

## **TEKNOWARE GROUP**

### **SUSTAINABILITY POLICY**

#### **1 ABOUT THIS POLICY**

##### **1.1 Purpose, scope and applicability**

Teknoware specializes in manufacturing lighting and interior solutions for trains, buses, and trams, serving the world's leading vehicle and rolling stock manufacturers. Additionally, the Company produces emergency lighting solutions for buildings and ships on a global scale. Teknoware is recognized as the market leader in lighting solutions for public transport vehicles and as the largest manufacturer of emergency lighting systems in the Nordic region.

The Company's headquarters and largest production facilities are located in Finland, with subsidiaries and sales offices in Sweden, Germany, the United Kingdom, Poland, the United Arab Emirates, Malaysia, and the United States.

All the business entities in the Teknoware Group combine diverse expertise in the cutting-edge technologies and standards with a strong customer-focused approach. The Company's high technological capabilities and robust financial stability ensure its reliability and form the foundation for long-term customer relationships.

This Sustainability Policy complements the Teknoware Code of Conduct, particularly in areas concerning human rights, environmental impacts, and stakeholder engagement. Its primary aim is to outline Teknoware's commitments, expectations, and management processes related to sustainability themes.

The policy applies to all activities and employees within the Teknoware Group. Subsidiary management is responsible for ensuring adherence to these principles, embedding the policy into operational procedures and management systems. Each subsidiary may develop supplementary handbooks or guidelines to address national legislative requirements not covered by this policy. Subsidiary management is tasked with updating and maintaining these documents to ensure compliance with local regulations.

This policy lays out the core values upon which the Teknoware Supplier Code of Conduct is built, providing clear guidance for all business partners, suppliers, contractors, and service providers.

##### **1.2 Our aim & commitment**

The Teknoware Group and all its subsidiaries are dedicated to conducting business activities ethically, upholding the highest standards of openness, integrity, and accountability. The Company's stated values—Loyal, Responsible, Improving, and Performance-Oriented—serve as the guiding principles for all operations and the development of Teknoware's Sustainability Management System. This system is continuously refined to align with regulatory requirements, key international initiatives, and essential sustainability principles, including the United Nations (UN) Guiding Principles on Business and Human Rights, the Organisation for Economic Co-operation and Development (OECD) Guidelines for

Multinational Enterprises, OECD Due Diligence Guidance for Responsible Business Conduct, the UN Sustainable Development Goals, and the Ten Principles of the UN Global Compact.

Teknoware is committed to supporting and respecting internationally recognized human rights, as outlined in the International Bill of Human Rights. This includes the International Covenant on Economic, Social, and Cultural Rights (ICESCR), the International Covenant on Civil and Political Rights (ICCPR), the UN Universal Declaration of Human Rights (UDHR), and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. These commitments are upheld throughout all operations and business relations across the value chain.

As a Group, Teknoware is committed to responsible management of its operations by ensuring the provision of safe working environments, complying with all applicable national legal requirements relevant to each manufacturing site, and understanding and continuously improving its impact on the environment.

The Company is also dedicated to effective stakeholder management by developing a supply chain that meets Teknoware's sustainability expectations, providing customers with technical solutions at competitive prices, and maintaining financial stability to secure its operations.

Furthermore, Teknoware prioritizes diversity and integrity by respecting human rights and promoting equality among employees. The Company adopts a zero-tolerance approach toward discrimination and strives to earn the trust of all stakeholders involved.

## **2 GENERAL PART**

### **2.1 Management of sustainability topics**

The Teknoware Group Leadership Team serves as the highest governing body for sustainability. It is responsible for approving the strategic direction and targets, monitoring performance related to material sustainability impacts, risks, and opportunities (IROs), and annually approving the results of the double materiality assessment (DMA). The Teknoware Board of Directors oversees the sustainability management process and the development of key focus areas.

The Group Sustainability Manager coordinates the progress of the sustainability program and reporting efforts. Each subsidiary and business area is responsible for implementing initiatives and reporting progress in alignment with the established group-wide sustainability targets. They are also responsible for identifying, assessing, documenting, and managing sustainability-related impacts, risks, and opportunities within their operations. Additionally, they report risk exposures, risk management activities, and results to their respective management teams and to the Group Leadership Team during enterprise risk assessment reviews.

### **2.2 Materiality assessment**

The Teknoware Group conducts an annual assessment of its sustainability-related impacts, risks, opportunities, and their financial implications as part of the double materiality assessment (DMA) process. This assessment is managed by the Group Sustainability Function and incorporates input from both internal and external stakeholders. It is aligned with the

enterprise risk assessment process, ensuring that identified material topics inform the Group's sustainability focus areas and strategic planning.

### **2.3 Target setting and monitoring**

To advance its Sustainability Programme, Teknoware has defined sustainability focus areas with corresponding targets and key performance indicators (KPIs). These are reviewed annually in accordance with the DMA results and the Group's strategy. The Group Sustainability Function oversees this review process in collaboration with subsidiaries and business areas, while the Group Leadership Team approves the focus areas and targets. The Board also conducts regular reviews.

