITIES, AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Positive impact

- Working towards the EU climate targets
- Manufacturing distribution equipment to support electrification and the transition to environmentally friendly solutions
- Investing in renewable energy production
- Existing solar parks and their maintenance
- Manufacturing and installing EV-chargers for electric vehicles
- Optimising electricity and heat consumption in the Group
- Establishing energy-efficient buildings and making existing buildings more energy efficient (lighting, heating, and ventilation systems)

Negative impact

- Scope 1 and 2 GHG emissions related to our business activities
- GHG emissions from Scope 3 categories (upstream and downstream emissions)

Risks

- Customer expectations concerning the reduction of the environmental impact of products (e.g. reducing the carbon footprint and limiting the use of virgin raw materials, increasing the share of recycled materials) are changing rapidly
- Global and European Union regulations and taxation of GHG emissions

Opportunities

- The opportunity to diversify the product portfolio, develop in new business directions, increase profits, and expand the customer base



Description of the processes to identify and assess material climate-related impacts, risks and opportunities (IRO-1)

The process of assessing climate-related impacts, risks, and opportunities includes the following important steps: the analysis of historical scope 1 and 2 data and the mapping and analysis of Scope 3 categories. Greenhouse gas emissions and their effects on climate change were evaluated following the Greenhouse Gas Protocol standard.

Harju Elekter based its mapping and assessment of physical risks related to climate change on Estonia's future climate scenarios until 2100 and the Group's sites. Estonia's future climate scenarios up to 2100 were prepared in 2015 based on RCP4.5 (baseline) and RCP8.5 scenarios as of that time. According to the assessment, there were no significant physical climate risks to the companies' sites. The main focus of the assessment was on the risks affecting real estate and people. In general, the impacts of climate change on real estate and people in the Group's operating countries are not extensive, based on the projections referred to above. In Harju Elekter, temperature-related risks are mitigated, as employees are guaranteed an indoor climate suitable for performing their duties.

In Estonia, floods and storms are considered the biggest threat to real estate. As a result, we assessed the flood risks, but none of the Group's sites are located in the flood risk area, therefore, it is unlikely that the floods could endanger the property of Harju

Elekter. In addition, we assessed the risk of wildfires in the Group's areas of operation using the Copernicus Wildfire Risk Viewer, according to which none of the Group's companies are located in an area with a high risk of forest fires.

As regards the physical climate risks associated with the value chain, the Group assessed the risk as generally significant, but due to the fact that the Group currently lacks transparency concerning the upstream stages of its value chain, it is currently not possible to assess more precisely which parts of the value chain are affected by specific physical climate risks.

In our DMA analysis in mapping and assessing the impacts, risks, and opportunities associated with climate change, we proceeded from the time horizons established in ESRS 1: short-term, medium-term, and long-term. For the short-term, the period is 1 year, for the medium-term up to 5 years, and for the long-term, more than 5 years. For buildings, a long-term time horizon of 33 years was considered.

The Group based its identification and assessment of transition risks on current market trends, including customer expectations, strategic plans, and policy directions in Estonia and the rest of Europe. The analysis was not carried out on the basis of climate-related scenarios. As a result of the analysis, the Group identified rapidly changing customer preferences as a significant risk: products with a lower carbon content, verified carbon footprint calculations, and energy efficiency certificates for products. Harju Elekter is also subject to global and European Union regulations, failure to comply with which may result in financial risks.

Policies related to climate change mitigation and adaptation (E1-2)

Harju Elekter's environmental policy addresses impacts related to the environment and climate change. It aims to reduce the negative environmental impact of our business and support the Paris Agreement's goal of limiting global warming to 1.5 °C.

Our environmental policy focuses on preventing and reducing negative environmental impacts and managing environmental risks, considering the whole value chain. The environmental policy of Harju Elekter is related to the following impacts, risks, and opportunities.

- Climate change mitigation
- Energy

We have considered the views of stakeholders when designing our environmental policy. We are committed to measuring and monitoring GHG emissions and developing and implementing processes to reduce negative impacts. Environmental policy focuses on optimizing energy use and gradually transitioning to renewable energy, but does not address climate change adaptation. Group's Management Board oversees impact monitoring, risk management, and environmental policy implementation within the Group. We also expect our suppliers to follow environmental protection practices and the Code of Conduct of Harju Elekter. The Code of Conduct and the environmental policy of Harju Elekter are published on the company's website.

Actions and resources in relation to climate change policies (E1-3)

One of the strategic focus topics of Harju Elekter is the environment. The activities prioritised in the sustainability strategy are linked to the highest contribution to GHG emissions.

As a result of the environmental impact assessment, we defined the main environmental aspects as the consumption of electricity and heat energy in the production facilities, the components and materials in the products, the generation of waste, and the use of transport services to transport the products. Based on the outcome of the assessment, we selected key indicators for the most significant impacts and set targets to help reduce negative environmental impacts and mitigate climate change.

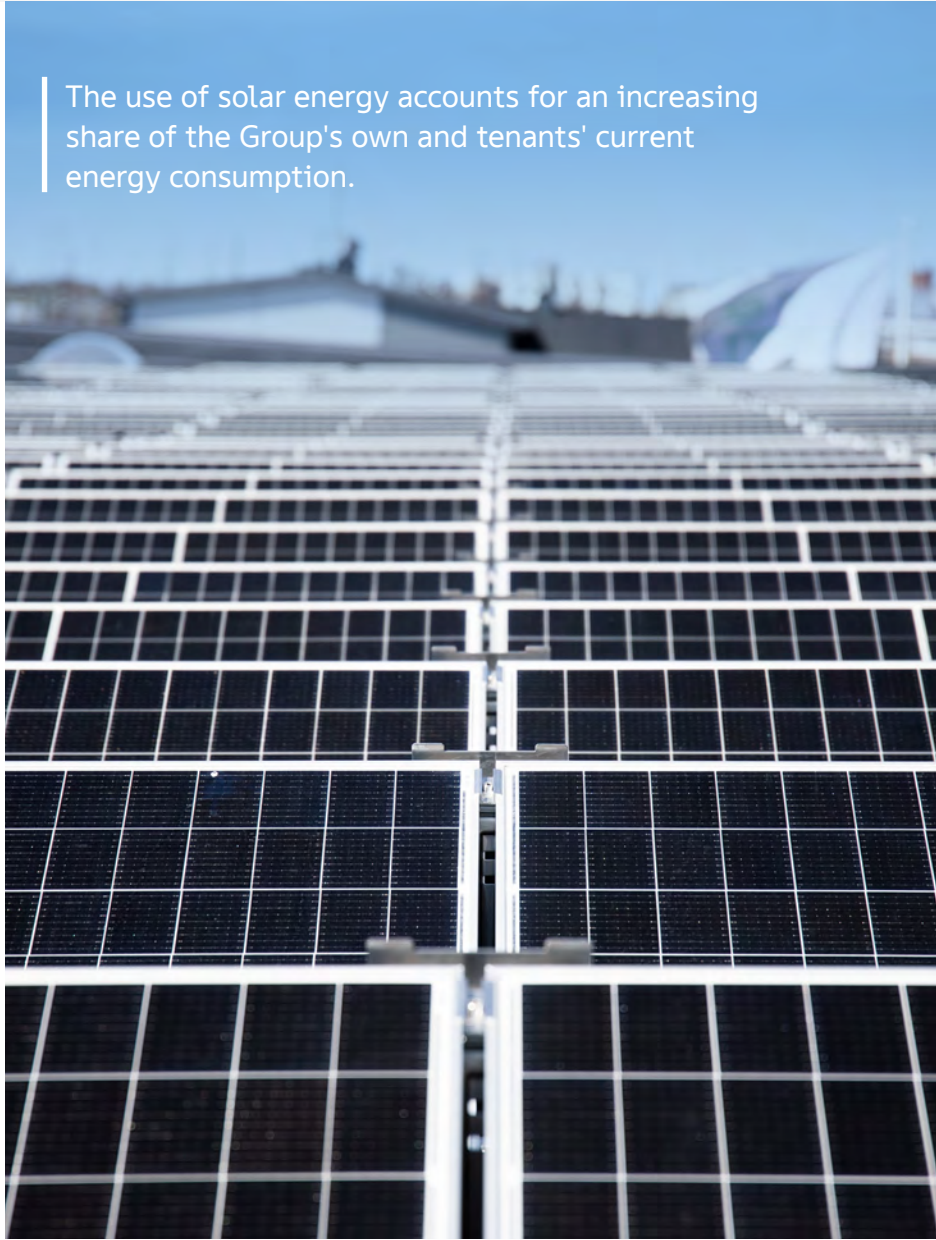
The main climate change mitigation measures adopted during the reporting year and planned are the GHG emission reduction activities in scope 1, 2, and 3. The levers for reduction are:

- Reducing the use of fossil fuels and replacing them with environmentally friendly ones: upgrading machinery and replacing old equipment with more energy-efficient ones (scope 1)
- Reducing electricity and heat consumption: optimising room temperatures, gradually switching lighting solutions to LED lighting, designing energy-efficient buildings, and increasing the energy efficiency of existing buildings (renovating, investment in energy-efficient equipment) (scope 1, 2)

- Reduction of energy-related (outsourced electricity, heating, cooling) GHG emissions from the transition to renewable energy (scope 2)
- Product development and cooperation with partners to reduce GHG footprint of products (scope 3)
- Increasing the share of renewable energy produced and purchased in the Group

In order to reduce its greenhouse gas footprint, Harju Elekter contributes to the production and use of renewable energy. By investing in solar panels, the Group reduces its carbon footprint and saves the company's overall energy costs.

In the real estate segment, our goal is to ensure sustainable and modern production and office spaces for our employees and industrial real estate clients. We have replaced and plan to replace electricity and heating contracts based on non-renewable energy sources with renewable energy contracts in buildings where possible. The use of solar energy accounts for an increasing share of the Group's current energy consumption and that of its tenants. Within the Group, electricity and heat consumption is reduced through the development of smart and sustainable technologies and energy-efficient buildings. In addition to the buildings used by subsidiaries, it is also important to ensure energy efficiency for industrial real estate development, in accordance with the energy efficiency requirements applicable to buildings. The Group will continue to install solar parks on new and renovated production facilities. For investments made during the reporting period, see [EU taxonomy](#).



The use of solar energy accounts for an increasing share of the Group's own and tenants' current energy consumption.

During the reporting year, Harju Elekter's portfolio of solar power plants increased by 86.6 kW, bringing the total renewable energy generation capacity to 2,897.12 kW. In 2024, the Group's solar panels produced a total of 2,611 MWh of electricity, of which 335.1 MWh was used for own consumption.

In cooperation with our customers, we can reduce GHG emissions related to our products and services. During the reporting year, we started calculating the carbon footprint of our products to ensure the transparency of the environmental impact of Harju Elekter's products to stakeholders and to identify ways to reduce the negative impact. The preparation of the product Life Cycle Assessment (LCA) and environmental declarations, i.e. the Environmental Product Declaration (EPD), allow the manufacturing companies of Harju Elekter to map and reduce the GHG emissions of their products, while at the same time providing a comprehensive overview of the environmental impacts of products. The product LCA analyses emissions throughout the product life cycle, allowing for the largest sources of emissions to be identified and the best solutions found to reduce them. The EPD provides transparent information on the environmental impact of a product, which helps to set goals to reduce negative impacts and compare results with other similar products. Based on the calculated data, informed decisions can be made in reducing GHG emissions, as well as finding ways to design and manufacture more environmentally friendly products.

The largest share of GHG emissions from our upstream supply chain come from hard-to-impact sectors where the availability of renewable energy varies. We have mapped out the ambitions of our key suppliers to assess and reduce their environmental impacts. We also intend to focus on suppliers from whom we purchase the largest share of input materials needed for

production and who are part of the segments that produce the most GHG emissions in our supply chain. We plan to continue to update the procurement conditions with the main suppliers, taking into account sustainability topics.

We have set goals, and allocated and planned resources to reduce GHG emissions, identify additional opportunities, and implement them within the Group. As a result of our activities, we contribute to the reduction of scope 1, 2 and 3 GHG emissions. We reduce the emissions associated with our activities (scope 1 and 2) by optimising energy consumption and increasing the share of renewable energy in energy consumption. We invest in heating and ventilation solutions, replace existing lighting with new and more energy-efficient ones. In cooperation with our customers, we will continue with our product carbon footprint calculations and product development to increase the energy efficiency of our products and provide customers with even more sustainable alternatives. We also plan to support our upstream and downstream value chain participants in developing tools/levers to reduce environmental impacts. As of 31 December 2024, no long-term investment plan has been approved for the implementation of the measures. We will prepare the plan in 2025 for 2026, based on the results of the base year (2024). The measures will cover the entire Group and will be implemented during the years 2025-2030. The targets are described in chapter [SBM-1](#).

The impact of the implementation of the measures on the reduction of achieved GHG emissions is not presented in the report, because Harju Elekter designated 2024 as the base year of GHG scope 1, 2, and 3, against which the mitigation results will be compared. The implementation of the measures is expected to result, by 2030, in a reduction in GHG emissions of 20% in categories 1 and 2 and 15% in category 3 compared to 2024. During the reporting year, Harju Elekter did not incur significant capital and operating expenses related to the implementation of the measures.

Targets related to climate change mitigation and adaptation (E1-4)

To address the impacts, risks, and opportunities related to climate change mitigation, Harju Elekter has established strategic targets for reducing GHG emissions.

Our targets are to reduce our scope 1 and 2 GHG emissions by 20% (based on the market-based estimation method) and scope 3 emissions by 15% per turnover (relative carbon intensity indicator; final to be determined based on the 2024 data) by 2030 (base year 2024). The relative indicator of carbon intensity also makes it possible to consider future trends, such as changes in turnover numbers, without affecting the achievement of the GHG emission reduction targets.

We have set our strategic targets based on market practice and previous successes in reducing our carbon footprint. In our opinion, it is possible to continue reducing emissions at a similar pace, based on existing measures and their effectiveness. We have also considered future trends, such as changes in sales volume, customer preferences and changes in demand, regulatory factors, and new technologies. At the time of preparation of the report, the approved objectives have not undergone external validation (Science Based Targets initiative, SBTi). We will set the SBTi targets in 2025. Considering that 2024 serves as the base year for GHG emissions, we offer comparative data for the year 2025.

Our main category 1 and 2 GHG emissions stem from the consumption of electricity and heat from production buildings and office spaces. It is planned to gradually increase the share of renewable energy purchased and produced by the Group, and

it is also planned to reduce energy consumption in the Group’s companies.

In the case of the scope 3 categories, achieving the goals and changes is more difficult, as it requires Harju Elekter to allocate a significant amount of resources and cooperation with customers concerning input materials and their environmental impact. We ensure that all production companies of Harju Elekter have integrated environmental topics into their management system and have a valid ISO 14001 Environmental Management System certificate.

The sustainability strategy of Harju Elekter for 2022–2026 was replaced by the 2030 strategy, and a new base year, 2024, was set due to the specification of the initial data. The previous base year for scope 1 and 2 was 2021.

Energy consumption and mix (E1-5)

The energy consumption of Harju Elekter is mainly due to production activities taking place in production buildings. Information on energy consumption is based on meter readings and reports from service providers. The same scope has been applied to the calculations for GHG scope 1 and 2.

Energy consumption and mix	2024
(1) Fuel consumption based on crude oil and petroleum products (MWh)	588.0
(2) Fuel consumption from natural gas (MWh)	349.9
(4) Fuel consumption from other fossil sources (MWh)	0.0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	7,396.1
(6) Total fossil energy consumption (MWh) (calculated as the sum of rows 1–5)	8,334.0
Share of fossil sources in total energy consumption (%)	89.3
(7) Consumption from nuclear sources (MWh)	85.0
Share of nuclear energy sources in total energy consumption (%)	0.9
(8) Fuel consumption from renewable sources (MWh)	0.0
(9) Consumption of purchased electricity, heat, steam, and cooling from renewable sources (MWh)	999.0
(10) Consumption of self-generated renewable energy for purposes other than fuel (MWh)	0.0
(11) Total renewable energy consumption (MWh) (calculated as the sum of rows 8–10)	999.0
Share of renewable sources in total energy consumption (%)	10.7
Total energy consumption (MWh) (calculated as the sum of rows 6 and 11)	9,333.0
Energy consumption associated with activities in high climate impact sectors (NACE A–H, L) (MWh)	9,418.0
Total energy consumption from activities in high climate impact sectors per net income of high climate impact sectors (MWh/€)	0.00005
Energy production	
Non-renewable energy production (MWh)	0.0
Renewable energy production (MWh)	2,611.0

The revenue of Harju Elekter is related to activities in high climate impact sectors (listed in NACE sections A–H and L). The energy intensity indicator for high climate impact sectors has been calculated considering the total revenue of the Group (see ‘Revenue’). The Group’s activities cover the following high climate impact sectors:

- Manufacturing sector
- Electricity, gas, steam, and air conditioning supply
- Construction and Real Estate activities

Total GHG emissions (E1-6)

The Group's GHG emissions have been calculated in accordance with the internationally recognised Greenhouse Gas Protocol, the most commonly used global standard for measuring and managing GHG emissions from business, value chains, and mitigation measures.