The Group Leadership Team is further responsible for deciding on Group-level actions, implementing new policies when necessary, and monitoring progress on key performance indicators at least once per year.

### **2.4 Grievance mechanisms, incident handling and remediation**

As part of its commitment to accountability and transparency, Teknoware provides an anonymous and secure channel for reporting concerns or suspicions of misconduct. This ensures that individuals within the organization or its stakeholders can raise issues confidently.

The Teknoware Whistle Blowing Policy establishes a framework for internally raising concerns about potential malpractice or impropriety. Through the FirstWhistle platform, employees and other interested parties can report issues anonymously, assured that responses will comply with applicable legislation and that all claims will undergo thorough investigation.

### **2.5 Roles and responsibilities**

This Sustainability Policy was approved by the Group Leadership Team on 22<sup>nd</sup> May 2025 and replaces the previous Sustainability Statement adopted in 2021. Responsibility for implementing this policy lies with the President of the Teknoware Group and the Managing Directors of its subsidiaries. The Group Sustainability Manager oversees the policy update process and monitors its implementation.

The policy is supported by relevant management systems (e.g., ISO 9001, ISO 14001) within each subsidiary. This document is internally available to all employees across the Teknoware Group and its subsidiaries and all employees are required to familiarize themselves with and act in accordance with this policy. Training on the Sustainability Policy is provided as part of onboarding of new employees. Existing employees will also receive additional training if the Policy is updated.

### **2.6 Policy review**

Teknoware is committed to regularly reviewing and updating its policies and procedures. The Company reserves the right to modify, suspend, or revoke its policies, procedures, or programs in whole or in part at any time.

This Policy is subject to annual review. Any amendments will be communicated to all employees and made accessible, including on the Company's and its subsidiaries' intranet sites.

### **3 TOPICAL PART**

#### **3.1 Environmental aspects**

Teknoware systematically assesses the environmental impacts of our operations. Through risk assessments, we prioritize preventing, minimizing, and reducing identified impacts. We are committed to full compliance with all applicable laws, regulations, and accepted practices at each site.

##### **Energy**

Teknoware uses energy responsibly and works to continuously improve its energy efficiency. The Group is also committed to increasing the proportion of fossil-free and renewable energy in its energy purchasing. In areas where these options are not commercially available, the Group will consider investing in its own renewable energy infrastructure, such as the installation of solar panels, where appropriate.

##### **Greenhouse gas emissions and climate change mitigation**

The Teknoware Group is committed to climate actions to mitigate its direct and indirect impacts on the climate. The Group is working towards establishing emissions reduction targets and actions and encourages all operations to identify their own climate impacts and to identify potential actions to reduce those impacts.

##### **Water use**

The operations of the Teknoware Group are not located in high water-risk basins and water is used for sanitary purposes only. The Group monitors water use annually to minimise water use and waste water load.

##### **Circular economy**

The circular economy and resource efficiency are critical priorities in manufacturing. Teknoware is dedicated to advancing recyclability throughout its value chain and actively incorporates recycled raw materials in its products and packaging.

However, Teknoware recognizes that restricted substances, including Substances of Very High Concern (SVHCs) and Per- and Polyfluoroalkyl Substances (PFAS), remain prevalent in material circulation, posing significant challenges to achieving circular economy goals. The Company is steadfast in its commitment to gradually phase out these restricted substances from the components and materials used in its manufacturing processes.

Teknoware collaborates closely with its suppliers to identify and adopt viable alternatives to restricted substances. Additionally, the Company expects its suppliers to transparently declare the presence of these substances in any materials provided to Teknoware.

## 3.2 Social aspects

We are deeply committed to adhering to all applicable geographical laws, regulations, and widely recognized practices related to social aspects at each of our sites. The following sections outline the Company's core principles regarding specific social topics. Each site develops its own Employee Handbook, which provides tailored guidelines in alignment with national legislation and specific requirements to each site.

### **Working conditions, health and safety**

Teknoware is committed to promoting fair working conditions and maintaining a safe and healthy workplace. We strive to eliminate hazards and reduce health and safety risks arising from our activities through robust systems and best practices. In compliance with legal requirements and accepted standards, we provide employees with necessary information, training, supervision, and resources.

If an employee's health condition requires specific risk assessments, including pregnancy, they must promptly notify Teknoware. Upon notification, we conduct thorough risk assessments to ensure appropriate measures are implemented, considering factors such as exposure to chemicals, night shifts, PPE, fumes, and physical tasks. All actions will be agreed upon with the individual before implementation.

Our systems include emergency procedures for incidents such as fires or accidents, safe storage and use of hazardous substances, and ongoing maintenance of equipment and machinery to protect the well-being of all personnel.

### **Career management and training**

Teknoware ensures the professional skills of personnel are maintained through continuous, appropriate training. Training needs for salaried employees are identified during annual performance appraisals and tailored to individual work tasks. In production, training follows a multi-skill framework and includes regular statutory sessions to uphold safety standards (e.g., electrical work, occupational safety, first aid, and fire safety).

Specialized training, such as IPC standard training for electronics staff and product-specific techniques for production employees, is provided based on needs or client requirements. Employees are also trained to operate new machinery and adapt to new product ranges, ensuring competency and safety across all operations.