The standard covers the assessment of emissions of seven greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), nitrogen fluoride (NF₃). Scope 1 includes direct emissions from sources owned or controlled by the company and scope 2 consists of indirect GHG emissions of purchased energy. Emissions under the operational and financial control principle, which are managed by Harju Elekter, have been considered. Scope 1 and 2 emissions were calculated using location-based and market-based approach and the emissions have been calculated using paid international databases (Ecoinvent and Exiobase) and up-to-date specific emission factors for host countries. The GHG emission intensity is calculated using the Group's revenue (see 'Revenue').

The Group's Management Board, sustainability manager, field managers, environmental specialist, and external environmental expert participated in the mapping of the categories of scope 3. As part of the process, the areas of activity of the Group's companies and the relevant upstream and downstream categories were mapped. According to the areas of activity, the Group's companies are divided into manufacturing companies, and companies engaged in the development and management of industrial real estate. The decision-making process for determining the important categories of scope 3 took into account

the scope 3 mappings and calculations carried out in 2023 by AS Harju Elekter.

Due to the mapping of scope 3, a total of 12 categories were taken into account. As a result of the materiality assessment, the following categories were excluded: processing of sold products, franchises and investments. Leased assets related to upstream activities were not included in scope 3 (they were included in scope 2). When calculating emissions from leased assets related to downstream activities, common areas of buildings were considered. The GHG emissions related to the transportation of products sold are reported under scope 3, category 4, due to the way in which transportation is organised and paid for.

In the category of the scope 3, which concerns GHG emissions related to the end of life of products sold, the information provided in the environmental declarations of the products sold and the engineering knowledge of the Group's employees were used to design end-of-life management methods. Based on this information, it is assumed that most materials will either be recycled or landfilled after the end of their life. GHG emissions related to recycling are outside the group's reporting and, due to the types of materials used in the products, there is no basis to assume GHG emissions during their landfilling.

The significance criteria was based on the GHG Protocol standard and guidelines. For the scope 3 categories included in the calculation, both consumption-based and cost-based approaches were applied to determine GHG emissions. The specific emission factors used were taken from national GHG footprint models, professional paid databases, EPDs, direct data from suppliers, and other relevant studies, reports, and literature.

The end-of-life handling of the products sold was based on the assumptions of the Group's engineers. Emissions from the final handling approach were not calculated on the assumption that



Material categories of scope 3 of Harju Elekter, which were included in the calculation:

- Purchased goods and services
- Capital goods
- Fuel and energy related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets
- Downstream transportation and distribution
- Use of sold products (the normal load of the products during their lifespan was calculated to be 51%)
- End-of-life treatment of sold products
- Downstream leased assets

landfilling does not require the release of GHG emissions. In the downstream/outflow transport and freight transport category, it was found that the Group's companies do not pay for the supplies themselves and no calculations were made in this regard in this category.

Scope 1 GHG emissions	2024
Scope 1 total GHG emissions (t CO ₂ eq.)	221.43
Scope 2 GHG emissions	
Location-based measured scope 2 total GHG emissions (t CO ₂ eq.)	7,536.07
Market-based measured scope 2 total GHG emissions (t CO ₂ eq.)	6,367.68
Material scope 3 GHG emissions	
Scope 3 total GHG emissions (t CO ₂ eq.)	66,000,279.78
Purchased goods and services (t CO ₂ eq.)	32,803.29
Capital goods (t CO ₂ eq.)	184.30
Fuel and energy-related activities (not included in scope 1 or 2) (t CO ₂ eq.)	459.73
Upstream transportation and distribution (t CO ₂ eq.)	4,937.41
Waste generated in operations (t CO ₂ eq.)	241.72
Business travel (t CO ₂ eq.)	46.38
Employee commuting (t CO ₂ eq.)	686.91
Upstream leased assets (t CO ₂ eq.)	0.00
Downstream transportation and distribution (t CO ₂ eq.)	0.00
Processing of sold products (t CO ₂ eq.)	0.00
Use of sold products (t CO ₂ eq.)	65,960,903.88
End-of-life treatment of sold products (t CO ₂ eq.)	0.00
Downstream leased assets (t CO ₂ eq.)	16.16
Franchises (t CO ₂ eq.)	0.00
Investments (t CO ₂ eq.)	0.00
Total GHG emissions	
Total GHG emissions (location-based) (t CO ₂ eq.)	66,008,037.28
Total GHG emissions (market-based) (t CO ₂ eq.)	66,006,868.89
GHG intensity per net revenue	
Total GHG emissions (location-based) per net revenue (t CO ₂ eq. / net revenue)	0.38
Total GHG emissions (market-based) per net revenue (t CO ₂ eq. / net revenue)	0.38

Harju Elekter does not have any greenhouse gas binding and emission reduction projects financed through carbon credits. There is also no internal pricing of carbon emissions in the Group.



E5 Resource use and the circular economy

Humanity consumes natural resources faster and in a greater quantity than planet Earth can sustainably provide. The economical use of resources makes it possible to cover the needs of the present without compromising the ability of future generations to meet their needs.

At Harju Elekter, we are committed to the efficient use of resources and the implementation of the principles of the circular

economy. The results of the DMA-analysis carried out in 2024 showed that resource use and the circular economy are also important topics for our stakeholders.

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities (IRO-1)

Resource use and the circular economy are important topics, as the business of Harju Elekter is related to input materials, some of which have not been reused and are in use for the first time.

We are committed to reducing the use of such materials and promoting reusability and circularity.

To identify significant IRO-s, we first mapped the main input resources of production and then the associated actual and potential impacts based on the global value chains of the resources. The main resource impacts come from the Group's upstream value chain, for which information could not be obtained with reasonable effort. We have mapped the views and feedback of local communities near our sites using both indirect and direct methods. The main activity of Harju Elekter is providing electricity distribution solutions to business customers, and our production units are located in four countries: Estonia, Finland, Sweden, and Lithuania. As regards the main input materials and resource use, there are no significant differences between the Group's sites.



Policies related to resource use and the circular economy (E5-1)

Topics related to resource use and the circular economy are part of the environmental policy of Harju Elekter and no separate policy has been created. The environmental policy covers the Group and the Group's sites and is an integral part of the sustainability strategy.

In 2024, we started measuring the quantities of materials needed to manufacture and pack our products and will continue to focus on collecting and analysing resource-related data. Resource planning and their economical use are integrated into the management systems of the Group's manufacturing companies. The Management Board of Harju Elekter is responsible for ensuring that the policy related to resource use and the circular economy is implemented in all Group companies.

The goal of Harju Elekter is to offer its customers safe, flawlessly functioning, and long-lasting solutions that would be sustainable from the point of view of society and the environment at the same time. The lifetime of electrical installations is calculated at 40 or more years, which means that it is necessary to consider the future reserve and the handling of materials at the end of the life cycle of the products when creating solutions. Extended lifetime and a higher percentage of reusable materials contribute to reducing the environmental load on electrical installations. With the development of new technologies and the increasing demand for environmentally friendly solutions in our field of activity, materials that are less burdensome for the environment are also being introduced.

In the case of the products of Harju Elekter, the important raw materials are copper and steel, which are essentially reusable materials. Metals can be repeatedly recycled and endlessly reused without changing their properties or durability. Metal recycling reduces the amount of waste and primary raw materials that are landfilled. Much of the steel used in the European Union is already of reused origin.

The Group's environmental policy does not currently include an action plan on resource use and the circular economy, with quantitative targets for the abandonment of primary raw materials and the sustainable sourcing of renewable resources.



Extract from the environmental policy of Harju Elekter regarding resource use and the circular economy:

'When designing products and solutions, we consider durability important, considering the sustainability of the components. We are reducing the amount of waste generated and trying to increase the rate of reuse and recycling. We are applying the principles of the circular economy to combat resource scarcity.'

Actions and resources related to resource use and the circular economy (E5-2)

We have set the goal of reducing the environmental impact of our products and optimising the use of input resources and materials.

We plan to increase the share of environmentally friendly materials in our products and packaging, further extend the life of our products, create additional possibilities for reuse and recovery, and reduce the amount of waste generated in the production process and packaging of products. In addition to the managers responsible for resource use and the circular economy issues in their department, we have involved the Group's environmental specialists and external experts in the process of assessing IRO-s and planning measures.

By enhancing processes, we reduce material waste within the Group and increase the use of sustainable input resources both in our products and as packaging materials. We have allocated funds to assess and improve the resource use and circular management of our products. As of 31 December 2024, the effectiveness of measures related to resource use and the circular economy has not been measured in the Group. The Group's team of product managers, in cooperation with external environmental experts, assess the environmental impact of our products throughout the life cycle and develop ways to improve the circularity of products. Environmental impact assessment of products and disclosure of third-party validated environmental declarations (EPDs) allow customers to make environmentally sustainable choices. When making improvements related to resource use and the circular economy, the manufacturing companies of Harju Elekter

largely depend on the needs and expectations of customers. In cooperation with our customers, we direct suppliers of materials and components to use more recycled materials, thereby making our products more recyclable. In 2024, we started compiling the Life Cycle Assessment (LCA) and the EPD of our products.

For Harju Elekter, the recovery of resources and the correct recycling of waste are important, considering the principles of the waste hierarchy. Two types of waste are generated in the Group's manufacturing units: manufacturing waste and municipal waste. During manufacturing processes, waste is generated, which includes metal waste (e.g. steel and copper), plastic waste, hazardous waste, and packaging material waste (film, cardboard, paperboard), which is sorted and either reused or recycled. Metal waste is sent for smelting. The generation of metal and packaging waste is reduced by optimising production processes, and a large proportion of packaging materials are recycled both within the Group and after the products have been released to the customer.

Municipal waste is generated as a result of non-production activities and is sorted in dedicated containers. In order to sort municipal waste more efficiently, we have removed separate bins from office space and replaced them with special sorting centres. We use circulating containers with some suppliers. Waste management manuals, training materials, labelled waste containers and boxes have been prepared to control waste sorting, and we also train our employees according to the procedure prescribed in the management system. The companies have contractual and responsible partners for waste management, who provide information about waste to the Group's companies, but it is difficult for Harju Elekter to influence the further management of waste.

Targets related to resource use and the circular economy (E5-3)

In 2024, by updating our DMA analysis and sustainability strategy, we mapped out our stakeholders' resource use and the circular economy targets.

The Group's material impacts, risks, and opportunities are mainly related to outsourced materials and waste. In 2024, we started measuring the quantities of input materials across the Group. It includes the main materials characteristic of our industry, such as sheet metal and copper, as well as concrete elements and semi-finished electronic products and components. With regard to waste, we collect data on hazardous and non-hazardous waste and its management methods and the associated environmental impact.

The targets set for 2030 will support our resource use and the circular economy policies, as well as addressing impacts, risks, and opportunities. The objectives are to:

- Reduce and optimise the use of virgin raw materials
- Increase the share of reused and reusable materials in products
- Engage in the circular economy development activities

The objectives concern the following levels of the waste hierarchy: prevention and preparation for reuse. Considering the objectives, we planned possible further actions and will continue to do so in 2025, based on data for 2024. The Group's targets related to resource use and the circular economy are qualitative and, as of 31 December 2024, there are no quantitative efficiency metrics.

Resource inflows (E5-4)

In 2024, we started mapping and estimating the input and output flows of resources related to the impacts, risks, and opportunities of Harju Elekter.

The main inputs that the Group’s companies use in their products are sheet metal, copper, electronic components, and concrete elements. The selection of important categories of materials was based on volumes in euros and quantities in tonnes. Existing databases and measurement data were used to collect the data; estimates were made in the absence of accurate data and quantities. To reduce the need for virgin materials, we will increase the proportion of reused or recycled materials where possible. As of the reporting year, it is not possible to fully distinguish all recycled input materials from non-recycled ones with reasonable effort, as the inputs lack relevant information. There are also no databases for storing the relevant information.

Rare earth elements are not used as input streams within the Group, but copper is classified as a critical raw material in accordance with Annex II to the proposal for Regulation (EU) 2023/0079 of the European Parliament and of the Council.

Resource inflows and outflows	Unit	2024
Resource inflows		
The overall total weight of products and technical and biological materials used during the reporting period	tonne	11,845.5
The weight in absolute value of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the products (incl. packaging).	tonne	86.2
The percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the products (incl. packaging) that is sustainably sourced, with the information on the certification scheme used and on the application of the cascading principle	percentage	0.0
The amount as a percentage of secondary reused or recycled components, secondary intermediary products, and secondary materials used to manufacture the products (incl. packaging)	percentage	0.7

Resource outflows (E5-5)

Harju Elekter contributes to the circular economy with the principle of producing long-term and durable products. When designing any product, consideration is given to the possibility of making it circular as soon as it reaches the end of its life. This will help prevent waste and optimise resource use. Important raw materials in the company’s products are copper and steel, which are inherently recyclable materials.

We are committed to reducing the amount of waste generated by the Group and ensuring that as much of the waste as possible is recycled or recovered. We prevent the generation of waste in

Harju Elekter and increase the amount of recyclable materials. The lifetime of substations is on average 40 years, and for low-voltage products 30 years. The Group does not assess or measure the compliance of products with the principles of the circular economy. Of the materials outsourced, the recycling material content is highest in steel.

Harju Elekter follows responsible and environmentally friendly principles in waste management. In the Group’s companies, waste is collected in accordance with the waste collection procedure established in the national legislation and the requirements of partners. This ensures the correct sorting and processing of waste, which subsequently allows for the maximum recovery of materials. Data related to waste comes from service providers' invoices and waste reports.

Waste	Unit	2024
RECYCLED WASTE		
Hazardous waste		
Preparation for reuse	tonne	0.00
Recycling	tonne	0.90
Other recovery operations	tonne	0.00
All recycled hazardous waste	tonne	0.90
Non-hazardous waste		
Preparation for reuse	tonne	0.00
Recycling	tonne	1,042.60
Other recovery operations	tonne	10.00
All recycled non-hazardous waste	tonne	1,052.60

Waste	Unit	2024
NON-RECYCLED WASTE		
Hazardous waste		
Incineration	tonne	1.30
Landfill	tonne	10.90
Other disposal operations	tonne	0.00
All non-recycled hazardous waste	tonne	12.20
Non-hazardous waste		
Incineration	tonne	76.00
Landfill	tonne	27.00
Other disposal operations	tonne	2.30
All non-recycled non-hazardous waste	tonne	105.30
Total amount of non-recycled waste	tonne	117.50
Percentage of non-recycled waste	%	10.03
Total amount of recycled waste	tonne	1,053.50
Percentage of recycled waste	%	89.97
Total amount of hazardous waste	tonne	13.10
Total amount of radioactive waste	tonne	0.00
Total amount of all waste	tonne	1,171.00

Social Information

S1 Own workforce

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Employees, with their knowledge, skills, experience, and motivation, are the main guarantee for the efficient and effective operation of Harju Elekter, and one of the foundations of competitiveness and sustainability, which is why the well-being, rights, and development of employees are strategically important.

The strategy of Harju Elekter focuses on sustainable growth, innovation, and responsible management. The strategy, which is based on prioritising the safety of the working environment, employee satisfaction, inclusion, and development, supports the Group’s sustainability goals and strengthens its position as a responsible employer.

Occupational health and safety: safe and secure working conditions and environments contribute to the well-being and productivity of employees. Accidents at work and health problems arising from work can lead to work stoppages and affect the reputation of Harju Elekter. We implement strict occupational safety measures: we follow occupational safety standards and carry out risk assessments to reduce the risk of accidents at

work and occupational diseases. Regular training and safety instructions are part of a daily work culture.

Employee satisfaction and commitment, development and training: employee satisfaction directly affects productivity and innovation, and satisfied and motivated employees contribute to the achievement of strategic goals. Dissatisfaction can lead to workforce turnover and thereby a loss of skills, while increasing recruitment and training costs. We conduct regular satisfaction surveys and offer development opportunities, training and self-improvement, and motivating working conditions. By investing in the continuous development of our employees, we increase our ability to innovate and adapt to market changes. Satisfied and motivated employees provide higher quality services and



products. A positive employer image helps to retain existing employees and attract talent in their field. The development of training and new skills supports the digital transformation and technological development of Harju Elekter.

Diversity and inclusion: involving employees from different backgrounds ensures a more creative and dynamic work environment, supporting innovation, effective problem solving and decision-making. A lack of or insufficient involvement can lead to talent leaving and potential reputational damage. We adhere to the principles of equal treatment by promoting an inclusive culture at all levels of management.

Policies related to own workforce (S1-1)

Our activities are guided by the UN Guiding Principles on Business and Human Rights. Our principles are in line with international standards, including the UN Universal Declaration of Human Rights, International Labour Organisation's (ILO) Declaration on Fundamental Rights and Principles at Work, and the OECD Guidelines for Multinational Enterprises.

In our policies and guidelines, we ensure that the activities and business relations of Harju Elekter do not lead to negative consequences for the rights of employees, including labour rights, equal treatment, and a safe working environment. We promote the rights of employees, including the right to collective bargaining, the safety of the working environment, and the prevention of discrimination. The measures concerning the workforce of Harju Elekter are transparent and effective.