### **Equality & Diversity**

At Teknoware, we select, employ and compensate employees based upon their personal qualifications and skills required to fulfill their role and responsibilities.

We promote and support equal opportunities and equal treatment of our employees irrespective of their colour, race, ethnicity, nationality, social background, disability, sexual orientation, political or religious convictions, gender or age.

We appreciate diversity in our employees' backgrounds, talent, insight, education, and experience and believe this contributes to our success and sustainability by enhancing innovation, flexibility, and the ability to communicate within and between Teknoware sites and with our customers and other stakeholders.

## **Discrimination**

Teknoware upholds a zero-tolerance approach to harassment and discrimination across all sites. We strive to create a safe, respectful, and supportive workplace for all employees. Unacceptable behaviors, such as coercion, threats, abuse, exploitation, or sexual harassment, are strictly prohibited.

During induction, employees receive and acknowledge our code of conduct, which outlines these expectations. Any reported cases of harassment or discrimination are thoroughly investigated, with corrective actions implemented if procedural weaknesses are identified.

We ensure fair remuneration and compliance with applicable geographical laws governing minimum wages and maximum working hours, consistently maintaining ethical and fair practices.

## **Social dialogue & Labour rights**

Teknoware recognizes the freedom of workers to associate or not associate with a trade union, and to collectively bargain when represented by a legally recognized trade union. We recognise the importance of social dialogue in fostering cooperative relations between employers, employees, and their representatives.

We respect the right to freedom of association and determine not to undermine or pressure any employee from exercising that right, including not threatening, intentionally intimidating, or using physical or legal attacks against stakeholders, including union members and union representatives, exercising their legal rights to freedom of expression, association and peaceful assembly.

## **Child Labour**

All of the Teknoware sites work in accordance with local geographical laws and legislation with regards to child labour or young persons working and will not condone any child, forced or compulsory labour in regards to any of our employees.

Through the development of our Supplier Code Of Conduct, we aim to work towards developing how we identify risks associated with child, forced, or compulsory labour and human rights issues, through our supply chain, considering geographical location and historically reported issues.

## **Modern Slavery and Human Trafficking**

Teknoware upholds a zero-tolerance approach to modern slavery and human trafficking, recognizing these practices as severe violations of human rights and dignity. We are committed to preventing modern slavery within our operations and supply chain.

To combat modern slavery, Teknoware requires suppliers to confirm compliance with our sustainability standards, outlined in the Supplier Code of Conduct. This document must be signed, acknowledged, and returned to Teknoware, ensuring alignment with our ethical requirements.

### **3.3 Good governance**

#### **Sustainable procurement**

Teknoware requires suppliers and contractors to uphold the highest ethical standards, as outlined in our Code of Conduct. This commitment is crucial to establishing and maintaining business relationships.

We have robust processes for qualifying new suppliers and evaluating existing ones, which include assessing sustainability performance and adherence to our Supplier Code of Conduct.

These measures ensure that our supply chain aligns with Teknoware's sustainability expectations and values.

#### **Corruption and Bribery**

Teknoware is committed to conducting business with openness, honesty, and transparency. We uphold the highest ethical standards and maintain a zero-tolerance approach to bribery and corruption. Corrupt practices, including offering, promising, or accepting bribes to gain an unfair advantage, are strictly prohibited.

Legislation defines a bribe as "a financial or other advantage offered or requested with the intention of inducing or rewarding improper performance of a relevant function or activity." Teknoware employees are only permitted to accept token or promotional items that do not compromise business relationships or our integrity. Accepting gifts that influence or appear to influence actions or decisions on behalf of the company is not allowed.

All staff are expected to act in alignment with these principles. Breaches are treated as serious misconduct and may lead to disciplinary action, including dismissal, following an investigation. Teknoware remains steadfast in its commitment to ethical and transparent business practices.

#### **Information security**

Teknoware has established a separate Cyber Security Policy that covers Data security and personnel, Information technology and Cyber Security and Document management.

#### **Anti-competitive practices**

Teknoware is committed to ensuring that as a company and as individuals we comply with competition laws and regulations around the world, which are designed to ensure that market competition, nationally and internationally, is not restricted, prevented or distorted.

#### **Whistleblowing**

The Teknoware Group is committed to the highest standards of openness, probity and accountability. We encourage our employees, suppliers, and stakeholders to speak up, without fear of retribution, about any concerns related to the Group's operations. We do

not tolerate retaliation or reprisals against any workers, suppliers, or others for having reported contraventions of the implementation of our Code of Conduct or policies.

An important aspect of accountability and transparency, and to meet the EU Whistleblower Directive, is to provide an anonymous and secure reporting channel and to gather information on concerns and suspicions of possible misconduct within the organisation and its stakeholders.

Using the following link <https://www.firstwhistle.fi/teknoware>, employees or interested parties wanting to raise an issue can be confident that the process provides full anonymity, responses in line with legislation, and a thorough investigation into the claims made.

22 May 2025

Lahti, Finland

Mr Kai Kauto

President

Teknoware Oy