The policies established and contracts concluded at Harju Elekter exclude human trafficking, forced labour, and the use of child labour both in their activities and in the supply chain, and ensure that all employees work in accordance with the law, voluntarily, and in fair and good conditions. Compliance with international labour standards and the principles of human rights contributes to the promotion of responsible and ethical business conduct.

The Group has conducted value-based management training sessions at all levels of management in order to support the transfer of the values of Harju Elekter into everyday life. In 2024, the Principles of Recruitment and Selection and the Leadership Guidelines were drawn up to help managers give directions and maintain company values. The guidelines are aimed at creating a unified management culture in all Group companies.

The principles of effective management are essential for ensuring sustainable activities and a healthy working environment.

Harju Elekter employs people from different cultural, educational, and professional backgrounds. It is important for us to ensure that no one is discriminated against because of their age, gender, religion, origin, disability, marital status or other circumstances. The Code of Conduct applied all over the Group, and approved and adopted by the Management Board, clearly sets out the principles for the human rights, diversity, inclusion, and non-discrimination of employees. Among other things, the Code of Conduct also deals with cybersecurity and data protection. The Code of Conduct covers the material impacts associated with our workforce.



Harju Elekter also assesses and takes into account the needs of vulnerable groups of workers, ensuring them equal opportunities and protection. Vulnerable groups may include temporary and part-time workers, temporary agency workers, young and elderly people, people with disabilities, and low-skilled workers. They are protected by measures such as equal treatment, fair remuneration, a safe working environment, and access to training.

All recruitment and promotion decisions adhere to gender-neutral and non-discriminatory qualities based on an equal footing, such as education, skills and experience, and legal requirements. Competitions to fill vacancies are open to the public, but they

are also announced in-house. Employees are encouraged to continuously develop, and the movement of employees between teams is supported.

Occupational safety and employee well-being are one of the priorities of management, which is why the management of occupational health and safety within the Group has been raised to a strategic level. We follow internal working environment and safety guiding principles and procedures, and comply with applicable legislation and other relevant requirements. We are committed to ensuring occupational safety and preventing accidents at work in order to create a safe and healthy working environment.

To monitor the effectiveness of the measures, the rate of accidents at work is used, which is calculated per million hours worked. This makes it possible to assess the level of occupational safety and make the necessary adjustments to instructions and procedures in order to reduce the number of accidents at work.

Within the Group, there is a whistleblowing channel that allows employees and other stakeholders to report and fairly resolve breaches and problems.

Occupational accident prevention policies are built on a systematic and sustainable approach to ensure a safe working environment and prevent risks:

- **promoting a culture of occupational safety:** we encourage safety awareness among all employees by organising regular training (and information campaigns) to increase the importance of occupational safety, preparedness to prevent and cope with dangerous situations;
- **risk analysis and prevention methods:** we carry out thorough working environment risk analyses to identify possible hazards in the working environment. The identified hazards are eliminated or their impact minimised through preventive measures, including the improvement of work processes and the updating of work equipment;
- **registration and analysis of accidents at work:** all accidents at work and other incidents are registered and analysed in order to understand the causes of their occurrence and to prevent the recurrence of similar situations in the future. Learning from the past is one of the key elements;
- **improving the working environment:** we invest in improving the working environment, ensuring modern and safe work equipment and conditions.
- **employee involvement:** employees are encouraged to actively report potential hazards, submit proposals for improving the working environment, and participate in safety discussions and working groups. Involving employees in ensuring safety is an integral part of the work culture.



Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

Regular communication with its employees and employee representatives at all levels, including one-on-one meetings and meetings between managers and employees, is important at Harju Elekter.

Employee feedback plays an important role in the Group's organisational culture. In 2024, the employee satisfaction survey was conducted for the second time on a uniform basis across the Group. The Group's total response rate was 87.2% and the employee satisfaction index was 64%. The satisfaction survey is conducted once a year.

In order to collect the expectations and feedback of employees, performance reviews (semi-annual and annual conversations) are conducted at Harju Elekter, during which the need for training is identified and valuable feedback about the company and management is obtained. In 2024, performance reviews took place with 72.8% of employees.

At Harju Elekter, persons related to personnel have the responsibility to implement and supervise policies and processes related to the well-being of employees. In addition, it will be ensured that the Management Board regularly monitors and assesses the mitigation of employee-related risks and the promotion of development opportunities, based on the principles of sustainability.

Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

The activities of Harju Elekter can have a significant impact on the workforce, including working conditions, the health, well-being, and development opportunities of employees. Our goal is to ensure that employees feel safe and valued in the work environment.

Open communication and a safe environment where everyone can openly raise issues and concerns are important.

Harju Elekter has clear and transparent processes that ensure that the problems and concerns raised by employees are quickly addressed and improved. Processes support the growth of job satisfaction and security, while being essential to the sustainability and social responsibility of the company.

We have created a whistleblowing channel through which employees have the opportunity to report information suggesting illegal, unethical, and fraudulent behaviour, both anonymously and by name, without facing retaliation. Employees also always have the opportunity to contact their immediate manager, the HR department, or the Group's legal adviser directly to discuss work-related problems and concerns.

It is important for Harju Elekter that employees not only have access to the channel for reporting misconduct and the persons mentioned, but that they are also aware of these opportunities, have the confidence and psychological security to use them, if necessary. The whistleblowing channel is available to all employees on the Group's intranet and website. The effectiveness

of the channels is assessed through regular review by the Group's legal adviser, who, if necessary, makes proposals to improve the effectiveness of the channel by raising the awareness of employees.

We take all appeals seriously and ensure that the investigation and its results take into account the needs of all parties involved. Data about incidents are securely protected and confidential, and access to them is granted to the Group's legal adviser and, if necessary, a person appointed by the channel operator. All complaints and problems submitted are registered and systematically monitored. Each case is answered and, if necessary, improvement measures are taken.

Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to our own workforce, and the effectiveness of those actions and approaches (S1-4)

At Harju Elekter, we consider it important to ensure a work-life balance for our employees, which contributes to their well-being and ability to work. People whose duties allow them can choose between flexible forms of work, such as combining home office and office work.

In order to support mental and physical health, we offer various benefits: starting from 2022, employees of companies located in Estonia will be offered health support, as part of which they can choose between sports support or additional health insurance, according to their needs. In addition, the companies have health rooms with massage chairs and other supporting fixtures to relieve forced positions.

The company’s occupational safety and health strategy focuses on preventing risks and protecting employees from accidents at work and occupational diseases. All workplaces are equipped with modern security equipment, employees regularly undergo safety training and occupational safety audits. In order to maintain the health of employees, prevent risks, and promote their well-being, regular health checks are carried out, flexible working conditions are provided, and other health initiatives are taken.

We focus on preventing stress and fatigue in our employees, as excessive workload and related stress are a significant risk. In 2023, a workload assessment was carried out in all departments to identify risks of overload. The company pays great attention to employee feedback and the handling of complaints. We conduct annual satisfaction surveys and focused discussions to identify concerns at an early stage. Employee representatives are involved in discussions about any changes in order to ensure their perspective, anticipate potential risks, and find the best solutions. With such measures, we ensure a healthy working environment and reduce possible risks.

Employee development opportunities are important for the sustainability of the company. We support the continuous professional growth of our employees by providing training programmes and continuing education opportunities. We create opportunities for employee promotion and professional development within the company. We pay special attention to increasing employee diversity and engagement in order to maximise the potential of employees and increase the success of the company.

We contribute to raising the awareness of employees in the field of cybersecurity and data protection by organising relevant internal training sessions that help to ensure the safety of both employees’ personal data and the company, as well as to strengthen employees’ knowledge and emphasise the importance of topics.

We regularly evaluate the effectiveness of the measures implemented to ensure their impact on our employees. Through employee feedback, we determine areas for improvement and implement measures. Through constant feedback and evaluation of measures, we are able not only to reduce negative impacts, but also to create an environment where employees can fully realise their potential.

Targets related to managing material negative impacts, advancing positive impacts, as well as to risks and opportunities (S1-5)

The involvement of employees is an important part of shaping the strategic and operational goals of Harju Elekter. At Harju Elekter, open communication and dialogue between different levels is encouraged, ensuring that the opinions, experiences, and suggestions of employees are integrated into the decision-making processes.

- Creating a Group-wide database and analysis tool. The goal is to bring together the occupational health and safety tools, guides, and reporting environment.
- Occupational health and safety
- Group-wide leadership development and e-learning programmes
- Group-wide harmonisation of governance principles, value-based behaviour, and management
- Regular organisation of internal training (Code of Conduct, data protection, cybersecurity)
- Creating a Group-wide collaborative interview system
- Creating a transparent system for pay gap analysis

Through regular performance reviews, employees have the opportunity to express their opinions and offer ideas that can affect the management principles of the company, training programmes, and the working environment. Through periodic satisfaction surveys, the company has the opportunity to understand the expectations of employees and find ways to improve working conditions and management processes.

Discussions organised by managers of different levels provide employees with the opportunity to submit proposals and receive explanations about the goals of the company. The development of employees is supported through internal training and e-learning programmes, which allows them to contribute to the innovation of the company.

Characteristics of the undertaking’s employees (S1-6)

As at the end of the reporting period, Harju Elekter employed 821 people, which is 146 fewer employees than a year ago.

The number of employees fell in Lithuania, Finland, and Estonia due to a decrease in the volume of work. Salaried employees are defined as employees who are in a traditional contractual relationship, incl. part-time workers and temporary workers.

During the reporting period, employment contracts with 224 employees were terminated, of which 120 were terminated at the request of the employee. In 2024, voluntary workforce turnover was 13.4%.

Number of employees by country:

Country	Head count
Lithuania	294
Estonia	290
Finland	181
Sweden	56

The number of employees includes members of the Management Board.

Head count by gender distribution:

Gender	Head count
Men	607
Women	214
Other	-
Not reported	-
Total number of employees	821

The number of employees includes members of the Management Board. The total number of employees based on gender distribution is women/men and it is not possible for the employee to choose other characteristics, hence there is no reported 'other'.

Employee data by type of contract by gender distribution:

	Women	Men	Other	Not disclosed	Total
Head count	214	603	-	-	817
Number of permanent employees	213	595	-	-	808
Number of temporary employees	1	8	-	-	9
Number of non-guaranteed hours employees	-	-	-	-	-

Employee data does not include members of the Management Board.

Employee data by type of contract by regional distribution:

	Estonia	Lithuania	Finland	Sweden	Total
Head count	286	294	181	56	817
Number of permanent employees	285	294	173	56	808
Number of temporary employees	1	0	8	0	9
Number of non-guaranteed hours employees	-	-	-	-	-

Employee data does not include members of the Management Board.

Unless otherwise indicated, all numbers are reported as the number of employees as at 31 December 2024. The distribution by country is according to the legal entity for which the employee works.

Characteristics of non-employee workers in the undertaking’s own workforce (S1-7)

As at the end of the reporting period, the workforce of Harju Elekter consisted of 45 non-employees, incl. 42 temporary agency workers: 15 in Estonian and Swedish companies and 12 in Finnish companies.

The number of non-employees is given as the number of workers as at 31 December 2024.

The non-employees belonging to the own workforce of Harju Elekter are considered to be temporary agency workers, self-employed persons, and consultants. Temporary agency workers are persons who are employed by Harju Elekter on a temporary basis, but their employer is a company engaged in temporary employment work. Generally, temporary agency workers are used as needed in the event of heavy workload.

Collective bargaining coverage and social dialogue (S1-8)

Harju Elekter accepts trade union membership among its workers. Trade union agreements have been concluded in four of the Group’s manufacturing companies in Estonia, Lithuania, Finland, and Sweden.

The obligations and benefits set out in the collective agreement extend to all employees, regardless of their trade union membership. The parent company of Harju Elekter does not have a collective agreement.

Manufacturing companies operating in Estonia have constructive cooperation with the Keila Industrial Park Trade Union KETA. The Group’s Lithuanian employees voluntarily belong to local trade unions, and Finnish and Swedish employees belong to local professional associations.

In 2024, the benefit and remuneration systems in collective agreements were reviewed and updated.

The Group’s companies do not have agreements with their employees to represent them in the European Works Council or the European Cooperative Works Council.

There are no employees covered by collective agreements outside the EEA in the Group.

	% of employees covered by collective agreements	General % of employees represented by workers’ representatives
Lithuania	5.8	100
Estonia	92.3	100
Finland	100.0	100
Sweden	0.0	100

Diversity metrics (S1-9)

The sustainable development of the Harju Elekter Group is ensured by a diverse workforce with extensive experience.

We are committed to keeping staff in different age groups so that there is a follow-up of young people and the sharing of the older

generation’s experiences to ensure the company’s sustainability.

The gender distribution of the Group’s employees has been relatively stable. The smaller share of women, which was 26.2% in the reporting year, is related to the specifics of the Group’s main activity.

Gender distribution of senior management (Supervisory Board, Management Board, and CEOs):

Country	Women	Men
Lithuania	-	1
Estonia	1	9
Finland	-	2
Sweden	-	1

Distribution of employees by age group:

	Estonia	Lithuania	Finland	Sweden
Women	80	103	26	5
Men	206	191	155	51
Under 30 years old	40	37	48	9
30–50 years old	164	209	90	30
Over 50 years old	82	48	43	17

Does not include members of the Management Board.

Unless otherwise indicated, all numbers are reported as the number of employees as at 31 December 2024. The distribution by country is according to the legal entity for which the employee works.

Adequate wages (S1-10)

The purpose of the Group's remuneration principles is to organise fair, motivating, transparent, and legally compatible remuneration.

The broader objective of the remuneration policy is to recruit staff with the skills, competences, and experience necessary to implement the Group's strategy, to align the interests of employees and shareholders, and to motivate employees. Remuneration systems consist of basic and variable pay, benefits, and worker incentives.

All employees of the Harju Elekter Group are paid adequate remuneration in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages in the European Union.

Social protection (S1-11)

All employees of Harju Elekter are covered by social protection in the countries where the Group is located in the event of loss of income due to pivotal life events due to the following life events: (a) illness; (b) unemployment, which begins while the employee is working for the company; (c) acquired disability, work-related injury; (d) parental leave; and (e) retirement.

Persons with disabilities (S1-12)

Due to legal regulations, an employer cannot ask employee about the existence of their disability, and the data depends on whether the individual has voluntarily informed the employer about their disability. As a result, it is not possible to provide such data with sufficient certainty.

Training and skills development metrics (S1-13)

In 2023, a special professional training programme for new employees was introduced in Estonia.

In addition, an extensive lean management training programme was carried out to apply new theoretical knowledge and practical methods of LEAN philosophy in production. The goal of lean management is to systematically identify and eliminate activities from processes that are inefficient and wasteful. In addition to the ongoing engineering training, various communication, time management, and leadership programmes were organised at the Lithuanian training academy.

In 2023, the Group's system for measuring training hours was improved to get a better overview of the share of internal and external training.



Employees who regularly participated in performance reviews and career assessment by gender distribution:

Country	Women	Men
Lithuania	30	104
Estonia	80	226
Finland	25	104
Sweden	3	26
Total	64.5%	76.3%

Average number of training hours by gender distribution:

Country	Women	Men
Lithuania	1.5	5.9
Estonia	10.0	3.9
Finland	5.1	5.6
Sweden	3.2	1.0

Health and safety metrics (S1-14)

In order to ensure a safe and secure working environment, companies periodically carry out a risk analysis of the working environment, which assesses compliance with the requirements of the working environment, potential risks, and addresses the concerns raised by employees.

The risk analysis of the working environment consists of three parts: a workplace inspection, the organisation of measurements,



and conversations with employees, which enables employee involvement.

In order to identify and prevent hazards, we carry out periodic inspections and audits of workplaces, react to changes in the working environment, and map the hazards arising from the working environment by creating new jobs. We consider it important to have a dialogue with our employees and encourage them to report any potential hazards or risks. On the basis of the results of the analysis, we prepare a work environment action plan, the aim of which is to create a safe and healthy work environment for workers.

The main hazards at the Harju Elekter production plants are mobile forklifts, manual lifting of weights, sharp metal components, the use of work equipment with incorrect work

methods, and the risk of electric shock. In order to reduce the level of risk and eliminate the risks, companies use a hierarchy of control measures.

Separate movement areas have been created for employees, guests, and vehicles, visible safety instructions have been installed, and personal protective equipment has been allocated. Safety guidance and observations from inspection tours help prevent occupational accidents.

With an occupational health partner, the health examination of employees is carried out in accordance with the provisions of law and after a period determined by the occupational health doctor. The service provider maps the risks related to mental health and prepares health audit reports with a recommendation for improving the health of employees.

Harju Elekter uses a metric for the frequency of disability traumas per million working hours (Lost Time Injury Frequency Rate, LTIFR). The LTIFR is the ratio of the number of accidents at work which result in health damage to a worker’s incapacity for work per million hours of work. The objective is to keep this figure below three. The LTIFR for 2024 was 3.3.

None of the accidents at work resulted in death, and no cases of occupational disease were recorded. The number of working days lost in the Group’s companies is 56.5 of the planned number of working days. The Group registered 26 occupational accidents.

In order to continuously promote the occupational safety culture and achieve our goals, we continue to contribute to Group-wide development activities in the field of working environment and safety.

83.3% of the Group’s employees are covered by the company’s occupational health and safety management system.

Work-life balance (S1-15)

All salaried employees of Harju Elekter have the right to family related leave under the laws of all countries of operation.

Share of employees who have taken family leave

Country	Women %	Men %
Lithuania	3.7	1.0
Estonia	25.0	13.1
Finland	4.0	2.0
Sweden	0.0	12.0

Remuneration metrics (pay gap and total remuneration) (S1-16)

The gender pay gap, defined as the difference in average salary levels between female and male employees and expressed as a percentage of the average salary level of male employees, is 21.8%.

The ratio of the annual total compensation of the highest-paid individual to the annual median compensation of all employees (excluding the highest-paid employee) is 4.9.

Incidents, complaints, and severe human rights impacts (S1-17)

Through the whistleblowing channel, the company was contacted with regard to various topics on 2 occasions. The main topics were data protection and work organisation problems, which were not confirmed during the investigation, instead being a case of poor communication. The parties were given instructions on how to avoid similar situations in the future.

In 2024, AS Harju Elekter was contacted due to a labour dispute concerning the termination of a person’s employment contract due to a health reason. AS Harju Elekter did not take into account that it was a person who had been elected by the employees and did not comply with the legal requirement to ask for the opinion of a representative of the trade union or the employee who elected the

person. The parties reached an agreement in the labour dispute committee and this case has been closed.

In 2022, AS Harju Elekter was contacted in a court case concerning the redundancy of an employees’ trustee due to a significant reduction in the workload of the position. The worker decided to defend their rights in the Labour Dispute Committee, whose decision contained legal inaccuracies, which is why the case has been referred to the court. The parties do not agree with the decision made in the court of second instance and AS Harju Elekter plans to file an appeal to the Supreme Court.



Governance Information

G1 Business conduct

Harju Elekter evaluates the significant impacts, risks, and opportunities of business conduct, considering the company's area of operation and geographical locations, as well as local regulations and the market environment. The specific characteristics of the sector and the associated potential risks are also analyzed. Attention is also given to the structure of transactions and business relations to ensure, among other things, the compliance of the supply chain with ethical requirements.

Business conduct policies and corporate culture (G1-1)

The Management Board and the Supervisory Board of Harju Elekter play a central role in shaping and promoting corporate culture and provide guidelines for following the principles of responsible business conduct, transparency and sustainability, emphasising honesty, transparency, and responsibility at all levels.

The Management Board defines strategic priorities and ensures that they align with the company's values, vision, and mission. The task of the Management Board is, among other things, to promote ethics, open communication, and employee involvement in the work and business environment. The above activities help to create a culture that supports the Group's goals based on

important international standards, including the environmental, social, and governance framework, ensuring that the Group's activities are in line with sustainability goals. At the level of the Supervisory Board, it is ensured that adequate risk management and control mechanisms are in place within the Group to support transparency and integrity.

At Harju Elekter, we rely on fair, transparent, and ethical management principles in its communication with all stakeholders. In our activities, we are guided by both legislation and high ethical standards. Our management principles, working methods, and structures are transparent, and the responsibilities of each unit are clearly defined. Illegal and unethical business practices and corruption are unacceptable to us.

The Group's Management Board is responsible for approving the governance principles and risk management. At the same time, the Management Board approves the sustainability strategy and monitors its implementation, periodically receiving an overview of the status of the implementation of the strategy from the steering group.

The Code of Conduct of Harju Elekter, which was updated in 2023, expresses values of development, cooperation, and reliability, which are the basis for the activities and decisions of Harju Elekter. Goal is to be an invaluable partner to our customers, contributing to the creation of a sustainable society by providing future-proof power distribution solutions. However, this is not possible without the development of our people and know-how. Our principles are integrated into the management system of Harju Elekter to ensure that they are implemented throughout

the Group. The Code of Conduct commits us to acting honestly and respectfully in all matters, and we are committed to complying with all relevant laws and regulations, adhering to a safe and healthy work regime, and respecting human rights. The Code of Conduct sets standards and expectations, giving us the opportunity to stand up for our beliefs and speak up when something seems wrong or when we have ideas for improvement. In addition, it provides a framework that helps us in our decision-making and guides us to seek help in the right place when we are uncertain or have questions.

It is also important to ensure that our employees, customers, and partners report information that indicates illegal, unethical, and fraudulent behaviour. Our whistleblowing portal is available on the intranet homepage and on the company's website, and provides a secure and anonymous way to report your concerns without fear of retaliation. The instructions for using the whistleblowing portal are available to all employees on the Group's intranet. At the moment, Harju Elekter does not have a policy for the protection of whistleblowers; however, whistleblowers are guaranteed protection based on the laws in force.

At the Group level, there are uniform guiding principles for quality, the environment, and occupational health and safety. The subsidiaries of Harju Elekter are certified according to the ISO 9001:2015 standard. All manufacturing companies are ISO 14001:2015 certified. The processes of AS Harju Elekter, Harju Elekter UAB, and Telesilta Oy are certified in accordance with the occupational health and safety standard ISO 45001:2018.

Good and transparent corporate governance balances the interests of shareholders, customers, employees, partners, and other stakeholders, promoting maximum value creation and reducing business-related risks.

Supply chain management (G1-2)

Harju Elekter considers it extremely important to establish and maintain good relationships with suppliers, considering it the cornerstone of the company's sustainability and responsible management. Suppliers are selected and evaluated using criteria that include aspects of quality, reliability, and sustainability.

We prefer to work with partners who share similar values and adhere to ethical and environmentally friendly practices. It is important to us that our partners not only act in accordance with all applicable laws and rules, but also comply with our Code of Conduct. To achieve this, we will continue to introduce the Code of Conduct to our partners. This approach helps ensure that the supply chain is aligned with our sustainability goals and reduces risks that may arise from the suppliers' activities.

We emphasise the importance of open and transparent communication with suppliers, holding regular meetings and discussions to share expectations, best practices, and develop innovative solutions collaboratively. Such cooperation allows both parties to better understand market demands, react to changes, and achieve common goals.

We pay attention to the sustainability of our suppliers, encouraging them to implement environmentally friendly

practices, reduce their carbon footprint, and follow the principles of social responsibility. We believe that working with sustainable suppliers strengthens the resilience of the entire supply chain and supports overall sustainability goals.

We focus on managing relationships with suppliers in order to prevent and reduce potential risks that may affect the operations and reputation of Harju Elekter. This includes regular assessment of suppliers, conducting a risk analysis and, if necessary, implementing improvement measures. This systemic approach ensures that the suppliers' activities are in line with the company's values and sustainability principles.

In order to obtain suitable contract conditions, we consider it good practice to organise procurements and consider alternatives. The choice of supplier is based on its prominence, reputation and reliability, quality, delivery conditions, and price. The main partners tend to be permanent and we look for new ones primarily when the relevant need arises or a new product is introduced to the market.

Prevention and detection of corruption and bribery (G1-3)

The Group has zero tolerance for corruption (incl. giving and taking bribes, conflicts of interest, abuse of office and the resulting influence), unfair competition (incl. the dissemination of know-how and inside information, and its use for personal gain), and other types of inappropriate business practices, both in the case of employees and partners.

At the management levels of Harju Elekter's companies, rules, guidelines, and verbal agreements have been set up to increase transparency and mitigate reputational risks. This helps to maintain the Group's credibility in the market and in its relations with its stakeholders. Key persons must declare their business interests and holders of inside information must comply with the established rules of conduct. In order to ensure that the Group's employees are aware of the necessary instructions and obligations, they are introduced to the internal rules of work and the Code of Conduct of the Group upon employment, and field-specific training and internal audits are regularly organised. All relevant instructions are also available on the Group's intranet.

In 2023, the Group-wide Code of Conduct was updated, which is mandatory for all of the Group's employees and contains guidelines and behaviours for the prevention and detection of corruption and unfair competition. We will continue with Code of Conduct training in 2025. It is planned to make the Code of Conduct training annual, which will ensure consistent knowledge testing and updating along with passing the test. Members of the management bodies will also take part in the training.

Certain principles have been agreed upon to prevent, avoid, and mitigate the risks of corruption and unfair competition: for example, in large-scale transactions, an additional decision-maker is involved to avoid conflicts of interest that may arise from, among other things, business, family or other relations. Workers are prohibited from accepting or giving gifts or benefits with the purpose of influencing a customer in a way that is more favourable to themselves or the company. Activities are carried out in accordance with the law, as well as established practices and standards.

The whistleblowing channel allows our employees and anyone who cooperates with us professionally or commercially to report information that indicates illegal, unethical, and fraudulent behaviour anonymously and is protected in accordance with applicable laws and regulations. In addition to the whistleblowing channel, our employees can also turn to their manager or the Group's legal adviser with concerns and observations.

Confirmed incidents of corruption or bribery (G1-4)

During the reporting period, there were no cases of corruption or bribery, no fines were imposed for violating them, and no court complaints were filed in the course of which a contract with a business and/or partner was terminated, or the renewal of a contract was suspended due to corrupt behaviour, nor were any employees of the Group's company dismissed.

In order to prevent and address the cases of corruption and bribery violations, the company has established clear rules that are included in the Code of Conduct of Harju Elekter. The established rules define unacceptable behaviour and provide guidelines to prevent violations. The Code of Conduct training is provided to employees, including on anti-corruption and anti-bribery topics, helping them understand the rules and the importance of complying with them.

Harju Elekter has created a secure and anonymous whistleblowing channel, through which employees and partners can report potential risks. All reports are treated confidentially and without delay. Any suspected violation is investigated impartially and thoroughly. In the event of detected violations, appropriate measures will be taken, including warnings under the law, termination of contracts, or notification and transfer of the case to law enforcement.

Harju Elekter verifies the background of its partners and suppliers. Contracts and cooperation also require the obligation to comply with the relevant rules, including the Code of Conduct.

Political influence and lobbying activities (G1-5)

Harju Elekter does not directly or indirectly contribute to political activities through monetary or non-monetary support. However, we consider it important to contribute to society through professional associations and organisations.

We direct our knowledge and people's time resources to topics that stand for strengthening competitiveness, and sustainable and safe product solutions. Through organisations, we can obtain up-to-date information, contribute to the development of a strong business and economic environment, and express our opinion on amendments to laws. As a member of professional associations, we can have a say in developments in our field and keep up to date with new trends.

AS Harju Elekter is a member of the Federation of Estonian Engineering Industry, Harju Elekter UAB is a member of the Lithuanian Association of Engineering Industries LINPRA, Harju Elekter Oy is a member of the Association of Finnish Technology Industries of Finland, the Finnish packaging recycling market RINKI.

In 2024, members who had worked in a comparable position in public administration (incl. regulatory authorities) during the two years prior to their appointment were not elected to the Management Board and the Supervisory Board of Harju Elekter.

Notes to the Consolidated Sustainability Statement

Disclosure requirements covered by the undertaking’s sustainability statement (IRO-2)

Appendix 1 Disclosure Requirements complied with in preparing the sustainability statement

Chapter	ESRS standard	ESRS disclosure requirements		Reference to the section of the sustainability statement	Page
GENERAL DISCLOSURES	General disclosures (ESRS 2)	BP-1	General basis for preparation of sustainability statements	Upstream and downstream value chain coverage	12
		BP-2	Disclosures in relation to specific circumstances	Disclosures in relation to specific circumstances	12
		GOV-1	Role of the administrative, management and supervisory bodies	Management and supervisory bodies	13
		GOV-2	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	Sustainability management	14
		GOV-3	Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes	14
		GOV-4	Statement on due diligence	Statement on due diligence	14
		GOV-5	Risk management and internal controls over sustainability reporting	Risk management and internal controls over sustainability reporting	14
		SBM-1	Strategy, business model and value chain	Strategy, business model and value chain	16
		SBM-2	Interests and views of stakeholders	Interests and views of stakeholders	20
		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities and their interaction with strategy and business model	23
		IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	Description of the processes to identify and assess material impacts, risks, and opportunities	26
		IRO-2	Disclosure requirements in ESRS covered by the undertaking’s sustainability statement	Disclosure requirements covered by the undertaking’s sustainability statement	60
				Annex 1. Disclosure Requirements complied with in preparing the sustainability statement Annex 2. Datapoints that derive from other EU legislation	63

Chapter	ESRS standard	ESRS disclosure requirements	Reference to the section of the sustainability statement	Page
ENVIRONMENT	Climate change (E1)	E1-1	Transition plan for climate change mitigation	34
		ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	35
		IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	36
		E1-2	Policies related to climate change mitigation and adaptation	36
		E1-3	Actions and resources in relation to climate change policies	37
		E1-4	Targets related to climate change mitigation and adaptation	38
		E1-5	Energy consumption and mix	39
		E1-6	Gross scope 1, 2, 3 and total GHG emissions	41
	Resource use and the circular economy (E5)	ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	42
		E5-1	Policies related to resource use and the circular economy	43
		E5-2	Actions and resources related to resource use and the circular economy	44
		E5-3	Targets related to resource use and the circular economy	44
		E5-4	Resource inflows	45
		E5-5	Resource outflows	45
SOCIAL	Own workforce (S1)	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	47
		S1-1	Policies related to own workforce	48
		S1-2	Processes for engaging with own workers and workers' representatives about impacts	50
		S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	50

Chapter	ESRS standard	ESRS disclosure requirements	Reference to the section of the sustainability statement	Page
SOCIAL	Own workforce (S1)	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	50
		S1-5 Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities	Targets related to managing material negative impacts, advancing positive impacts, as well as to risks and opportunities	51
		S1-6 Characteristics of the undertaking's employees	Characteristics of the undertaking's employees	52
		S1-7 Characteristics of non-employee workers in the undertaking's own workforce	Characteristics of non-employee workers in the undertaking's own workforce	53
		S1-8 Collective bargaining coverage and social dialogue	Collective bargaining coverage and social dialogue	53
		S1-9 Diversity metrics	Diversity metrics	53
		S1-10 Adequate wages	Adequate wages	54
		S1-11 Social protection	Social protection	54
		S1-12 Persons with disabilities	Persons with disabilities	54
		S1-13 Training and skills development metrics	Training and skills development metrics	54
		S1-14 Health and safety metrics	Health and safety metrics	55
		S1-15 Work-life balance	Work-life balance	56
		S1-16 Remuneration metrics (pay gap and total compensation)	Remuneration metrics (pay gap and total compensation)	56
		S1-17 Incidents, complaints and severe human rights impacts	Incidents, complaints and severe human rights impacts	56
MANAGEMENT	Business conduct (G1)	G1-1 Business conduct policies and corporate culture	Business conduct policies and corporate culture	57
		G1-2 Management of relationships with suppliers	Supply chain management	58
		G1-3 Prevention and detection of corruption and bribery	Prevention and detection of corruption and bribery	58
		G1-4 Confirmed incidents of corruption or bribery	Confirmed incidents of corruption or bribery	59
		G1-5 Political influence and lobbying activities	Political influence and lobbying activities	59

Appendix 2 Data points that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1	Commission Delegated Regulation (EU) 2020/1816 (27), Annex II		13
ESRS 2 GOV-1	Percentage of board members who are independent paragraph 21 (e)		Delegated Regulation (EU) 2020/1816, Annex II		13
ESRS 2 GOV-4	Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1			14
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS 2 SBM-1	Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS 2 SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1) 34
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	34

Disclosure Requirement and related datapoint		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS E1-4	GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		38
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				39
ESRS E1-5	Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				39
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				39
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		39
ESRS E1-6	Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		41
ESRS E1-7	GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-9;ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a); Location of significant assets at material physical risk paragraph 66 (c).			Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.		Not material
ESRS E1-9	ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Not material

Disclosure Requirement and related datapoint		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS E1-9	Degree of exposure of the portfolio to climate- related opportunities paragraph 69				Delegated Regulation (EU) 2020/1818, Annex II	Not material
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1	Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1	Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1	Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4	Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4	Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2 – IRO 1	E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2 – IRO 1	E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2 – IRO 1	E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2	Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2	Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5	Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				46
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				46
ESRS 2- SBM3 – S1	Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2- SBM3 – S1	Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1	Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				48
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21				Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS S1-1	Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material
ESRS S1-1	Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				48
ESRS S1-3	Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				50
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I			Delegated Regulation (EU) 2020/1816, Annex II	56
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				56
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I			Delegated Regulation (EU) 2020/1816, Annex II	56

Disclosure Requirement and related datapoint		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				56
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				56
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	56
ESRS 2 –SBM3 – S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material
ESRS S2-1	Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material
ESRS S2-1	Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19				Delegated Regulation (EU) 2020/1816, Annex II	Not material
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1	Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1	non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material
ESRS S3-4	Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1	Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material
ESRS S4-4	Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				57
ESRS G1-1	Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				57
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II)	Not material
ESRS G1-4	Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				59

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harjuelekter.com/wp-content/uploads/2025/03/HEG-Annual-Report-2024.pdf

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